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A Newsletter of CUTS Africa
Year 6, No. 2/2007

Africa and China: A Strategic Partnership

China's relationship with Africa started to develop in early 1950s, hoping to strengthen international alliances against the capitalist west. Following the Bandung Conference in 1955, China supported African countries with economic, technical and military support in an attempt to counter the western powers. China-Africa relations got a new impetus when four principles of cooperation, i.e. equality and mutual benefits; an emphasis on practical results; diversity in form; and economic development was put forward in 1982. These four principles heralded a new era in Sino-African relations whereby to further cement the relationship, China-Africa Cooperation Forum was established in 2000. The strategic partnership between Africa and China was further strengthened by President Hu Jintao's visit to Pretoria in February 2007.

China-Africa Trade

Trade between China and Africa has quadrupled since the year 2000 when two-way trade touched US$10bn mark. China is now Africa's third largest trade partner after US and France and second largest exporter after France. The trade tie between China and Africa can be divided into three broad segments: China's stake in natural resources like oil, mineral and food; new markets for its exports; and new investment opportunities for the Chinese firms.

African Imports from China

African imports from China have increased from US$895mn in 1996 to US$7.3bn in 2005 over the last decade. China's share of the continents imports grew from 2.5 percent in 1996 to 7.4 percent in 2005. South Africa (45.7 percent), Nigeria (21.3 percent) and Sudan (10.8 percent) dominated the 30 or so African countries that imported from China in 2005. African imports include manufactured goods, machinery and transport equipment, textile and household utensils, which undermine domestic firms that cannot undercut Chinese production costs and prices. However, some domestic producers benefit from the low-priced intermediate and capital imports when China's exports to Africa do not crowd out imports from elsewhere.

African Exports to China

African exports to China have expanded. Between 1996 and 2005, exports to China grew by 1678 percent from about US$1.1bn to US$18.8bn. African exports to China are predominantly primary goods, mainly oil and metal products, largely driven by China's need to secure natural resources to sustain its economic boom. China imports nearly 30 percent of its oil and gas from sub-Saharan Africa (SSA). The bulk of oil is supplied by Angola and Sudan. With a share of about 13 percent of China's total oil imports, Angola came close to the level of China's leading oil supplier, Saudi Arabia.

China's increased demand for primary exports provides an opportunity for Africa's resource-rich countries to provide an increased share of China's requirements. At least eight out of ten of its most important African trading partners are resource-rich countries.

Foreign Direct Investment

According to a report on Asian foreign direct investment (FDI) in Africa jointly released by the United Nations Conference on Trade and Development (UNCTAD) and Untied Nations Development Programme (UNDP), China is soon to become one of the continent's largest FDI sources. The FDI from China to Africa has increased substantially in the last decade with Chinese enterprises investing about US$1bn a year.

A concern is competition that Chinese FDI might pose to domestic investors, undermining employment. It seems, however, unlikely that Chinese FDI will crowd out domestic investment and employment since only a few domestic firms engage themselves in extractive industry, which is the main focus of Chinese companies.

The massive flow of FDI from China has raised concern of a possible diversion of FDI from other countries. Empirical evidence, however, does not seem to support this crowding-out hypothesis. This is because much of the FDI is in search of natural resources and therefore, location-specific. Also, lack of production linkages between Chinese and African firms implies that FDI flows do not crowd-in.

Conclusion

There are a number of reasons why the relationship between China and many African countries is deepening. That is not to say that it is tension-free. Indeed, there are signs that like most dynamic relationships contains points of disagreement.

China-Africa trade relations have implications for Africa. The gains provide room for strategic planning that focuses on the fact that Africa is no longer dependent on the west. However, China's stepped-up lending to African countries and inflow of cheap Chinese labour risks with two distinct fallouts: additional debt, just as some are easing that burden through the Highly-Indebted Poor Countries (HIPC) programme and other initiatives, and unemployment.

