Tradequity

A Newsletter of CUTS Africa

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Interim EPA 'Saves' EU Market Access

The East African Community (EAC) signed an interim Economic Partnership Agreement (EPA) with the European Union (EU) giving full EU market access to products from five countries in the region. With hopes of concluding a full and comprehensive trade agreement between the EU and the African, Caribbean and Pacific (ACP) countries by December 31, 2007 looking slim, the interim EPA offers a life-line to exports from East Africa, which will continue to enjoy duty-free quota-free (DFQF) market access to EU markets without any disruption.

The major beneficiaries from this deal are exporters of fish, flowers and other horticultural products – the East African (EA) region's key exports to Europe. However, the agreement will also give market access to textiles, for which rules of origin (RoO) have been simplified, with no restriction on use of imported fabrics to make apparel. The deal was signed in Kampala, as the EU increased the pressure to get the EPAs concluded to avoid disruption of trade with the ACP countries.

Many African countries remain opposed to the EPAs, claiming they need more time to prepare their producers from increased competition. According to a Diana Acconcia senior official from the Directorate General of Trade at the European Commission Secretariat in Brussels, "regions that did not sign within the deadline might face problems with the flow of trade". Every region needs to sign within the deadline, otherwise it will become complicated for Brussels to plan for their inclusion once this month (December) ends, she added.

The EA region becomes the second of the seven negotiating groups to clinch a provisional deal with the EU after the Southern African Development Community (SADC), which signed its agreement on November 23, 2007. However, while all five EA countries were part of the deal, the fate of three members of SADC – Namibia, Angola and South Africa – who did not sign remains unclear, although South Africa has a bilateral trade agreement (BTA) with the EU in place.

A number of countries in Central Africa, negotiating under the Economic and Monetary Community of Central Africa regional bloc, and West Africa under the Economic Community of West African States are a long way from concluding negotiations to sign an interim agreement.

Acconcia added that the least developed countries (LDCs) in such regions would have to fall back on the other trade window open to ACP countries, the "Everything But Arms" (EBA) arrangement, whose export rules and standards are more stringent compared with the EPAs.

Non-LDCs will, on the other hand, have to apply for a window reserved for the category known as Generalised System of Preferences (GSP) in order to export to the EU. Brussels had been advising importers of flowers not to place orders in Kenya and Uganda because they could not give the importers a guarantee that those products would continue to have access to EU markets beyond the December 31 deadline. But with the interim agreement now in place, EA fish and flower exporters will continue to receive orders from their buyers in various European capitals and supply them.

EU head of Delegation in Kampala, Vincent de Visscher said a full agreement should be signed by July 2009. The deal is the first international instrument between the two blocs since the EAC became a Customs Union in 2005. But the signing would not have come as fast if the EAC member countries had stuck to their former negotiating blocs – with Tanzania ensconced with SADC, while Kenya and Uganda negotiated under the Eastern and Southern African (ESA) group, an association of mainly Common Market for Eastern and Southern Africa (COMESA) countries. Together with new members – Rwanda and Burundi – the EAC region agreed to quit the exile of their adopted negotiation groups and sign an EPA together.

In 2002, the EAC heads of state summit in Kampala resolved that the region must enter any trade deal with another Customs Union as a bloc. This, however, did not stop Tanzania going its way, while the other countries took the opposite direction as well.

EAC deputy secretary general in charge of projects and programmes, Julius Onen, who signed the agreement on behalf of the secretariat, said, "As a Customs Union, it would have been unthinkable to go our separate ways".

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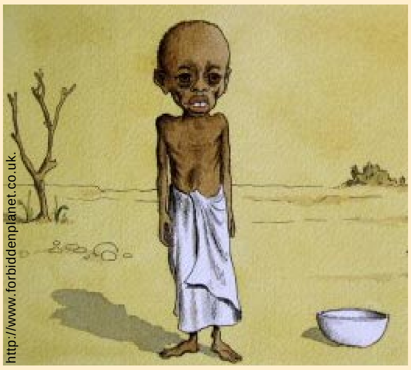
Sign of Positive Growth

Several African economies are now showing signs of the positive growth needed to end decades of poverty, poor growth and stagnation in the continent. African countries had recorded strong growth between 1995-2005 reversing the trend of collapse and stagnation from 1975-1995.



