Tradequity

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EPA Threatens to Shrink ACP Domestic "Policy Space"

Though the negotiations for an Economic Partnership Agreement (EPA) is progressing with December 31, 2007 as final deadline, the African Caribbean and Pacific (ACP) countries are getting increasingly concerned over the possible shrinking of their domestic 'policy space', required to pursue their own strategies for economic, social, cultural, environment and institutional development. There is a need to shield ACP countries from the potential risks, which emerge from greater trade-related commitments. The use of four classes of policy instruments, which might be at stake in the EPA negotiations include:

- border measures e.g. tariffs, rules of origin (RoO) aimed at protecting domestic production under specific development circumstances i.e. limiting the negative impacts of the European Union Common Agricultural Policy (EU CAP) reform;
- mechanisms for incentivising economic performance of firms towards contributing to goals on diversification, small and medium-sized enterprise (SME) clusters development, technology upgrading and transfer and export service development;
- preferences in procurement regimes of government agencies and state owned enterprises (SOEs) supporting equity-focused programmes; and
- flexibilities in the implementation of intellectual property rights (IPRs) disciplines related to public health policy goals.

Development Priorities

Development priorities among some ACP countries have been championed by the World Bank's Poverty Reduction Strategy Paper (PRSP). For instance, Zambia's PRSP failed to meet national developmental expectations because the approach was not in tune with the national development priorities. So, Zambia has adopted a five-year National Development Plan, which aims to guide the national development process for the period 2006-11. This trend is also evident in some ACP countries. However, there are fears that ACP governments may not be able to pursue their own development objectives *vis-à-vis* therein significant loss in revenues following the elimination of tariffs. Most ACP countries rely heavily on tariff revenues from imports to meet their administrative and developmental expenditures.

Among the challenges, most ACP countries face poverty, HIV/AIDS, lack of education, health, water and sanitation etc. There is a real need for stepping up efforts aimed at broadening the growth process and fostering human development.

Agriculture

The crucial interventions in agriculture include improvement of agricultural productivity, especially for small scale farmers by reviving agriculture extension services. Other programmes include the enhancement of animal health and livestock production and extension, agricultural research and technological development. Encouraging diversification in production for both staples and cash crops to ensure food security and the development of irrigation and support services have also been accorded priority. Other key interventions shall be the continuation of on-going land development programme, i.e. opening up new farming blocks to free up land for commercial development.

Human Resource Development

Health and education – key constraints to effective and rapid scale-up of health services in ACP – are the worst. Over the past few years, there has been a massive exodus of health workers, especially nurses to Europe and America. A recent assessment of the health workforce in Zambia reported that current workforce levels are only 50 percent of the required levels. So interventions aimed at enhancing the quality of education and health is a must.

Water and Sanitation

The proportion of ACP population without access to safe drinking water remains high, with rural dwellers being the worst affected. A large number of deaths each year are caused by unsafe water, poor sanitation and hygiene. Public spending on water and sanitation has been quite low in most ACP countries.

Employment and Labour

The high unemployment and poverty levels have been major concerns. In order to address these challenges, it is necessary to secure significant improvement in labour productivity, skill development, working conditions and also in the provision of welfare and social security measures. Issues directly linked to poverty reduction and economic growth such as employment creation and maintaining labour standards at places of work have not been adequately addressed.

The development needs are enormous. Hence, ensuring ACP countries domestic "policy space" is crucial. EPAs must not in any way disrupt ACP development priorities, rather promote development focusing on overall development.

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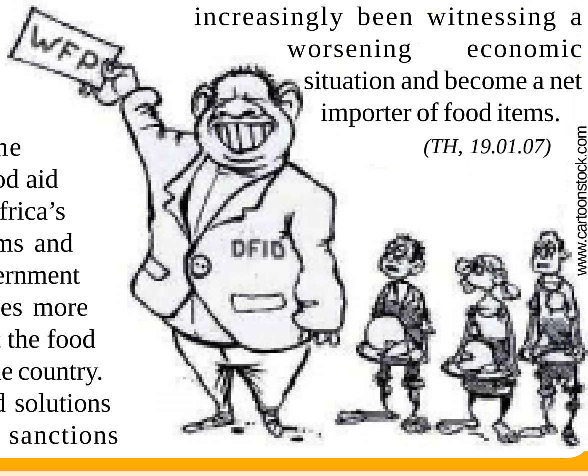
Benefit from Infrastructure

Infrastructure development is essential for the development of a viable domestic industry and the export sector in Zambia. The current deficiency in infrastructure has necessitated the need for partnership between Zambia and other like-minded countries. The EU has come forward to provide aid to Zambia by promoting sustainable economic growth and enhancing social development through improved infrastructure. According to Dr Derek Fee, Head of Delegation of the European Commission (EC) in Zambia, EU will make southern province of the country a priority in its infrastructure programmes.