IN THIS ISSUE

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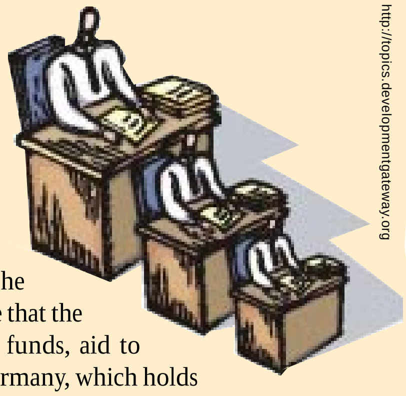
Good Governance for Growth



In May 2007, German Finance Minister Peter Steinbrueck, at the meeting of the Group of Eight (G-8) finance ministers in the town of Werder, West of Berlin voiced a hope that the meeting would address the issue of hedge funds, aid to Africa and climate change. According to Germany, which holds the rotating G-8 presidency, good governance proposals with finance ministers from a number of African countries were discussed.

"African states experience deficits here", the ministry paper said adding that an improvement was vital to promote growth and development as well as combat poverty.

The German plan targets raising transparency in African countries to enable greater investment from abroad. To do this, the plan foresees improving the financial governance in bilateral and multilateral development cooperation. It added that tax system and the transparency of Africa budgetary operation should be strengthened. *(DN, 21.06.07)*

Economic Growth: A Political Task

"Economic growth was not an economic challenge but a political challenge of building consensus for processes that took a long time and required high levels of saving", Nobel Laureate Michael Spence told the World Economic Forum.

Spence, who chairs the Commission on Growth, an international panel that includes South Africa's Finance Minister Trevor Manuel, said leadership and political skill were the important part of the growth process.

He said if African countries did not have the skills to do all things, some things would have to be shared. Africa had 53 nation states, a number of which had fewer than two million people, making the small size of their markets a problem.

He also said that African countries needed to provide "leadership" and consistency in economic policies even if there were pressures for the government to spend more. But there was some debate on how far regional integration in Africa could go ahead with regard to free movement of labour across borders. *(BD, 18.06.07)*

Far from Poverty Goals

"Africa is experiencing unprecedented growth, but the continent will have to sustain that expansion for years to come if it is to lift people out of poverty", the African Development Bank (AfDB) president Donald Kaberuka said.

Africa is set to grow about 6.5 percent in 2007, marking the fifth straight year of above-trend expansion, due partly to trade with Asia, especially China.

"Africa will have to sustain this growth for several years – probably a decade-and-a-half of similar numbers – to begin to see an impact on poverty levels", Kaberuka said.

The Millennium Development Goals (MDGs) are a series of benchmarks, including universal primary education, agreed at the turn of the century to measure progress towards alleviating poverty. *(Mail & Guardian, 18.05.07)*

Policy for Energy Sector

There are many international precedents on how governments can boost energy savings through policy interventions in the energy sector. The comparatively high costs of conventional bulbs are apparently the biggest drawback to their adoption by consumers in Kenya. Energy efficiency experts estimate the country could save more than Kenyan Shillings 10 billion (US$147mn) annually by disposing off the conventional bulbs and replacing them with energy-saving ones.

Substantial energy consumption could also be achieved at a time when key power utility firms are grappling with the challenge of meeting the country's energy needs. Kenya could save up to 131MW every evening simply by switching from 100MW conventional bulbs to 20MW energy saving bulbs.

The Government needs to take the lead in pushing this change over. A public information campaign would enhance the acceptance and penetration of this technology, which is currently on an appallingly low scale. Venezuela and Cuba have done it successfully and now Rwanda is currently doing by distributing free energy-saving bulbs. *(BD, 02.04.07)*

Education for Development

There are children in Namibia who are out of school for one or the other reason, even though education is a human right. This was the view of the Deputy Minister of Education, Dr Becky Ndjoze-Ojo, who was the keynote speaker at the opening of the Education for All Global Week.

Hundreds of learners from schools in the capital attended the event, which was celebrated in more than 100 countries worldwide.

"To stay on target to achieve Vision 2030, we need to have and keep every child in school. Every young person must be prepared to cope up with the challenges of life. Every adult must be able to read and write and every citizen must be a lifelong learner", Ndjoze-Ojo advised.

