PROMOTING WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE AGREEMENTS

EXPERIENCES FROM EGYPT, KENYA, UGANDA, RWANDA AND ZAMBIA

Edited by Roselynn Musa and Carol Idembe
PROMOTING WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE AGREEMENTS

EXPERIENCES FROM EGYPT, KENYA, UGANDA, RWANDA AND ZAMBIA

Edited by Roselynn Musa and Carol Idembe
The African Women's Development and Communication Network (FEMNET) aims to strengthen the role and contribution of African NGO's focusing on women's development equality and other human rights through communications, networking, training and advocacy.

The African Women's Development and Communication Network (FEMNET)
KUSCCO Center, Kilimanjaro Road, off Mara Road
PO Box 54562 -00200, Nairobi
Tel: +254 20 271 2971/2
Fax: +254 20 271 2974
Email: admin@femnet.or.ke
Website: www.femnet.or.ke

www.facebook.com/femnetsecretariat

www.facebook.com/femnetsecretariat

@femnetprog

Blog: femnet.wordpress.com
Photo Credits: FEMNET Photo Library and Take1 Productions

Design:
James Chunguli
jameschunguli@gmail.com

Production:
Pafido Enterprises
bonarego@yahoo.com
# TABLE OF CONTENTS

Acknowledgements .............................................................................................................................................. iv

Acronyms & Abbreviations .................................................................................................................................. v

About FEMNET and the Women’s Economic Empowerment project ..................................................... vii

Executive Summary ............................................................................................................................................. xii

**CHAPTER 1** ....................................................................................................................................... 1

Background .......................................................................................................................................................... 1-5

**CHAPTER 2:** ..................................................................................................................................... 7

Promoting African Women’s Economic Empowerment through Gender Responsive Trade Arrangements – **EGYPT** ........................................................................................................ 7-17

**CHAPTER 3:** ................................................................................................................................... 19

Promoting African Women’s Economic Empowerment through Gender Responsive Trade Arrangements – **KENYA** ........................................................................................................ 19-43

**CHAPTER 4** .................................................................................................................................... 45

Promoting African Women’s Economic Empowerment through Gender Responsive Trade Arrangements - **UGANDA** ........................................................................................................ 45-67

**CHAPTER 5** .................................................................................................................................... 69

Promoting African Women’s Economic Empowerment through Gender Responsive Trade Arrangements – **RWANDA** ........................................................................................................ 69-92

**CHAPTER 6** .................................................................................................................................... 94

Promoting African Women’s Economic Empowerment through Gender Responsive Trade Arrangements – **ZAMBIA** ........................................................................................................ 94-111

**CHAPTER 7** .................................................................................................................................. 113

Comparative Analysis of the Five Countries in the Multi-country Study ............................................ 113-119

**References** ................................................................................................................................................. 120
ACKNOWLEDGEMENTS

On behalf of the African Women’s Development and Communication Network (FEMNET), I would like to thank all the consultants who carried out the research on which this report is based. These are: Charles Twesigye-Bakwatsa from Rwanda; Jane S. Nalunga from Uganda; Mabel Milimo from Zambia; Salome N. Wangalachi from Kenya; Doaa Abdelaal Mohamed and Mozn Hassan from Egypt. Rekha Shori was responsible for organizing the work into a coherent document and for ensuring that all data were as accurate as could be ascertained.

FEMNET staff, particularly the former Executive Director, Norah Matovu Winyi, the Head of Communication Programme, Carlyn Hambuba and the Information Manager, Rachel Kagoiya were responsible for the preparatory work and the administration of the project from the beginning.

Experts who attended the validation meeting in April 2011 augmented information gathering by bringing their knowledge of the relevant fields and considerable understanding of what is taking place at the grassroots levels to the discussions at the meeting. The lively atmosphere generated during the meeting was vindication of why it had been necessary to call it in the first place. There are too many names to mention here, but it is hoped that each contributor will recognise their individual as well as collective contributions in this final document. In the same vein, we apologise if anybody feels left out and state emphatically that this is not intentional.

Finally, we would like to thank Trust Africa for their partnership and financial support for the entire project.

Roselynn Musa, Programme Manager
FEMNET
## ACRONYMS & ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABG</td>
<td>Applied Budget Group</td>
</tr>
<tr>
<td>ACP</td>
<td>African Caribbean and Pacific Countries</td>
</tr>
<tr>
<td>AGOA</td>
<td>African Growth and Opportunity Act</td>
</tr>
<tr>
<td>AOA</td>
<td>Agreement on Agriculture</td>
</tr>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>BI</td>
<td>Bilateral Investment</td>
</tr>
<tr>
<td>BITs</td>
<td>Bilateral Investment Treaties</td>
</tr>
<tr>
<td>BPFa</td>
<td>Beijing Platform of Action</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China</td>
</tr>
<tr>
<td>BTC</td>
<td>Belgian Technical Cooperation</td>
</tr>
<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
</tr>
<tr>
<td>CAPMAS</td>
<td>Central Agency for Public Mobilization and Statistics</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of all forms of Discrimination Against Women</td>
</tr>
<tr>
<td>COFTA</td>
<td>Cooperation for Fair Trade in Africa</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for East and Southern Africa</td>
</tr>
<tr>
<td>CPA</td>
<td>Cotonou Partnership Agreement</td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
</tr>
<tr>
<td>CSOs</td>
<td>Civil Society Organizations</td>
</tr>
<tr>
<td>CSP</td>
<td>Country Strategy Paper</td>
</tr>
<tr>
<td>CTPD</td>
<td>Centre for Trade Policy and Development</td>
</tr>
<tr>
<td>CWSs</td>
<td>Coffee Washing Stations</td>
</tr>
<tr>
<td>DAWN</td>
<td>Development Alternatives with Women for a New Era</td>
</tr>
<tr>
<td>DBS</td>
<td>Direct Budget Support</td>
</tr>
<tr>
<td>DC</td>
<td>District Commissioner</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EBA</td>
<td>Everything But Arms</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
</tr>
<tr>
<td>EFTA</td>
<td>The European Free Trade Association</td>
</tr>
<tr>
<td>EHHDR</td>
<td>Egyptian Human Development Report</td>
</tr>
<tr>
<td>EITP</td>
<td>Egyptian International Trade Point</td>
</tr>
<tr>
<td>EPA</td>
<td>Economic Partnership Agreement</td>
</tr>
<tr>
<td>EPZs</td>
<td>Economic Processing Zones</td>
</tr>
<tr>
<td>ESA</td>
<td>Eastern and Southern Africa</td>
</tr>
<tr>
<td>ESAEPA</td>
<td>Eastern and Southern Africa Economic Partnership Agreement</td>
</tr>
<tr>
<td>ESP</td>
<td>Economic Stimulus Package</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUREGAP</td>
<td>European Retailers Code of Good Agricultural Practices</td>
</tr>
<tr>
<td>FCK</td>
<td>Flower Council of Kenya</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FEMNET</td>
<td>African Women’s Development and Communications Network</td>
</tr>
<tr>
<td>FEPA</td>
<td>Framework for Economic Partnership Agreement</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>FNDP</td>
<td>Fifth National Development Plan</td>
</tr>
<tr>
<td>FPEAK</td>
<td>Fresh Produce Exporters Association of Kenya</td>
</tr>
<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
</tr>
<tr>
<td>FTAs</td>
<td>Free Trade Areas</td>
</tr>
<tr>
<td>FTZs</td>
<td>Free Trade Zones</td>
</tr>
<tr>
<td>GAD</td>
<td>Gender And Development</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GATTA</td>
<td>Greater Arab Free Trade Area</td>
</tr>
<tr>
<td>GERA</td>
<td>Gender and Economic Reform in Africa</td>
</tr>
<tr>
<td>GFPs</td>
<td>Gender Focal Points</td>
</tr>
<tr>
<td>GMO</td>
<td>Gender Monitoring Office</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>GoE</td>
<td>Government of Egypt</td>
</tr>
<tr>
<td>GoR</td>
<td>Government of Rwanda</td>
</tr>
<tr>
<td>GRB</td>
<td>Gender Responsive Budgeting</td>
</tr>
<tr>
<td>GRZ</td>
<td>Government of the Republic of Zambia</td>
</tr>
<tr>
<td>GSP</td>
<td>General Special Preference</td>
</tr>
<tr>
<td>GTAP</td>
<td>Global Trade Analysis Project</td>
</tr>
<tr>
<td>ICTs</td>
<td>Information and Communication Technologies</td>
</tr>
<tr>
<td>IEA</td>
<td>Institute of Economic Affairs</td>
</tr>
<tr>
<td>IGAD</td>
<td>Inter-Governmental Authority on Development</td>
</tr>
<tr>
<td>IITC</td>
<td>Inter-Institutional Trade Committee</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>JITAP</td>
<td>Joint Integrated Technical Assistance Programme</td>
</tr>
<tr>
<td>KAM</td>
<td>Kenya Association of Manufacturers</td>
</tr>
<tr>
<td>KEBs</td>
<td>Kenya Bureau of Standards</td>
</tr>
<tr>
<td>KEPHS</td>
<td>Kenya Plant and Health Inspection Services</td>
</tr>
<tr>
<td>KEPSA</td>
<td>Kenya Private Sector Alliance</td>
</tr>
<tr>
<td>KIPPPRA</td>
<td>Kenya Institute of Public Policy Research and Analysis</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
</tr>
<tr>
<td>KRA</td>
<td>Kenya Revenue Authority</td>
</tr>
<tr>
<td>LDC</td>
<td>Least Developed Country</td>
</tr>
<tr>
<td>LDCs</td>
<td>Least Development Countries</td>
</tr>
<tr>
<td>MCTI</td>
<td>Ministry of Commerce, Trade and Industry</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MFN</td>
<td>Most Favoured Nation</td>
</tr>
<tr>
<td>MINAFFET</td>
<td>Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>MINAGRI</td>
<td>Ministry of Agriculture and Animal Resources</td>
</tr>
<tr>
<td>MINEAC</td>
<td>Ministry of East African Affairs</td>
</tr>
<tr>
<td>MINICOM</td>
<td>Ministry of Trade and Industry</td>
</tr>
<tr>
<td>MNCs</td>
<td>Multi-National Corporations</td>
</tr>
<tr>
<td>MRLs</td>
<td>Maximum Residue Levels</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro Small and Medium Enterprises</td>
</tr>
<tr>
<td>MTS</td>
<td>Multilateral Trading Systems</td>
</tr>
<tr>
<td>MTTI</td>
<td>Ministry of Tourism, Trade and Industry</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NDTPF</td>
<td>National Development and Trade Policy Forum</td>
</tr>
<tr>
<td>NEDSP</td>
<td>National Export Development Strategy Paper</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Government Organisation</td>
</tr>
<tr>
<td>NGOCC</td>
<td>Non Governmental Organisations Coordinating Council</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non Governmental Organisations</td>
</tr>
<tr>
<td>NGP</td>
<td>National Gender Policy</td>
</tr>
<tr>
<td>NIP</td>
<td>National Indicative Programme</td>
</tr>
<tr>
<td>NISR</td>
<td>National Institute of Statistics of Rwanda</td>
</tr>
<tr>
<td>NSAs</td>
<td>Non State Actors</td>
</tr>
<tr>
<td>NTAs</td>
<td>New Trading Agreements</td>
</tr>
<tr>
<td>NTBs</td>
<td>Non-Tariff Barriers</td>
</tr>
<tr>
<td>ODA</td>
<td>Overseas Development Assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PCD</td>
<td>Policy Coherence for Development</td>
</tr>
<tr>
<td>PEAP</td>
<td>Poverty Eradication Action Plan</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>QIZ</td>
<td>Qualified Industrial Zone</td>
</tr>
<tr>
<td>RDB</td>
<td>Rwanda Development Board</td>
</tr>
<tr>
<td>RIP</td>
<td>Regional Indicative Programme</td>
</tr>
<tr>
<td>RPSF</td>
<td>Rwanda Private Sector Federation</td>
</tr>
<tr>
<td>RRA</td>
<td>Rwanda Revenue Authority</td>
</tr>
<tr>
<td>RSP</td>
<td>Regional Strategy Paper</td>
</tr>
<tr>
<td>RTAs</td>
<td>Regional Trade Agreements</td>
</tr>
<tr>
<td>SEATINI</td>
<td>Southern and Eastern African Trade Information and Negotiations Institute</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Agency</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Scale Enterprises</td>
</tr>
<tr>
<td>SPS</td>
<td>Sanitary and Phyto-Sanitary measures</td>
</tr>
<tr>
<td>SSI</td>
<td>Semi-Structured Interview</td>
</tr>
<tr>
<td>TAs</td>
<td>Trade Arrangements</td>
</tr>
<tr>
<td>TIFA</td>
<td>Egypt –USA Trade and Investment Framework Agreement</td>
</tr>
<tr>
<td>TNCs</td>
<td>Transnational Corporations</td>
</tr>
<tr>
<td>TRAINS</td>
<td>Trade Analysis and Information System</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNIFEM</td>
<td>United Nations Fund for Women</td>
</tr>
<tr>
<td>UPEHC</td>
<td>Union of Producers and Exporters of Horticultural Crops</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WID</td>
<td>Women in Development</td>
</tr>
<tr>
<td>WLSA</td>
<td>Women in Law in Southern Africa</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
<tr>
<td>ZARD</td>
<td>Zambia Association for Research and Development</td>
</tr>
<tr>
<td>ZFAWIB</td>
<td>Zambia Federation of Associations of Women in Business</td>
</tr>
</tbody>
</table>
ABOUT FEMNET AND THE WOMEN’S ECONOMIC EMPOWERMENT PROJECT

The African Women’s Development and Communication Network (FEMNET) is a regional African organization working to promote women’s rights and development in Africa.

During the Strategic Period 2011 – 2013, FEMNET has identified five (5) focus areas to be prioritized so as to ensure greater impact and efficient use of available resources in the promotion of gender equality and women’s empowerment. The five focus areas are:

- Women in leadership and governance;
- Women’s economic empowerment and rights;
- Women’s sexual and reproductive health including the protection of women’s bodily integrity and dignity;
- Women, the media and use of information and communication technologies (ICTs), including Freedom of Information; and
- Institutional strengthening of women’s organisations and networks in Africa.

FEMNET aims to see African women’s collective leadership for equality, peace and sustainable development. Its objectives are:

- To strengthen the role and contribution of non-governmental organizations (NGOs) focusing on women’s development and the integration of women into the development process in Africa.
- To create an infrastructure and channel through which women’s associations and organizations working on women’s issues can reach one another and share crucial information, knowledge and experiences and thereby sharpen and improve their inputs into Africa’s development.
- To initiate, develop, coordinate and maintain close working contacts with United Nations agencies, the African Union (AU) and other national, regional, or international bodies and NGOs having objectives altogether or in part similar to the objectives of the Network.
- To develop a database on scientific, technical, economic and other information considered relevant or material to the objectives of the Network.
- To initiate, develop, provide and maintain channels and means for communication on matters relating to African women’s development, particularly to advise members of the Network of national, regional and international initiatives which are relevant to African women’s development.
- To initiate investment projects in any part of Africa that will support the work of the Network.
To adopt such means of making known the activities and services of the Network as may seem expedient, and in particular by the publication of directories, brochures, books and periodicals, by the granting of prizes, rewards, scholarships and exhibitions, advertising in the press, on radio, television or cinema.

This report is based on the research done by FEMNET to assess the extent to which trade arrangements between African countries and the European Union facilitate African women’s economic empowerment and realization of their economic rights. Prior to this research FEMNET undertook a study in the 1990s in Kenya at a time when many African countries adopted the poverty eradication strategy plans and policies (PRSPs). These were the overarching national development plans. The PRSPs aimed to significantly contribute to poverty reduction and stimulation of steady economic growth that would be in tandem with the population growth rates in Africa.

In 2007, FEMNET worked with other actors in Kenya to advocate for the mainstreaming of gender in macro- economic policies and the PRSP. This resulted in mobilization at the national level to create Gender Aware Action Groups at the National, district and community levels. The research established that despite the women’s organizations’ involvement in the process in the PRSP, it did not sufficiently integrate gender both in the analysis and in the action areas agreed upon. This meant that it would be difficult to have gender – responsive programmes implemented consistently in it.

Following from there, FEMNET undertook studies in five other countries (Egypt, Mali, Rwanda, Uganda and Zambia) to assess the extent to which gender had been successfully integrated in the macro-economic policies and the PRSPs and the experiences in those countries that Kenya would learn from. The findings clearly indicated that understanding the nature of gender disparities and differences and taking the necessary actions to address them or appropriately recognize and respond to them not only promotes economic growth, but would make a substantial contribution to the reduction of poverty.

It was also found that the countries had varying experiences and levels of success in mainstreaming gender in PRSPs and macroeconomic policies. Rwanda for example had clear mechanisms through which regular monitoring is done to assess the impact of the macroeconomic policy decisions and programmes on different categories of men and women in various parts of the country. It was also clear from the study findings that all countries had macro-economic management systems. However the systems may not necessarily benefit men and women equitably. For example if a country has a competitive exchange rate it will be good as long as the products, goods and services that are marketed within the region and at the international level include those produced or provided by both men and women.

The research also indicated that women’s organizations were not taking a lead role in mobilizing and ensuring that they are involved in the processes of macroeconomic policies development and the formulation of the PRSPs. The major constraint was lack of knowledge, exposure, and capacity to undertake critical analysis of their macroeconomic policies and systems. Without the knowledge and skills it was difficult for them to monitor the impact of the policies. Women in their diversity must be at the decision making tables. To ensure that they have influence and participate effectively they must be aware of their power and potential, have the knowledge, skills and formidable networks and linkages to support their voices so that the proposals they make are taken seriously.
It is on this premise that FEMNET with a range of partners developed a Training manual and advocacy toolkit to facilitate the process of knowledge and skills building within organizations on how to engage meaningfully in the process of mainstreaming gender in macroeconomic policies, PRSPs and the budgeting processes. The last component was included as it was noted that some countries had very good plans which were not fully implemented due to lack of sufficient resources (human, financial and material resources). In some cases it was lack of skills within government bodies on how to translate the plans into concrete actions that can address the gender disparities in men and women’s participation in the economy and other sectors that are prioritized in the PRSPs.