The performance of the countries varied from 30.8 percent in Equatorial Guinea, to -2.2 percent in politically-troubled Zimbabwe. However, Zimbabwe was the only country to post negative growth while nine countries posted growth rate close to or above the 7 percent threshold needed for sustained poverty reduction.

John Page, The World Bank's Chief Economist for Africa said since 1995 Africa had improved macro-economic management and economic policies which allowed African economies to move from having twice as many growth accelerations as growth collapses over the last 30 years. Africa's ability to maintain growth would be critical in its bid to meet the UN Millennium Development Goals (MDGs) on poverty and health. Despite their wealth in natural resources, several African countries have failed to lift their people out of poverty.

(BD, 15.11.07)

Low Resources Allocation

Key growth sectors in Africa are suffering from low allocation of resources by Finance and Planning Ministers who unilaterally decide where to channel funds. Though the agricultural sectors contribution to the gross domestic product (GDP) has risen steadily in the past decade, allocation of public funds to support its activities has been on a slump, raising concern over commitment to raising production and productivity.

According to a report of UNs Food and Agricultural Organisation (FAO) entitled, 'Financing of Agriculture: Issues, Constraints and Perspectives', a percentage of total public expenditure, agriculture has seen a substantial decline, from 11.3 percent in 1980 to 6.7 percent in 2002. This is in contrast to expenditures in education and health which has increased in all the regions.

Findings show that in many developing countries, the development budget is largely funded from external sources, and the recurrent budget best supports wages, salaries and the basic operating expenditures of governments.

The situation has further been worsened by governments attempting to increase domestic resources for public expenditure by broadening the tax base. This adversely affects agriculture especially in countries where the sector plays a large role in the economy.

Analysts at FAO say the sloppy funding towards agriculture is mainly triggered by excessive and unilateral decision-making powers by Planning and Finance ministers in developing nations.

(BD, 21.11.07)

Rural Connectivity Initiative

The project known as the Commonwealth African Rural Connectivity Initiative (COMARCI) is designed to identify and assist to connect rural communities in 18 commonwealth countries on a pilot basis.

Uganda's Information and Communication Technology (ICT) Minister Ham Mulira said that the project was launched by the ministers of foreign affairs from Commonwealth countries. Mulira said COMARCI would chat out ways of how best to take new technologies like computers, internet and telephones to Africa's rural populations who have been technologically marginalised.

"Most people in the rural Africa never get to enjoy the benefits of ICTs, therefore COMARCI will have a positive impact on them and ensure that the majority of the people in the Commonwealth have access to ICTs because their importance in the development needs of the communities", Mulira said.

The project will help to achieve the majority of its MDGs by addressing the special challenges posed by poverty, illiteracy and marginalisation of rural populations. It is expected to cost US$1.2mn of which Malta has already donated US$500,000.

(EABW, 02.12.01)

Conflicting Reports

The World Bank latest African Development Indicators report and Southern African Institute of Race Relations (SAIRR) economic survey released provide simultaneously optimistic and unsettling reading.

The World Bank contends that Africa's economic outlook is improving, with the continents economic growth averaging 5.4 percent, which matches global rates.

The report looked at over 1,000 indicators, ranging from governance to private-sector development to the environment. The report is buoyant about Africa's future arguing that this trend will 'put dent on the regions high poverty rate and attract global investment'.

The SAIRR survey, on the other hand, shows that poverty in South Africa has grown even with country's remarkable economic growth, which has consistently averaged more than five percent annually. The survey reveals that poverty has in fact increased both in absolute numbers and proportionally in South Africa.

(BD, 19.11.07)

Growth Hinges on Infrastructure

The International Monetary Fund (IMF) has said Uganda's continued good economic performance hinges on improving the country's infrastructure, access to education and health care. It said Uganda's landlocked status, inadequate road and railway infrastructure and insufficient supply of electricity drive up production cost and undermines competitiveness.

It said Uganda also faces a shortage of technical skills to support growing economy. The IMF says in the next few years, the Government will have to spend a half percent of the GDP annually to subsidise electricity generation.

It said further that expansion of the fiscal space in Uganda will be possible once the electricity crisis is resolved and the shares of service and manufacturing sectors in GDP rise. *(BD, 12.12.07)*

AfT Can Spur Economic Growth

There is abundant evidence from Asia that trade can promote growth and development and help lift countries out of poverty. By enabling better use of trading opportunities and facilitating trade flows, aid for trade (AfT) has great potential for accelerating growth in Africa, which is not yet taking full advantage of unilateral and negotiated trade liberalisation.