The EU has provided support for the rehabilitation and extension of the Livingstone International Airport's main runway. The project, funded through the eight European Development Fund (EDF) would be completed by the second quarter of 2007, and is expected to increase the inflow of tourists. Further, the EU has provided €5mn (US$6.8mn) under the ninth EDF for rehabilitation of the Zimba-Livingstone road, which is part of national grid linking Zambia to Zimbabwe, Botswana, Namibia, and South Africa. *(TZ, 19.01.07)*

Zimbabwe in Food Crisis

Britain, through its international aid arm, the Department of International Development (DFID) unveiled a £3mn (US$6mn) food package for Zimbabwe on January 03, 2007. The 50,000 tonne food aid package is to be distributed by World Food Programme (WFP) to ensure that there is no political interference with the process. However, food aid is not a solution to Africa's food security problems and the Zimbabwean Government insisted that it requires more than food aid to arrest the food insecurity besieging the country. Some of the proposed solutions include removal of sanctions imposed on Zimbabwe by UK following the controversial land redistribution exercise implemented by the Mugabe regime. Zimbabwe, which was one of Africa's most vibrant economies and a major exporter of food products, has increasingly been witnessing a worsening economic situation and become a net importer of food items. *(TH, 19.01.07)*



Hopeful of Achieving MDGs

In an interview during a three-day visit to Uganda in January, Professor Jeffrey Sachs, who is the special advisor to the UN Secretary General and United Nations Development Programme (UNDP) on the Millennium Development Goals (MDGs) was optimistic on Uganda's attainment of MDGs targets. However, the attainment is dependent upon increased investments in health systems, rural agriculture and basic infrastructure. The Government should implement programmes directed at addressing the needs of the poor, and the programmes should be complemented by sufficient international funding.

Professor Sachs also challenged the view that donor funding promotes poverty in developing countries due to conditions attached. He called for increased donor funding with less strings attached, adding, "development aid should be practical, dependable and goal-oriented". He implored Uganda to get any foreign aid and absorb it in its economy as well as improve infrastructure so as to promote exports. However, he cited the 3.5 percent population growth rate as a major threat to the achievement of MDGs. Uganda currently has a high fertility rate, with every woman giving birth to seven children on average. *(NV, 22.01.07)*

Zambia to Curb Power Shortage

Zambia's power utility company, Zambia Electricity Supply Corporation (ZESCO) Limited and TATA Africa Holdings of India have entered into a partnership to construct a US$150mn hydro power station in Itezhi-Tezhi district in southern Zambia on the Kafue River.

The power station, estimated to cover a 350 km transmission line to the national grid is expected to generate about 120 MW. The joint project is a welcome development as it is expected to allay fears of the effects of next year's anticipated power shortage to be felt not only in Zambia but also in the entire Southern African region. Underlining the importance of the project to Zambia and Southern Africa, Zambia's Energy and Water Development Deputy Minister, Gaston Sichilima called on the two parties to accelerate the construction of the power station.

According to the Indian High Commissioner to Zambia, River Wallang, the Itezhi-Tezhi hydro power project would be the largest single venture that an Indian company would be undertaking in Zambia. The Itezhi-Tezhi project also marks TATA Holdings' entry in Zambia's energy sector. TATA Holdings Managing Director, Raman Dhawan has attributed his company's partnering with ZESCO in the project to the conducive investment climate in Zambia. *(TZ, 24.01.07)*

Education on the Blink

The economic instability in Zimbabwe has brought many social and economic challenges to the fore even as Zimbabwe aims at achieving the MDGs on the path to sustainable economic development. The education sector has suffered tremendously and it has become unaffordable for the millions of Zimbabweans. The problem arose from the ever-increasing inflation, which has forced academic institutions to hike fee by huge margins.

With the declining wage rate, most Zimbabweans can barely afford even a meal. The sector has also suffered due to the high HIV/AIDS rate and the migration of trained teachers to neighbouring countries. It is estimated that 18000 teachers have, in the last five years, crossed to other countries in the region, especially to South Africa and Botswana. *(IRIN, 28.02.07)*

Aid and Donor Interest

Developed countries have often reiterated their commitment to offer development assistance in the form of aid to developing countries. However, experience has shown otherwise. For instance, Kenya identified its capacity needs and a Soda Company, Magadi Soda, made an application for a loan to the US Export-Import Bank to enable it to buy eight refurbished locomotives for use in hauling soda from Lake Magadi to Port Mombassa.

