



**CUTS**  
**International**  
**Geneva Resource Centre**

**Fostering Equity and Accountability in the Trading System (FEATS) Project**

**Summary Report on the Tanzania National Inception Meeting**

**A. Introduction**

1.1 Inception Meetings are an important component of the FEATS project. The Inception Meeting for the project was held in Geneva on 16 July 2008. The meeting was attended by representatives of the governments, civil society and research institutions of the project countries. The main objectives of the Geneva Inception Meeting, to kick-start a discussion on the Terms of Reference for the trade policy making study and to establish an Initial Reference Group for the FEATS project, were both achieved. National Inception Meetings (NIMs) were held in October 2008 in the five project countries.

Main Objectives of National Inception Meetings

1.2 Main objectives of the National Inception Meetings were:

- a. To broaden and deepen the understanding of all stakeholders about CUTS International, FEATS Project and the Trade Policy study
- b. To better understand the ground realities of trade and development in the project countries
- c. To establish networks by launching National Reference Groups consisting of all the invited stakeholders (governmental, civil society, research institutions and media representatives)
- d. To discuss and finalize the Terms of Reference (ToRs) for the Trade Policy study, and
- e. To identify key potential collaborators for trade policy research and the FEATS Project

Outputs and Outcomes of National Inception Meetings

1.3 Main outputs of the National Inception Meetings include:

- Summary reports of the meetings
- Lists of stakeholders with contact details
- Final Terms of Reference for the Trade Policy research
- List of potential collaborators for the Trade Policy research and the FEATS project

1.4 As envisaged, there are several important outcomes of the meetings which include:

- Improved understanding of CUTS, FEATS and the trade policy research among the stakeholders
- Establishment of National Reference Groups in the project countries
- Better understanding of the ground realities of trade and development and the needs and perceptions of stakeholders
- Development of a longer term relationship with some of the stakeholders

Key Lessons

1.5 Important insights gained through the NIMs that will be very helpful to complete the trade policy study and to effectively implement the FEATS project are:

- Trade policy making process in the five countries has some common elements. Ministry of Trade is mandated in each country to develop and implement the trade policy in consultation with the relevant stakeholders; formal mechanisms exist to consult the stakeholders; growing recognition of domestic trade and national measures to improve trade-growth-development linkages; and varied capacity of various stakeholders on trade policy issues. Each country also has its own specificities. Uganda and Tanzania have developed comprehensive trade policies whereas Kenya, Zambia and Malawi aim to do that; and capacity of non-state actors to participate and influence the trade policy making and implementation appears to exist in Kenya, is rather limited in Tanzania, and in the other three countries lies somewhere in between.
- There is a lot of interest and substantial understanding of trade issues among many stakeholders. However, the institutional and human resources capacity of particularly non-state stakeholders to continuously and effectively engage in trade policy making and implementation is often limited. Moreover, there seems to be more knowledge and understanding of the international dimension (i.e., related to the WTO and EPAs) than of the national and regional dimensions. Knowledge of these latter dimensions appears to be increasing in recent times (probably due to lack of adequate progress in the WTO negotiations that may have freed up limited resources to focus more on national and regional dimensions). Finally, despite the criticism of some government trade policies by sections of the civil society, there is reasonable communication between the two and the relationship seems to have matured.
- Establishing local ownership will be the key to the successful implementation of the project. This will require close working relationship with selected local partners. However, this is a challenging task for a number of reasons. One, the local partners have limited institutional, human and financial capacities. These need to be supplemented to ensure their committed partnership. Two, there are competitive undercurrents among stakeholders. These should be kept in mind but should not be allowed to come in the way of the effective implementation of the project in collaboration with carefully selected local partners. Three, while the National Reference Groups (NRGs) can play a very important role in energizing the activities under the project and build a robust local base, commitment of some project resources will be required to transform NRGs into dynamic networks with acknowledged value-addition. Use of SMART Charts prepared for the five project countries in consultation with Spitfire Strategies has been very useful in ensuring effective communication with these stakeholders. CUTS is now in the process, through the National Reference Groups, to narrow down the advocacy team for FEATS to fewer but effective members.

1.6 The following pages provide main discussion/deliberation points from the Tanzania NIM.

## **B. Tanzania National Inception Meeting – Dar-Es-Salaam, 17 October 2008**

2.1 The Tanzania NIM was attended by 5 governmental, 3 civil society and private sector, 1 media representatives and 5 researchers. After the presentations and initial discussion on CUTS FEATS project and the ToRs for trade policy study in the first session, three substantive presentations were made by Mr. Alfred Mapunda, Assistant Commissioner, Ministry of Industry, Trade and Marketing (MITM), Prof. Robert Mabele, Associate Research Professor, Economic Research Bureau, University of Dar Es Salaam, and Mr. Nestory Masswe, Tanzania Association of NGOs (TANGO). Despite an earlier confirmation, the representative of the Ministry of Agriculture could not attend to make the presentation.