In her opinion, the country needs education for development. She also reflected the plight of children with physical disabilities. *(NE, 26.04.07)*

A New Aid Approach

The Common Market for Eastern and Southern Africa (COMESA) Ministers met in *Pointe aux Pimente*, Mauritius, to endorse an approach to access Aid for Trade (AfT) funds from donor communities. It was noted that the international community was willing to provide resources for AfT initiative and Economic Partnership Agreements (EPAs).

The World Trade Organisation (WTO) members agreed on an AfT package that would assist the poor countries by providing resources that would address trade and export development and other related supply-side constraints.

It was agreed that COMESA should be the champion of an AfT mechanism due to its long history of regional integration and trade liberalisation. It was emphasised that accessing the fund should be more flexible to include social costs of adjustments and those arising from the implementation of bilateral, regional and multilateral trade agreements. *(TP, 07.05.07)*

Funding for Mobile Networks

The International Finance Corporation (IFC), the World Bank's private sector arm will unveil a US$320m package to finance mobile telephone networks in SSA region.

The IFC's investment of US$160m is its largest loan to date in the region and was hailed as an indication of growing private sector interest in the continent and of a more investor-friendly climate. The rest of the funding is via syndicated loans from commercial banks and bilateral financial institutions.

The loan will be to five subsidiaries of Celtel, the telecoms group founded by Mo Ibrahim, the Sudanese-born British mobile phone businessman. Celtel's subsidiaries are to invest the funds in expanding and upgrading mobile phone networks in the Democratic Republic of Congo, Sierra Leone (both recovering from civil wars), Uganda, Madagascar and Malawi.

The IFC sees the investment in mobile phones as an ideal way to overcome bottlenecks in African infrastructure, which is suffering from years of neglect and underinvestment.

(FT, 13.06.07)

Key to Attaining MDGs

Africa's economic growth is estimated to average 5.8 percent in 2007, but this rate of performance is insufficient to meet the MDGs by 2015.

The MDGs, which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education by 2015, are a blueprint agreed to in 2000 by all countries and leading development institutions.

Progress towards achieving the goals has been varied, according to the African Centre for Gender and Social Development. For example, 62 percent of 46 countries saw an improvement in hunger conditions, but in 26 percent of 43 countries, the proportion of the undernourished increased.

Countries will never be able to achieve the MDGs if they are not creative. More aid was needed but would only be effective in combination with a country's own efforts at encouraging investment and economic growth. *(IRIN, 05.04.07)*

Boosting Road Infrastructure

Engineers are mimicking the technology of termites to build cheap, durable, environmentally friendly and desperately needed road infrastructure in Zambia and, in the process, providing jobs at grassroots level.

The almost indestructible nature of termite mounds and the realisation that this technology could be adapted to build roads even harder wearing than those made from asphalt came at the cost of a broken limb.

Anderson, a regional manager for a Danish air service company, secured financing from the European Union (EU) and the Danish Government for a road construction pilot project in South Africa, based on termite technology, and a recent initiative in Zambia.

It is not the first time that termite technology has been used to build man-made structures: the Eastgate shopping centre in the Zimbabwean capital, Harare was modelled on termite mounds, using the design for energy-saving ventilation.

(IRIN, 26.06.07)

Improving Agriculture Vital

Agriculture has been recognised as key to a hunger free society and is one of the main engines of long-term vision in developing countries. Agriculture, therefore, requires structural reforms to improve efficiency and productivity, targeted towards encouraging value addition in agro-processing and making it a catalyst for economic transformation.

Finance Minister of Kenya Peter Kimunya said, "The Government would transform key agricultural institutions into complementary and high performing entities that assist private sector agricultural production and output expansion".

Kimunya also reiterated that farmers in arid and semi-arid areas would also be supported with inputs. "We will improve market access for small holder farmers by facilitating the establishment of aggregators, processing, packaging and branding of our agricultural exports", the minister told the Parliament.

Other proposals included reduction of value added tax (VAT) on milk powder, zero rate on pyrethrum extract. The overall performance of agriculture sector slowed in 2006, growing by 5.6 percent compared to a revised growth of seven percent in 2005, according to the economic survey 2007. *(DN, 15.06.07)*

Aid for Development Spending

The 2007 World Leaders Summit took place in Germany where it agreed on a US$60bn pledge to fight AIDS and other killer diseases ravaging Africa and restated broader promises to double development spending. "We are aware of our responsibilities and will fulfill our obligations", German Chancellor Angela Merkel, hosting G-8 leaders, told reporters on the final day of the summit.