However, a US Senator, Mike Enzi blocked a US$14mn loan application by Magadi Soda Company on the grounds that the loan would enable the company compete with the soda industry in his state. Enzi, who is also a senior member of the US Senate Banking Committee, personally influenced the loan rejection by Export-Import Bank, which finances projects by American companies in the developing world, openly arguing that "if these locomotives go to Kenya it will strengthen the country's industry not just today, but for years in the future". The rejection of the application comes at a time when developing countries are desperately trying to improve their participation in international trade, which is hugely restricted by supply-side constraints. *(TN, 23.01.07)*

Zambia Development Agency

Like any other small economies, Zambia has been struggling to attract investment. Policy reforms have been undertaken and some of the identified barriers include administrative barriers to investment. To curb some of these barriers, the Government decided to establish the Zambia Development Agency (ZDA) by merging the Export Board of Zambia (EBZ), Zambia Privatisation Agency (ZPA), Zambia Export Processing Zones Authority (ZEPZA), Zambia Investment Centre (ZIC) and Small Enterprises Development Board (SEDB). The effort is intended to create a one-stop centre to promote efficiency, attract investments and competitiveness and promote exports as it will eliminate duplicity of mandates and responsibility and cut on investors' time and transport costs.

Among others, the ZDA, which was initially scheduled to be operational by the end of 2006, is expected to restructure the workforce to meet the demands and requirements of a development agency. This will further sustain Zambia's efforts of promoting economic diversification. *(ZDM, 05.01.07)*

Boosting Regional Growth

Africa's four biggest economic powers could become an engine for regional growth in the same way as emerging market giants like Brazil, Russia, India and China (BRIC) have become trendsetters for the rest of the developing world, a senior researcher at the African Development Bank (ADB) said.

South Africa, Algeria, Nigeria and Egypt (SANE) account for over half of Africa's gross domestic product (GDP) putting them on par with BRIC, which often hold sway over financial markets in their regions.

Temitope Oshikoya, Director of Development Research at the ADB said that SANE countries can affect the direction of the African economy. He offered various examples of the SANEs' potential influence, such as their ability to absorb a vast pool of labour and encourage trade among African countries. *(FE, 15.06.07)*

Debt Burden Hinders Growth

"Efforts to alleviate poverty in developing countries continue to be hampered by the burden of debts owed to rich nations", Kenyan Nobel laureate, Wangari Maathai said in a seminar organised by churches in Africa to campaign for debt relief at the World Social Forum in Kenya, Nairobi.

Maathai said people in developing countries continue to die because of the dearth of social services, noting that an estimated eight million people in Africa died every year because they could not access medicine for treatable diseases, yet their governments continue to service debt.

She challenged the poor and civil society in Africa, Asia and Latin America to raise their voice against the debt burden and asked them not to wait for their governments to champion their cause because governments are often made up of rich politicians who do not feel burdened by the loans.

Speakers at the seminar called for increased pressure on leaders in both industrialised and developing countries for debt cancellation. *(IRIN, 23.01.07)*

Uneven Debt Cancellation

While most developing countries have received massive debt cancellations from their external partners, Kenya has not benefited from debt cancellation. Kenya argues that it does not see any reason why its debt cannot be written off if Nigeria has seen more than half of its US$36bn external debt cancelled under an arrangement where Nigeria agreed to pay about US$12.4bn of its debt to the Paris Club in 2005.

To further its interest, Kenya has sought the help of Prof Jeffrey Sachs, the United Nations (UN) Secretary General's special advisor on MDGs, to help the country lobby for such cancellation of debts. Prof Sachs has promised to help but has warned that the process could be long, citing the Nigerian case, which was initially not taken seriously by the creditors. *(EAS, 17.01.07)*

COMESA Sees Trade Rise

Commercial activities in Common Market for Eastern and Southern Africa (COMESA) region are steadily increasing, which resulted into an increase of US$7.8bn in the last two years. The increase in business activities and cross border investments within the COMESA region has largely been attributed to opportunities created by the Free Trade Area (FTA) whose membership has grown to 13, with some more countries willing to join. The trade increase is expected to double when COMESA will launch the Customs Union (CU).