At the same time, there has to be coherence in objectives and across sectors with clear priority given to using AfT to promote the desired goal of regional integration in Africa . There is, for instance, a wide range of trade-related challenges facing Africa including the integration of trade into national development strategies.

AfT should also help to create a good business environment; and to help countries to meet adjustment costs of trade liberalisation. The challenge, therefore, is to see how best AfT can be mobilised to meet all these diverse needs. It is worth re-stating that AfT should not stand alone but complement national and regional efforts. It should be used to fill the gap between the available domestic resources and needs in the trade sector.

AfT can also be used to overcome the limitations of Africa's small, fragmented economies and thereby help the process of regional integration. Since increased trade can help the process through the provision of regional infrastructure and trade facilitation measure that will ease existing constraint on intra-Africa trade.

(BD, 12.11.07)

FDI Doubles in Africa

The Foreign Direct Investment (FDI) into Africa has doubled between 2004 and 2006 to a record of US$36bn, spurred by the search for primary resources and increased profits.

The rising demand, especially from Asia, for oil, gas, and metals has led to an investment boom in mineral exploration and extraction, contributing largely for the increases in FDI in many mineral-rich countries in Africa according to the UNCTAD World Investment Report 2007: Transnational Corporations, Extractive Industries and Development'.

The report notes that despite the huge inflows, Africa still lags behind other regions. The report argues that commodity boom should provide opportunities for development and poverty alleviation in mineral-exporting countries.

The quality of governance, specific government policies and institutions of the host country are critical in ensuring sustainable development gains from resource extraction, with or without transnational torporations' involvement, the report recommends.

Governments need a clear vision and strategy to ensure that oil and other mineral resources are used in a transparent and equitable manner to contribute to sustainable development. They also need to strengthen their abilities and capacities for designing and implementing appropriate policies.

(Afrol News, 23.10.07)

Decentralisation on Demand

Africans face debilitating poverty across the entire continent. A number of strategies have been put forward to address the problem, mostly involving large amounts of foreign aid.

Decentralisation is demanded by African governments not only to meet International Monitory Fund (IMF) and World Bank requirements for aid, but also to help the countries develop.

Sylvie Debomy, World Bank Official agrees with this view but believes that the major challenge is to make cities function better, thereby creating an enabling environment for trade and economic activities.

With a handful of programmes aimed at combating poverty in the region, the Rwandan Government has recognised that it should move along with improved governance and urbanisation.

"Investments in primary infrastructure are still a necessity. Yet, at the same time, targeted poverty programmes through neighbourhood upgrading and income generation activities are needed", Debomy explained.

(TNT, 22.10.07)

France Telecom for Africa

France Telecom, owner of the Orange telephone and internet brand, is expected to tell investors that it intends to double the number of its subscribers in Africa to 50 million by 2010.

"Africa is to France Telecom what South America is to Telefónica," Didier Lombard, France Telecom chairman and chief executive declared.

The French group, which is partly state-owned, currently controls or has a minority stake in telecoms operators in 13 African countries including Ivory Coast and Senegal.

At the end of September 2007, 2.8 percent of France Telecom's turnover was from Africa, up from 1.6 percent in 2002. France Telecom is expected to predict a rapid doubling in African subscriber numbers during an investor day.

According to an analysis by Gartner, based on subscriber numbers in 2006, South Africa's France Telecom shares have risen in value by 24 percent so far in 2007, helped by better-than-expected third-quarter results.

(FT, 02.12.07)

Investment for Development

The latest World Development Report calls for greater investment in agriculture in developing countries and warns that the sector must be placed at the centre of the development agenda if the goals of halving extreme poverty and hunger by 2015 are to be realised.

The report entitled 'Agriculture for Development', says the agricultural and rural sectors have suffered from neglect and underinvestment over the past 20 years. While 75 percent of the world's poor live in rural areas, a mere four percent of official development assistance goes to agriculture in developing countries.

In sub-Saharan Africa (SSA), a region heavily reliant on agriculture for overall growth, public spending for farming is also only four percent of total government spending and the sector is still taxed at relatively high levels.