Leaders agreed to earmark US$60bn to fight AIDS, malaria and tuberculosis, global diseases that have devastated African peoples and their economies. But the declaration set out no specific timetable, saying the money would flow "over the coming years". Merkel said that African countries will have to take the responsibility in the fight against poverty and diseases.

Two years ago, in the G-8 summit at Gleneagles, the countries committed US$50bn to Africa which was never disbursed. Angela said the US$60bn will be channelled through the African Union (AU) which will be responsible for developing the mechanism to ensure that the fund reached the locales.

(Reuters, 08.06.07)

Rwanda, Burundi Joins EAC

Rwanda and Burundi officially joined the East Africa Community (EAC) in the Ugandan capital, Kampala, on June 18, 2007 by signing accession treaties that will expand the regional economic bloc to five nations and boost trade. Their inclusion would augment the EAC up to a population of nearly 120 million people and a combined gross domestic product (GDP) of US$40bn.

The event was witnessed by five presidents: Yoweri Museveni of Uganda; Mwai Kibaki of Kenya; Jakaya Kikwete of Tanzania; Paul Kagame of Rwanda; and Pierre Nkurunziza of Burundi.

"I would like to welcome the two new members of the EAC. We hope to make this combination of five countries a big success", said Kenyan President and outgoing EAC Chairman Mwai Kibaki at the signing ceremony.

The EAC is an intergovernmental organisation, which plans to form a country called East African Federation with one president by 2013 and a common currency called EAC Shilling by 2009.

(EA, 25-01.06.07)

Assessing Africa's Competitiveness

After prolonged economic stagnation, and at times even decline, Africa is experiencing an economic resurgence. Between 2001 and 2006, growth in GDP averaged 4.9 percent annually, according to the International Monetary Fund (IMF).

In 2006, Africa as a whole grew by an impressive 5.5 percent and SSA in particular by 5.7 percent. In 2007, these rates are expected to increase even further – to 6.2 and 6.8 percent, respectively – the highest growth registered for decades.

Further, FDI has been picking up, fuelled by booming emerging markets, which are drawn to the continent's rich natural resources. The overall outlook, therefore, for the region's economic prospects is broadly optimistic.

Despite this new-found optimism, questions remain as to how sustainable this growth will be. Genuine sustainable growth, however, must be based on solid domestic foundations rather than on cyclical or exogenous circumstances. Moreover, high rates of growth over decades, like those observed in developing in Asia countries are desperately needed in Africa in order to significantly raise the living standards of its people. For this, African countries must become more competitive.

(www.allafrica.com/sustainable)

Closer to Regional Integration

Tariffs and trade barriers at borders in Southern Africa will fall away as regional integration gathers momentum, with an free trade area (FTA) being introduced from January 2008.

Government ministers and top officials of the Southern African Development Community (SADC) ended a three-day meeting on July 16, 2007 taking stock of progress made in trade, agriculture, regional infrastructure projects, energy supply, finance and investment as well as human capital, gender equality and social issues.

Trade and Industry Minister Immanuel Ngatjizeko of Namibia said, "SADC is at a very crucial stage to assess whether the region is on track towards achieving an FTA by January 01, 2008".

The auditing work of Member states to determine the gazetting of tariff reductions for January 2008 is in full swing.

SADC strives for the next milestone, which is the creation of a customs union (CU) to include all 14 member states by 2010, barely three years away. A common market is envisaged for 2015 and a full economic and monetary union by 2018.

(TN, 19.07.07)

COMESA Adopts Customs Union

The COMESA Member states have adopted the CU after the approval of recommendations of an inter-ministerial task force report. The COMESA Secretary General Erastus Mwencha said the 23rd meeting of the Council of Ministers endorsed the formation of the COMESA CU.

Kenya expressed optimism that the establishment of the CU would boost the region's trade potential and increase its global competitiveness. Kenyan Vice President Moody Awori said, "the region's trade volume had increased from US$2bn at the launch of COMESA FTA in 2000 to over US$6bn".