At a ministerial meeting of COMESA member countries in the first week of January in Nairobi, Trade Ministers from Djibouti, Egypt, Malawi, Uganda, Zimbabwe, Rwanda and Kenya revealed that plans for the launching of the CU are underway. However, the scheduled launching of the CU will depend on the progress to be made by member countries on some key implementation issues including agreeing on a common list of products, harmonising exemption and other duty relief measures and a national schedule for adjustment of national tariffs. Further, member counties have to develop budgetary measures that will help deal with the expected revenue losses arising from removal of tariffs. *(EA, 11.01.07)*

SADC-US Sign Pact

The Southern African Development Community (SADC) and US have signed a Memorandum of Understanding (MoU) which aims at helping the regional economic group to set up a Monitoring and Information Unit by the end of 2007. The MoU further expects to facilitate the establishment of a mechanism that will effectively monitor trade compliance in the SADC region in a sustainable manner.

SADC Executive Secretary Dr Tomaz Salomao and US Ambassador to Botswana Catherine Canavan signed the MoU. At the signing ceremony, the US ambassador to Botswana reaffirmed the US' commitment to help the region attain its development goals. Some of these would be achieved by building capacity at the SADC secretariat to enhance implementation of the SADC protocol aimed at achieving an FTA by 2008.

According to SADC Director of Trade, Investment Finance and Industry, Nokokure Murangi, the regional economic bloc is on course towards the implementation of the SADC protocol to attain an FTA by 2008.

(BuaNews, 01.03.07)

Tanzania to Rejoin COMESA

Kenya has engaged Tanzania in negotiations in an effort to persuade it to rejoin COMESA. Kenyan Trade and Industry Minister revealed that Kenya initiated talks with the Tanzania Business Council and that Tanzania has shown willingness to consider rejoining the regional economic bloc.

Tanzania withdrew from COMESA in 2000 on the grounds that its businesses were too weak to compete with other economies in the region under a free trade zone arrangement and that it could not afford membership costs as it is also a member of SADC.

In 2005, Tanzania joined the East African Community (EAC) CU. Tanzania's decision to withdraw from COMESA and to join the EAC CU has presented Kenya with a trade dilemma, in view of the impending formation of a COMESA CU. "We have a dilemma. We cannot belong to an EAC and a COMESA CU unless Tanzania joins COMESA", Trade Minister Kituyi told a news conference.

Additionally, Kenya cannot offer preferential treatment to goods from its second most important regional trading partner without violating COMESA protocols. Tanzania may return to COMESA since the country has lost about US$80mn worth of trade with Kenya and Uganda only as a result of its withdrawal from the group.

(EAC, 10.01.07)

Nigeria to Auction Oil Blocks

Nigeria is set to auction 45 oil blocks on May 11, 2007, in a last-minute sale of oil acreage before outgoing President Olusegun Obasanjo hands over power to Umaru Yar'Adua, his successor, on May 29, 2007.

The bid round, the third of its kind since 2005, has been billed as part of the overall strategy of Africa's biggest oil producer to boost its reserves and production beyond four metres barrels a day after 2010.

However, some industry executives have questioned its timing, with many worried the results of the auction could come under scrutiny when the new administration takes power.

According to oil ministry officials, the auction will raise US$500mn in down-payment signature fees. The bid round, like the previous two, has attracted limited interest from the established oil multinationals operating in Nigeria, which are mostly North American and European. *(BS, 11.05.07)*

Uganda Records Investment

Uganda is reaping the benefits of being a member of the COMESA. The country's investment body, the Uganda Investment Authority (UIA), has revealed that

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the country recorded investments in 40 projects worth US$173mn from COMESA member countries. The country is looking forward to more investments from other COMESA member states.

Uganda has also experienced an increase in trade with COMESA from US$9mn to US$60mn over the past five years. Most of its trade, however, has been with Kenya and the Democratic Republic of Congo. In spite of all these, Uganda acknowledges discrepancies in trade flows within the region and huge challenges it imposes on the regional integration process. Trade between and among COMESA members is expected to greatly improve when the COMESA region will fully implement the proposed CU.

(NV, 10.01.07)

EU-ACP Trade Accord

The negotiations for an FTA between the EU and ACP countries have raised divergent issues among parties. Speaking at a media capacity building workshop on EPA, in Lusaka, Zambia's Permanent Secretary in the Ministry of Commerce Trade and Industry (MCTI), Davidson Chilipamushi urged negotiating parties to stress on the development first. He retaliated that if the development agenda is left unattended, Zambia will not sign an EPA.

He further acknowledged the fact that ACP countries lack the capacity to effectively negotiate with the EU. In its current form, EPAs will only serve the interest of the EU, since the supply-side constraints remain unattended.