2.2 The current National Trade Policy of Tanzania was announced in 2003. The main reason for this NTP formulation was the socio-economic reforms and technological advancements within and outside the country making it necessary to review or formulate new national policies, including the trade policy. Main elements of National Trade Policy (2003) formulation process were: Situational Analysis and Problem Identification, Formulation of Policy Objective, Vision and Mission, Formulation of Policy Statements, Formulation of Implementation Arrangement, Formulation of Policy Implementation Strategies, and Formulation of Monitoring and Evaluation Mechanism/Framework. MITM had the primary responsibility for making NTP 2003 in collaboration with other government ministries/agencies and other stakeholders. Other ministries/government agencies involved in the process included: Ministry of Finance and Economic Affairs, Ministry of East African Cooperation, Ministry of Agriculture, Food and Cooperatives, Ministry of Livestock Development and Fisheries, Ministry of Natural Resource and Tourism, Ministry of Energy and Minerals, Ministry of Infrastructure Development, Ministry of Lands, Housing and Human Settlements, Ministry of Water and Irrigation, Prime Minister's Office – Regional Administration and Local Government. (PMP-RALAG), Business Registration and Licensing Agency (BRELA), Better Regulation Unit (BRU), Weights and Measures Agency (WMA), Bank of Tanzania (BoT), Tanzania Revenue Authority (TRA), Board of External Trade (BET), and Small Industry Development Organization (SIDO). Other stakeholders that were involved Tanzania National Business Council (TNBC), Private Sector Foundation (TPSF), Confederation of Tanzania Industries (CTI), and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), etc from the private sector; institutes of higher learning like the Economic and Social Research Foundation (ESRF) and the University of Dar-Es-Salaam; representatives of international organizations and donors' community; and some NGOs.

2.3 Parallel to NPT formulation and implementation, in 2002 Tanzania started negotiating EPAs and a consultative body was formed, the National EPAs Technical Team (NETT), open to non-state actors. NETT carried out some awareness raising activities, but only had limited funds to do so and managed to reach only a limited number of stakeholders.

2.4 The most influential actors in trade policy making and implementation have been the government ministries/agencies. Other influential groups include industrial organizations like CIT, the Chamber of Mines and TCCIA. The Farmers' Organizations are also trying to increase their influence. Consumers, cooperatives and trade unions are the least influential. Important factors in determining the influence of an interest group are the homogeneity of interest, organization and availability of resources (personnel and finance).

2.5 The role of civil society in Tanzania has often been to monitor government and demand accountability; develop capacities of their members to engage in policy processes; and to engage in dialogue with the private sector. CSOs began to emerge following the move to multi-party democracy. The main focus of CSOs in relation to trade has been EPAs in recent years. But CSOs are also represented in a number of trade-related technical working groups, although their engagement is ad hoc and reliant on government will. Donors have played a role in pushing government to consult CSOs. CSOs still face many challenges in effective participation in trade policy related processes. For example, they lack resources to carry out analysis / research to provide alternatives. Hence they are left opposing processes like EPAs without having clear alternatives and the government decides that CSOs are being only critical without providing any real value added. Also the reactionary attitude of some CSOs has hampered their role in the trade policy process and development.

2.6 Despite having a trade policy in place since 2003, Tanzania has experienced chronic trade deficit in its international trade, increase in counterfeit products, and dumping. Similarly, domestic trade despite its potential continues to be neglected and the SMEs that spearheaded the success story among the Asian tigers are not being supported in Tanzania. Is it a failure of policy or its proper implementation? The reason could be that policy evaluation has mostly been avoided as it often is perceived negatively by the relevant government servants for fear of weaknesses being brought out. Hence the attitude of policy makers is one thing that must be addressed.

2.7 The role and influence of stakeholders in trade policy making and implementation in Tanzania can be strengthened by: capacity building for the private sector and NGOs through training seminars and workshops which include learning some of the technical terms and techniques involved to improve their participation in the trade policy process; regular functioning of the Platform on National Dialogue on trade issues with opportunities given to all to contribute ideas; and formation of apex or umbrella organizations of interest groups (e.g., interested CSOs, SMEs, etc) to help better and more manageable representation.