The CU was critical to the regions' GDP since it would provide an indispensable base for a more prosperous future. On the CU which is envisaged to be launched by December 2008, it was important for the region to have a Common External Tariff (CET).

(www.lusakatimes.com, 23.05.07)

Harmonising Policies

It is important to promote and enhance fair and competitive trade. This would lead to a level playing field as only goods and services meeting the international standards would be traded. Thus, COMESA and SADC have been called upon to work towards harmonising their economic environments in the Member states, which would be mutually beneficial to all countries involved in trade.

According to the Zambian Government, economic fundamentals in Member countries need to be harmonised for fair regional trade to exist. Some countries in the region failed to compete favourably due to their weak exchange rates. This, in turn, resulted in smuggling thereby distorting the entire purpose of fair trade.

(ZDM, 10.04.07)

Trade Talks

African exporters confront two major challenges in today's global economy. The first relates to market access abroad, where levels of protectionism, including domestic subsidies and export support, are still scandalously high. The second challenge is the infrastructural and technical capacities to trade.

Sound economic infrastructure is an important key to unlocking export potential, facilitating trade and attracting investment. Without adequate trade-related infrastructure, such as roads, railways and ports, Africa will find it hard to break into world markets and accelerate growth and poverty eradication.

It is within this context and the revitalised Doha Round of trade negotiations that the AfT agenda assumes increased importance. AfT broadly involves the provision of development assistance aimed at increasing the participation of developing countries in the global trading system. It is not a new concept, but involves such ideas as trade-related financial and technical assistance, and capacity building.

Thus far, however, the debate has been largely driven by the G-8, donor countries, the World Bank and the IMF. WTO chief Pascal Lamy has also established a task force on AfT, which has made some good recommendations.

(BD, 03.04.07)

Removal of Trade Barriers

Civil Society Organisations (CSOs) and the business community in Southern Africa have called for review of trade policies in order to deepen regional integration.

The business people and CSOs feel that a well-designed competition guidelines and trade policies for SADC as a whole should be put in place.

While both groups supported the removal of restrictions to the free movement of services, the business community focussed on the removal of tariffs and the establishment of a CET within the region, while civil society want restrictions to capital and services within the region removed.

These views are contained in a paper entitled, "Perceptions of Business People and Non-State Actors in Regional Integration – A SADC Wide Survey" in the recently released 6th Yearbook on monitoring regional integration in Southern Africa. *(NE, 12.04.07)*

Coffee Penetrates US Market

A Mazubuka coffee firm has become the latest addition to the renowned American coffee house chain, Starbucks' exclusive line of 'Black Apron' coffees. Terranova coffee in Mazabuka became part of world's most popular coffee shop. The owner of Starbucks hoped to double the purchase of African coffee from six to 12 million within two years.

The sale of Zambian coffee to America's leading coffee retail was not only important to Zambian coffee but also shone a positive light on the entire country. The development meant that Zambian products could compete at international level. Terranova proprietor, Colin Street cultivates the coffee on a 250-hectare field and incurs US$3,600 production cost per hectare a year from 500 to 600 tonnes of coffee produced per annum.

Terranova entered the coffee market with a strategy of producing high quality coffee targeted at markets in the US, Europe and Japan. The firm employs 182 permanent staff and more than 2,500 additional seasonal workers during peak season, i.e. from March to October.

(ToZ, 19.04.07)

Kenya Leads in Trade

Kenya tops the list among the highest exporting countries in the 19-member COMESA trading bloc. According to the latest Annual Report produced by COMESA secretariat, the country with US$60bn in 2005 emerged as the top beneficiary in the regional market.

Kenya re-exported in the vast market, goods worth Kenyan Shilling 32.5bn (US$0.48bn) and imported goods worth Kenyan Shilling 12.7bn (US$0.18bn). Egypt and Zambia came in second and third with Kenyan Shilling 12.6bn (US$0.18) and US$8.95167bn Kenyan Shilling 602mn (US$8.8mn) respectively.

The Report says the economic performance of the region has been good though still below the desired target for the MDGs and that agriculture remains the major driver of the trading block and the leading foreign exchange earner.