The World Bank Group is advocating a new 'agriculture for development' agenda. According to the WDR, for the poorest people, GDP growth originating in agriculture is about four times more effective in reducing poverty than GDP growth originating outside the sector.

(EAS, 23.10.07)

Tough Terms on Sugar

COMESA trading block has told Kenya that it must privatise its sugar industries. This was the part of the conditions that the trading bloc issued before Kenya was granted a four-year safeguard extension against duty free imports.

"The ministers also demanded that the Government grants the necessary approval for privatisation of all remaining publicly-owned sugar mills within the first 12 months of the safeguard extension", David Nalo, Permanent Secretary in the Ministry of Trade and Industry said.

COMESA extended the safe guard to 2012 on condition that Kenya meets the new requirements. The extension will allow the conclusion of review of sugar sub-sector by the COMESA secretariat. Kenya must also change the cane pricing formula from the one based on cane weight to sucrose content. *(TS, 30.11.07)*

EC Lobbies over EPAs

The EU Counselor of Economic Affairs, Douglas Carpenter said that the EC was fully committed to taking the EPAs' process to its conclusion. According to Carpenter, the current arrangements are not compliant with the World Trade Organisation (WTO) rules, and therefore, constantly risk protracted disputes in the WTO.

He said market access agreements are important because investors respond negatively to lack of certainty, which normally translates into low investments. He said EPA process will not end with the signatures of market access agreements but will continue with the intensive discussions on the supply-side constraints, such as transport and energy; trade-related issues, such as investment and services which are crucial to growth and development.

The EC has increased the 10th European Development Fund (EDF) by a third compared to the ninth EDF. The EC also focuses on addressing capacity-building, fiscal loses, trade facilitation and infrastructure, among other things.

In 2008, the EC will launch its largest programme to support growth and trade-related issues in Tanzania as part of the total budget for Tanzania under the 10th EDF (2008-2013) of over US$900bn. Around 90 percent of the programme will be dedicated to macroeconomic aid, transport sector and trade and agriculture focal area aimed at pro-poor growth.

(EABW, 19.11.07)

Towards a Duty Free Regime

The establishment of Free Trade Area (FTA) by the SADC has moved a step closer to reality after an Audit Study showed that it was viable. The study was conducted by Ministerial Task Force meeting in Gaborone to accelerate and finalise the negotiations on the outstanding issues on the FTA.

The study gives actions needed to support member states that are lagging behind in implementing the tariff regime required. Dr Salomao said he was confident that all outstanding issues will be resolved before the launch of the SADC FTA. It is expected that launch of SADC FTA will enhance trade in the community.

The Regional Indicative Strategic Development Plan specifically calls for the establishment of the SADC FTA by 2008; a Customs Union by 2010; a Common Market by 2015; a Monetary Union by 2016; and a Single Currency by 2018.

However, as SADC moves closer to the FTA, experts caution that the region should iron out misgivings by some members, particularly those in the Southern Africa Customs Union (SACU), from which it derives a great deal of revenue. *(EA, 05.11.07)*

Cable to Connect Africa

Information and Communication Technology (ICT) ministers from ESA have endorsed a US$2b broadband cable project to connect Africa, and called for its speedy implementation.

With a capacity of 3.84 Terrabits/sec, the 50,000 km undersea and terrestrial cable is designed to provide telecommunications connectivity to Africa and connect the continent to the Americas, India and Europe.

The completion of the project will greatly contribute to reduction of telecommunications costs that have been a hindrance to doing business in Africa.

Matsepe-Casaburri, South African Communications Minister said that the New Partnership for Africa's Development (NEPAD) cable would be owned by majority African and advised that the best initiatives for Africa were those that were not only geared towards making profits but also putting Africa's development concerns under consideration.

The collaboration on the construction of a high capacity submarine cable system initiative to connect Africa to the rest of the world is coordinated by the NEPAD e-African Commission.

(EABW, 22.10.07)

AGOA Wants Improved Legislation

Governments and the civil society organisations (CSOs) from Africa have resolved to push for better trade legislation under the African Growth and Opportunity Act (AGOA) trade initiative in 2008.

The AGOA Action Committee laid out strategies aimed at revitalising the push for new African trade legislation and includes government representatives, NGOs, local and international trade associations from SSA countries.