The training manual and toolkit have formed the main resource material for the sub-regional trainings that have taken place in West Africa, North Africa and Eastern Africa since September 2008 – 2010.

Poor economic conditions in Africa are a major challenge and increasingly a cause of large numbers of women with tertiary education migrating to other parts of the world. This should be a major concern for African governments that are investing heavily in their human resources by increasing and improving access to quality education for girls and women. It should also be a major concern for gender activists as the female brain drain affects the gains made over the years in closing the gender gaps in leadership generally and in economic governance institutions specifically (though in the latter area there are still minimal gains in the context of Africa). One key lesson highlighted in the Research Report on Gender Dimensions of PRSPs and in the relationship to the National Budgets (2007) is that development activities function much more effectively if all people, women and men, boys and girls are empowered to be fully involved in the processes. Therefore, the political, social, economic and cultural barriers that hinder women’s economic empowerment must be addressed as one of the ways to reverse the current female brain drain trends and reduce the feminization of poverty in Africa.

FEMNET therefore embarked on a new study to review and assess the impact of trade arrangements at the regional level between the European Union and Africa on women’s economic rights and empowerment efforts. The countries involved in the study include Rwanda, Egypt, Uganda, Kenya and Zambia. The case the studies focused on economic empowerment of women and specifically set to research and compile this report which includes information on the gender perspectives of following in the target countries:

- the different trade agreements that the country has with the European Union and with various European countries;
- the main focus of the trade arrangements;
- the main organs responsible for the formulation, implementation and monitoring of the trade agreement;
- the extent to which the processes of developing the trade agreements involved civil society actors;
- the level of integration of gender and the human rights approach in the trade agreements;
- labour standards that support women’s economic rights and empowerment that are included in bilateral and regional trade agreements;
- how the existing Trade Agreements are used to promote the realization of women’s economic rights and the empowerment agenda;
Identify new ways in which trade agreements can be used to promote the realization of the goals of the Beijing Platform for Action (BPfa) specifically those focusing on women’s economic empowerment;

how the implementation of the trade agreements between Africa and Europe and specific European countries are contributing to the achievement of the targets under the Millennium Development Goals 1 and 3;

existing national gender lobbies that FEMNET can work with to effectively engage in trade negotiations, their implementation and monitoring arrangements;

knowledge and skills gaps that may exist in the national gender lobby groups and the mechanisms through which the gaps are being addressed, if at all;

recommendations on how trade agreements and their implementation can be further strengthened to be gender responsive in their formulation, implementation and benefits that accrue to the partners involved and how national gender lobbies can use trade agreements to advocate for the realization of women’s economic rights and the empowerment agenda and ensure that women and men benefit equally from the economic opportunities presented by the trade arrangements between Africa and Europe.
EXECUTIVE SUMMARY

It is universally recognised that gender inequalities undermine human wellbeing, limit economic growth and efforts aiming to reduce poverty, and in many instances lead to political instability. Women, who make up a significant proportion of the population, bear the brunt of poverty, continue to be marginalized in social, economic and political processes, and have not been deliberately, systematically and sustainably targeted in Trade Arrangements (TA) and trade negotiation processes. A critical analysis of the implications of these TAs on gender and women’s economic empowerment would provide opportunity to review their usefulness as effective tools for gender-responsive economic transformation and equitable poverty reduction.

In this respect, several organizations, including the African Women’s Development and Communication Network (FEMNET) have embarked on analytical studies to generate tools and strategies with which to influence the TAs formulation and implementation processes. The ultimate aim is to make TAs effective instruments for gender equality and equitable growth.

Key Findings

Based on the research findings, the EU has a trade agreement with Egypt and it is currently negotiating EPAs with other countries in sub-Saharan Africa through their various economic blocs. For example, the EAC countries including Rwanda, Kenya and Uganda signed an interim EU-EAC Economic Partnership Agreement referred to as the Framework EPA (FEPA) in December 2010 to succeed the Cotonou Agreement. It is essentially the continuation of the EU-ACP Agreement with modifications. For Zambia which is negotiating the EPA under the ESA Bloc, this process is still on-going. The EPA differs from the Cotonou Agreement in a few key areas. For instance, it brought an end to the non-reciprocity system of trade preferences in accordance with the WTO rules which require that such provisions are generalized (in this case for all Least Developing Countries); the EU is negotiating and will implement the Agreement with Regional and sub-regional Economic Communities (RECs) and Customs Union unlike previously when it was with all the ACP countries. From the EU side, the Commissioner for Trade of the European Commission is the Chief Negotiator and from Kenya, Rwanda and Uganda participating in this study, the Ministers responsible for trade constitute the lead negotiation team, facilitated by the EAC Secretariat and national technical experts. Presently, Zambia is represented at the Joint Parliamentary Assembly of the EU by a Zambian Member of Parliament.

The trade negotiation processes are between governments for all countries. The Ministry of Trade and Commerce is the key Ministry mandated for the negotiation process.

CSOs participation is at different levels in the various countries. In Kenya, the civil society is a key player during the planning and consultation processes for the negotiations for EPAs together with the Government Ministries. The players include the Kenya Association of Manufacturers, Flower Council of Kenya, and Kenya Private Sector Alliance among others. Their role is to monitor and contribute to the negotiation process. However, participation at the EU negotiations is only between Government representatives.
In **Egypt**, the civil society has a strong role in the export promotion and facilitation for development and promotion of Egyptian exports. There is also an Export Development Fund that provides export subsidies by the government to farmers so that they sell their products abroad. However, according to the research, participation of women as entrepreneurs and in key positions is limited.

In **Rwanda**, the private sector federation has played an active role to strengthen members’ active involvement in regional and international trade. The National Development and Trade Policy Forum (NDTPF) is the key platform for stakeholder participation in the trade negotiation processes. The Forum comprises representatives from the public sector, the private sector, the academia as well as the civil society.

In **Uganda**, the Inter-Institutional Trade Committee (IITC), set up by the Ministry of Tourism, Trade and Industry (MTTI) has representatives of stakeholders from relevant government ministries, the private sector and civil society. It is the centre of consultative arrangements on all trade policy issues in Uganda. Organizations like SEATINI, ACTADE, Action Aid, and Oxfam GB have been actively engaged with the Civil Society Working Group on Trade (CSWGT) on trade issues for input into the IITC processes. Uganda is in the middle of negotiating an Economic Partnership Agreement (EPA) with the EU/EPA will not improve the preference margins Uganda currently enjoys in the EU market although one issue that may be important is for Uganda to obtain rules of origin (ROO) provisions under EPA that are at least as favourable as those currently enjoyed under Cotonou (World Bank and MTTI 2006).

In **Zambia**, there is a close working relationship between government and the Centre for Trade Policy and Development (CTPD). This is a membership based organisation to which several other CSOs are affiliated. The overall objective of the CTPD is “to promote equitable, pro-poor trade policies and practices. The CSOs participate in the government working groups which deal with issues relating to trade with other countries and are also represented during trade negotiations. During the negotiations the CSOs monitor and observe what the state actors or negotiators are committing to, at the country level.

The common challenges and gaps addressed in the five countries research were as follows:

- As a result of trading as regional blocs, country specific issues may lose visibility or suffer from regional level negotiations. While the regional TAs are associated with collective bargaining and economies of scale, country specific concerns may not be clearly voiced. Each of the 5 EAC countries has different labour conditions. In addition, free movement of labour within the EAC is still limited. In these circumstances, adoption of the core International Labor Organization (ILO) standards, including work place discrimination, maternity, compensation and other aspects, has to be considered.

- For all countries, it was a common concern that many stakeholders across the public and private sectors were unaware of or do not have access to sufficient information on TA processes. This implies that there is limited dialogue around TA negotiation and implementation processes. There appears to be a general perception among some government and most civil society stakeholders that public policy formulation, including international relations like trade agreements, are a matter for the Government, hence limited involvement of the civic population.
There is need for deliberate partnership (public-private sector partnerships) between government, Civil Society Organizations and gender based organizations on building capacities of communities of international trade on issues of trade negotiations and agreements to ensure gender responsiveness, equity and enshrining of economic and human rights in such frameworks. This must be complemented by availability of relevant data and information on trade negotiations, arrangements and business opportunities readily accessible by the public for effective application.

Inadequate communication. The Trade Secretariats do not have clear communication mechanisms or help desks specifically to provide information on international trade arrangements. There has not been any effort to simplify complex legal text for various stakeholders.

Lack of sex-disaggregated data on trade issues, and trade agreements is lacking. Analysis of the gender dimensions of trade arrangements in all countries was cited as a challenge.

Trade influences the labour market, migration flows, small and medium enterprises and the agricultural sectors are more likely to have negative impacts on women than on men. But trade policies and agreements are gender-blind and “neutral”. Decision-makers are not trained to take gender into consideration in the whole trade agreements processes (Geneva 2009).

Key Recommendations

Specific areas of the on-going initiatives that need support from FEMNET and other possible future interventions that will ensure that trade agreements are gender responsive and fulfil the aim of empowering women, as expressed by the country stakeholders were as follows:

In Rwanda, FEMNET can work with the Rwanda Private Sector Federation (RPSF). RPSF is a key institution that should be targeted for integrating gender equality because of its strategic positioning as an advocacy and facilitation body for private sector in Rwanda. It is the most effective and well-resourced mechanism to voice concerns relating to women entrepreneurs and gender equality. Women are often not connected to the business networks through which information flows and contacts and connections are shared. When women find a way to share their know-how and their skills, their businesses benefit. Finding markets for the goods women produce is a challenge, particularly in landlocked and remote countries such as Rwanda, where shipping costs can far outweigh potential profits. Connecting women entrepreneurs with interested customers provides a long-term boost to the women’s businesses, with the possibility of creating long-term sustainability.

In Zambia, FEMNET can work in collaboration with local NGOs involved in advocacy activities on trade arrangements between Zambia and other countries. In regard to gender and trade justice, FEMNET can: carry out capacity building interventions by assisting the Zambia Federation of Women in Business (ZFAWIB), for championing the cause for gender and trade justice and the economic empowerment of women through gender responsive trade arrangements; work with the Zambia Association of Research and Development (ZARD), Women for Change (WfC) and Women and Law in Southern Africa (WLSA), Zambia chapter. Other felt needs were quick gendered impact assessments and research skills. In terms
of knowledge, some women's organizations lacked understanding of trade arrangements between Zambia and the European Union. The capacity building activities will need to target the specific skills needs and improvement levels of knowledge on trade and gender issues.

In Egypt, the common feedback received from different NGOs and associations is the lack of systematic integration of gender analysis in trade negotiation and implementation processes. Consultation with either women's CSOs in particular or with different NGOs or associations is minimal and is mainly a condition by the donor partners involved in these processes. The many bodies and associations is a challenge for the Egyptian government to organize effective consultations and involvement of non-state actors in review mechanisms, dispute settlements and technical assistance. The non-state actors also lack the capacity to be able to engage effectively in the various mechanisms. A good entry point for FEMNET is to work on enhancing women's skills through the Women's Business Associations such as the EBWA and Egyptian Agribusiness Association (EAGA).

In Uganda, it was summarised that women's organizations would first resolve their internal/institutional challenges (financial and human resources) and knowledge gaps. They would enhance gender analysis and mainstreaming skills in order to strategically challenge the power imbalances that are currently influencing the focus of trade arrangements between Africa and the EU. Women's organizations in Uganda keen to collaborate with FEMNET on various issues related to trade agreements at the local and national levels include African Women’s Economic Policy Network (AWEPON), the Alliance for Integrated Development and Empowerment (AIDE), Participatory Ecological land Use Management (PELUM), and Volunteer Efforts for Development Concerns (VEDCO). Uganda government should harmonize and engender trade policies, standards and behind-the-border regulations with EAC, COMESA, EPAs member countries to pursue deeper regional integration and to avoid contradictory requirements (WORLD BANK and MTI 2006).

In Kenya, it was felt that a deliberate effort be made for public-private sector partnerships between government, Civil Society Organizations and women’s rights organizations like FEMNET. This is in order to build capacities of communities on issues of trade negotiations and agreements to ensure gender responsiveness, equity and enshrining of economic and human rights in such frameworks. This must be complemented by availability of relevant data and information on trade negotiations, arrangements and business opportunities readily accessible by the public for effective application. FEMNET would also participate in the formulation of policies whose frameworks flag out structures that reduce vulnerabilities of women traders in order to enhance their socio-economic rights within the operations of the EAC trade agreements and arrangements towards standardizing functions as is reflected by the Common Agricultural Policy.
CHAPTER 1

BACKGROUND

After several decades of gender and human rights activism, it is almost universally appreciated that gender inequalities undermine human well-being, limit economic growth and poverty reduction prospects, and perpetuate political instability. Excluding women from trade, one of the 21st century tools for development and cooperation, does not just leave half of humanity out, it is indeed a gross violation of human rights. Gender equality is a legitimate goal, and must be addressed in the global trade arrangements. This underlies the philosophy of the Millennium Development Goal (MDG) 3 (promote gender equality and empower women). Increased women’s access to employment and business opportunities has a direct connection with improved livelihoods and household incomes, equitable growth, and human development.

Trade has become an important tool for poverty reduction and economic transformation, political and economic cooperation and international diplomacy. To facilitate mutually beneficial trade between and across countries, regional free trade zones (FTZ’s), preferential trade areas (PTAs) and other forms of trade arrangements (TAs) have been established around different geo-political formations i.e. north-south; south-south and north-north cooperation. In Africa and most of the developing countries, questions have been raised regarding the effectiveness of these trade arrangements as catalysts of poverty reduction and growth especially the TAs between Africa and the European Union or with individual countries in the Union. The EU countries seem to be improving their volumes of trade and benefits but this doesn’t seem to be the case for most African countries.

In 2007, Africa led by the African Union, successfully negotiated with the EU, the Africa / EU Strategic Partnership. The final document was adopted by the EU-Africa Summit in Lisbon in December 2007. The purpose of the joint strategy is to take the Africa-EU relationship to a new strategic level with strengthened political partnership and enhanced cooperation at all levels. The joint strategy provides an overarching long-term framework for Africa-EU relations that are to be implemented through successive short-term action plans and enhanced political dialogue at all levels, resulting in concrete and measurable outcomes in all areas of the partnership. The Strategy has 8 thematic areas including peace and security; democratic governance and human rights; trade, regional integration and infrastructure; implementation of the Millennium Development Goals (MDGs); energy development and use; Climate Change; Migration, mobility and employment; and Science, information society and space.

In the light of this new partnership, both sides have committed themselves to enhance the coherence and effectiveness of existing agreements, policies and instruments. This is a very comprehensive strategy
signed between the EU and the African Union and it is to guide and inform all policies, programs and even trade arrangements signed by different countries with the EU or its member state through bilateral arrangements. One of the four long term objectives of the Strategy is to strengthen and promote peace, security, democratic governance and human rights, fundamental freedoms, gender equality, sustainable economic development, including industrialization, and regional and continental integration in Africa, and all the Millennium Development Goals (MDGs) are realized in all African countries by the year 2015.

Both sides under this Strategy agreed to promote holistic approaches to development processes, and make the Joint Strategy a permanent platform for information, participation and mobilization of a broad spectrum of civil society actors in the EU, Africa and beyond. In order to meet the fundamental objectives, Africa and the EU agreed jointly to address a number of key political challenges that are essential for the success of the new Strategy. However, the objectives of the Joint Strategy can only be achieved if the strategic partnership is owned by all key stakeholders, including civil society actors, parliamentarians and local authorities, and if they all are actively contributing to its interpretation and implementation. This therefore, requires popularization and wide dissemination of the Joint Strategy.

The Joint Africa – EU Strategy has implications for African women’s economic empowerment. The most relevant section of the Joint Strategy in regard to women’s economic empowerment is the strategic area of promoting trade and regional integration. Therefore, the development of domestic markets and regional integration are deemed crucial in creating larger and more integrated markets in Africa. These markets, coupled with enhanced regulatory convergence, would help to attract investment, increase productive capacities and foster sustainable economic growth and development. The Joint Strategy also recognizes that increased trade and regional integration would help African countries to move up the value-added scale and become less dependent on raw materials and simple processed products. In the long term this is the best way to avoid a deterioration of the terms of trade and participate in/benefit from the global economy. Africa and the EU also agreed to work together with other international partners to promote fair trade.

The key goals to be pursued by Africa-EU cooperation on trade and regional integration are: private sector development supported by foreign investments, to strengthen the supply side of African economies; the development and strengthening of physical infrastructure networks and related services, which are needed for the movement of persons, goods, information and services; and Trade integration, which is essential in increasing South-South and North-South trade flows. It should be noted that the Joint Africa – EU Strategy does not specifically focus on increasing the domestic saving capacities and sustainable exploitation of natural resources of these countries. There is no clear commitment to transfer of technologies and know-how to the locals in order to develop and sustain a less dependent relationship.

If the Joint Strategy is to focus on the above, then who is ensuring that the economic blocs in Africa are negotiating EPAs in line with the goals and objectives of the Strategy? According to the research findings in this multi-country study, the current form of EPAs is not focused on achieving sustainable development in Africa. In any case, there is less evidence of a clear monitoring mechanism to ensure that the EPAs and bilateral trade agreements are in line with the Joint Strategy provisions or go further to address some of the gaps noted in the Joint Strategy.
Another key strategic area in the Joint strategy that is of relevance to African women’s economic empowerment and equality is the “Development Issues: Accelerating Progress for the achievement of the Millennium Development Goals (MDGs).” Supporting Africa’s efforts to achieve the MDGs remains a key challenge for the member countries of the African Union as was clearly indicated in the 2010 MDGs +10 Review Report for Africa. One way to secure the achievement of the MDGs within the set timeframe is to ensure that external and development cooperation policies and programs are in line with the development priorities of the continent.