(DN, 21.05.07)

Urge for the EU Market

Fresh produce exporters in Kenya would stick to lucrative EU markets, despite slowing growth and rising hurdles to market access due to tightening standards and expiring trade agreements.

Fresh Produce Exporters Association of Kenya (FPEAK) says though the options of entering the US and Far East markets are rising "it is too profitable to let go". The EU has offered to remove all remaining quota and tariff limitations on access to their markets for all African, Caribbean and Pacific (ACP) countries under the proposed EPA pact.

The challenges being faced by the producers in ACP countries are the threats of future dealings with the EU. Asia could seem competitive but nations such as China is posing a serious threat as it is exporting flowers at competitive rates.

But above that, the good thing is that some of the sectors are responding well like fish exporters in Eastern and Southern Africa (ESA) countries especially the EAC – Kenya, Uganda and Tanzania. These countries are already working on a uniform hygiene standard referred to as 'ecolabelling' which will have to be met by all fish exporters and is an indication that the three countries will meet the same standards in future. *(DN, 10.04.07)*

Magnitude of Counterfeit Products

The Confederation of Tanzania Industries (CTI) has commissioned a study to find out the magnitude of counterfeit products in the country. The study comes in the wake of a massive influx in the country's markets of both locally-made and imported counterfeits.

The CTI Executive Director, Christine Kilindu, said that a number of organisations in the private sector have already signed agreements with Business Environment Strengthening for Tanzania-Advocacy Component (BEST-AC) to support the project.

According to Kilindu, the first draft of the study is expected to focus on the general evaluation of the problem of counterfeits, which would be ready by October 2007. *(TG, 26.06.07)*

Tanzania Joins GBEP

Tanzania will soon become the first African member of the Global Bio-Energy Partnership (GBEP), a partnership of nations whose purpose is to promote the use and production of bio-energy, with a particular emphasis on underdeveloped countries.

Some of GBEP's specific aims include facilitating an international policy dialogue on bio-fuels, helping to integrate bio-energy into domestic markets by tackling supply chain problems and prompting the exchange of knowledge and skills between Member-states through multilateral collaborations.

The organisation currently includes 10 Member-states, including Britain, Canada, China, France, Germany, Italy, Japan, Mexico, Russia and the US, and several international institutions, such as the UN Foundation, Food and Agriculture Organisation (FAO), United Nations Environment Programme (UNEP) and the World Council for Renewable Energy.

The African nation has already invested tremendous resources into building a large bio-fuel production infrastructure: plantations of oil-producing crops such as *Jatropha, Moringa and Neem* have been popping up all around the country. *(TH, 20.06.07)*

Potassium Bromate Prohibited

The Government of Uganda, through the Ministry of Health, has with immediate effect banned the use of potassium bromate in making bread. Potassium bromate (KBrO3), is an oxidising agent used as a flour improver, to strengthen the dough, allowing higher rising to yield higher volume of bread. It is in form of white powder and used in treating barley in beer making. It improves the quality of fish-paste products in some countries.

Health Minister, Stephen Mallinga, said that it has been proved that potassium bromate is a cancer causing substance (carcinogen) and that the public should stop using it. "Potassium bromate has been banned in several countries because it is considered to be a cancer causing substance", Dr Mallinga said. In 1993, the World Health Organisation (WHO) banned potassium bromate after it found out that the flour improver causes cancer. *(www.allafrica.com, 23.06.07)*

Strict Counterfeit Laws

The Kenya Bureau of Standards (KBS) managing Director, Dr Kioko Mangeli wants tougher laws to counter trading in counterfeit goods. He said the existing legislations did not give KBS the powers to prosecute offenders.

"We arrest culprits, but they are later released as there is no specific law to prosecute them and in the cases where they are charged, the fine is too small", he explained.

He complained that the courts normally gave back the seized goods which further complicated the situation. The standardisation process would also cover *Jua Kali* products to make them competitive in the international market.

Mangeli hoped for a speedy enactment of the Counterfeits Bill that was recently tabled in the Parliament by Kenyan Trade and Industry Minister, Dr Mukhisa Kituyi. *(TS, 01.06.07)*

Bio-fuels vs Food Crops?

While South Africa is planning on increasing bio-fuels production some experts warn the move may hurt subsistence farmers and cause more hunger in impoverished areas of the country.