The meeting aimed at reviewing the congressional agenda for Africa in 2008 and to discuss the opportunities to strengthen AGOA and advance improved legislation.

"AGOA needs continued advocacy to remain effective for Africa...this Committee needs to mobilise its various constituencies to contribute innovative ideas on how to improve AGOA and go beyond it, to address barriers to development in Africa," Rosa Whitaker, the president of the Whitaker Group said.

(EABW, 12.18.07)

Coffee Farmers to Access Fair Trade Deal

Small scale coffee farmers now have a window to sell coffee directly to the US under the 'ethically produced' label. Buyers advocating for Fair Trade agricultural practices in developing countries are competing for such flavour, offering a premium for every kg sold through the stores managed by the Flavia, the pioneers of single-serve, brew-by-pack beverage systems.

The coffee is mainly sourced from Ndumberi cooperative society that was recently certified as 'Fair Trade' centre and is dubbed the 'Kenyan Dawn'. Efforts like Flavia's are part of a new campaign meant to boost Kenyan farmer's earnings.

Zack Gakunju, chairman for the Kenya Coffee Growers Association, says most of Kenya's produce qualifies for various types of international certifications. "We are encouraging farmers to produce high quality coffee through scientific and natural method", he said.

In 2006, Fair Trade Labelling Organisation estimates that Fair Trade coffee sales provided an estimated Kenyan Shilling 3.9bn (US$0.058bn) more to fair trade certified coffee cooperatives than selling their products conventional terms. *(BD, 08.11.07)*

EU-EAC Trade Deal

The EAC and the EU have signed a temporary trade agreement. The parties that met in Kampala, Uganda also resolved to finalise the ongoing EPAs negotiations by July 2009.

The European Community and the EAC partner states: Burundi, Kenya, Rwanda, Tanzania and Uganda had concluded the negotiations of a framework agreement.

The agreement will guarantee DFQF market access to the EU market exports except sugar and rice whose trading arrangement is still under discussion.

The parties agreed that in order to ensure that the agreement complies the parties' commitments in the WTO, the EAC States would gradually open their markets to goods from the EU over a period of 25 years.

The agreement also calls for the simplification of RoO for apparel products that will allow clothing companies established in the EAC to source fabrics from all over the world and export their products to the EU free of duty and quota restrictions.

The EU also committed to provide additional resources required for development under the 10th European Development Fund (EDF), regional indicative programme, AfT and the EU budget. *(TS, 28.11.07)*

Helping Textile Sector

Kenya's struggling textile industry is one of the major beneficiaries of an interim trade deal that the EAC member states reached with the EU in Brussels. The agreement gives locally manufactured clothes access to Europe broadening the export market that has been mainly restricted to the US under AGOA.

"This agreement not only boosts ongoing effort to revive the textile industry but also opens up the region to foreign direct investment (FDI) from Europe into the sub-sector", Trade and Industry Permanent Secretary David Nalo said.

European investment is expected to come in the form of new technology needed to move the sub-sector beyond cotton growing into value addition. Kenya's textile exports to the EU have over the years been hampered by strenuous RoO leaving the players in the sector scrambling for the opportunities in the American market. *(BD, 19.11.07)*

Ban on Precious Stones Trade

The Mozambican Government has, with immediate effect, banned trade in precious stones after it was discovered that a large number of illegal foreigners were dedicating to buying the stones.

Recent discoveries of tourmalines and rubelite in the central rural district of Barue had resulted in a rush by locals to dig for the stones and then sell them to the buyers who were not registered.

Illegal dealers from the Democratic Republic of Congo, Tanzania, Senegal and other countries descended in the district. Manica provincial governor, Mauricio Vieira, said that the ban was imposed to discourage the illegal selling of precious minerals. Mozambicans clearly had no idea of the worth of tourmalines and accepted a pittance for their back-breaking work extracting the stones, said Viera.

Deposits of tourmalines and rubelite were recently discovered in the Barue district which is near the border with Zimbabwe - where a diamond rush this year also resulted after discoveries of diamond deposits.

(Independent Online, 10.12.07)

NHPC Eyes Projects in Congo

The National Hydroelectric Power Corporation (NHPC) of India is in talks with the governments of Ethiopia and Congo for setting up projects in Africa. The company is expected to take the joint venture route for its overseas expansion plans.

"We had discussions with the official representatives of the two countries in the presence of the power ministry officials and expect to strike some deals soon", said NHPC Chairman and Managing Director SK Garg.

