



CUTS
International
Geneva Resource Centre

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

Summary Report on the Zambia 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 Zambia NIM.

B. Zambia National Inception Meeting – Lusaka, 20 October 2008

2.1 The NIM at Lusaka was attended by 6 representatives from the government ministries/agencies, 11 from the civil society and the private sector, and 4 each from the research organizations and the media. A representative of the UNDP local office was also present in the meeting. 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. Sikatema S Mulonda, Director Domestic Trade, Ministry of Commerce, Trade and Industry (MCTI); Mr. Ernest Mwape of Economics Association of Zambia; and Mr. Saul Banda of the Civil Society for Poverty Reduction. The representative of the Ministry of Agriculture and Cooperatives could not attend and make the presentation due to a last minute assignment at the Ministry.

2.2 Formulation and implementation of National Trade Policy was a preserve of the Government of the Republic of Zambia through the Minister of Commerce, Trade and Industry. The MCTI was the only government agency that has the mandate to initiate and conclude trade policy changes including advice on bilateral, regional and multilateral trade agreements. The MCTI pursues the formulation and implementation of the trade policy to facilitate and promote growth, development and competitiveness of commercial, trade and industrial sectors in order to enhance socio-economic development and to develop a sustainable and globally competitive commercial, trade and industrial base in order to contribute to social and economic development of the country. The last trade policy was prepared in 1994: this has been substantially revised on the basis of experience, internal and external developments, and the inputs from the stakeholders. The draft of the revised trade policy is now ready. It was acknowledged that the first and second Republics were characterised by non consultation of local stakeholders in policy formulation but the third Republic has adhered to the principles of consultation and participation of stakeholders. The main forum for the consultations is the National Working Group on Trade (NWGT).

2.3 Several government ministries/agencies are important contributors to the trade policy making and implementation, the most important being the Ministry of Agriculture and Cooperatives (MOCA). Regulation of agricultural trade domestically and internationally falls under MOCA because of food security, health, sanitary and phyto-sanitary concerns. Main private sector stakeholders in the process include Zambia Chambers for Small and Medium Business Association (ZCSMBA), Zambia Private Sector Development Association (ZPSDA), Zambia Association of Manufacturers (ZAM), and Zambia National Farmers Union (ZNFU).

2.4 The role of the civil society in trade policy dialogue is basically through four broad areas of engagement which include: research and policy analysis, lobby and advocacy, capacity building, and raising awareness through information sharing. In the area of research, the civil society provided an alternative think tank in carrying out research in areas that impact negatively on various sectors of the economy. Several CSOs in Zambia have actively been involved in research work and have produced results that have facilitated/influenced the government decision making process. As a result of good research base and policy analysis, the CSOs have a good platform to lobby the Government on issues that concern the general public. This is mainly through round table meetings with the relevant ministries as well as participating in the national working group meetings organised by MCTI.

2.5 CSOs have formed a Civil Society Working Group on Trade where they discuss strategies and the way forward with regard to the trade policy issues. CSOs have also attempted to build capacity of the stakeholders including the state economic actors to better understand and analyse trade policy issues. For example, through the Magoye project the Civil Society Trade Network Zambia (CSTNZ) has built the capacity of small-scale farmers to articulate their interests to influence the policy as well as improved their livelihoods through activities such as value addition. This project has been adopted by COMESA and the MCTI and further work may be replicated in other areas. In terms of awareness raising, the CSOs have identified problems in Zambia's trade arrangements, from policy formulation, implementation to monitoring and evaluation, and have fed the resulting concerns into the policy making process. Local language was used in some cases in reaching out to the people and a number of books have been published in local languages so as to reach out to those who did not understand the official language. In terms of dissemination of information in general, statements have been issued in the press and TV programmes

have been conducted though a lot more effort was still needed in order to enhance the communication further. The major weaknesses in CSO activities on trade policy issues have been: lack of linkages with the grassroots as the findings of researches in most cases were not taken back to the grassroots; and the less-than-perfect relationship between government and CSOs because government sometimes perceived CSOs as enemies.

2.6 While acknowledging that Zambian stakeholders had a fair chance to participate in trade policy formulation, their role and influence can be improved by: political will and commitment to consultative processes; strengthened ability of stakeholders to make regular, technically informed contributions; regular, timely feedback of developments by government servants to all stakeholders; better coordination among government agencies and harmonisation of policies to avoid sending conflicting signals; and ensuring equitable distribution of benefits from better market access among private sectors of various supply capacities.

2.7 Media had a surprisingly deep interest in the NIM; local TV aired the NIM on prime time.

2.8 At the end, the ToRs was revised on the basis of comments and suggestions and adopted. The meeting also established the Zambia National Reference Group (ZNRG) on FEATS including 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? Which parts of the machinery are responsible for policy making and which for policy implementation? Are there effective institutionalized mechanisms available for their coordination?
- 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 cooperative/coherent are the CSOs? Is there any lobbying of parliamentarians as stakeholders? What is the role of government in this particular respect?
- How influential are the main stakeholders? What means do they use to influence trade policy making in favour of their respective interests?
- How effective is advocacy for potential beneficiaries?

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?

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?
- Does trade policy fit into the government budget? Should it?

5.2 Improving the formal national trade policy making process:

- Is there a need to involve more stakeholders? Or are there too many already? 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?