Proponents in the US and Brazil say bio-fuels such as maize-based ethanol is a clean energy alternative that comes from resources that are renewable. However, the production of ethanol itself is energy intensive and requires fossil fuel to process and transport.

In recent years, the growing appetite for bio-fuels, coupled with rising oil prices, has heightened demand for maize and driven up commodity prices. Hoping to cash in, South Africa is expected to soon release a bio-fuel policy that will re-energise the agricultural sector and pave the way for a home-grown bio-fuels industry.

Authorities claim bio-fuels will help the country reach its Kyoto Protocol emissions reduction target, create some 55,000 jobs and contribute to economic growth. Some farmers are also expressing confidence that fuel-generating crops could become huge revenue earners. *(IPS, 24.04.07)*

Kenya Bans Plastics Bags

Kenya has introduced a ban on thin plastic bags and imposed a 120 percent tax on thick ones in an attempt to reduce environmental pollution in the country. The measures have also come into force in Uganda. Similar initiatives have been followed in Rwanda and Tanzania in 2005 and 2006, respectively.

The Kenya Association of Manufacturers (KAM) has reacted strongly to the move, saying it will increase the cost of doing business and put people out of work. However, most Kenyans have supported the initiative, and supermarket giant Nakumatt has said that it will start supplying re-usable carrier bags for customers at its stores.

According to a UN-backed report released in 2005, two million plastic carrier bags are distributed to shoppers each year in Nairobi. Many are so flimsy that they can only be used once. In the absence of efficient rubbish collection and disposal, the discarded bags usually end up in the streets, where they block drains and sewers, causing flooding during heavy rainfall, choke animals and pollute the soil. *(www.wantedinafrica.com, 19.06.07)*

Official Zambian Delegation to the EPA Negotiations

The ESA countries and the EU have been negotiating for an EPA. Since the launch of this negotiation in September 2002, Regional Negotiation Forum (RNF) has been held, including a series of dedicated technical sessions on issues such as agriculture, fisheries, and services.

The final round of ESA-EPA RNF will be held in Mauritius from July 03-August 25, 2007. Vladimir Chilinya of CUTS ARC, Lusaka has been invited by the Ministry of Commerce, Trade and Industry (MCTI), Government of Zambia to represent the civil society group in this round of negotiation. The meeting will include dedicated technical sessions on market access issues, trade-related issues, and developmental dimensions of the proposed agreement.

The participation of the CUTS representative in the Official Zambian Delegation to the final round of ESA-EPA RNF will involve providing technical inputs to negotiators during the RNF and to the ESA-EPA negotiation text during the technical sessions.

The organisation's involvement in this negotiation provided an opportunity to take forward the views of CSOs from ESA on different aspects and dimensions of the proposed EPA between the EU and ACP countries.

Global Challenges

As the Cold War ended, it allowed African states and the international community to begin to reach a consensus on the problems facing the African continent and to start to take action to redress the balance. Not only have the channels for transmission of economic forces been transformed, but also the relationships between different types of interactions have been changed. Trade, finance, economic growth, poverty reduction, environmental sustainability, social progress, and governance, which were once treated separately, are now inextricably linked to each other.

This transformation in the nature of international interactions has put new demands on the mechanisms, institutions, and policies of global governance. This is exerting new pressure on the existing global governance institutions. It is against this background, CUTS Africa Resource Centre (CUTS ARC), Nairobi and Friedrich Ebert Stiftung (FES)-Kenya organised a regional workshop at the Great Rift Valley Lodge, in Naivasha, during June 14-15, 2007, to examine global, strategic and systematic issues that cut across the traditional roles and mandates of international institutions. The workshop was attended by experts in various fields, and leaders from different sectors in Kenya, Uganda, Tanzania, Sudan and Ethiopia.

The objectives of the workshop were to:

- enhance the understanding of East African stakeholders of the current status of global governance and ongoing political and economic changes at the global level and their implications;
- define the role and interest of East African countries in the changing global order and their relations to emerging powers in particular;
- build common and effective strategies to engage in the global stage with a view of pursuing common interest in eradicating extreme poverty in the region;
- raise awareness and knowledge on global issues in the region; and
- explore ways to strengthen a network of relevant stakeholders in the region.