(PZ, 05.02.07)

Ethiopia to Join WTO

Ethiopia has expressed interest in joining the World Trade Organisation (WTO). The WTO Director General, Pascal Lamy has praised activities embarked upon by Ethiopia following submission of its trade policy to the WTO. Chances that Ethiopia will get a nod are high as Lamy is satisfied with the policy document, which is well designed and described. However, Ethiopia will have to exercise patience, as the document has to be translated into various languages and distributed to member countries.

As provided for by the WTO, Ethiopia, as a least developed country (LDC), will not be obliged to instantly fully open up its market to foreign goods until the transition period elapses, but it is expected to do so for selected products. With membership from the Third World increasing, the WTO has an enormous challenge of ensuring that economically weak countries benefit from the international trading system.

(EH, 16.01.07)

Cartel Plan to Reform

Zambia and Namibia have revealed plans to form a cartel of copper producing countries in the Central, Eastern and Southern African region. Most developing countries export raw materials and semi-processed goods whose prices are often fixed at low levels by the major importers, usually from developed countries. Low revenues from exports hamper developing countries' ability to graduate to exporters of manufactured goods.

Formation of a cartel has its advantages and difficulties in a liberalised trade era. Zambia and other copper exporting countries need to have a say in the production and pricing of copper on the international market, just like Organisation of the Petroleum Exporting Countries (OPEC) exercise on oil. To have better chances of success, the cartel should incorporate other major copper producing countries such as Chile. Critical, however, to the realisation of real benefits from copper exports is the shaping of mining agreements between governments and mining companies. In Zambia, the Government is pressing for renegotiation on mineral royalties, which are extremely low. *(TZ, 27.02.07)*

Creating Diamond Syndicate

Six African countries that produce more than half of the world's diamonds by value will form a "syndicate" in April 2007, to increase their influence on the US$13.1bn global market for rough stones. Representatives from Angola, Botswana, Congo, Namibia, South Africa and Zimbabwe will meet in Luanda to establish the group.

According to Victor Kasongo, Deputy Mines Minister in the Democratic Republic of Congo, "We will form united diamond policies, so that we have more power on the international arena".

Botswana, the world's largest diamond producer by value, Namibia and South Africa are leading an effort by African states to reap more benefit from gem production. They are trying to wrest more of the world's cutting and polishing industry from traditional centres in Belgium, Israel and India by forcing mining companies to offer rough stones for processing at home to combat joblessness and bolster foreign exchange earnings. *(FE, 20.04.07)*

China to Boost African Trade

Chinese President Hu Jintao's upcoming African tour will boost trade and highlight Beijing's aid initiatives, and steps would be taken to implement aid promises made in 2006 during a China-Africa summit in Beijing. Hu's primary focus will be on trade ties as well as assistance, investment and helping African countries to alleviate poverty and relieve their debt.

According to critics, China is treating Africa like a colony and supporting regimes with poor human rights records and receiving most of the economic benefits from expanded ties.

Zhai Jun, Assistant Foreign Minister said that China was being unfairly criticised for its energy deals with Africa, which are "based on mutual benefit". Instead, he said, African countries were eager to expand their cooperation with China who was also balancing trade with aid by helping build bridges, rural schools, hospitals and malaria control centres in Africa. *(Xinhua, 23.01.07)*

Zambia-South Africa Sign Pact


The Economic Times

In a bid to boost bilateral cooperation and promote mutual benefits, Zambia and South Africa signed a MoU in a number of sectors, notably trade and industry, health, science and technology, justice and vocational training after a two-day senior official meeting held in Lusaka in February. Signatories to the MoUs were Anne Mtambo, Director for Development Cooperation and International Organisations at the Ministry of Foreign Affairs Zambia and Tselane Mokoena, South Africa's Foreign Affairs Chief Director.

The two countries also intend to sign MoUs in June on financial matters, tourism and environment, local government and housing, agriculture and energy. The meeting also tasked Zambia to initiate bilateral agreements on labour matters and proposed MoUs on education and training. Zambian High Commissioner to South Africa expressed optimism that the MoUs would enhance trade between the two countries. However, he pointed out that Zambia would have to improve its accommodation facilities in order to tap the benefits from the 2010 FIFA World Cup to be hosted by South Africa, an event that is expected to trigger a tourism boom not only in the host country but also in the sub region as a whole. *(TZ, 24.02.07)*

Africa: Fighting Meningitis

International health specialists worry that a major meningitis epidemic could hit Africa within the next three years, claiming tens of thousands of lives, just as supplies of vaccines for the illness are at an all-time low.

According to health officials, the rising number of cases in 2007 is a worrying sign. In Burkina Faso and Sudan alone, 1,013 people have died among 14,279 who have been infected, according to the World Health Organisation (WHO) and Burkinabe officials.