The hydro power major has the mandate to offload 24 percent stake, but would offer only 10 percent in the first tranche. Subsequently, it would offload the remaining stake through follow-on public offers.

The company is also bullish about the inclusion of Information Technology for better utilisation of resources and has tied up with the global enterprise application service firm Industrial and Financial Systems (IFS) for the implementation of the enterprise resource planning (ERP) application.

With the implementation of ERP, all the 40 centres of the company across the country would be inter-connected. This would, in turn, help in effective implementation of projects. *(ET, 23.11.07)*

Stringent Standards

Self regulation among Kenya's horticultural, producers and exporters has maintained an emphatic run in key markets abroad despite stringent standards imposed by importing countries. Over the past few years, there have been fears that the country could be locked out of some key export market tightening safety requirements driven by global trends on food safety and quality assurances schemes.

But determined to keep their competitiveness, players have moved to adopt practices such as Kenya Good Agricultural Practices (Kenya-Gap) protocol to counter the threats. The impact of these counter-measures have greatly worked out for the industry with the latest survey report by the Food and Agriculture Organisation (FAO) now enabling the local horticultural industry as a global illustration on how standards can be used to ward off competition in key market destinations.

The UN agency said that through investments in high-care processing facilities, private laboratories, and full supply chain traceability, improved sanitation, storage system and Hazard Analysis and Critical Control Point measures, the leading firms in Kenya's fresh produce industry have focused their attention and resources on premium quality market and reaped benefit.

Previously, exports were checked for standards locally and later re-examined in Europe. A step to harmonise the inspection procedure has, however, improved fortunes for Kenyan exports in that their produce is only inspected once by Kenya Plant Health Inspection Services and a binding certificate, application even in Europe, issued to them. *(BD, 23.11.07)*

Raised Plastic Tax

Garbage collectors have started hiking service charges in response to the 120 percent excise duty on plastics which came into effect with the enactment of the Finance Bill in October 2007. The companies say they are passing on the increased cost of plastic disposal bags to consumers as they try to find alternatives.

Compulsory licensing by the National Environment Management Authority that took effect on July 01, 2007 was mentioned as cause as well. The companies have opted to encourage its customers to use drums and small containers instead of plastic bags whose price has increased from Kenyan Shilling 5 to Kenyan Shilling 18 where many are unhappy about having to use drums instead of bags.

While the excise duty is a headache for small garbage collectors, many may go out of business once a Kenyan Shilling 3bn tender for garbage collection in Nairobi is awarded in 2008. Once this happens all local waste management companies will cease to operate and will only be contracted by the company that wins the tender to collect garbage after they buy world class collection vehicles.

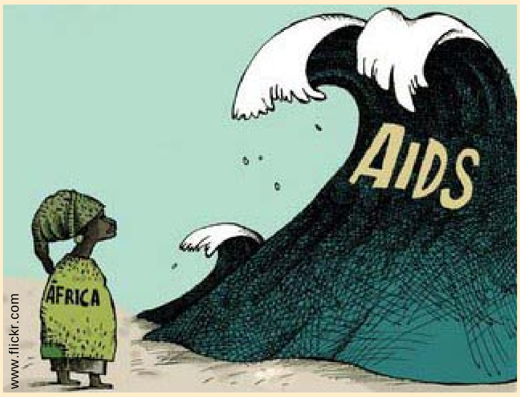
(BD, 08.11.07)

New AIDS Strategy for Africa

The World Bank overtaken as the largest funder of global HIV/Aids programmes is now focusing on easing the economic damage inflicted by the syndrome in Africa and finding ways of controlling its spread through better prevention, care and treatment.

Global funding for HIV/AIDS reached US$9bn in 2007 compared to US$1.6bn available in 2001.

The World Bank's Vice President for Africa, Obiageli Ezekwesili, said a new five-year action plan for fighting the HIV/AIDS pandemic in Africa sought to ratchet up the Bank's role as an adviser to governments and its power to bring together donors to ensure AIDS funding is properly used.



According to the latest UN figures, the global prevalence of HIV/AIDS has levelled off, in part due to effective HIV programmes. Still, in 2007, there are 33.2 million people living with HIV, 2.5 million people became newly infected and 2.1million people died of AIDS.