Africa and the EU in the Joint Strategy also agreed to strengthen their cooperation in the implementation of the Paris Declaration on aid effectiveness through further promotion of the alignment and harmonization of development aid instruments; and the predictability of development aid, the limitation of conditionalities and further move towards result-oriented aid, with a clear link with MDG indicators and performance. This would ensure that development aid or trade aid translates into development effectiveness – with concrete results indicating sustainable changes in the lives of men and women in Africa. The 2007/8 review of the impact of the Paris Declaration (PD) undertaken prior to the HLF III held in Accra, Ghana in 2008 clearly indicated that very little progress was registered in realizing the goals of the PD. It was in this forum that the Accra Agenda for Action (AAA) was adopted which emphasized the need for aid effectiveness to be measured in terms of achieving sustainable development, human rights standards, gender equality and environment protection goals.

Specifically on gender equality the Joint Strategy undertakes to strengthen the inter-institutional fabric of their administration to mainstream gender equality in all strategies, policies, programs and actions; and to address the entire range of women’s rights as set out in the Beijing Platform for Action and the AU Solemn Declaration on Gender Equality. The women’s rights include, inter alia, the elimination of illiteracy, equal access of girls to education, fighting the feminization of poverty, promotion of women’s equal participation in decision making and peace processes. Although the Joint Africa -EU Strategy has noble objectives of promoting sustainable development in terms of gender equality in particular, its achievement is predicated on the implementation of the EPAs; and on the increase in the quality and quantity of aid and debt cancellation commitments. Since the EPAs entail further liberalization of African economies they most likely have far reaching negative effects on the already fragile African economies and on the already fragile African women’s status. As for aid, the trend has been declining amounts given the global financial and economic crisis that started in 2008 which has led to many of EU member countries to be more inward focused to address their own economic deficits. The downward trend has continued up to date.

It should be noted that the actions and strategies in the Joint Strategy are a continuation of pre-existing processes of dialogue, negotiations and cooperation between Africa and the EU. For example, the EPA negotiations are ongoing; and the financing of all the actions is by the 10th European Development Fund (EDF) without any additional contribution from EU member states as agreed in the Strategy. The measures described under the partnerships on human rights and democracy relate essentially to political dialogue and institutional development on the African side with no substantial financial support and concrete actions.

FEMNET considers the provisions in the Joint Africa – EU Strategic Partnership in relation to gender equality and women’s empowerment as critical in guiding the on- going processes of negotiations of new TAs between African countries and the EU. To what extent are these commitments informing
the TAs (the EPA’s and the bilateral agreements)? It is within this Africa – EU Partnership framework that FEMNET decided to review and assess the extent to which the EU/ Africa trade arrangements are contributing to the achievement of the long term objectives specifically mentioned in the Joint Strategy. FEMNET, in the multi-country studies, also assessed the existing trade arrangements between EU/ African countries in terms of the potential opportunities for promoting the realization of women’s right to development and enhancing the realization of their economic and social rights.

Women comprise a significant proportion of Africa’s population that bears the brunt of poverty. They remain marginalized in social, economic and political processes, despite efforts to specifically target them. Africa’s long history of trade with countries in the European Union dates back to the colonial days. It is obvious that these have taken different formulations over time. There is also a difference, for instance, between the TAs EU has with Egypt compared to the other countries covered by the study that have mainly negotiated under the ACP/EU trade agreements. The most known ACP/EU TAs were the Lome Agreements (Lome I, II, III, and IV Agreements) were pursued between 1975 and 1995. Once Lome IV expired in 1995 the EU/ACP countries started negotiations in 1998 which resulted into the signing of the Cotonou Agreement in 2000. Under the Cotonou Agreement there is provision for the EU to negotiate Economic Partnership Agreements (EPAs) with specific economic blocs. Since 2002 such negotiations are taking place with five economic blocs in Africa. It is these current negotiations which have brought to the fore, a fundamental question – How effective are Europe-Africa TAs in poverty reduction, economic growth and women’s rights promotion? This is a key question that the country studies interrogated.

1.2 Objectives, Rationale and Scope of Study

The African Women’s Development and Communication Network (FEMNET) commissioned studies aimed at generating tools and messages with which to influence Trade Arrangements (TAs) formulation and implementation processes. The ultimate aim is to make TAs effective instruments for gender equality and equitable growth and development. The five (5) country study was undertaken in Egypt, Kenya, Uganda, Rwanda and Zambia.

The overall objective was to review and assess the impact of trade arrangements between Europe and Africa on women’s economic rights and empowerment efforts in the study countries; assess the potential for such trade arrangements to support women’s economic empowerment; and identify gaps and ways in which they can be addressed in order to make the TAs more gender-responsive.

1.3 Methodology

This report is a merger of five country reports. For all countries involved in the study, the methodology comprised extensive review of documents and in-depth interviews with experts and practitioners in relevant public agencies and ministries, civil society organisations particularly those engaged in advocacy to engender the trade arrangements and their implementations and non- state actors that are generally focused on the promotion of women’s economic rights. The researchers also interviewed relevant officials at the European Union (EU) missions and Embassies of member states of the EU, and several key informants in the private sector. The documents reviewed included trade policies, strategies
and plans; trade agreements; trade and gender analysis reports from Government, reports of different civil society organisations and research organizations. Findings were shared with stakeholders and validated in stakeholders forums held in each of the five countries before the final country reports were submitted to FEMNET.

One of the limitations of the study was the lack of gender disaggregated data in some countries. In this report, the data, where available, has got different timeframes for each country and therefore limits country comparisons.

1.4 Structure of report

The report has seven chapters. Chapter 1 is the introduction and objectives of the study; Chapter 2 gives the findings from Egypt. Chapter 3 is focusing on the findings in Kenya, followed by Uganda in Chapter 4, Rwanda in Chapter 5 and Zambia in Chapter 6. The final Chapter 7 gives a comparative analysis of the five countries in the multi-country study (2010).
CHAPTER 2:

PROMOTING AFRICAN WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE ARRANGEMENTS – EGYPT

2.1 Trade in Egypt

Egypt is a net exporter of oil products and textiles and a net importer of food (mainly cereals), chemical, electrical and metal goods. It also has comparative advantages in exporting cotton, fruit and vegetables, medicinal and aromatic plants, and cut flowers. The share of raw materials in exports has fallen sharply while that of high-tech manufactures has increased, which makes Egypt less vulnerable to raw material price fluctuations on world markets. Foreign direct investment (FDI) has risen spectacularly in recent years and switched from oil to other sectors, such as construction, communications and natural gas. It rose from $435 million in 2003/04 to $4.13 billion in 2004/05 and $9.1 billion in 2005/06. This surge was led by US investments, which more than doubled, from $2.04 billion in 2004/05 to $4.55 billion in 2005/06, and accounted for half of total FDI. European investment (in second position) increased in 2005/06 to reach $2.94 billion followed by the Chinese investment of $0.8 million in the 2005/06 figures. This is expected to rise in the coming years.

Egypt’s direct investments abroad, or capital outflow, also soared, from $232.7 million in 2004/05 to $2.99 billion in 2005/06. The Agriculture sector that contributes to fresh food and processed food predominantly for export employs the highest percentage of women in Egypt. Trade with Europe has not had great input towards women’s income, as compared to trading with the USA and the Arab Countries. However, trading with Europe encouraged Egyptian companies working in the agricultural sector to acquire international certificates. These certificates favour certain labour conditions and women’s work in particular. In Egypt only 40% of all women agricultural workers are remunerated. Women in rural areas are traditionally expected to receive less than men because they work less than them and have more domestic and family responsibilities. The major difference between Egypt and the other four study countries is that it’s less dependent on the agricultural sector and it has managed to diversify its products for exports over the last 20 years.
Egypt has grown increasingly reliant on imports over a very long period of time, and has, as a result, maintained an external trade deficit for most of the past 6 decades. The deficit, however, grew considerably between 1974 and 1984 as a result of President Sadat’s open-door policy that encouraged imports, and reached US$4.86 billion in 1980. This sharp rise was fueled by the infusion of large amounts of foreign aid following the signing of the Camp David peace accords with Israel in 1978 and the rise in oil revenue. Imports dropped for a brief period between 1984 and 1986, due to the shortage of foreign exchange coupled with debt repayments. Since 1986, imports have been on the rise, increasing from US$11.74 billion in 1995 to US$15.8 billion in 1999, when exports totaled US$4.6 billion. Thus, with exports remaining steady at around US$4.5 billion, Egypt has continued to maintain its trade deficit. Since 1998, the government has attempted to discourage imports by tightening trade financing and controlling the amounts of foreign currency in the country. Coupled with higher oil prices, the policy of lowering imports succeeded in reducing the deficit in 2000. However, imports are likely to continue outpacing exports due to the widespread lack of most raw materials, especially those needed by the construction and industrial sectors (IMF 1999).

2.2. Egypt Trade Policy

In Egypt, trade policy is implemented by the Ministry of Foreign Trade and Industry, established in November 2004 through a merger of the Ministry of Foreign Trade and the Ministry of Industry and Technological Development. The Ministry coordinates implementation of the trade policies with the Ministries of Agriculture and Finance. Inter-ministerial consultations are carried out to assess the impact of major policy changes on various sectors of the economy. The responsibility of trade policy formulation is under the supervision of the Ministerial Economic Committee, under the chairmanship of the Prime Minister. This committee is composed of the Minister of the Investment, the Minister of the Trade and Industry and the Minister of Economic Development and the International Cooperation Minister who is female.

Egypt’s foreign trade policy encompasses import, export and foreign exchange policies that are formulated by the Ministry of Trade and Industry and the customs tariff policy, which is laid down by the Ministry of Finance in collaboration with the Ministry of Trade and Industry and in consultation with the productive sector. The Ministry of Trade and Industry monitors the implementation of these policies. The Ministerial Economic Committee is expected to identify and propose areas that represent drawbacks and are in need of more support to enhance engagement in international trade. These issues would then be highlighted by the Ministry of International Cooperation in its negotiations with development partners, resulting in the implementation of coordinated development projects. The above efforts integrate some promising advantages for women economic empowerment in Egypt though the policies are not gender targeted.

2.3 Trade Agreements signed by Egypt

Egypt during the last two decades has been signing trade agreements with several partners. The agreements signed include:
2.3.1 World Trade Organization

Egypt is a contracting party to the General agreement on Tariffs and Trade (GATT) since 1970 and a WTO Member since 30 June 1995. Egypt participates actively in the multilateral trading system. Egypt actively participated in the Uruguay Round of negotiations and its subsequent rounds. Since then, Egypt has followed a steady plan to meet its WTO commitments. It has removed most non-tariff barriers, decreased tariffs, liberalized foreign investment policies, and privatized public sector companies. Egypt has also liberalized the foreign exchange market, which has helped to boost its exports in the processed food sector. Despite all of the above measures, the gender pay gap between 1998 and 2006, increased in the public enterprise sector in favor of men to reach levels comparable to the private sector. In fact, such inequality becomes more apparent when trade policies are taken into account as women mainly work for the government which is a non-tradable sector. The effects of the implementation of membership requirements remain unclear. While the agreement secures better access to developing markets, there is rising concern about its impact on the protected sectors of the economy, namely the industrial and agricultural sectors. The lifting of state protection might make these sectors more competitive, but could also lead to a huge increase in the country’s import bill (Egypt Forum 2010).

2.3.2 COMESA

Egypt became a member of the Common Market for Eastern and Southern Africa (COMESA) in 2001. COMESA creates a full free-trade area among its 19 member states providing Egypt with duty-free access to a market of more than 400 million consumers. COMESA membership provides Egyptian products with the opportunity of accessing African markets tariff-free. Under the COMESA Charter, an Egyptian could establish a business either individually or jointly with a counterpart from other member states; the business would benefit from all exemptions offered there. This gives Egyptian products a competitive edge in African markets. The main Egyptian exports to COMESA countries are Aluminum products; pharmaceuticals; petroleum products; carpets; ceramics; foodstuff; furniture; fertilizers; insecticides; cement and reinforced iron; rice; fabrics. Egypt imports from COMESA countries are: tea and coffee; cocoa; vegetables; sesame; raw leather; tanning substances; plant essences; livestock. Egypt has got a fast growing IT sector and has gained regional IT hub status to subsequently develop software exports to the COMESA region, thereby facilitating ICT development in the COMESA member states. COMESA has a gender policy which clearly articulates the important role of women in regional activities. It advocates equal and full participation of women in all aspects of COMESA activities and other operations taking place in the region. The policy emphasizes the principle of affirmative action across all spheres of COMESA policies, systems, structures, programmes and activities in order to redress existing gender imbalances.

2.3.3 Preferential Trade Agreements

EU-Egypt Association

The Agreement between Egypt and the European Union entered into force on 1 June 2004, replacing the 1977 Cooperation Agreement. The trade and trade-related provisions of the Agreement had entered into force on a provisional basis on 1 January 2004. This Agreement is of particular importance
for Egypt, as the European Union is its most important trading partner, its main source of Foreign Direct Investment (FDI), and its principal bilateral donor. The Agreement includes provisions on political, scientific, technological, and cultural cooperation. It establishes an Association Council, which meets at ministerial level once a year, and an Association Committee, which is responsible for the implementation of the Agreement. The members of both the Council and the Association are highly placed officials from both sides who engage with limited intervention of local stakeholders in Egypt such as business men or women associations. In the report of The Sixth Meeting of the EU-Egypt Association Council (Luxembourg, 27 April 2010)\(^1\), it was reported that “The EU considers the equal participation of women in all spheres of society to be a key factor for the political, economic and social development of a country. It welcomed Egypt’s positive steps to improve the status of women and girls and to promote women’s rights, including steps taken with electoral reforms. It encouraged the enactment of further legislation to combat violence against women in the public and private spheres as well as to end all forms of discrimination of women in all spheres of daily life. The EU strongly welcomed Government’s success in reducing the instance of female genital mutilation (FGM) and supports and encourages a continuation of these efforts.” It is notable in this statement that there is no specific mention of women economic empowerment and there equal participation in the trade sector specifically.

In the same meeting "The EU welcomed at the end of March 2010 further Egyptian updated proposals for the enhancement of relations in fields other than political dialogue. These took into account ideas discussed in different sectoral sub-committee meetings related to trade and economic relations, agriculture, energy, science and technological cooperation, higher education, and culture. The ad-hoc group met for a third time on 21 April for an informal discussion of these proposals, as well as of proposals put forward by the EU.” Although the articles of the Agreements and the different consultation meetings held after did not focus particularly on women in the economic sector and precisely trade, there is an implication that the whole process of empowering women at different levels will lead to positive effects of development for women.

2.3.4  EFTA (Iceland, Liechtenstein, Norway and Switzerland) - Egypt Free Trade

Another trade agreement is the EFTA Agreement, which covers trade in industrial products and basic agricultural products. The main objective of the Agreement is to achieve the liberalization of trade in goods in conformity with Article XXIV of the GATT, 1994. By 1 January 2020, customs duties on almost all industrial products will have been eliminated between the two countries. The 50 articles of the Agreement covering different trade issues do not mention directly any gender sensitive policies or activities. In essence the Agreement is gender blind and the assumption is that men and women can benefit from it. However, this can only happen if the government of Egypt takes deliberate actions to ensure that men and women equally benefit from the opportunities that such a trade agreement presents. If not, it is the middle to larger business establishments that would be able to meet the products demands under such agreements in the quantities required.

2.3.5 Agadir Agreement

On 25 February 2004, Egypt signed a free-trade agreement with Jordan, Morocco, and Tunisia. The so-called Agadir Agreement committed the parties to removing substantially all tariffs on trade between them by 1 January 2005, and to intensify economic cooperation with regard to standards and customs procedures. The agreement also covers government procurement, financial services, contingency measures, intellectual property, and dispute settlement. The conclusion of this Agreement is considered a major step towards the objective of creating a Euro-Mediterranean free trade-zone, as it also contains rules on bilateral and diagonal accumulation.

2.3.6 Greater Arab free-trade area

Egypt joined the Greater Arab Free Trade Area (GAFTA) with member countries of the Arab League in 1997. The GAFTA aims at full elimination of tariffs and non-tariff barriers within a 10 year transitional period with a 10% reduction each year starting in 1998. A decision was taken to end the transitional period in 2005 instead of 2007 (Ministry of Foreign Trade 2003) (FEMISE: 2004, 87).

2.3.7 Other Arrangements

The Free Trade Agreement between Egypt and Turkey

Egypt and Turkey signed on December 27, 2005 a free trade agreement. The Agreement is drafted in accordance with the provisions of the chapters related to the Free Trade Area in the Association Agreement between Egypt and the EU. According to the Agreement, imports into Turkey of industrial products originating in Egypt shall be allowed free of customs duties and other charges having equivalent effect, upon the entry into force of the Agreement. On the other hand, customs duties and other charges having equivalent effect on imports into Egypt of industrial products originating in Turkey shall be gradually abolished according to the schedules of four lists which are identical to the lists attached to the Association Agreement. The dismantling of customs duties on Turkish goods on each list shall be affected one year behind the similar list of EU. Regarding agricultural processed agricultural and fishery products, the two parties have agreed to grant each other concessions either as free tariff quotas or reduction of the customs duties on lists of these products. The two parties agreed to apply the Pan – Euromed Rules of Origin on the goods exchanged between the two countries. Egypt and Turkey are now in the process of ratifying the Agreement. Once this process is finalized the Agreement shall enter into force.

What is evident from the above is that EU and Egypt are very strong partners; the strategic position of the country makes it a potential partner for many countries from all the regions of the world. There is a great potential for Egypt to use this comparative advantage to promote women in business and trade and ensure that the realization of women’s economic rights is recognized and integrated in all trade agreements with different partners.
2.4 Institutional Framework in the Sector

Trade policymaking was more of a consultation process between different ministries before 2001. Since then the role of the Minister of Foreign Trade has been somewhat of greater predominance. Moreover, consultations with other stakeholders such as non-governmental organizations (NGOs) and business associations have improved since 2002. The key NGOs and business associations involved include the General Federation of Chambers of Commerce (GFCC), the Federation of Egyptian Industries (FEI), and the Egyptian Businessmen Association. Still, the effectiveness of the structured institutional arrangements in the form of committees and regular meetings with different stakeholders has remained different according to each type of trade policy adopted. Officially, the key business associations are consulted whenever a change in trade policy is initiated by the government. Other associations, such as the Egyptian Exporters’ Association (EEA), have played an important role in enhancing exports during the period 1995-2002. The EEA’s role was confined to overcoming failures associated with the exporting process in terms of a lack of information on foreign markets, upgrading exporters’ capacities (and therefore competitiveness) in matters such as packaging, dealing with foreign markets, choice of trade exhibitions to attend and so forth. In that time period, the EEA served as an export facilitator, but it was not a key player in the trade policy-making process. The Chamber of Commerce has not quite enjoyed a significant *direct* role in the formulation of Egypt’s foreign trade policy, but it is highly engaged in the formulation of domestic trade policies. What is important to note which this study established is that there are very few women that have been actively engaged in these processes. Therefore, very little attention has been levied to address the economic needs of the poorer and vulnerable communities in Egypt in the existing trade arrangements.

