

IS MORE THAN MARKET ACCESS

ment to the Trade component of the Cotonou Partnership
specific countries development. The aim was to use trade as the
means to achieve the end to fight poverty, promote sustainable development and work towards the
gradual integration of African, Caribbean and Pacific countries into the international world trade system.

Market Access and development

Zambia has recently been applauded by the EU for signing the EPA where even Peter Mandelson, the EU Commissioner, welcomed the move. In his statement, Mandelson says, the agreement to the market access offer provides Zambia with a new development tool among other things. Although Zambia has been given full access to the EU market under the EPA market access offer, contrary to the impression this may give, Zambia already has duty free and quota free access to the EU market under the Everything But Arms (EBA) Agreement. The main difference between the EBA and EPA market access offer is that the EBA is more stringent on the rules of origin and the sugar protocol.

The question arises whether the EPA, through the market access offer, will significantly address the trade performance of the Zambian economy but more especially the Agriculture Sector. According to national figures the biggest employing sector in the Zambian economy is the agriculture, forestry and fisheries sectors with 92% in the rural areas and 20% in the urban areas. In light of this it is both disheartening and unfortunate to note that rural poverty stands at 80% and urban poverty is at 34%. This makes it clear that there are latent issues that permeate through the macro system of employment, income inequality and the socio-economic impact of the agriculture sector.

The export performance of the agriculture sector under the EBA agreement which gave duty free and quota free access to the EU market, failed to show significant overall improvement in the development of the agriculture, forestry and fisheries sectors. Zambian farmers involved in livestock cattle production in both western and southern province find that they are restricted by poor roads that they do not have adequate access to markets beyond the province. This is aggravated by poor infrastructure, poor management of disease outbreaks and lack of technical support for best management practices to farmers through the extension services. In this case, market access illustrates that development of a sector is not inevitable and broadens the perspective that market access should be viewed from. As CSOs we cannot emphasise enough the importance that the European Development Fund (EDF) has to address the basic supply side constraints that continue to plague Zambia, but more especially the agriculture sector. History shows a poor disbursement track record of the EDF where for example, the 8th EDF and the 9th EDF show significantly declining margins were disbursed as compared to the amount allocated. According to information provided by the Economic Affairs Division of the Commonwealth Secretariat, the 8th EDF only saw 20% of the allocated funds disbursed and the 9th EDF only saw 28% of the allocated amount actually being disbursed. The European Community (EC) should provide for additional resources aside from the adjustment costs to address the underlying problems of education, infrastructure, capital investment, storage facilities and agro-processing equipment accordingly among other development issues if the EPA intends to remain what it set out to be, a development trade agreement.

Development chasing market access

Development is not an instant issue that can be addressed as it often involves large public investment and lengthy implementation programs. In view of the livestock sector, Zambia still has a long way to go in meeting sanitary standards, controlling disease break outs and educating livestock holders on best management practices that can enable Zambia to compete and export to the EU. Without a roadmap and



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become an agreement that has development chasing market
Zambia will continue to face supply-side capacity constraints. As
and Zambia begins the liberalization of the economy. Areas of
constraints will persist and the EPA will be a defective trade

EPA and Development

In summary, the EPA is meant to;

- É Assist ACP countries integrate into the global trading system in a smooth and gradual manner
- É Assist ACP countries play an active role in international trade
- É Assist ACP countries enhance their production, supply and trading capacities as well as capacity to attract investment

The EPA objective can only be achieved if due consideration is given first and foremost, to ensure the capacity and ability of domestic firms to trade is developed. The negotiations on market access provisions should be done in light of this because Zambia is still a Least Developed Country and current trade provisions guarantee duty free and quota free full market access to the EU under the (EBA) Agreement.

The EPA is meant to facilitate aid to the ACP countries through the European Development Fund on two grounds. The first is for the respective adjustment costs that countries will experience and the second is for the development benchmarks (development matrix) which are based on national priority requirements. The amount committed to the adjustment costs is clear and committed with funds set aside. Although the European Commission has said they will assist facilitating additional funds for ACP countries, there is no guaranteed commitment on mobilization of additional resources for the development benchmarks.

Aid for trade

Since the EPA is meant to be a development trade agreement, there is need to be sure that it lives up to expectations. Zambia and other countries who have initialed should be careful to ensure that they sign an actual development trade agreement and not sign with the idea of a development trade agreement.

A large part of a successful EPA depends on aid that will need to be disbursed in good time and prioritised on development needs with favorable conditions. This closely ties the 'Aid for trade' package to the debate on effective aid delivery. The effective aid debate has highlighted the shortcomings of current aid packages on stringent conditionalities, late disbursements of aid and uncoordinated efforts with countries. In the case these bad seeds are planted in the 'Aid for trade' package, 'Aid for trade' will become another failed slogan in the development arena.

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