Uganda and the Democratic Republic of Congo have also experienced meningitis epidemics 2007. Other countries with outbreaks include Côte d'Ivoire, Niger, Mali, Benin, Ghana, Togo and Guinea.

The WHO has called on the health ministries in the African countries to take proper action in order to implement effective and timely interventions to help avert a wave of epidemics that could last for years. *(IRIN, 16.03.07)*

Using Solar Power

There is a global deficit in the energy sector, which is adversely impacting national productivity and economic efficiency. In the midst of the energy crisis, Mozambique is embarking on a programme to electrify its rural areas using solar energy. The government's Energy Fund, *Fundo de Energia* (FUNAE), targets to install 2,500 solar systems in two provinces – Inhambane and Sofala – by the end of June 2007 as part of the rural electrification project based on renewable sources of energy. Among the targeted beneficiaries in the first six months of the project, for which the World Bank has provided US$2mn, are 300 schools and 300 health centres.

Chairperson of the Fund's Board of Directors, Miquilina Menezes, whose agency seeks to attract private sector involvement in the project points to the country's climatic conditions for source of optimism over the project's success. "We have plenty of sunlight, we have rivers, we have biomass, we have all the conditions in the sphere of renewable energy to guarantee implementation of rural electrification projects", she added. The quality of houses in most rural areas often made from poor traditional materials, poses a serious challenge to the project as mounting solar panels on roofs may prove problematic. However, successful implementation of the project is expected to improve educational and health standards. *(IAM, 24.01.07)*

Environmental Education

Environmental debates are often far removed from communities, particularly rural communities, which are the most threatened from environmental degradation. Much talk on environmental issues at national and international level is directed on greenhouse effects and climatic change while environmental issues that are affecting livelihoods in communities and that may still have far-reaching consequences are usually thrown to the periphery in international debates.

Rwanda has taken steps to address environmental issues at grassroots level. January 10, 2007 saw 100 residents from Rwinyana and Rwoga Cells in Ruhango District receive training in environmental conservation, which also included lessons on making firewood saving stoves.

Twite Kubidukikije Association, which is spearheading the training programme, with support from the Belgian Embassy hopes to make residents better able to respond to government programmes on environmental issues. The programme is likely to have a positive effect on environmental conservation since most rural households depend on firewood as their daily source of energy. Organisers of the programme hope to spread it to others sectors, placing their hopes on the trained individuals to train others in their families and communities on environment conserving livelihoods. *(TNT, 17.01.07)*

High Rate of Deforestation

Uganda could lose all its forest cover in 50 years if the current rate of destruction is not reversed, thereby upsetting the ecosystem and exposing the country to further environmental degradation, analysts have warned.

"Forests and trees have been cut at rates that exceed sustainable levels, characterised by the prevention of forest regeneration by grazing and fires", Paul Drichi, Director of Technical Services at the National Forestry Authority (NFA), said.

About 4.9 million hectares of forest cover existed in Uganda in the early 1990s but this had decreased to 3.6 million hectares in 2005, an annual depletion rate of two percent which is considered high by international standards.

Various experts said the current rate of deforestation was already causing environmental-related problems in some parts of Uganda. Regions that used to be cold and malaria-free have experienced rising temperatures, providing good conditions for disease spread. *(IRIN, 23.03.07)*

Revival of DDT

Although HIV/AIDS receives much attention, malaria remains the major killer in Africa especially among children. The stubbornness of the disease and its devastating effect on African populations has seen the re-introduction of the once banned pesticide, Dichloro-Diphenyle-Tricloroethane (DDT). While some countries such as Rwanda have openly accepted DDT, other countries still express strong reservations over its use. Anti-DDT campaigners portray the pesticide as an environmental and health hazard, associated with cancer, birth defects and wildlife fatalities, and as a drug, which has negative agricultural and economic implications.

On the other hand, DDT advocates see it as a quick, cheap and safe solution to the malaria problem in Africa. They usually attribute it to the wiping out of malaria in the US and Europe. Undoubtedly malaria burdened African countries face a major challenge in deciding whether to use the drug or not, in view of the opposing arguments.

Understandably, African countries are reluctant to adopt DDT in their malaria campaigns as the WHO shunned it for many decades and is only recently incorporating it in its activities. The cardinal question, however, is "what has changed the WHO's position on DDT– whether political and economic influence from manufacturing companies or scientific researches that have proved the safety of the pesticide? *(TM, 13.01.07)*

Unjust Environmental Policies

African countries' export diversification ambitions are set to suffer setbacks. Major business houses in the UK plan to bombard consumers with information meant to convince clients to shun foreign vegetable products in favour of local ones using the climate change argument. Customers of Tesco and Marks & Spencer – two major retailers in the UK – have unveiled plans to label vegetables imported from Africa, as having been transported by air, which they argue contributes to air pollution and climate change.