2.4.2 Government institutions

2.4.2a Egyptian International Trade Point (EITP)

The Egyptian International Trade Point (EITP) established in 1994 according to Untied Nation Conference on Trade and Development (UNCTAD), became a member of the World Trade Point Federation (WTPF) in 2000. The objective is to support and develop operational activities of trade point members in the world through the regional forum representatives in the Steering committee, where members meet annually to discuss and decide on present and future integrated plans of mandatory services of trade points. In addition, the WTPF assists Small and Medium Enterprise (SME’s) to trade internationally using electronic commerce technologies.

2.4.2b Egyptian Commercial Service

This service is under the Ministry of Trade and Investment and its role is meant to contribute actively to the economic reform and development process. ECS is aware of the need to give a primary emphasis on foreign trade and investment, to use its unique network of offices abroad, and to provide quality services, making it the trade partner for the Egyptian business community wishing to expand internationally. ECS is catching up with the market challenges by using its resources effectively to deliver Egyptian companies with high quality services, offering a package of services tailored to business needs, and assisting these companies in finding new opportunities abroad.
2.4.2c Egyptian Export Promotion Center

EEPC is the executive authority established by the Ministry of Trade and Industry to support both the development and promotion of Egyptian exports. EEPC is the common platform for export services. It provides the export community with the services, information, and technical assistance needed to enhance export performance. It consists of 14 Export Councils, covering the following sectors: ready-to-wear apparel, agriculture, building materials, home ware, publishing, leather, pharmaceuticals, construction, food industries, spinning and weaving, engineering, IT, furniture and chemicals. And to ensure more informed private sector feedback, the Export Councils partner with the Trade Data Warehouse (housed by the General Organization for Export and Import Control) to disseminate trade information to policy makers and the business community every month. Each of these sector-specific councils comprises exporters who give feedback on trade policy in their sectors to the government (OECD: 2010). It is worth noting that out of the fourteen only one council is headed by a woman which is the Pharmaceutical Council. As part of the Ministry of Trade it targets the community of exporters by providing services and technical assistance. The executive bureau of each council is constituted of the most significant exporters in relevant sectors. The council provides support to small companies and SME’s which include most of the time companies run by women entrepreneurs.

2.4.2d Export Development Fund

Export subsidies are payments given by the government to farmers so that they sell their product abroad. Export credits ensure that those who want to export their goods will have the credit necessary to do so. Export subsidies are required for strategic commodities, whose prices are above world levels, when exported. Cotton is the main commodity which is exported under this arrangement, although increasingly, vegetables are also exported in this category. In Egypt, the support allocated through the Export Promotion Fund (Ministry of Trade & Industry), is reaffirming its determination to help Egyptian agricultural exporters to gain better market access abroad. The most common product groups to which export subsidies are applied are agricultural and dairy products.

2.4.2e Quasi-Governmental Organizations

Several associations, chambers of commerce and programs provide services to Egyptian exporters. Most of the organizations rely mostly on donor supported programs and design their activities to absorb the funds allocated. However, the IFC Program has positive examples with women entrepreneurs and businesswomen; IFC’s Women in Business Program (previously IFC’s Gender Program) is an integral part of IFC’s SME Banking Advisory Service that enhances CIB’s SME and retail outreach to women customers.

2.4.2f Commodity Export Councils

The Export Councils are regulatory framework that brings together exporters and producers in order to link production and export policies. The councils aim to develop Egyptian exports of various goods and services in different sectors of the economy by strengthening its competitive position in foreign markets.
2.5 Non-Governmental Organizations

Government suppression of CSO activities has undermined both its efforts to institute good governance practices among CSOs. Two civil society organizations cited are as follows:

2.5.1 Egyptian Business Women Association (EBWA)

This NGO is an organizer of events, training seminars and programmes for its membership of women entrepreneurs. EBWA has enlisted the support of government and business leaders in a range of conferences, training and information programmes, targeting skills development of women entrepreneurs while working to open up export opportunities. Among its successful achievements to date, EBWA has worked to organize the “First Egyptian Economical Congress for Business Women.” Another conference was on the ‘Development and Challenges of Exports’ and ‘Bio Technology and Industry’. EBWA has also worked with a number of ministries and leaders in the private sector for the advancement of women in trade-related areas through organizing seminars through which women obtain information, contacts and exchange experiences. EBWA’s experience and engagement shows that associations of businesswomen are important focal points through which export strategy-makers can access the pool of resources represented by actual and potential women entrepreneurs, workers and managers.

2.5.2 Egyptian Agribusiness Association

The Association is a non-profit making NGO, which aims to serve the Agribusiness community through: Support for industry integrated clusters to represent, advocate and achieve their members’ collective interests; Provide valuable services to assist members to establish market excellence and sustainable international competitive advantage. The association is working to enhance women position in the Agriculture and Fishery sector in specific through different programmes funded by international organizations such as the International Organization for Migration - IOM.

2.5.3 Support Programs:

There are several stand-alone initiatives and programs that have been introduced by bilateral donors such as the Business Women in Egypt. The Egyptian Business Women’s Partnership Program is an international project designed to enhance cooperation between businesswomen and businesswomen’s associations in Egypt, with their counterparts in other countries. The overall aim of the program is to raise the status of businesswomen in Egypt by enabling them to increase the effectiveness of their associations, and by supporting businesswomen in their efforts to improve the efficiency of their networks.

2.6 Women and Trade Agreements signed by Egypt

Trade agreements by Egypt lack a gender sensitive approach. This is especially the case with the EU - Egypt Trade Agreement. Women were only mentioned twice in this Agreement. The first is under Article

2 http://eaga-eg.org/sitemap.asp
42 considering 'Education and Training', outlining cooperation in this field, mentioning that “access of women to higher education and training will receive special attention.” The second is in Article 65 in the chapter considering “dialogue and cooperation on social matters” giving priority to “promoting the role of women in economic and social development.” While seeking to improve the role of women in the economy and access of women to higher education and training are significant goals, the main problem is that, unlike the main part of the Agreement discussing custom reduction and trade matters, there are no clear mechanisms set for the implementation of such general goals to the benefit of women.

The European Partnership Agreement Unit (EPAU) which is the organizational structure in Egypt responsible for monitoring the implementation of the Agreement only monitors the implementation of the Agreement in terms of collecting data on the trade in goods and how the Agreement is facilitating this trade. Other elements in the Agreement with regards to cooperation for education, or social matters have not been consistently assessed to see how they are translating into women benefiting from the TAs. Without such mechanisms it cannot be expected that they would improve the ability of women to benefit, or equally benefit, from the Agreement.

The COMESA Agreement, on the other hand, addressed the issue of women’s integration in a separate chapter, (Chapter 24 “Women in Development and business”). The clauses included a relatively more details on how to integrate women, including issues like the participation of women at decision making and policy levels, the elimination of discrimination, promoting more opportunities for education, awareness programs, and other measures, focusing on women in general and on business women in particular. Unlike the EU/Egypt Association, it mentions practical steps to be taken including legislative changes in order to create an environment conducive for women to take full advantage of the trade arrangements under the COMESA Agreement.

2.7 Challenges in the Egyptian case

The common feedback received from different NGOs and associations is the lack of systematic integration of gender analysis in trade negotiation and implementation processes. Consultation with either woman’s CSOs in particular or with different NGOs or associations is minimal and is mainly a condition by the donor partners involved in these processes. The proliferation of bodies and associations makes it difficult for the Egyptian government to organize effective consultations and involvement of non-state actors in review mechanisms, dispute settlements and technical assistance. The non-state actors also lack the capacity to be able to engage effectively in the various mechanisms.

Most Egyptian exporters suffer from weakness in marketing, low awareness of developments of world demands, and lack of attention or capacity for meeting quality standards required by foreign buyers. They have to produce goods that meet foreign market requirements and to identify potential clients for their products. This presumes knowledge of available technologies and know-how to upgrade existing products. Improving responsiveness to world market needs, accessing efficient labour inputs, suitable capital equipment and appropriate intermediate inputs to ensure that quality standards are met as required. Though information is provided through the various mechanisms mentioned above and in some instances there capacity building training and funds extending credit to exporters, these trade

---

3 See. Ministry of Trade and Industry; Trade Agreement Sector, About EPAU, http://www.tas.gov.eg/English/EU%20Partnership/About%20EPAU/intro
arrangements have not fully transformed Egyptian women’s participation in trade. This is partly due to other factors like social and religious inhibitions.

Finally, building effective marketing channels is essential and creating an export “culture” is required. This may require supporting women entrepreneurs to get into business associations through which they can collectively access the EU markets. The Egyptian government has to make it a deliberate policy to ensure equitable benefits for women and men in business and export/import business in particular. Women’s equal participation in trade activities is further hampered by concerns such as difficulty in accessing capital, lack of relevant training and skills or limited contacts with national and international trade networks.

### 2.8 Recommendations

- **Egypt should seek regional and bilateral agreements which include safeguard mechanisms to address pervasive security and employment dimensions in a satisfactory manner. A clear strategy for gender mainstreaming in all these policies and their implementation should be adopted in order to benefit both men and women.**

- **The establishment of a specific Gender Ministry with the appropriate human resource capacity and other material and financial resources that would make it possible to take the lead to integrate issues of women empowerment in all trade arrangements. The technical assistance provided by such a ministry would also involve monitoring the effects of trade agreements on women and make concrete proposals for action so that these are part of the government agenda.**

- **Gender focal points should be appointed in different ministries that are responsible for negotiating trade arrangements and overseeing their implementation. The relationship between trade agreements and the situation of women in the sector should be closely monitored, to be able to regularly map who are the beneficiaries. Specific clauses to support women economic empowerment should be incorporated in the trade agreements between the EU and Egypt.**

- **These clauses should focus on:** Training and capacity building that is continuous over a period of time including developing of entrepreneurial skills; Ensuring equal representation in mechanisms for implementation and monitoring and the processes should be gender – responsive to ensure effective participation of both women and men; Ensuring comprehensive gender analysis is undertaken prior to the conclusion of trade agreements to assess possible effects and implications for different categories of women and men.

- **Developing different national Programmes that promote women’s access to resources (land and credit) and skills training. The programs should be developed through consultation with the beneficiaries in the country instead of focusing on different international donors who finance them.**
Surveys must be conducted to determine the nature of the impact of trade policies on women and gender equality through the collection of sex-disaggregated data.

Coherent policy frameworks for gender mainstreaming should be developed, with regional agreements being used as opportunities for ensuring implementation of gender equality strategies.

Better consultation is needed at the national level with CSOs, including necessary support for women’s participation in such consultations. The key business associations should be consulted whenever a change in trade policy is initiated by the government. The Egyptian government could consider making these consultations a more regular in order to collect feedback on trade policy in general. In its efforts to enhance the effectiveness of the trade policy public-private consultation processes, the government could consider: a) sharing more information with the public at large about how to access the different public-private consultation arrangements in place; and b) making it easier for stakeholders and the general public to access the outcomes of consultation so as to increase transparency and awareness. NGOs and associations should improve their advocacy skills in order to effectively influence trade policies and their implementation.

The business and professional women as part of the civil society groups can play a leading role especially in lobbying with the Chambers and associations as well as relevant government agencies. Gender analysis is critical and these organizations can guide the entrepreneurs with relevant information, counselling, and other support. The mapping of the sector revealed how wide and diverse it is in terms of number of stakeholders with few members from the civil society.

A good entry point is to work on enhancing women’s skills through the Women’s Business Association such as the EBWA and EAGA by specifically targeting women. A model that could be adopted is the Trade Civil Society Dialogue (CSD) created by the European Commission. Its objective is to "to develop a confident working relationship between all interested stakeholders in the trade policy field and to ensure that all perspectives to EU trade policy can be heard."
CHAPTER 3:

PROMOTING AFRICAN WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE ARRANGEMENTS – KENYA

3.1 Trade in Kenya

In 1975, Kenya was among the seventy countries from the African, Caribbean and Pacific (ACP) countries that signed an agreement with the EU that had both trade and aid provisions. This agreement, called the Lome Convention, was based on the colonial links between ACP countries and their mainly European colonial masters. The Lome Convention made elaborate provisions for the future trade and aid relations between these two sets of countries. One of the trade provisions was that non-reciprocal trade preferences were granted to ACP products in the European market so that almost 97 per cent of ACP export products to the EU were allowed to enjoy duty free market access. These trade agreements were subsequently renewed every ten years, (between 1975 and 2000), with the objective being to: increase the export income of developing countries, and promote their industrialization and accelerate their economic growth. The Lome IV Convention expired in February 2000 and was succeeded by a new agreement, (the Cotonou Partnership Agreement). The Cotonou Partnership Agreement (CPA) requires ACP countries to reciprocate the duty free access to the EU market from 2008. In this regard, countries are required to sign Economic Partnership Agreements (EPAs), with the EU, preferably in the existing regional groupings in which they are members.

The proposed new trade arrangements which were projected to come into force in 2008, carry with them some potential sacrifices that the country will have to contend with as its productive sectors are exposed to increased competition. The benefit of the continued preferential access to the EU market is presumably worth the additional adjustment costs associated with the envisaged liberalization of the trade regime. It is therefore, important to understand the nature of the goods that are exported to
the EU market and the kind of market access conditions that are presently available for these goods in those markets. Any negotiation position taken by the country must ensure that the market access currently enjoyed by the country’s exports is preserved, not eroded or increased. As such, it will be important to examine the nature of the market access conditions for the country’s agricultural exports to the EU. The costs and benefits of the EPA arrangements for the country can then be weighed. This will entail comparison between the adjustment costs associated with liberalization of trade after the formation of the EPAs and the benefits from the preferential access to the EU market.

3.2 The Lome Conventions and the Cotonou Agreement: A Review

In the contractual agreement between the European Union (EU) and the African Caribbean and Pacific (ACP) countries, (the Lome Convention), the EU pledged to provide development aid and preferential export market access to ACP countries. The fourth cycle of the Lome Convention expired on February 29, 2000. Prior to the expiry of the Lome IV Convention, negotiations between ACP countries and the EU took place to explore options available in the Post-Lome arrangement.

The Non-reciprocal trade preferences that were at the heart of the EU’s two-pronged approach towards the ACP countries are to be withdrawn gradually in the new trade arrangement which is expected to have full reciprocity to conform to the provisions of the WTO trade disciplines. The proposed new trade arrangement between the European Union and the ACP countries were to address the failure of the Lome Conventions to effectively redress poverty in the ACP countries and for violating the key principle of non-discriminatory trade among members.

With the onset of the WTO in 1995 the preferential trading arrangements that had been granted to the ACP countries under the auspices of the EU-ACP Lome agreements were formally challenged in the WTO dispute settlement body and exemption granted until 2007 for the EU to continue this practice. The preferential market access granted to the ACP countries by the EU could only be continued within the context of a formal trade arrangement through which reciprocal trade preferences would need to be granted to the EU in the ACP markets – thus the Economic Partnership Agreements (EPAs). These latter arrangements, essentially free trade agreements, are expected to maintain the auspices enjoyed by the ACP countries under Lome and Cotonou while at the same time requiring the ACP countries to grant access to the EU countries’ goods. It is therefore, essential for ACP countries to get the maximum market access possible for their export goods to the EU without unduly compromising their import competing industries as well as overall welfare by granting preferences to EU goods over goods from the rest of the world. Welfare losses would result if the new trade arrangement resulted in trade diversion whereby goods from less efficient EU producers displaced goods from more efficient producers from the rest of the world in the ACP markets. The proposed trade arrangement could also be welfare enhancing, (or trade creating), if the imports from more efficient EU producers displaced less efficient domestic producers of the same. The net welfare effect would then help us judge the overall impact of the new trade arrangement and hence come to a decision on its viability.

Agglomeration forces may also sometimes pull against comparative advantage so that although there are benefits in locating in a particular place, firms seeking to exploit factor price differences between locations may relocate. In this regard, one of the expected benefits for Kenya from the Regional Trade
Agreements (RTAs) with the EU—that is Foreign Direct Investment (FDI) inflows—may not actually materialise.

Regional integration may alleviate the disadvantages caused by small markets such as the difficulty faced by countries in producing profitably goods that are subject to increasing returns or to engage in industries where economies of scale exist. By combining markets, RTAs make it possible for monopoly power that arises from such situations to be reduced.

The increased competition may lead firms to cut costs and therefore prices and to increase sales—benefiting consumers as a result. Market enlargement as a result of the RTA also allows firms to exploit economies of scale more fully. Firms also respond to the increased competition brought about by regional integration by reducing internal inefficiencies and raising productivity levels. Increased competition also raises the incentives among workers to improve productivity. Deep integration as permitted by the RTAs has the effect of reducing market segmentation. Further, firms from excluded countries are forced to cut the process of their imports into the new integrating area as a result of the higher prospects of competition from the first of the partner countries. This has the effect of increasing the welfare of consumers in the integrating region. By creating larger markets RTAs may also become a more attractive destination for FDI. In the case of huge investments, the scale effects of the RTA evidently make it cheaper to supply the domestic market from within the RTA than to face the costs of tariffs and other trade barriers.