(Mail & Guardian, 29.11.07)

Ethiopia's Malaria Initiative

Ethiopia became a focus country for the historic US$1.2bn, five-year US effort to fight malaria across Africa. President's Malaria Initiative (PMI), a joint effort to fight the disease was launched on November 30, 2007.

The PMI will significantly increase resources to Ethiopia, providing the most advanced and effective prevention and treatment interventions available. This year's funding of US$20mn will be spent primarily in the Oromiya Region, which suffers most from the country's malaria burden.

The PMI is an interagency initiative led by USAID, with the US Department of Health and Human Services (HHS) and the Centers for Disease Control and Prevention (CDC) as key partners.

The goal of the PMI is to assist national malaria control programmes to cut malaria-related deaths by 50 percent in the 15 focus countries in Africa by supporting a comprehensive malaria control effort led by national malaria control programmes.

Malaria is the largest cause of disease morbidity and mortality in Ethiopia, with more than 2 million clinical cases and 70,000 deaths per year.

(Africa News, 05.12.07)

Africa in Climate Fight

Africa is the "forgotten continent" in the fight against climate change and needs help to cope with projected water shortages and declining crop yields.

The damage projected for Africa by the UN climate panel would justify tougher world action to slow global warming even without considering likely disruptions to other parts of the planet.

Yvo de Boer, head of the Bonn-based UN Climate Change Secretariat noted that big developing countries, such as China and India, had won far more funds than Africa from rich nations to help cut greenhouse gases.

Africa has won relatively little aid to help it adapt to ever more drought, desertification, changing ranges for diseases and rising seas. *(Reuters, 18.11.07)*

Addressing Capacity Building needs on Competition Policy in Eastern and Southern Africa

CUTS has been implementing a two-year project entitled, 'Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa' codenamed 7Up3 Project in seven countries: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda, with support from the Norwegian Agency for Development Cooperation (NORAD), Norway and the Department for International Development (DFID), United Kingdom.

One of the main aim of the 7Up3 project is to develop the capacity of national stakeholders including the policy makers, regulators, civil society organisations, academicians and the media in each of the project countries through a participatory process to understand and appreciate prevailing competition concerns from the national, regional and international perspectives, and enable them to respond appropriately.

The national markets in eastern and southern Africa are integrating through three regional bodies, viz., Common Market foe Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and East African Community (EAC) with considerable geographical overlap. Though some countries of the region have framed competition legislations, there has been little or no progress when it comes to implementation of the legislation. Therefore, the need for developing the capacity of the stakeholders of the countries in the region was felt, especially in the wake of the privatisation and globalisation climate prevailing there.

As a part of the 'Capacity Building' element of this project, national level training workshops on competition policy and law issues were held in the project countries.

The need for these national training workshops was felt over the period of implementation of the 7Up3 project, which revealed a dire need for raising the level of understanding not only of the government representatives, but also other

stakeholders (especially civil society and business organisations) to operationalise national competition regimes. Seven training workshops, one each in the project countries were organised. Five of the events were organised from July-September 2007, while the remaining two (Ethiopia & Uganda) were held in October 2007.

In Ethiopia

A three-day training workshop was organised by CUTS International and Aha Ethiopian Consumer Protection Association (AHaECoPA), Ethiopia, Addis Ababa and coordinated by CUTS Institute for Regulation and Competition (CIRC) on October 10-12, 2007.

Harka Haroye, Trade Practice Investigation Inquiry Commissioner stressed the role of consumer associations, and said that they play significant role in the protection of consumer welfare and promotion of competition culture. He added political will and civil society involvement are indisputably some of the preconditions for competition policy and law to be effective.

In Uganda

A similar training workshop was organised by CUTS and Consumer Education Trust (CONSENT), Uganda and coordinated by CUTS Institute for Regulation and Competition (CIRC), in Kampala, Uganda, on October 03-05, 2007.

Speaking at the opening, Kimera Henry Richard, CONSENT's Chief Executive said that while some people have different opinions on competition and fail to promote it, consumers continue to lose out irrespective of being the largest socio-economic group in any given economy.

For further details of the Training Workshops, visit the webpage: http://www.cuts-ccier.org/NTW/index.htm

Study on Trade in Services

CUTS Africa Resource Centre (CUTS ARC), Nairobi, organised a national consultation workshop on 'Trade in Services' in Nairobi, on November 30, 2007. This workshop was based on the study done by Dr Mosses Sichei, an expert in trade in services. The topic of the study was 'Multi-country Study on Trade in Services and Domestic Regulation: Background Paper for Kenya'.