In the 1990s, the 'food miles' concept was coined, which propagated the theory that longer the distance the more pollution caused by the food while in transit as a result of fuel emissions, packaging and technology to maintain the food's freshness. The theory was backed up by a 2005 published report by UK's Department of Environment, Food and Rural Affairs. The above strategy to limit food imports has little scientific backing. Compared to transport, studies have concluded that growing of vegetables in greenhouses, which is prominent in the UK and other European countries, could be more environmentally harmful. Thus, the campaign has little to do with environmental protection but all to do with protecting UK farmers and promoting trade within Europe at the expense of African exporters. *(TN, 25.02.07)*

Curbs on Environmental Needs

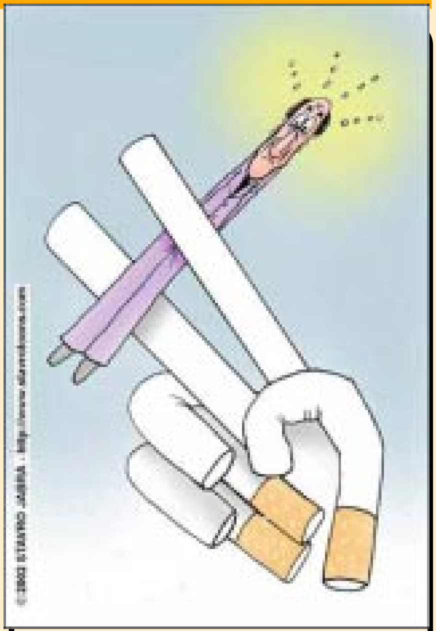
South African Finance Minister Trevor Manuel announced an increase of 28 percent in the allocation to the Department of Environmental Affairs and Tourism for the 2007-08 financial year in a budget speech delivered on February 21, 2007. The budget increase sees the allocation to the department that deals with environmental issues rise to R2.59bn (US$373mn). The Government intends to have more than doubled its allocation to the Department by 2010, from its 2003-2004 budget figures. Though the increment in budget allocation is commendable, the budget speech itself has raised a number of eyebrows among some environmental activists, who have accused the minister of glossing over environmental issues, particularly the "green environment".

Referring to the subdued reference to environmental issues in the budget speech, Rob Little, acting chief executive of World Wide Fund for Nature - South Africa (WWF-SA) expressed his disappointment but claimed the development was not a surprise to him, stating, "We haven't had any mention of the environment for a few years now, basically since the World Summit on Sustainable Development (in 2002), and it's very unfortunate that we do not". Environmental experts and activities expect government to link the importance of the environment to the economy and to the health of the population in key speeches. *(CA, 22.07.07)*

Avian Flu hits Ivory Cost

Ivory Coast has not reported any loss of human life as a result of Avian Flu but the country has witnessed significant economic losses from two outbreaks reported so far. Demand for poultry products has waned as consumption of poultry products has recorded a 51 percent drop resulting in economic and job losses. It is estimated that 450 farm workers have lost their jobs and 15, 000 more are in danger of losing their jobs. A recent study on the impact of the much-feared H5N1 virus puts the loss suffered by traditional and industrial poultry producers at more than US$20mn.

Isac Kouamé Adi, Director General of Coco Service, a firm specialising in the production of fresh eggs acknowledged the fall in consumption levels but assured consumers that his company had taken all the necessary sanitary precautions to ensure that the products are safe for human consumption. As a response to the effects of the flu, a two-day workshop was held in Abidjan in February, with a view to examining the impact of the virus as well as to explore mitigation measures. Among the suggested measures is compensation to the poultry industry by government. *(IRIN, 28.02.07)*



Tobacco Regulation

The South African Government's move to institute more legislative measures to regulate the tobacco industry has received mixed reactions. Most submissions made at public hearings favoured tougher measures than those already provided for in the Amendment Bill. The proposed measures seek to outlaw smoking in doorways of public buildings as well as ensuring that all ingredients in tobacco products are properly identified.

Tougher regulatory measures are backed by the Health Department, which blames the tobacco industry for under-performance of workers in the economy due to smoking related complaints as well as the diversion of meager resources by households from the basic needs to tobacco products.