Least Developed Countries (LDCs) find significant impediments to their capacity to take up preferences offered by the industrialised countries. These factors include the following (i) The costs incurred in meeting the conditions set by the preference giving countries, which may undercut the potential benefits to exporters; (ii) The complexity of such schemes (iii) Exporters limited knowledge of these schemes (iv) Exporters inability to fulfil the regulatory barriers that are imposed by the industrialised

3.3 Considering the Implications of the New EPAs

The Lome Conventions and the present Cotonou Partnership Agreement sought to grant non-reciprocal trade preferences, (essentially duty free market access into the EU), to the ACP region. The proposed EPAs are, on the other hand, based on the principle of reciprocity, as permitted by WTO provisions, which covers “substantially all trade” between the EU and the ACP. Any evaluation of the costs and benefits of the proposed EPAs must therefore not only take account of the costs and benefits of the proposed free trade areas but also of the costs and benefits of the existing trade preferences – the preservation of which has in fact forced on the ACP countries the need to negotiate the EPAs.

Support for free trade is usually anchored on the premise that it permits a more rational allocation of resources as countries specialize in the production and export of goods for which they have a comparative advantage. Opponents of free trade, especially as regards developing countries, base their case on the limited sources of comparative advantage that such countries have compared to their more developed counterparts. Further, free trade policies limit the scope to which developing country governments can intervene to direct the economic development of their countries. In addition because developing countries only have comparative advantage in production of goods that are labour and
resource intensive, (which have been facing relative declining terms of trade with respect to the high technology and skill intensive products which they import from developed countries), free trade would confine developing countries like Kenya to poverty regardless of their best efforts.

In the realm of international trade, trade barriers are the norm—most governments impose for purposes of achieving certain economic objectives or appeasing certain political constituencies. There are two kinds of barriers to trade that are commonly used by governments. These are first, tariff barriers— which are essentially commodity taxes levied on imports and second, non-tariff barriers which can be quantitative or administrative restrictions on imports or other policies pursued by governments which have the effect of restricting the quantity of imports. The overall effect of tariff and non-tariff barriers to trade is that they restrict trade, raise import prices and redistribute income. However it is apparent that non-tariff barriers (NTBs) have a more adverse effect on national welfare than tariff barriers. It is interesting that despite the foregoing most governments are increasingly making use of NTBs to trade as an instrument of trade policy.

The significant influence that mainstream economic thinking has had on policymakers the world over has led many economic managers to embrace trade liberalization as a necessary condition for economic growth. However, countries that are also sensitive to politically influential interests are only able to liberalize their trade regimes within the context of trade pacts that enable them to take cognisance of the countries competing interest groups. As such, trade agreements serve to galvanize export interests in a country—who benefit from increased market access—to act as a strong counter lobby to the import competing interests that support protectionist measures. Trade pacts therefore serve to balance the interests of import competing sectors against those of export competing sectors within the course of negotiations. A typical developing country entering into a trade pact with a developed economy—for example as in the proposed EPAs—would have to carefully balance the interests of exporters—in this case mainly agricultural producers—against the manufacturing sector interests. The market access gains that are made as a result of the trade pacts must compensate for the increased competition, (and possible losses of markets, jobs and revenues), that could result for the import competing sectors—in this case the manufacturing sector.

Multilateral Trade Agreements and Regional Trade Agreements (RTAs) are the most important trade pacts. Multilateral trade agreements are characterized by the principles of most favoured nation and national treatment. The Most Favoured Nation (MFN) principle seeks to eliminate discriminatory trade between members of the trade agreement and as such requires that concessions extended to one member be extended to all members of the trade pact. National treatment requires that once imports have entered a country’s borders (i.e. once they have been charged the stipulated border taxes) they be granted the same treatment as that granted to similar import competing domestic goods. These provisions are found within the present WTO agreement whose main objectives are to achieve a gradual negotiated liberalization of the global trade regime. In recognition that due to historical, economic and geographical ties countries sometimes prefer to form trading blocs, WTO provisions—particularly Article XXIV—permits regional trade arrangements that discriminate in the trade liberalization concessions made to different member states of the WTO.

From Table 1 below, it is evident that the Kenyan trade is typical of a developing country with a dominant agricultural sector and a nascent manufacturing sector. Exports of primary and processed commodities
dominate exports of all other commodities. However, because of the country’s geographical location and the historical circumstances that have made her industrial structure relatively more developed than her regional partners, the country is also a significant exporter of consumer goods. This latter category of exports has seen significant growth, since the 1990s, largely on account of the regional trade liberalization efforts that have allowed the country to competitively export manufactures, (industrial supplies and consumer goods), to the region. The trend in the exports of industrial supplies and consumer goods is reflected in able 2 below.

Table 1: Commodity Composition of Kenya’s Trade, 1990-2004

<table>
<thead>
<tr>
<th>Type of Commodity</th>
<th>1990</th>
<th>1995</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverages</td>
<td>Exports as a share of total exports</td>
<td>60.4</td>
<td>51.1</td>
<td>55.9</td>
<td>56.3</td>
<td>49.2</td>
<td>51.9</td>
<td>51.3</td>
</tr>
<tr>
<td></td>
<td>Imports as a share of total imports</td>
<td>7.1</td>
<td>4.5</td>
<td>7.8</td>
<td>7.7</td>
<td>10.5</td>
<td>6.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Industrial supplies</td>
<td>Exports</td>
<td>19.9</td>
<td>26.9</td>
<td>17.9</td>
<td>19.1</td>
<td>22.7</td>
<td>24.8</td>
<td>25.4</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>31.9</td>
<td>39.2</td>
<td>34.5</td>
<td>27.4</td>
<td>29.5</td>
<td>32.4</td>
<td>30.8</td>
</tr>
<tr>
<td>Fuel and Lubricants</td>
<td>Exports</td>
<td>12.2</td>
<td>5.3</td>
<td>8.2</td>
<td>8.6</td>
<td>10.2</td>
<td>3.1</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>19.2</td>
<td>13.0</td>
<td>15.5</td>
<td>25.6</td>
<td>20.1</td>
<td>18.4</td>
<td>23.52</td>
</tr>
<tr>
<td>Machinery and Capital Equipment</td>
<td>Exports</td>
<td>0.6</td>
<td>1.4</td>
<td>1.3</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>24.9</td>
<td>19.3</td>
<td>17.3</td>
<td>15.8</td>
<td>12.9</td>
<td>13.5</td>
<td>13.7</td>
</tr>
<tr>
<td>Transport Equipment</td>
<td>Exports</td>
<td>0.2</td>
<td>0.5</td>
<td>0.9</td>
<td>0.5</td>
<td>0.4</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>12.4</td>
<td>17.0</td>
<td>15.1</td>
<td>16.7</td>
<td>19.6</td>
<td>13.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>Exports</td>
<td>6.7</td>
<td>14.8</td>
<td>15.9</td>
<td>15.1</td>
<td>16.8</td>
<td>17.6</td>
<td>19.3</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>4.3</td>
<td>6.9</td>
<td>9.2</td>
<td>6.4</td>
<td>6.3</td>
<td>7.1</td>
<td>8.18</td>
</tr>
</tbody>
</table>

a as a share of total exports  b as a share of total imports

Source: Republic of Kenya, Economic Surveys (Various)

3.4 Kenya’s Trade with the EU

The country’s exports permit Kenya to finance the needed imports to support her unique production structure. In this regard the country relies on mainly three categories of imports namely, Industrial supplies, machinery and equipment and transport equipment. The dominance of transport equipment is explained by the fact that Kenya’s transport sector serves a very useful role for a trading country that has an extensive land locked hinterland. These imports are mainly from developed countries. By focusing on the direction of trade, Table 2 below shows the significance of the EU as a market for Kenyan exports as well as a source of imports. The table gives a picture of the magnitude of trade between Kenya and the EU as well as the significance of the implications of the EPA (GOK, 2003).
Table 2: Direction of Kenya’s Exports and Origin of its Imports, 1990-2004

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>European</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exportsa</td>
<td>46.8</td>
<td>33.7</td>
<td>31.3</td>
<td>29.8</td>
<td>27.1</td>
<td>27.1</td>
<td>28.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Importsb</td>
<td>48.8</td>
<td>40.4</td>
<td>32.8</td>
<td>30.5</td>
<td>24.8</td>
<td>32.2</td>
<td>23.7</td>
<td>23.8</td>
</tr>
<tr>
<td>Rest of Western Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>1.0</td>
<td>1.3</td>
<td>0.8</td>
<td>0.9</td>
<td>1.1</td>
<td>1.4</td>
<td>1.5</td>
<td>0.84</td>
</tr>
<tr>
<td>Imports</td>
<td>1.6</td>
<td>1.4</td>
<td>1.8</td>
<td>1.4</td>
<td>1.9</td>
<td>1.6</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>1.6</td>
<td>0.1</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Imports</td>
<td>0.6</td>
<td>0.5</td>
<td>0.9</td>
<td>2.1</td>
<td>0.7</td>
<td>0.7</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>4.4</td>
<td>3.6</td>
<td>2.7</td>
<td>2.7</td>
<td>2.9</td>
<td>2.4</td>
<td>2.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Imports</td>
<td>7.1</td>
<td>6.9</td>
<td>9.7</td>
<td>6.0</td>
<td>15.7</td>
<td>7.4</td>
<td>6.5</td>
<td>6.7</td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>2.4</td>
<td>11.8</td>
<td>11.2</td>
<td>8.2</td>
<td>9.2</td>
<td>8.38</td>
<td>7.96</td>
<td>8.26</td>
</tr>
<tr>
<td>Imports</td>
<td>0.5</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.2</td>
<td>0.3</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Uganda</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>5.0</td>
<td>15.1</td>
<td>17.3</td>
<td>18.0</td>
<td>20.4</td>
<td>18.5</td>
<td>16.7</td>
<td>17.3</td>
</tr>
<tr>
<td>Imports</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Rest of COMESA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>11.6</td>
<td>13.9</td>
<td>15.3</td>
<td>15.9</td>
<td>16.8</td>
<td>16.4</td>
<td>16.9</td>
<td>17.6</td>
</tr>
<tr>
<td>Imports</td>
<td>2.2</td>
<td>0.7</td>
<td>1.4</td>
<td>1.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>2.2</td>
<td>6.1</td>
<td>2.9</td>
<td>3.9</td>
<td>2.8</td>
<td>5.8</td>
<td>4.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Imports</td>
<td>0.2</td>
<td>7.5</td>
<td>9.0</td>
<td>7.1</td>
<td>7.0</td>
<td>7.1</td>
<td>8.55</td>
<td>9.8</td>
</tr>
</tbody>
</table>

Source: Republic of Kenya, Economic Surveys (Various)

a as a share of total exports
b as a share of total imports
Although as a share of total exports, exports to the EU have been declining steadily since the 1990s, the EU still remains a significant destination for Kenyan, (mainly agricultural), exports. The Common Market for Eastern and Southern Africa, (COMESA), regional market is the key destination for Kenyan manufactured exports and has displaced the EU as the number one destination for Kenya’s exports. It would appear that a market with such growth prospects needs to be safeguarded-yet the proposed EPAs may likely compromise that. This point is best illustrated by comparing the relative growth of Kenyan exports in COMESA and the EU. During the 1990s exports to the EU have declined even as exports to COMESA have increased. However, if the decline in Kenyan imports from the EU is an indication of future trends of imports from the EU to the region, then competing Kenyan exports to the region may not face significant adverse competition. However this is unlikely given that Kenya’s trade structure – exports of both primary agricultural and final manufactured goods and imports of capital and intermediate goods-is unique in the region and that many of her neighbouring countries are likely to have similar imports from the EU and Kenya. By eliminating trade barriers EPAs are likely to increase the competitiveness of imports from EU to the region.

In summary, the strong growth in exports to the region since the 1990s is likely to be reversed due to the increased competition to the manufacturing sector, resulting from the EPAs. But it is arguable whether the EPA will result in increased market access for Kenyan exports to the EU and whether this increase would be sufficient to compensate the country for the possible losses that the manufacturing (and agricultural) sectors are likely to face from increased adverse competition from EU imports into the country and region.

3.5 Composition of Kenya’s Agricultural Exports to the EU since Lome

3.5.1 Structure of Kenya’s Agricultural Production

The agricultural sector dominates the Kenyan economy. The bulk of the crops grown in Kenya are also tradable although only a few of them are actually exported. As a share of Gross Domestic Product over the last five years the sector (Agriculture and Forestry) constituted about 25 per cent of the economy (Economic Survey 2010) explaining why the bulk of her exports are agricultural in nature. In 2009 agriculture contributed 24 per cent of Kenya’s real GDP. The sector employs almost 70 per cent of the country’s total labour force while earning about 60 per cent of the country’s foreign exchange as well as making significant contributions to the country’s agro processing industries that constitute the bulk of the country’s industrial sector.

Kenya’s agricultural production structure comprises both large and small-scale farmers. Key agricultural commodities are usually classified according to their importance (land area utilization over time) and their tradability. The major tradable food crops in Kenya are: maize, wheat and rice while the key non-tradable food crops comprise sorghum, millet and pulses (beans and peas). The key industrial crops, which constitute major raw material inputs into the country, are: Sugar Cane, Cotton, Sisal and Pyrethrum (KIPPRA, 2005).

The top three exports (Cut Flowers, Fermented Tea and Vegetables) constitute about 45.9 per cent of the total agricultural exports to the EU. In declining order of importance these exports are: Cut Flowers, Fermented Tea and Vegetables. As such horticultural products dominate the bulk of agricultural
products to the EU and the top ten products comprise about 79 per cent of total agricultural exports to the EU. Of these only two – Tea and Coffee – are traditional export crops, while eight are horticultural products and are non-traditional exports. The top ten exports have also experienced significant growth in exports as compared to the other top twenty products, mostly foods and beverages. Looking at the top twenty agricultural products to the EU we can see that they constitute about 85 per cent of total exports of agricultural products to the EU (IEA, 2006). The key agricultural exports to the EU are namely: Tea, Coffee and Horticultural exports. Almost 70 per cent of horticultural production is sold domestically although the export horticulture -comprising Fruits, Vegetables, Flowers, Spices and Herbs-has grown considerably since the 1970s. Small holders account for about 70 per cent of total horticultural production—which increased by over 60 per cent between 1997 and 2003- although much of what they produce is for domestic consumption. In 2009, Kenya exported a total production of 180,8,000 tonnes - a significant decrease by 6.4 percent from 2008, as a result of decreased demand for these products occasioned by the global economic recession. Bulk of export horticulture is produced in the exporters own farms, leased land or large commercial farms. In terms of value, cut flowers accounted for 55 per cent of the value of exports in 2003 followed by vegetables (45%) and Fruits (5%). The bulk of fruits are produced by small holders who face many difficulties, among which are, high level of technical and management skills required, poor road networks, high prices of farm inputs, high incidence of pests and diseases and increasingly strict and complex Sanitary and Phyto-sanitary measures in the EU market which absorbs about 85-90 per cent of Kenya’s horticultural exports.

The sector faces constraints that impact on gender. These include

- the continually changing European Union (EU) legislation on pesticide residues. This legislation is continually changing at national, EU and international levels making it complicated for exporters to comply. In Kenya, where most production is carried out by many small scales and widely dispersed female growers, compliance with the legislation is even more difficult.

- Lack of or inadequate facilities and inspection services to certify that Kenyan produce meets international standards on agrochemical residues.

- Poor quality and high cost of packaging materials.

- Limited access to new varieties of flowers and vegetables especially for French beans and snow peas which are of high value in the export market.

- Only the large scale growers and exporters are able to access some of the latest varieties in the market. Even then, they pay dearly for them because Kenya is not a member of the International Union for the Protection of New Varieties and Plants (UPOV).

- Higher airfreight rates charged in Kenya in comparison to other exporting countries in Africa. This makes Kenya’s produce relatively more costly than that from other exporters from Africa, eroding Kenya’s competitive advantage particularly on fruits and vegetables which are not as high in value, and uncut flowers (Wamuyu and Shaw, 1998; World Bank, 2009).

- To protect their constituents EU countries are increasingly using NTBs which are less transparent and therefore difficult to notice. This probably explains why both advanced and developing nations have simultaneously been lowering tariffs even as they increase
Because they require superior administrative capacity, which is generally lacking in developing countries, non-tariff barriers to trade are proliferating more in developed than in developing countries.

3.5.2 Existing EU Non-Tariff Barriers to Developing Country’s Agricultural Exports

Global trends in Non-Trade Barriers (NTBs) show a decline in the use of quantitative restrictions in the post Uruguay Round (OECD, 2005). Both developed and developing countries are using NTBs to limit market access to agricultural exports from both OECD and non-OECD countries. These types of restrictions include (i) Import Licensing systems (ii) Variable levies and production and export subsidies and (iii) Import and Export quotas. Emerging NTBs that are further restricting access for developing country exports into developed country markets include: (i) Technical barriers to trade (ii) Sanitary and phyto-sanitary measures and other standards.

3.5.3 Technical Barriers to Trade

These barriers to trade include: (i) Technical regulations and standards, (ii) Testing and Certification Arrangements, and (iii) Marking/Labelling and packaging requirements. Concerning technical regulations and standards, they have been used to restrict African exports to the extent that they impose unnecessary compliance costs and time delays. Some of the technical regulations and standards imposed by the EU are at times even more stringent than those specified by relevant international bodies. In addition, African countries find it difficult to keep pace with and adapt to the changing requirements that are necessitated by the frequent upward revision of standards at regular intervals. This problem is compounded by the need to understand different technical standards adopted by different OECD countries who fail to harmonize their standards with international standards. This tends to raise compliance costs and reduce diversification of export markets.

The high number of anti-dumping actions initiated in the EU against developing countries is also indicative of the rising influence of the protectionist forces opposed to exports for developing countries. These instruments reduce the predictability of the EU trade policy facing exporters of agricultural products from countries such as Kenya.

Small-scale Kenyan producers majority of whom are insufficiently equipped and adequately informed are not in position to supply the amount of information required and therefore are likely to be adversely affected. Therefore, supporting cooperatives and farmers groups becomes essential for the government of Kenya, so as assist small scale producers to invest in these structures and enable them to produce for both the local and export market.