Two sectoral studies on health and Information and Communication Technology (ICT) were also presented in the workshop.

Policy-making Process in Kenya

The Centre and Friedrich Ebert Stiftung (FES), Kenya initiated a series of periodic Roundtable debates as a modern concept of dialoguing on pertinent issues touching on the Kenyan economy, be it internally or externally instigated.

The second Economic Roundtable Dialogue on "Policy-making Process in Kenya and Impact on National Development" took place in Nairobi, on November 08, 2007. The aim was to interrogate the process followed by Kenyan Government in coming up with national policies, taking due regard of the fact that it is through policies that governments pursue certain desired 'outcomes' to its people.

This debate was instigated by the current understanding that policies in Kenya are made haphazardly and there was need to develop an agreed method that is people-driven and that could deliver good outcomes while remaining politically insulated from interference by the changing governance regimes.

EVENT ANNOUNCEMENT

Pre-UNCTAD XII Civil Society Forum in Africa

Nairobi, Kenya, March 13-14, 2008

On the occasion of the forthcoming quadrennial meeting of the United Nations Conference on Trade and Development (UNCTAD XII) to be held in Accra, Ghana on 20-25 April 2008, the CUTS Centre for International Trade, Economics & Environment (CUTS CITEE) organises a two-day international conference in Nairobi, Kenya, on March 13-14, 2008, within the framework of its project on Linkages between Trade, Development and Poverty Reduction (TDP). The conference seeks to formulate a set of key messages to be fed into the Civil Society Forum, which will be held during the UNCTAD XII. Towards such objective, the conference will discuss the four sub-themes of the UNCTAD XII, which are:

- Enhancing coherence at all levels for sustainable economic development and poverty reduction in global policy making, including the contribution of regional approaches;
- Key trade and development issues and the new realities in the geography of the world economy;
- Enhancing the enabling environment at all levels to strengthen productive capacity, trade and investment: mobilising resources and harnessing knowledge for development; and
- Strengthening UNCTAD – enhancing its development role, impact, and institutional effectiveness.

Participants will include CSOs, business associations, media, academics, government officials, representatives from international and inter-governmental organisations and the donor community.

PUBLICATION

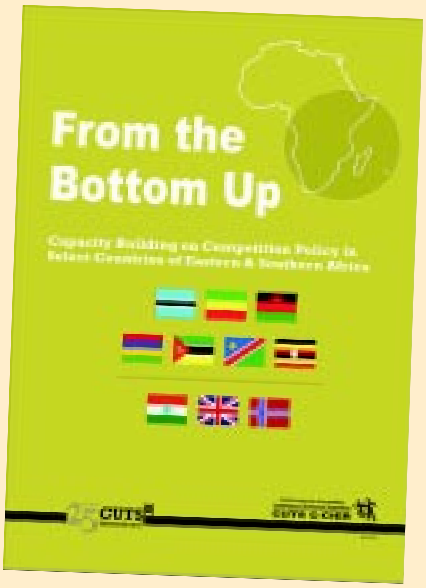
From the Bottom Up

CUTS International initiated the Project entitled, 'Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa' (also referred to as the 7Up3 project) with the dual objectives of assessing the bottlenecks that prevent effective implementation of competition regimes in the project countries; and enhancing the capacity of multiple stakeholders to comprehend the benefits of competition policy and law.

This Report published under the 7Up3 project charts out the competition scenario in seven countries in Eastern and Southern Africa, viz. Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia, and Uganda, and highlights the weaknesses that require to be addressed for operationalising competition regimes in them. Information contained in the report should form the backbone for subsequent national level interventions so far as competition and regulatory policy reform is concerned. It strongly recommends national governments to prioritise competition administration in the framework of their national development strategies to promote economic development as a means to reducing poverty and inequality.

The Report contains an analysis and synthesis of the information gathered and research done during the implementation of the project.

Research Report
Suggested Contribution: INR500/US$50



Sources

BD: Business Day; EA: East African; EABW: East African Business Weekly; EAS: East African Standard; ET: The Economic Times; FT: Financial Times; TNT: The New Times; TS: The Standard

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