2.8 Finally, the revised ToRs, taking into account the relevant comments and suggestions were adopted and the Tanzania National Reference Group (TNRG) on FEATS was established. The TNRG will include all the NIM participants. This informal, e-mail group will be kept informed of the progress on the study as well as regarding other FEATS activities. Members of the group will be welcome to utilize the group for raising/answering questions and initiating discussions on topical trade issues.

## C. Terms of Reference for the First Policy Study under the FEATS Project

### 3. Introduction

- 3.1 Brief economic and trade profile: time series for GDP per capita, growth rates of GDP per capita for different time periods, relative present shares of agriculture, industry and service sectors in both GDP and workforce as well as changes in these over time, incidence of poverty and unemployment over time, exports and imports as a proportion of GDP over time, major exports and export destinations, major imports and their sources, membership of international and regional trading arrangements
- 3.2 Brief description of the main features of national trade policy since 1995 or the time of joining the WTO in order to a) trace out its evolution over that period; b) identify major objectives, sectors receiving attention and instruments used (such as tariffs, subsidies, prohibitions) as well as determine the relative effectiveness of identified instruments; and c) examine the motivation behind trade policy (i.e. whether it is multilateral commitment, regional commitment or unilateral decision)

### 4. National Trade Policy Making Processes

#### 4.1 Description of the formal national trade policy making process:

- Who has the main responsibility for trade policy making? Which other government agencies/departments/ministries are involved? What are their respective roles?
- What are the means of eliciting inputs from stakeholders, particularly those not part of the government machinery, e.g., CSOs?
- What are the various stages of the trade policy making process? What is the periodicity and timeline?

#### 4.2 Identification of the main domestic stakeholders and description of their roles and influences

- Who are the main domestic stakeholders (e.g., private sector, NGOs, research bodies and academia, members of parliament, consumers, etc.)? Who represent the main stakeholders in the formal process of trade policy making?
- How effective and inclusive is the participation of non-state actors?
- How influential are the main stakeholders? What means do they use to influence trade policy making in favour of their respective interests?

#### 4.3 Other influences on trade policy making

- What is the role of international commitments, donors, etc. in national trade policy making?
- What are the formal and informal mechanisms through which the mentioned role is played?
- What is the role of government in selecting the consultants funded by donors? What is the role of consultants in designing the framework for drafting the policy?

#### 4.4 Identification of both the most influential as well as the least influential stakeholders and the reasons thereof (economic power, social recognition or lack of formal representation in the policy making process)

- How much is awareness and capacity an issue in the respective influence of stakeholders?

- What are the determinants of the reasons for more or less influence?

## 5. National Trade Policy Making: Way Forward for Poverty Reduction and Development

### 5.1 Tailoring trade policy making to respond better to the objectives of poverty reduction and development

- Are there concrete and visible links between trade policy making on the one hand and poverty reduction and development strategies on the other?
- How can these links be established or strengthened?

### 5.2 Improving the formal national trade policy making process:

- Is there a need to involve more stakeholders? Do some stakeholders need to be further empowered?
- Would refining the periodicity and timelines of trade policy help in this regard? What should be the changes?
- Are there implementation and action plans? Are these plans adequate?

## Trade Policy Making – The Regional Dimension

### 6. Introduction

#### 6.1 Brief description of relevant regional intergovernmental organization (East African Community, COMESA and SADC) including facts about date of coming into force, membership, key institutions

#### 6.2 Trade policy regimes of relevant regional IGOs

#### 6.3 Coverage

- What trade policy issues have been covered under the regional integration agreements?
- What further trade policy issues are to be covered by the regional integration agreements in the next five years?

#### 6.4 Process

- What is the formal machinery and process to deal with trade policy issues under the regional agreements?
- What other stakeholders, in addition to member governments, are involved in the regional trade policy formulation mechanisms?

## 7. Examination and strengthening of the linkages between national and regional trade policy making

### 7.1 Relationship:

- What is the relationship between regional and national trade policy making in terms of substance, processes and actors?
- Are the corresponding policy mechanisms mutually supportive and appropriately linked?

- What are the channels used for coordination between national and regional trade policy and are these functioning? How can they be removed?
- What have been the actual (potential) conflicts? What have been the examples of successful coordination?
- Is multiplicity of regional policies due to overlapping regional arrangements a concern and / or constraint for national trade policies?

#### 7.2 Strengthening the linkages between national and regional trade policy making on the one hand and poverty reduction and development on the other

- How can the gaps in coordination between national and regional policy making be removed? How can the successful examples of coordination be replicated?
- How can the synergy between the national and regional trade policy be utilised to bring about poverty reduction and development?
- How to address the issues of trade policy coherence resulting from the overlapping regional arrangements?