3.5.4 Adherence to Maximum Residues Levels (MRLs)

By fixing the MRLs at “analytical” zero value this health and safety regulation requires that there be no trace of pesticide in fruits, flowers and vegetables intended for the EU market. Pesticide use is, as a result, tightly controlled in terms of the types of chemicals used and their rate of application. Exporters must
give information on the types of chemicals used. The MRLs prescribe the type and quantity of pesticides to be used by Kenyan and other tropical farmers in total disregard of the fact that the original intention was to reduce pesticide use in the temperate European region and that this may not be feasible in tropical regions. This requirement has had adverse effects to small and medium scale producers to the extent that some have been entirely locked out of the European market. The MRL should be based on scientific standards so that for example in the case of tea- where it is based on dry matter- it should be based on what people actually drink. The residue levels may seem high during testing of dry matter but after purification and value addition this can be eliminated or even drastically reduced.

### 3.5.5 Adoption of European Retailers Code of Good Agricultural Practices (EUREGAP)

These standards, though judged to be advantageous by some key stakeholders, have severe cost implications especially for small-scale farmers who, (unlike their larger counterparts), are not as well organized and may result in their being locked out of the EU market. The better-organized Fresh Produce Exporters Association of Kenya (FPEAK) and the Kenya Flower Council (KFC) who cater for large-scale farmers have established a code of practice for their members that is strictly enforced so that a penalty for non-compliance is deregistration. To address the challenges being posed by the EUREGAP the Ministry of Agriculture has established a steering committee comprising public and private sector participants. Further, harmonization of national and international standards is also being pursued.

### 3.5.6 Non-Tariff Barriers Facing Kenyan Horticultural Exports to the European Union

Kenya is one of the dominant exporters of horticultural products as is evident from the 75 or so unique horticultural export products of both raw materials as well as pre-prepared vegetables. Kenyan exports of green beans supply almost 30 per cent of the EU market with the UK being her most important market. There are also significant fruit exports to the EU with Kenya’s exports supplying about 25 per cent of the EU market. Presently the country has moved up the value chain and as a result sells directly to supermarket chains in the UK. New innovations in the Fresh vegetables chain include the transfer of processing activities from UK importers to African exporters. The drawbacks faced by Kenyan horticultural exporters to the EU include the following:

High fixed costs of compliance that make Kenyan products uncompetitive in the EU and also limit the capacity of small-scale farmers to engage in production and export of these products. The EU has recognized the effect of the significant compliance costs on undermining the price competitiveness of EU farmers and offered financial assistance schemes to cushion them from the costs of complying with these standards. Excessive costs of setting up the monitoring, testing and certification infrastructure required for compliance with these standards. These infrastructure costs often hinder market-access for Kenyan agricultural exports to the EU.

Negotiating Position: Mitigation of these costs could be done by, for example, seeking equivalence recognition for the existing verification arrangements in the ACP and EU. The reduction of verification costs increases the participation of small-scale farmers in these export markets, and their earnings from the same, therefore enabling them to get out of poverty.

Kenyan horticultural stakeholders may not be able to change the stringent standards on horticulture and floriculture due to the lengthy negotiations process involved. However negotiation of the detailed
sector-by-sector and product-by-product regulations can still be undertaken. Kenyan negotiators should demand that standards to protect EU citizens through animal and plant health regulations be designed to minimize trade obstacles to small scale less developed and developing countries’ farmers.

3.6 Implications of an EPA on Kenya’s Agricultural market access with the EU

Is there a need for a Compensation Mechanism?

There exist a significant number of tariff and non-tariff barriers to Kenya’s agricultural exports to the EU. By effectively reducing barriers to “substantially all trade” EPAs are expected to preserve (or even increase) market access for Kenya’s agricultural exports to the EU. However, the effect of the EPA on agricultural market access in the EU will depend on whether or not the WTO negotiations as well as the ongoing CAP reforms erode the benefits that are presently being enjoyed by exporters of agricultural products to the EU. If this erosion is significant then the benefits that accrue to Kenya from the increased market access may not be adequate to compensate her for the revenue and employment losses that may result from the reciprocity principle embedded in the EPAs. The increasing use of NTBs as health standards to preserve human and animal health and safety may have protectionist effects that may erode the market access gains that may be made through tariff liberalization.

For Kenya to benefit from an EPA there must be net welfare benefits. In more concrete terms this means that the benefits to consumers (due to lower priced goods), and producers (due to increased export revenue) must outweigh the losses due to reciprocity incurred by producers (import competing manufacturing sector), lost employment from collapsing sectors and foregone government tariff revenues.

However, the benefits of an EPA from higher or assured market access to the EU may be tempered by the expected CAP reforms which may reduce the margins obtained by exporters of agricultural exports to the EU. Further, the CAP reforms may further depress prices in the global agricultural market in addition to eroding the preferences, (granted under the Lome and Cotonou trade agreements), that have made Kenyan exports to the EU more competitive.

Therefore, the rising use of NTBs, CAP reforms and the EPAs are likely to decrease the benefits that the Kenyan agricultural sector will obtain. This is in addition to the fact that Kenyan manufacturers will face stiffer and possibly more adverse competition in the domestic and regional markets resulting from the EPAs. It can be seen that income distribution may worsen because the Free Trade Area (FTA) increases the real returns paid to some factors of production (like Land, Capital and Skilled Labour), without comparable increase in the returns to unskilled labour i.e agricultural workers especially women who are the majority in this sector – the most abundant factor in Kenya’s agricultural sector.

3.7 The Effect of the EU Common Agricultural Policy (CAP) on Kenya’s Agricultural Commodity Exports

The key objectives of the Common Agricultural Policy (CAP) include the following: increasing agricultural productivity, improve the standard of living for the agricultural community, stabilization of markets, ensuring the availability of supplies, and ensuring that supplies reached consumers at reasonable prices. Although the CAP framework is largely WTO consistent, it sought to protect the agricultural sector by derogating from the requirements of the multilateral liberalization.
The EU employs trade policy tools such as tariff and non-tariff barriers (among which are quotas and guaranteed prices for the main agricultural crops and products) that serve to shield the domestic EU producers from foreign competition. The system of guaranteed prices on which the CAP is based consists of three types of prices:

Target prices, which are the minimum price the EU farmers receive in the EU market. Entry prices which is the minimum price at which the products may be imported into the EU. Export subsidies, which pay EU exporters of agricultural products the difference between the EU price and the world market price.

The CAP reforms have been undertaken to ensure consistency with the provisions of the WTO Agreement on Agriculture, (AOA), which seeks to liberalize both production and trade in agricultural sector. Some of the proposed reforms under the WTO AOA include: binding of tariffs on imports of agricultural products, reduction in domestic support measures in favour of agricultural producers, removal of export subsidies of various types for agricultural exports and export competition commitments. Apart from liberalizing agriculture to achieve WTO compatibility, some of the other objectives of the CAP reforms include:

- Guaranteeing the competitiveness of the European agriculture in world markets
- Preparing for the enlargement of the EU to include the Central and Eastern European states
- Preparing the EU for the subsequent rounds of the WTO negotiations
- Countering the negative effects of agriculture on the natural environment and landscape
- Providing a better balance between the joint management of CAP and the greater decentralization.

The present CAP reforms place less emphasis on production support to farmers in favour of support for environment protection and the maintenance of traditional landscape.

### 3.8 Potential Effects of the CAP Reforms in Kenya

The CAP reforms will have implications at global as well as at the level of ACP economies. For Kenya the effects on the economy will depend on the extent to which these reforms will either undermine price competitiveness in global markets of existing or potential agricultural exports (products of export interest) or whether they will erode preferences presently enjoyed by Kenyan products in the EU market. The top three agricultural exports to the EU make up about 50 per cent of Kenyan agricultural exports to the EU and the top ten agricultural exports to the EU constitute about 80 per cent of all exports. Eight of these top ten products are horticultural products while the remaining two are the more traditional products of tea and coffee. Most significant in terms of loss of export earnings as a result of the CAP reforms is Sugar which is protected by the sugar protocol between ACP and EU.

### 3.9 The Horticultural industry in Kenya

The horticultural sector is one of the biggest foreign exchange earners for Kenya. It employs very many people with the majority being women though majority serve on a casual basis and most of them
are either unskilled or semi-skilled and this makes their progression in the work place very limited. Although the introduction of codes of conduct may be contributing to improved labour conditions, most workers are unaware of their employment rights and of national legislation that is relevant to them. There is need for government, trade unions, and private sector initiatives to be strengthened to ensure the provision of full employment protections.

3.10 Trade Safeguards

Developing countries have had problems in trying to use the general safeguard provisions under Article XIX of GATT and the Agreement on Safeguards. These countries lack the institutional capacity to implement in a rigorous manner the detailed procedural requirements necessary to apply the safeguard measures in accordance with the Safeguards Agreement. Furthermore, the nature of agriculture in many developing countries is characterized by a large number of subsistence and small farmers making it difficult to meet the conditions established in the Safeguard Agreement to prove the causal link between increased imports and injury, necessary for invoking the measure.

Proposals for the Establishment of a Sui Generis Special Safeguards Mechanism for Developing Countries

In order to design a trade safeguards regime that is favourable to them, the developing countries have argued that WTO framework must provide for a separate Special Safeguard Mechanism (SSM) quite different from Article 5 to make the utilization of the safeguard mechanism simple, effective and easy to implement. The G33, which is a group of over 40 developing countries and to which Kenya is a member, concerned about the effects of liberalization on small farmers, has presented their proposals for reform of the SSM to other WTO members detailing what they consider as a more effective regime. The highlights of their proposals include: that the safeguard measure shall be automatically triggered; that the safeguard measures shall be available to all agricultural products; the safeguard measures should be available to address situations of import surges and swings in international prices. That both additional duties and quantitative restrictions shall be envisaged as measures to provide relief from import surges and decline in prices, the mechanism shall respond to the institutional capabilities and resources of developing countries, it should be simple, effective and easy to implement.

3.11 Trade Capacity Building

There is a common perception among many developing countries that the multilateral and regional trade agreements are overly legalistic which contributes to the reluctance that these member states have toward using the systems. Raising awareness and providing training on the functioning of the systems and the inbuilt flexibilities will go a long way towards promoting a better understanding of the multilateral and regional trade arrangements and is likely to facilitate a stronger engagement by developing countries in their implementation, negotiation and reform. Particularly on trade safeguard measures, capacity building should be used to support the raising of awareness as well as the ability of members to partake in the system effectively and efficiently. To raise the human resource base in
developing countries, training on the architecture of the agreements’ processes and jurisprudence is critical. Furthermore, government officers in the relevant ministries and agencies should be directly exposed to these laws and processes, and be prepared to tackle the many technical issues found in the multilateral and regional trade agreements.

3.12 Gender and Development

Though trade alone is not a panacea for poverty reduction, it has a part to play in sustainable development if coupled with a gender focus; comprehensive gender analysis and assessment impact. There is need to integrate gender concerns into policy formulations in the Ministry of Trade. Gender dimensions should be included in trade and the negotiations entered into and more so for development policy. Gender is not given a high priority in trade affairs and yet early attention needs to be given to gender equality and increasing women’s perspective and participation in political, social and economic development; need for commitment to women’s rights and promotion of gender equality to be confirmed in new government arrangements. Failing to focus on gender can entrench systems that discriminate against women.

In addressing ways to improve legal systems and governance institutions, it is important to realize this is where patriarchal social relations and women’s literacy and awareness and access to their rights come into play. More resources are needed to address these complexities and build new governance structures that take gender inequalities into account and put affirmative action into place where necessary. There is need to support the implementation of MDGs 1 and 3, the Beijing Platform for Action and the achievement of sustainable development with increased participation of women in agriculture through rural development initiatives and microfinance support. It is important to strengthen collection, analysis and dissemination of sex-disaggregated data; and gender-related data is important for designing gender-aware and equitable policies and projects; provision of indicators that are sex disaggregated increases opportunities for monitoring gender issues and trends. It would be of essence to recommend projects that benefit both men and women; equal participation of both genders and mitigates any negative effects that project activities may have on either men or women (FEMNET, 2009).

3.13 Gender Reforms and their relevance to Kenya’s trade arrangements with the EU

In Kenya, the national Constitution has been under review for over 20 years but recently a referendum was held on the draft Constitution and the new Constitution took effect on the 27th of August 2010. In the new Constitution recognition and respect for international treaties and conventions is spelt out in Chapter one subsection two part 6 which states that “any treaty or convention ratified by Kenya shall form part of the law of Kenya under this constitution.” While this is good measure, in the current structures of trade agreements it could be a detriment due to the gender gaps within trading frameworks. However, the same constitution of Kenya assures socio-economic rights for both men and women in chapter four (4) under the bill of rights and is supported by chapter five (5) which guarantees equitable access to land and security of land rights. These provisions are also extended
to the marginalized and minority groups. All the countries in the East African region have adopted
gender mainstreaming which is advancing the Beijing Platform for Action (BPfA) agenda by changing
the approach to and the content of public policies impacting on women’s and girls’ rights and their
social, political and economic status. Unfortunately the approach to gender mainstreaming has been
technocratic and quite bureaucratic thus in some instances halting or preventing the transformative
potential of this approach to take effect. This is partly due to the limited capacity that exists in
most government sectors and institutions to undertake gender analysis and formulate appropriate
programmes for implementation.

Kenya has set up a National Women’s Enterprise Fund aiming to increase women’s access to credit and
development resources. However, key challenges facing the Women’s Enterprise Fund launched in 2007
include: the fees for the application forms, lack of knowledge on how to fill in the application forms
due to high levels of illiteracy among women, high interest rates charged by commercial banks who
disburse the funds, and financial institutions who demand collateral from women before giving them
loans. Women’s poverty is attributed to limited access to and control over productive resources such
as land and credit, limited control over the proceeds of their labour and lack of skills and appropriate
technology. Despite efforts by different institutions to avail market information through the internet
there is still limited access to training and information for the majority of women, which is critical in
transforming their knowledge and aspirations into reality. Many women’s businesses remain small
with limited capacity and potential to transform women’s economic status, or to absorb the economic
shocks and turbulence from the global economy.

3.14 Women Rights and the Economy

Kenya has promulgated its constitution which has sections that favour women, especially the rights to
property and inheritance of land. The region has seen significant progress in adoption of sub-regional,
regional and international instruments that promote and protect the human rights of women. Most
notably all States with the exception of Sudan and Somalia have ratified the Convention on the
Elimination of All Forms of Discrimination Against Women (CEDAW) and as of December 2011 thirty
one (31) countries have ratified the Protocol to the African Charter on Human and People’s Rights on
the Rights of Women in Africa, which also set a regional record for the speed at which it came into
force in 2005.

Under the economic empowerment of women and the gender perspective certain issues need to be
addressed. These include;

- design alternative macroeconomic policies and structures that are gender sensitive and
  pro-poor, and develop appropriate programmes in order to guide economic growth and
  equitable allocation of resources and benefits
- desist from engaging in bilateral and international trade and economic agreements that
  undermine the regional integration process and impact negatively on women’s rights
  and advancement in Africa
- articulate and redefine women’s economic empowerment towards achieving full
  employment and sustainable livelihoods for all women in both rural and urban areas
develop and implement social protection for women in the informal sector; give priority to employment creation for women through targeted entrepreneurship, skills and business development, paying particular attention to the needs of rural women

explore alternative sources of funding for women’s institutional mechanisms other than the traditional sources, with emphasis on setting up solidarity funds for gender equality programmes at national, sub-regional and regional levels, and ensuring increased partnerships with the private sector.

Ensure that gender equality is incorporated in all planning and budgeting processes at different levels, and the deliberate development of sex disaggregated data and gender sensitive indicators as one of the ways to guarantee effective implementation of the Beijing commitments and consistently promote, protect and fulfil African women’s rights to development.

Table 6: Knowledge of Trade Arrangements in Relation to Gender Focus

<table>
<thead>
<tr>
<th>Trade Arrangements</th>
<th>Number of Females</th>
<th>Number of Males</th>
<th>Number of Persons not aware</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya-EU</td>
<td>40</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Kenya-COMESA</td>
<td>38</td>
<td>62</td>
<td>50</td>
</tr>
<tr>
<td>Kenya-IGAD</td>
<td>22</td>
<td>38</td>
<td>90</td>
</tr>
<tr>
<td>Kenya-China</td>
<td>32</td>
<td>43</td>
<td>75</td>
</tr>
</tbody>
</table>

Knowledge of Trade Arrangements in Relation to Gender Focus

In Kenya, respondents felt that the trade agreements are gender neutral and therefore, do not capture women’s economic empowerment and rights as a desired result in specific terms. IGAD has the Addis Ababa Declaration that seeks to involve women in decision making. If anything, if there was any representation on gender, the arrangements would seem to favour men and to a larger extent the arrangements would favour large scale producers who are predominantly men and the women would be in the category of small scale traders.

Women by virtue of their not being able to access credit and other productive resources basically operate as small scale traders and are adversely affected by the arrangements especially where there is an influx of cheap imports which may not be up to the required standards. The only way where women may have leverage is where they are members of associations with a national outlook. In further inquiry to the trade arrangements, most traders felt that they were punitive and exacting, especially for the horticultural products the requirements were stringent on the packaging, quality of the product and level of pesticides found in the final product. The phyto-sanitary measures kept varying and the processes are quite involving as they are handled by KEPHIS which can take quite long hence making them incur extra charges, and the same is replicated in the EU countries, and the cost is still shifted to the Kenyan producer. They felt that it was on a corporate basis with profit as the driving force and hence other issues like human rights and economic empowerment took a back seat. The farmers are subsidised in the EU countries and in Kenya are not subsidised and yet they are supposed to compete on a level playing ground. The prices of most of the agricultural products have remained
constant over a long period of time and this coupled with the vagaries of weather and international market fluctuations portends a daunting task for the agricultural producers. They felt that liberalisation of the market could impinge on the local industries due to cheaper imports of goods and also an influx of multinational corporations (MNCs) could lead to them being very powerful and having great influence in various local sectors and even influencing government economic policies to be skewed in their favour. This could be a new face of neo-colonialism with the European countries obtaining raw materials at cheap prices and making profits which are not shared by the local producers.