The tobacco industry, on the other hand, warns that over-regulation of the industry may lead to increased illegal tobacco trade and massive loss of jobs and revenue for the government. Francois van der Merwe of the Tobacco Institute of South Africa, a voluntary industry association contends that the growth in illegal tobacco trade has paralleled the tightening of tobacco controls over the years. *(BD, 24.01.07)*

Seminars/Workshops

Media workshop on EPAs

CUTS Africa Resource Centre (CUTS ARC), Lusaka, and OneWorld Africa (OWA) jointly organised a one-day media training workshop on EPAs, in Lusaka, on February 02, 2007.

The workshop facilitated the launch of a two-year project entitled, 'Capacity Building of Media Coverage on Trade and Development Reporting in Zambia'.

The main objectives of the workshop were to: create awareness among media practitioners about the on-going EPA negotiations; and build capacity among journalists to report on EPA and encourage them to analytically report on trade and development issues.

Civil Society Workshop on EPAs

CUTS ARC, Lusaka, in collaboration with Overseas Development Institute (ODI), Civil Society Trade Network of Zambia (CSTNZ), Jubilee Zambia and Participatory Ecological Land Use Management (PELUM), organised a two-day training workshop in Lusaka, on February 09-10, 2007.

The objectives of the workshop were to: create awareness among the civil society organisations (CSOs) on the current stage of the EPA negotiation process; deliberate the implications of the EPAs, especially on the small-scale farmers; and stimulate a sense of need for civil society to be actively involved in the EPA negotiations.

Advocacy Meeting under TDP

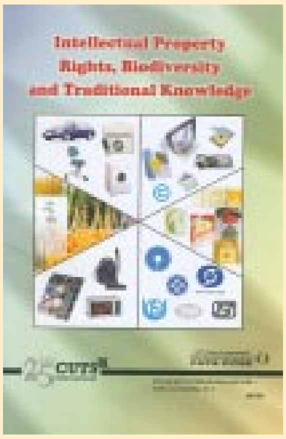
CUTS ARC, Lusaka, in collaboration with Organisation Development and Community Management Trust (ODCMT), organised an advocacy meeting under the project entitled, 'Linkages between Trade, Development and Poverty Reduction (TDP)', in Kitwe, on March 12, 2007.

The meeting recommended the inclusion of provincial structures in the initiatives such as TDP. As this would ensure good feedback and outreach, the meeting urged the organisers to establish coordinating structures at provincial level.

(For details, please contact: cutsarc@zamnet.zm)

PUBLICATIONS

Intellectual Property Rights, Biodiversity and Traditional Knowledge



Given the increasingly open international trade and investment regime, protection of Intellectual Property Rights (IPRs) assumes significance. According to many experts, a functional domestic system for protecting IPRs could enhance more investment and trade leading to greater growth of an economy.

This monograph starts with a brief account of different types of IPRs, including an overview of the WTO Trade Related Aspects of Intellectual Property Rights (TRIPs) Agreement. It focuses on biodiversity and explains its relationship with the IPR regime. Next, it analyses, the relationship between the Convention on Biological Diversity (CBD) and the WTO TRIPs Agreement, including a comparative study of the relevant provisions of two regulatory regimes. All important issues concerning the Traditional Knowledge (TK) and IPRs have been addressed by citing examples, so that the monograph can turn out to be an effective tool for enhancing economic literacy in India.

Suggested Contribution: Rs 50/US$10

Consumer Watch

March 2007

Consumer Watch e-newsletter is a joint initiative of the Consumer Unity & Trust Society-Africa Resource Centre (CUTS ARC) and Zambia Consumer Association (ZACA), published with the objective of enhancing consumer welfare through sensitisation, information dissemination and capacity building of consumers, business entities and government. While addressing consumer concerns, the newsletter focuses on bringing out issues such as violation of consumer rights and measures to be taken by the relevant authorities to protect stakeholders.

CUTS ARC and ZACA will strive to support and lobby the government and stakeholders to ensure resumption of the process to eventually enact a functional Consumer Protection Law in the country and also establish a functional institutional mechanism to implement the law.

Sources

BD: Business Day; BS: Business Standard; CA: Cape Argus; EA: The East African; EAS: The East African Standard; EH: The Ethiopian Herald; FE: The Financial Express; IAM: Information Agency of Mozambique; IRIN: Integrated Regional Information Network; NV: New Vision; PZ: The Post Newspaper Zambia; TEA: The East Africa; TH: The Herald; TH: The Herald; TM: The Monitor; TN: The Nation; TNT: The New Times; TZ: Times of Zambia; ZDM: Zambia Daily Mail

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