After the two days of intense deliberations, the participants agreed on several points, including:

- integrating the major regional institutions;
- involving the private sector;
- preparing and mobilising the region in order to take advantage of the opportunities;
- ensuring political will and capacity to effectively deal with the challenges facing the region; and
- focusing on region's interests i.e. economic, social and political development coupled with peace and security.

Identifying Precise Policies

ARC, Nairobi with support from FES-Kenya organised an Economic Roundtable entitled, "An Enabling Environment for Socio-Economic Development: Identifying Precise Policies and Legal Framework for Kenya" in Nairobi on June 07, 2007.

The objectives of the roundtable were to: enable the participants to interrogate Kenya's national development imperatives against the existing legal and policy framework; explore and determine what appropriate policies and legal framework would be needed for the country; and achieve socially equitable development.

EPA: Boom or Doom?

ARC, Lusaka in collaboration with Service Centre for Development Cooperation (Kepa), Zambia, Civil Society Trade Network of Zambia (CSTNZ), Participatory Ecological Land Use Management (PELUM) and Jesuit Centre for Theological Reflection (JCTR), organised a National Conference entitled, 'EPA: Boom or Doom for Zambia' in Lusaka, on May 23, 2007.

The workshop aimed at building consensus on the ongoing EPA negotiations between ESA and EU. It also provided an opportunity for sharing a study on benchmarks in the EPA negotiations.

Vision 2030

Kenya has unveiled yet another grand development plan known as *Vision 2030*. The document is Kenya's National Vision still at draft stage awaiting sensitisation and inputs from all possible stakeholders of the country for future aspirations. The aim is to set a roadmap for the country to achieve some desired gains by the year 2030 – expressed in the document's long-term Vision for the country as to become: *'a globally competitive and prosperous nation with a high quality of life by 2030'*.

As a result, it is proving controversial by the day with reports of its lack of cohesiveness and ownership with various key sectors of the economy. In this regard, ARC Nairobi is organising the forum in mid August 2007.

Consumer Information for Sustainable Agriculture and Rural Development

The Consumer Information Sustainable Agriculture and Rural Development (CISARD), an initiative fronted by consumer organisations in Kenya lead by ARC Nairobi; Youth Education Network; and Consumer Watchdog is to form an integrated forum of stakeholders in government, private sector and CSOs as a sustainable, national-stakeholder umbrella framework for a joint effort to make rapid progress toward the achievement of the Agenda 21 (A UN Division for Social Development, Chapter 14) vision for Sustainable Agriculture for Rural Development.

The mission of the CISARD will be to protect the rights of Kenyans to a healthy living standard through right innovative production, value addition, and consumption of safe and healthy goods and effective management of waste disposal to promote sustainable agriculture for rural development.

PUBLICATIONS

Policy Briefs

Three policy briefs have been published which contain the deliberations and recommendations derived from the policy makers and other stakeholders from Kenya, Tanzania, Uganda, Rwanda and Burundi at the Regional Conference entitled, 'Capacity Building for Fast Tracking of the East Africa Common Market', in Nairobi, during January 29-30, 2007.


POLICY BRIEF

Going Regional

POLICY BRIEF

Hoping for a better season

POLICY BRIEF

Ready for business

The conference was organised by ARC, Nairobi with support from Canadian International Development Agency (CIDA) and Department for International Development (DFID), UK.

The objective of this conference was to undertake a consultation and sensitisation, advocacy, networking and capacity building that will eventually lead to programme development and monitoring in the East African region before the common market becomes operational.

Participants in the conference included representatives from national chamber of commerce and various private sector lobbies from the five countries, specialist researchers and academics, government representatives, regional bodies, national business organisations, competition authorities, board of investment; national farmer organisations and the civil society.

Sources

BD: Business Day, DN: Daily Nation, EA: The East African, FT: Financial Times, IPS: Inter Press Service, IRIN: Integrated Regional Information Networks, NE: New Era, TG: The Guardian, TH: Tree Hugger, TN: The Nation, ToZ: Times of Zambia, TP: The Post, TS: The Standard, ZDM: Zambia Daily Mail:

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