**Challenges in understanding the trade arrangements**

Among the challenges was the understanding of trade arrangements which are very involving and the documents are quite voluminous and the issues addressed are quite complex. In some aspects they are vague and are left to the interpretation of the countries who might manipulate them to their own advantage. The decision making board is male-dominated and this may not auger well for women, where they are the majority like in agriculture and their operations are small scale. In the male-dominate delegation, women may find it hard to advocate for women’s rights and a good working environment that can be encapsulated in the trade arrangements. The traders felt that there was a greater need for a gender focus in the trade arrangements to get away from the gender-blind orientation and it would be beneficial if there was a greater representation of women in decision making positions and there would be more involvement of the stakeholders and consultations in the negotiation processes to get a multi-sectoral approach in perspective of prevailing issues. If the trade arrangements can also be simplified into a popular version and put in the public domain, this would provide an impetus to traders and other stakeholders to debate effectively and provide a document that is cohesive and favourable to the majority.

It is generally known that the big businesses spend millions on influencing trade policy in EU parliaments because of their need to protect their profit margins. So it would be very difficult for them to pursue policies that might ameliorate the situation of the producers - both men and women - in developing countries.

**3.15 Advantages of Trade Arrangements**

The traders felt that if these trade arrangements were well managed there would be benefits such as new, better and bigger markets which would ensure a demand for their products and this would translate into better prices and more revenue. Also there would be a reduction in the production costs due to availability of cheaper inputs (raw materials) from other markets. There are chances of employment creation that can favour both men and women and with better trading environment earnings to the sector this can be improved and cascaded to the employees.

**3.16 Perspective of Women Entrepreneurs/trade and secondary sources**

Women entrepreneurs involved in export/import trade in Kenya raised the following issues:

Trade arrangements are gender-blind and they currently make it expensive for women entrepreneurs to engage in trade with EU countries as the requirements are excessive and constantly changing. Only
the big firms can manage. It is competitive and the buyers in the EU market are profit oriented with little concern about the welfare and transformation of the life of the farmers in developing countries. Several women entrepreneurs have joined alternative trading opportunities where they can be empowered economically because they get fair prices and are also assisted in capacity building – packaging, labelling (individual orders), unique design arrangements and marketing. Another issue is the financing aspect where they are able to use credit to procure materials and package the produce according the requirements. The alternative trading partners include supermarkets and other overseas fair trade markets. There is felt need for an accessible resource centre for women groups, where they can be assisted and supported to access market information and be equipped with computer skills and access telecommunication facilities. Exchange programmes are required to link them to suppliers and learn about new technologies. The centre could make use of design students in designing packaging materials for jewellery from beadwork; assist with information on tax exemptions; finance and capacity building; and have access to up to date trade information.

The Government of Kenya should take responsibility to support the trade needs of the marginalised and people with disabilities. Illiteracy levels are a challenge and this is one area where people in these categories are assisted to develop and coordinate their businesses to benefit from collective services. Government has to identify the key economic activity that is a driver for economic development in a particular area and come up with innovative ways to support the people to realise their economic rights through various trade arrangements that would yield good results in the short, medium and long terms. Trade arrangements with the EU and through bilateral agreements with EU countries should not jeopardize local and regional trade that may result in better benefits for the people in a particular area in the country. Government should support markets for African Heritage – expand markets and local appreciation of artefacts in order to avoid exploitation by middlemen.

Fair representation of women in decision making structures at different levels responsible for negotiating trade arrangements should be a standard requirement that the Kenya government should fulfil. The officials concerned should also ensure the participation of different stakeholders.

There are trade attaches in the EU embassies and capacity building and resources would be required to enable them garner essential trade information that can be used by the government in the negotiations and also training in gender mainstreaming so that the agreements are pro poor and support the goals of sustainable development.

It was noted that the traditional handcrafts face lies in the realm of intellectual property protection. Products based on tradition knowledge that belong to the community are not easily protected under the intellectual property regime over the years, some Kenyan products have been copied and subsequent innovation of the traditional products have been granted intellectual property protection elsewhere. This makes it difficult for Kenyan products to compete with the new ones (Christine A. Agimba 2004).

To successfully identify new markets for their products Kenyan women need access to trade-related information, and to participate in trade promotion missions and programmes. Although the Export Promotion Council and other government agencies try and make trade-related information available, this is not always accessible to women participating in trade promotion missions is also an expensive venture for women (Christine A. Agimba 2004).
Lack of capacity is a great constraint, some women in the export business, who successfully manage to secure large order from new markets face the challenge of supplying those orders and consequently fail to supply their markets. The reason for failing to do is often that they did not have the capacity to make the orders by themselves, or did not have access to credit services to make it possible. The result is that Kenyans credibility is greatly eroded by those who fail to supply orders made to their markets, making it difficult for other Kenyan women traders to secure orders from the same markets (Christine A. Agimba 2004).

To remain competitive in the international market Kenyan women entrepreneurs in the business must try to understand their markets through research on markets needs and trends. They need to be innovative and improve on old products or create new products that are attractive and meet the customer’s expectations. There is feedback that some Kenyan products have performed poorly in global markets because of poor product design. It is not unusual to hear of shipments being rejected for failing to comply with specifications. This is a constraint that can be addresses by building women’s capacity and technical skills, through technical assistance in product design and development (Christine A. Agimba 2004).

Although women in Kenya supply 70% of labour in the agricultural sector they hold only about 1% of registered land titles with 5 to 6 percent of registered titles held in joint names (World Bank 2004a). Women’s limited ability to own land and property negatively affects their ability to participate in producer group, receive cash remuneration for their labour and benefit from agricultural extension services. Their contribution to Kenya’s economic growth is constrained because insecure land rights can limit women from making the necessary investments into their land to increase its productivity and economic value (World Bank 2006).

International trade has held a significant impact on gender equality in private sector development, particularly for export industries where the majority of employees are women, but it has also increased women’s economic vulnerability. Women in Kenya constitute between 65 and 75 percent of workers in the cut flower sector more than three quarters of workers in the textiles sectors and about a third of the estimated workforce in tourism (World Bank 2006).

Access to finance, even though women entrepreneurs make up nearly half of all MSM owners, it is estimated that they have less than 10 percent of the available credit (Government of Kenya 1999). Kenya does not have a credit bureau that could capture women’s excellent repayment histories, and products like leasing and factoring are not widely available. Even though microfinance’s is a great poverty reduction tool, it offers only limited support for women business level (World Bank 2006).

3.17 Government institutions responsible for trade

These are Ministries of Gender, Finance, Tourism, Export promotion Council (EPC), Trade.

The Ministry of Gender has set up gender desks in priority ministries; Agriculture, Livestock, Trade and other agencies like Export Promotion Council (EPC) and Kenya National Bureau of Statistics (KNBS).

The Ministry of Trade has been handling the EPAs between Kenya under EAC and EU, which started in 2000 and should be completed in November, 2010. In the meantime the trade arrangements are being handled under an interim agreement – EPA framework – until the passing of the EPAs by the European
Parliament. Previously, Kenya had trade arrangements which she received preferential treatment (Lome and Cotonou), but now with trade liberalization, is handled under trading blocs or Regional Integration schemes (RIs). Under the requirements for reciprocity, Kenya has opened her markets up to 82%, and the remaining 18% has been closed for sensitive products which are predominantly agricultural to guard her revenues and give a better deal to her producers. The other products that will enjoy access to the EU market are textiles, handicrafts and even fisheries which will boost fish farming that has been considered under the Economic Stimulus Package in the current budget.

The government has taken a multi-sectoral approach and has had the Ministry of Trade interact with the key players during the negotiations for EPAs – Ministry of Agriculture; Ministry of Livestock and Fisheries; Ministry of Finance; Ministry of Planning and National Development and Vision 2030; Kenya National Bureau of Standards (KNBS); Kenya Bureau of Standards (KNBS); Kenya Plant and Health Inspection Services (KEPHIS); Kenya Revenue Authority (KRA); Kenya Association of Manufacturers (KAM); Kenya Private Sector Alliance (KEPSA); Fresh Produce Exporters Association of Kenya (FPEAK); Flower Council of Kenya (FCK); other interest groups; and Civil Society Organisations (CSOs).

After the internal deliberations, the next session is with the EAC Secretariat and then finally meetings will be held with the EU. The trade negotiations are very involving and expensive and lot of travel is involved. Ministry of Trade has assigned specific officers to this assignment and it has had to involve consultants as well. The composition of the team has no woman representative.

Most of the clauses were agreed upon, except Article 37 which has the contentious issue of Most Favoured Nation (MFN) – whatever offers Kenya has with countries outside the EU, for example, the BRICs (Brazil, Russia, India, China South Africa), she must offer the same to the EU, but Kenya feels this will be to her disadvantage as she would erode all the gains made under the agreements and may result in huge revenue losses. It also means her market access and trading relations may be limited to the EU denying her access to other markets that may offer her favourable terms and consequently grow her manufactures and her revenue base which may translate into better living standards for the populace. Currently, there is a stalemate but the government hopes the negotiation will proceed to their entirety and EPAs will be in place, otherwise the other option will be to operate under the General Special Preference (GSP) and her products will be subjected to taxes between 7 and 15%. This will make her products expensive and uncompetitive and her exports market will be taken up by other nations like Colombia, Brazil, and other EU-Mediterranean countries – Portugal and Spain. Kenya feels she has a better deal under the EPAs than what she had under Lome and Cotonou where they were considered unitary arrangements that could be withdrawn or changed anytime without consultations but now it is more participatory.

The Gender Department in the Ministry of Trade is fairly new, having been established in 2009. The arrangements being pursued now have no clear gender focus and the gender desk in the Ministry does not have the capacity to interpret trade issues between EU and Kenya or provide appropriate advice to the government.

3.18 European Union (EU)

Most of the countries that had trade arrangements with Kenya cancelled them after joining the EU and now she has only Bilateral Investments (BIs). Currently, the EU is engaged in negotiations with the EAC
to have EPAs but in the meantime they are using an interim agreement. The EPAs as they are do not have clearly stated articles with a gender perspective but are guided by the spirit of the general gender guidelines and also the Policy Coherence for Development (PCD) which believe that gender mainstreaming is a cross-cutting issue that should be enshrined in sustainable development. The EU has provided funding to the Kenya government to ensure gender perspectives are handled and there is a multi-sectoral initiative that also ensure civil society involvement. The EU has a Gender Unit in its development group but that is in their Brussels Office. However, EU does not have a Gender Unit for trade affairs.

The EU has tried to address the trading capacity by funding new KEPHIS laboratory; providing training for customs officials and other trade-related requests from Kenya. Under the new interventions the EU encourages Kenya to trade as a bloc and take up EPAs since the trade preference previously awarded cannot persist and can be challenged by other countries who are her competitors like Colombia and Spain. The option will be for her goods to be subjected to taxes (7-15%) under the GSP and that will hurt her revenue base due to reduced foreign exchange earnings. Also she is not considered a Least Developed Country (LDC) like her other counterparts in the EAC and so would not be able to enjoy preferential treatment in the absence of EPAs.

3.19 Private Sector

Kenya Private Sector Alliance (KEPSA)

The EU negotiations are involving and can be spread over a number of years. The current trade arrangements do not favour Kenya and more so in the case of economic empowerment of women. The Europeans look at their political constituents and these have a dominant voice, consequently they are able to influence the orientation of the arrangements, in their favour, especially under agriculture where they subsidise their farmers with big margins. This affect our farmers who do not enjoy the same benefits. The majority are small scale farmers and many women are in this category. It translates to reduced earnings for households and compromises the provision of basic services.

KEPSA is lobbying the government to involve them in the negotiation process because they can contribute their research on the various aspects of the trade arrangements that can have adverse effects on the situation Kenyans and their livelihoods. And even the training on trade arrangements should be open to the private sector, especially their representatives. And the women should be represented and more so operationalize a gender unit that can have an in-depth analysis and provide focussed approach to negotiations and subsequent trade arrangements.

3.20 Lobby Groups and Civil Society

Trade and aid are increasingly enmeshed and are a key element of developing countries’ development strategies. The gender sensitive aspects of trade may be minimal because there is little focus on women in Regional Trade Arrangements (RTAs) and Multi-lateral and Bilateral Trade Agreements (MTRs and BTAs) – a look at the World Trade Organisation (WTO) decision making council shows that there are very few women and this has role to play on the importance of gender issues being incorporated in trade agreements. The inclusion of gender lobby groups is important at the national and international
levels to ensure that gender issues get the prominence they deserve to make trade pro-poor and pro-development. Under the clamour for trade liberalisation by WTO, women are likely to bear the brunt of the decisions that may be made. The developed nations are answerable to their political constituents and may make trade decisions to favour their interests. This is not the position here in Kenya, where civil society is rarely included in trade negotiations and so that the gender focus is clearly not reflected in the agreements.

Under the EPAs, the lobby groups and civil society want it clearly spelt out that there will be reciprocity and trade and non-trade barriers are not employed to lock Kenya out of the EU market while she has opened hers according to WTO regulations. There is the loss of revenue that has been coming to Kenya through import duty on EU imports. The loss through a reduction in Value Added Tax (VAT) and import duty could be approximately Kshs. 350 billion; provision of basics by the government could be affected due to decreased revenue; decreased investment in education – girl child would lose because of the adverse gender parities at the primary level and would get worse as we move towards the tertiary level; access to essential drugs (ARVs, TB and malaria); caregivers are affected and majority are women. This will definitely not assist in the attainment of MDGs 1 and 3 and the Beijing Platform for Action and the women’s economic empowerment and rights will in no way be enhanced.

There is no gender analysis in trade and development and this means that lobby groups need to be involved with other research engines and the Kenya National Bureau of Statistics (KNBS) to have a comprehensive gender disaggregated data and also carry out gender analysis and assessment impact on the trade agreements. This can assure sectors that have a positive impact on trade are given priority and all necessary support is provided. Some of the groups are looking at EAC women’s cross-border trading to assess the impact and how it forms trade agreement. The current policies and frameworks have no outlook on gender and more so for women especially if they are considering having a corporate look and seeking to engage in profit making ventures. Groups want to challenge the profit making ventures and the corporations that may be pushing for EU’s market access to developing countries; nothing beyond gains and what happens to our development issues Capacity building is essential to handle trade negotiations which are expensive ventures. The lobby groups are doing this by following keenly what is going on in the WTO groupings and carrying out analysis to check the impact at the grassroots level; link with Ministry of Trade and farmers and have a voice in the national body; and are in the clusters in EPAs. Using committees of trade in the five countries of the East Africa Community (EAC) and East Africa Legislative Assembly (EALA) to ensure they put the interests of the people in the countries involved are at the forefront; partnerships with CSOs in developed countries to lobby on their behalf since they have more clout and able to engineer reforms.

Kenya may need to have other trade arrangement with other countries from emerging markets like China but ensure they are gender focused and beneficial to Kenya. And to closely monitor the employment regulations and working condition are up to the required standards. The issue of anti dumping is complex and of concern to the lobby groups in the light of their effect on the internal markets. The government needs to develop infrastructure to enable investors to take advantage of the economic opportunities that may arise from trade agreements and political will needed to have constitution followed to the letter to ensure the rights of the citizenry are not compromised.
3.21 Alternative Trading

This kind of trade is handled by Cooperatives and Marketing Organizations that sell directly to the international market. It also provides capacity building – financial and managerial skills and offers better terms and more economic empowerment for women and respect of their rights; and products like basket making; jewellery; vegetables especially dried. The products are sold to Alternative Trading Organizations e.g. Traidcraft. Conventional trade has yielded few benefits and myriad obstacles, most people in developing countries have turned to alternative trade. Basically consists of NGOs and business from producer groups and then selling them through mail order, internet, churches, supermarkets and retail chains. Also information availed on alternative products and elimination of middlemen giving producers a decent return. It offers a potentially more profitable route for developing countries’ manufactured and primary products. Products are crafts, furnishings, textiles, clothing, household goods, paintings, batiks and foodstuffs (tea and coffee). which allow the producer a reasonable return, and will often give advance payment on orders. They build their range around products made by the producers they want to support.

Some of the organisations under Fair Trade Foundation are Oxfam, Carfod, Christian Aid, Traidcraft Exchange and the World Development Movement, it awards Fair trade mark to products in Britain that have been traded on fair terms. And there is a policy of Trade Aid that requires the producers to be closely monitored to ensure they are following fair trade measures. Some organisations conduct environmental and safety audits among its suppliers to check on working conditions, employment age and workers’ rights.

3.22 South to South trade and Producer Cooperation

Regional Integration Schemes (RIS) can help a great deal because it makes sense to be able to break away from exploitative pattern of North-South trade and to develop a fairer and just pattern of international trade, perhaps get the goods at a cheaper rate as compared to EU imports. There are factors that need to be addressed:

Most countries in the South have little tradition of trading with each other are producing similar types of commodities.; poor infrastructure i.e. road, rail and air links between developing countries are often poor making transportation difficult and expensive; institutional and legal constraints; no harmony. South-South does not have a bank to promote its trade; perhaps development of African Development Bank (AfDB) and East African Development Bank (EADB) to handle financial facilities that can support exports. Developing countries will not accept each other’s currencies for trading transactions. Currency of the North needed for South-South trade and foreign exchange is usually scarce. Political differences hold back cooperation (despots, civil unrest). Freight charges are higher for South-South than they are for South-North trade.

The South lacks a secretariat such as OECD to help foster growth and development in matters of trade.

3.23 Intra African Trade

This trade offers a better option as compared to low returns from international trade and economic difficulties. Sub Saharan Africa (SSA) needs regional markets to be organized sufficiently for economic
growth; and political coordination in all areas for it to face large groupings (negotiate from a position of power. Costs on manufactured imports can be substantially reduced through sub regional and regional trade, therefore creation of employment and provide savings on food imports. Pick up on Lagos ‘Plan of Action’ to create an all-African common market. Some existing bodies include:- EAC, ECOWAS, SACU, SADC, IGAD and COMESA.

A reformed international trading system is only likely to make a contribution to overcoming poverty if a country has internal economic and political structures in which people are able to receive economic benefits and have a say over the nature and extent of trade (democratization of trade). The South today needs a new development stimulus, producer cooperation, more South-South (intra-trade) and alternative trade against a backdrop of genuine participation, could be a powerful combination that helps countries battered by an unjust international trading system, to take the initiative in developing a more just system that helps to provide that new stimulus.

