



CUTS
International
Geneva Resource Centre

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

Summary Report on the Uganda 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 Uganda NIM.

B. Uganda National Inception Meeting – Kampala, 15 October

2.1 The Uganda NIM at Kampala on 15 October 2008 was attended by 5 governmental, 14 civil society and private sector, 4 research organizations, and 5 media representatives. However, the physical participation and discussions were dominated by CSOs and the private sector was not as well represented. After the presentations and initial discussion on CUTS FEATS project and the ToRs for trade policy study in the first session, four substantive presentations were made by Ms Connie Achayo, Principal Information Scientist, Ministry of Agriculture, Animal Husbandry and Fisheries (MAAIF); Mr. Silver Ojakol, Acting Commissioner, Ministry of Tourism, Trade and Industry (MTTI); Mr. Davis Ddamulira, Senior Policy Analyst Centre for Development Initiatives (CDI); and Ms. Jane S. Nalunga, Director SEATINI, Uganda.

2.2 The Uganda National Trade Policy (NTP) was finalised in August 2007. Its implementation has started. The NTP emerged in response to concerns that trade policies needed to be updated and there was a need to create a single trade policy to coordinate government responses to trade. The process of developing the National Trade Policy was funded by DFID and brought together representatives from Inter-Institutional Trade Committee (IITC) to develop ToR for the policy. A National Trade Policy Drafting Team then worked on this under supervision of MTTI and drafts were shared with a range of stakeholders to elicit their views. It was then discussed at the 2nd National Trade Sector Review Conference and DTIS Validation Workshop and recommendations were incorporated into by a team of 5 from key ministries. The EC funded the writing of the trade policy through the UPTOP program.

2.3 The NTP takes into account other existing national strategies, has been influenced by the IF process and also attempts to respond to challenge of meeting the MDGs. Key elements of the NTP are: need to bridge the trade deficit; domestic trade is a springboard for international trade and needs support (e.g. framers groups, SPS policy and support etc); importance of complimentary policies (taxes, transport, agriculture etc); need to go beyond the Washington Consensus; private sector needs support to develop; need for effective development of institutions; and need for improved linkages with district structures and processes. There are built-in provisions to continue the stakeholder consultations during the implementation of the trade policy, e.g., through the Trade Policy Review Conference, where the National Export Strategy will also be reviewed.

2.4 Agriculture in Uganda is predominantly subsistence and work is ongoing to support farmers to commercialise. Agriculture employs 80% of work force, contributes 40% of GDP and 75% of exports. But MAAIF has only one staff member who sits on the Inter-Institutional Trade Committee (the main body through which consultations with government and non-government actors on WTO issues are held), although it used to be 3 (one each from fisheries, agriculture, and agricultural processing departments). Moreover, MAAIF has not played a very active role in EPAs.

2.5 Research institutes can play an important role in understanding the short and long term trade interests. Many attempt (not always possible) to carry out independent analysis. They try and provide analysis on ongoing processes and try to be a body of knowledge. In fact, the government does not always respect the views of civil society even when they present informed critical responses. But if research institutes make the same arguments it has more influence on the government policy.

2.6 The main NGO networks working on trade are the Civil Society Working Group on Trade (CSWGT) and the Food Rights Alliance (FRA). The CSWGT came together to develop joint positions and then analysed the gaps in the draft policy based on this. One of the issues the civil society successfully raised with the drafting team and the consultant was the issue of domestic trade. CSOs participated in the trade policy making process through the IITC. But membership of IITC and invitations to CSOs has been ad hoc and information has not always been made available effectively. There seemed to be limited trust between the government and the CSOs as CSOs reject many aspects of the governments' neo-liberal approach, and the government reject theirs. On the other hand, civil societies' capacity and response was also deficient. It did not manage to develop its own alternative document, nor did it meet after the NTP was released to discuss the extent to which CSO expectations were met. Moreover, CSO

participation in the process was essentially a Kampala affair and there was no effective linkage with grassroots. CUTS identified some stakeholders which could take the process down to other regions.

2.7 Other issues raised in the NIM included: the importance of exploring the link between trade, development and poverty eradication; translation of trade policy actions into substantial changes in people's lives; improving country consultative processes, strengthening linkages between key stakeholders and with Geneva representatives; adopting grass-roots approach to influencing trade/government processes and creating national ownership; the importance of the regional dimension, e.g. EAC; identification and involvement of the right stakeholders in the process; improving access to information on trade as well as the pro-activeness of CSOs in utilizing this information; and developing flanking (complimentary) measures, policies and institutions to ensure the benefits from trade.

2.8 Several key challenges remain: trade is still to be integrated into the development strategy; MTTI and other relevant ministries do not have the financial and human resources to carry out their role in full; coordination amongst government ministries and donors on trade is a problem; MAAIF does not have sufficient engagement with IITC; corruption is a problem; the private sector and trade unions do not have sufficient engagement with trade policy-making processes; obstruction to implementation of policies; and non-state actors need capacity building to better engage with trade policy-making processes.

2.9 It was agreed to adopt the finalized ToRs for trade policy study taking into account all the relevant comments and suggestions made in the NIM. It was also agreed to establish the Uganda National Reference Group (UNRG) on FEATS that 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?
- How to define the inclusiveness? Can there be indicators to measure inclusiveness of the process?
- Do the non-state actors have access to information on a timely basis?

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 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?

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?
- Need to critically examine the engagement of the civil society in the trade policy making process.

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?
- How can the parliamentarians be more involved and political accountability established?
- Would refining the periodicity and timelines of trade policy help in this regard? What should be the changes?

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?