### 3.24 Recommendations for promoting women’s participation in trade policy processes

- The role of women in agriculture is vital for economic growth. It is essential to increase investment in competitive agriculture and large scale commercial agricultural exploiting, thereby improving agricultural productivity and food security; necessary to develop export capacity and benefits that can be harnessed in EPAs with an emphasis on decent working conditions for men and women, social cohesion and equal rights and access to basic needs.

- Collect and strengthen legislation to enable efficient exchange of credit information between financial institutions (FIs) especially between microfinance institutions (MFIs) and banks leading to comprehensive coverage through a credit reference bureau (World Bank 2006).

- Intellectual property rights in Kenya should be enforced and women entrepreneurs sensitized about their rights, Kenyan products should be registered as patents, trade mark and copy rights (World Bank 2006).

- Encourage provision of financing mechanism for female-owned businesses through local financial institutions and international development institutions.

- Government should develop a training manual and train magistrates and customary leaders on women’s property rights, setting out clearly case law that establishes that statute law on women’s property rights prevails over discriminatory customary law.

- The Kenyan government negotiators must include representatives from the Civil Society. This would also be reflected in the negotiations so that standards to protect EU citizens through animal and plant health regulations be also designed to minimize trade obstacles to small scale less developed and developing countries’ farmers. There must be deliberate partnership (Public-private sector partnerships) between government, Civil Society Organizations and gender based organizations on building
capacities of communities of international trade on issues of trade negotiations and agreements to ensure gender responsiveness, equity and enshrining of economic and human rights in such frameworks. This must be complemented by availability of relevant data and information on trade negotiations, arrangements and business opportunities readily accessible by the public for effective application.

- In the sensitive sectors like horticulture, gender-sensitive policies be developed; provision of reliable working conditions taking into consideration the requirements of both men and women; It is important to lobby for provision of pecuniary and non-pecuniary benefits to women; improved earnings, promotion, childcare facilities, maternity leave, health insurance, equal pay for equal work. Schooling should also be provided for on the farms.

- There should be regular social auditing, participatory and environmental safety auditing and results can be shared with the government and even the purchasers in the EU. Suppliers to be assisted in compliance to the SPS measures and other trading codes so that costs can be minimised and translated to downsizing and may lead to reduction in labour costs which will affect both men and women. Buyers may need to familiarise themselves with/to areas in the gender impact of their actions.

- Trade capacity building on the legal aspects and understanding of MTAs and BTAs – the gender impact of trade agreements and lobbying to implementation, negotiations and reforms; encounter better terms and their incorporation to better the rights of women.

- Kenya needs to negotiate for time and assistance (budgetary support) in handling SDS and other challenges in the trade agreements and special compensatory arrangements for loss of revenue and removal of residual barriers.

- There must deliberate efforts to develop structures that allow formation of conglomerates of small scale traders in order to generate reliable and more efficient avenues to penetrate the EU market which is quite large, probably linking them to the cooperatives movement in Kenya. The conglomerates’ approach to management of business must be accompanied by relevant support programmes including and not limited to financial effectiveness, community or grassroots sensitization and capacity building as a strategy to expand and build critical human capital that comprises of state and non-state actors towards advocating for better trading frameworks.

- There is urgent need to formulate policies whose framework flags out structures that reduce vulnerabilities of women traders in order to enhance their socio-economic rights within the operations of the EAC trade agreements and arrangements towards standardizing functions as is reflected by Common Agricultural Policy.

- The Central Bureau of planning should enhance their collection and reporting of sex-disaggregated data to facilitate more detailed research into the impact of trade on gender relations and the livelihoods of women in Kenya.
CHAPTER 4

PROMOTING AFRICAN WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE ARRANGEMENTS - UGANDA

4.1 Background

In Uganda there are efforts to promote women equality and empowerment through accession to the instruments and the efforts to domesticate them by undertaking law reforms or enacting gender-responsive legislations. The adoption of the Poverty Eradication Action Plan (PEAP) as a framework for addressing the key poverty challenges in Uganda first in 1997 and subsequently reviewed and revised in 2000, 2004 and 2008; and today the adoption of the National Development Plan in 2010 has contributed to the prioritization of women’s economic empowerment as one of the ways of reducing poverty and increasing opportunities for wealth creation. The PEAP recognised the existing wide gender inequalities and as a government strategy to address this issue, undertook to “take actions to empower women.” Among the priority actions government undertook gender mainstreaming to: “Develop a gender Management System to review and audit government policies, plans and programmes for gender/equity responsiveness.” The Draft National Agricultural Policy also promises that “Government interventions will pursue growth and equity and the interventions will be balanced across genders.”

The Uganda government, like most African governments, has also gone ahead to negotiate and sign trade agreements and arrangements with development partners, most especially the European Union (EU) as an entity and also with individual countries within the EU in order to promote better trade relations that are mutually beneficial to the people and economies of the contracting countries as part of the strategy for poverty reduction. The trade arrangements between Africa and Europe are as a result of the long standing relationship between the two continents going as far back as the colonial times.

---

5 PEAP 2004 pg. 179
Trade offers opportunities to address the challenges of women’s equality and empowerment, yet if handled wrongly trade rules and policies; and their implementation would deepen instead of reducing existing gender inequalities. It is therefore, important, in the context of bilateral and multilateral trade negotiations, that appropriate trade policies and strategies that are supportive of the objective of gender empowerment are put in place.

4.2  Legal and policy framework that promotes gender equality and women’s economic empowerment

Gender equality and women’s empowerment have become universal goals enshrined in many international instruments such as the Charter of the United Nations which reaffirms faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women. The Universal Declaration of Human Rights (1948), the United Nations’ International Convention on Economic, Social and Cultural Rights (ICESCR) in their preambles recognize the ideal of free human beings enjoying freedom from fear and want and this only be achieved if conditions are created whereby everyone is able to enjoy their economic, social and cultural rights as well as their civil and political rights and freedom. The Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), outlaws discrimination against women in all its forms and calls upon states “to embody the principle of equality of men and women in their national constitutions or other appropriate legislation if not yet incorporated therein and to ensure, through law and other appropriate means, the practical realization of this principle.”

The Beijing Declaration and Platform for Action of 2005 indicates a number of strategic objectives and actions, including the role of women in the economy. The Declaration identifies the need for more analysis on the impact of globalization on women’s economic status. Many actions are recommended to promote women’s economic rights and independence, including increased access to employment, appropriate and decent working conditions and control over economic resources. The Beijing Conference adopted “gender mainstreaming” as a key strategy for promoting gender equality. In Paragraph 29 of the Beijing Platform of Action it is stated that “It is essential to design, implement and monitor, with the full participation of women, effective, efficient and mutually reinforcing gender-sensitive policies and programmes, including development policies and programmes, at all levels that will foster the empowerment and advancement of women.” The United Nations Economic and Social Council in 1997 held a special session on mainstreaming the gender perspective in all policies and programs in the United Nations system.

More recently, in 2000, the Millennium Declaration adopted by Heads of State at the Millennium Summit reaffirmed the primacy of poverty alleviation and gender equality as development goals. The Millennium Declaration commits member countries to “promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable.” Uganda has incorporated the above mentioned principles and rights standards in its national legislation and policies as indicated hereunder.

---

7 CEDAW Part I, Article 2a
8 Ibid (Para 26 & 35)
9 UN (2004) : Trade and Gender pg. 293
The Constitution of the Republic of Uganda (1995) explicitly provides for the “Rights of women”\textsuperscript{10}. The state undertakes, inter alia, to “provide the facilities and opportunities necessary to enhance the welfare of women to enable them to realize their full potential” and that “women shall have the right to equal treatment with men and that right shall include having equal opportunities in political, economic and social activities.” The National Development Plan 2010/11-2014/15, in paragraph 64, recognizes that Uganda’s development progress continues to be constrained by gender inequalities and social vulnerabilities. The Plan therefore provides for a broad strategy and strategic actions for promoting gender equality. One of the strategic actions is to “promote gender equality and the empowerment of women throughout the economic sectors particularly in the areas of governance, education, health, employment, agriculture, trade and industry.”\textsuperscript{11}

The government has begun to create mechanisms to operationalize its international and constitutional obligations, including through the National Gender Policy (1997) (currently being revised) and the National Action Plan on Women 1999. Much remains to be done to take forward activities to implement gender equality in Uganda’s legal framework, however.

A key issue is the need to reform legislation that is unconstitutional because it discriminates on the basis of gender. The proposed Domestic Relations Bill now the Marriage and Divorce Bill, currently before Parliament, would go a long way to addressing these issues. In addition, Uganda needs to enact legislation that would address key social issues that affect gender relations and women’s position in society and the home. Enacting laws to implement Uganda’s constitutional commitment to gender equality is important for growth. Some of the laws currently under consideration directly address women’s ability to access economic assets such as the Succession Bill. Many Laws Require Amendment or Enactment to address Gender Inequality in Uganda

**Divorce Act**

The Divorce Act lays down unequal standards for men and women. When a woman seeks a divorce, she must prove that her husband both committed adultery and either deserted her, was cruel to her, or failed to maintain her. In contrast, a man needs to prove only adultery to obtain a divorce.

In a case recently brought by the Strategic Litigation Coalition ($\textit{Uganda Association of Women Lawyers \& Orgs v. Attorney General Constitutional Petition No. 2 of 2003}$), Uganda’s Constitutional Court declared these aspects of the Act to be unconstitutional under Article 2(2), which states,

“If any other law or custom is inconsistent with any of the provisions of this Constitution, the Constitution shall prevail, and that other law or custom shall, to the extent of the inconsistency, be void.” Inequalities also exist in the division of assets on divorce. When a wife seeks a claim to marital property that was not directly acquired during her marriage, she is often deemed to lack legal and equitable rights. The wife’s contributions to the home during the marriage are non-monetized and usually not taken into account (Banenya 2002).

**Marriage and Divorce Bill**

The Marriage and Divorce Bill reforms and consolidates all laws relating to marriage, separation, and divorce, including by addressing the unconstitutional issues in the current Divorce Act. The bill:

\textsuperscript{10} Constitution of the Republic of Uganda 1995, Chapter4, section 33 (1-6)

\textsuperscript{11} National Development Plan 2010/2011- 2014/14 , chapter 4.2.5
recognizes the principles of equality
recognizes monogamous and polygamous marriage sets out the rights and obligations in a marriage, providing for equal rights and making it an offence for one spouse to force the other to have sex
bans widow inheritance (the custom in which a relative of the deceased husband inherits the widow as his wife)
recognizes matrimonial property, recognizes the contributions of a wife to matrimonial property, and provides that such property is owned in common in undivided shares
Reforms divorce law, providing for the same grounds for divorce for Men and women.

**Succession (Amendment) Bill**

The Succession Bill, prepared by the Uganda Law Reform Commission, would entitle a widow to half of the matrimonial home and other assets on the death of her husband. Under the current Succession Act, a wife is entitled to only 15 percent of these assets; if there is more than one Widow, they share the entitlement (World Bank 2006). LAW Uganda won a constitutional petition which nullified the unequal provisions between men and women in the Succession Act.

Therefore, in conclusion, there is a strong legal and policy framework whose sole aim is to ensure achievement of gender equity and equality and the empowerment of women including realization of their economic empowerment, but it lack enforcement mechanism.

### 4.3 Women Economic Empowerment and Trade

The Uganda National Development Plan has also recognized that "Uganda’s development progress continues to be constrained by gender inequalities and social vulnerabilities.”

According to the UNDP Human Development Report, women in Africa represent 52% of the total population, contribute approximately 75 percent of the agricultural work, and produce 60 to 80 percent of the food. Yet they earn only 10 percent of Africa incomes and own just 1 per cent of the continent’s assets.

Trade can be both an opportunity for growth and development and a challenge when addressing equity issues in the economic arena. It can positively influence the distribution of income between men and women; and contribute to creating new employment and business opportunities. Gender sensitive trade policies can enhance the earning capacity of women, improve their livelihoods and therefore enhance their status in society and within their households. On the other hand any negative impact of trade rules i.e. trade liberalization and attendant adjustment costs is likely to exasperate women’s already vulnerable position and deepen the existing gender inequalities if the processes are not carefully managed and monitored to ensure that they achieving the intended results.

Women’s education and skills accumulation are central factors determining the impact of trade on women’s employment levels and the gender wage gap. However, these are not necessarily prioritized in a purely market economy where profits take precedence and become the driver of globalization and a

---

12 National Development Plan (2010/11-2014/15) section 64, Pg 21
tool for fostering growth and sustainable development for many countries including African countries. The 1990’s witnessed an increase in Africa’s merchandise export, though this increase is attributed to the rise in oil exports. For most non-oil exporting countries there has been a decline in their export (World Development Report 2007). For example, Uganda’s terms of trade have been declining from a trade deficit of US$81.6 in 1997 to US$ 2,801.6 in 2008 (Uganda Bureau of Statistics – various years). This trend can be attributed to a number of factors including inter alia the high dependency of the economy on agriculture as the main economic sector, which is dominated by small scale farmers (SSF), the majority of whom are women. More than 70% of the labour in the agricultural sector in Uganda is provided by women.

The sector is: largely dependent on rainfall patterns and is vulnerable to natural disasters; infrastructure is poor or non-existent in many rural areas; the SSF have very limited access to modern technology as well as credit facilities; and Extension services are poor and input costs are very high.

Given their disadvantaged position, women also face many more challenges in the agricultural sector. These include inter alia, limited access to credit, and access to and control over land and other economic, human, and social capital assets and productive resources; increased burden of producing both for the market and for home consumption; limited control over the proceeds of their produce especially the produce for the export market; inadequate access to information particularly market information mainly due to high illiteracy levels and issues of time poverty resulting from their multiple roles; inadequate support services and networking opportunities; the impact of HIV/AIDS taking into account that in Uganda women account for the majority of adults (58 per cent) living with HIV/AIDS. They are the ones who also provide the much needed home based care services for those affected by HIV/AIDS and other terminal diseases like cancer whose incidence has increased over the years. Home care services divert productive time.

In the commercial sector, the majority of women are in the informal sector; and they also play a key role in the informal cross border trade. Women in the informal sector are not homogenous as there are those at the survival level who need to satisfy basic needs of food, clothing and shelter while there are the medium scale entrepreneurs who own businesses, import goods and own property. Women in medium scale businesses have built up enough confidence and can access credit from formal banks. However, they also face challenges such as skills to formulate bankable projects, access to knowledge on facilities provided by various institutions and support agencies; inadequate skills in lobbying and negotiation skills, bureaucracy and corruption and gender-based limitations perpetuated by patriarchal social relations.

According to the World Bank study 6% of the women, as compared to 13% of men, work in small industries; while 13% of women, compared to 23% of men work in the services industry. It should be noted that in these sectors, the majority of women are found in the lower categories. These disparities are as a result of limited job prospects, differences in education, and power dynamics at the household level and at work place and other human capital variables. Results from the Uganda Population and Housing Census 2002 revealed that majority (66%) of the working women between the ages of (14-64) were unpaid family workers with negligible income.

Government has tried to improve the economic environment to facilitate women’s engagement in commerce. These efforts include the enactment of new labour laws in 2006 which greatly improved

14 UNCTAD 2007 pg. 22
15 World Bank Nov 2010 pg 14
the organizational and substantive rights of workers. The new laws emphasized the right of all workers, men and women, to equal pay for equal work without discrimination as provided for in the constitution of Uganda. However, despite the strides made in addressing women equality and empowerment there is still a long way to go especially in the economic and trade arena where women’s involvement is still low; and there are still gender asymmetries and biases.

Therefore, there is need to enhance women’s gainful participation in trade related activities at both national and regional level if trade is to be considered as a major growth and development catalyst. Women’s participation in trade in particular and the economy in general depends greatly on the policies and practices in place which in turn depend on the various trade agreements and arrangements entered into with other countries and institutions.

In the late 1980s most African countries embarked on economic reform under the Structural Adjustment Programmes proposed and in some instances managed by the World Bank and IMF. The core of the reform consisted of trade liberalization, deregulation of currency, privatisation of state-owned industries and export promotion. These were to accelerate economic growth and overall national development. The reforms have however produced a negative impact on both the economy and livelihoods of ordinary people. Most significantly, the reform deepened the marginalisation of women by further increasing their penury.

Women are the most dominant in small scale production particularly in agriculture. This dominance covers farming, harvesting and produce trading especially at local levels. With trade liberalisation, these women were suddenly and without any preparation or warning forced into competition with both foreign imports as well as aggressive commodity trading that is often beyond the subsistence farmer. At the other extreme, export promotion also affected food security as most food crops including in places such as Southern Sudan and the eastern part of the DRC are targeted for export rather than local consumption. These changes have increased women’s burden as they have to produce for the market and for consumption.

It is therefore important for countries to design appropriate trade strategies and policies to support the objective of gender equality and empowerment. This will necessitate a continuous gender analysis of the specific trade agreements, arrangements and policies as they are negotiated and crafted; and how they are implemented.

4.4 The Trade–related arrangements between EU and Africa and their implications on women’s empowerment in Uganda

The three major trade arrangements between EU and Africa analyzed in this research include: the Joint Africa–EU Strategy, the Economic Partnership Agreements and the Bilateral Investment Treaties (BITs) between individual European countries and Uganda.

4.4.1 The EU –Africa trade relationship –A historical perspective

The co-operation between the European Union and its former colonies in Africa (together with EU’s former colonies in the Caribbean and Pacific) dates back to the Treaty of Rome of 1957 that established
the European Economic Community (EEC). The 1st Agreements between the ACP and the EEC countries were the Yaoundé I (1963-69) and the Yaoundé II (1969-75) which were signed between the French speaking countries and the EEC. In 1973 when the United Kingdom joined the EEC, Lome 1 (1975-80) was signed between 46 African, Caribbean and Pacific (ACP) countries (Uganda inclusive) and 9 EEC members’ states. The ACP Group was thus effectively created.

Lome I was a precursor of three more consecutive Conventions i.e. Lome II-1980-1985, Lome III-1985-1990, Lome IV-1990-1995. The stated objectives of the Lome Conventions was to foster the development of the colonies and the overseas territories. The Lome Conventions governed the cooperation between African countries and EEC for 25 years particularly in the area of trade. Under the 4 successive Lome Conventions (1975-2000), the EU granted a preferential trade regime to ACP countries through trade preferences, commodity protocols and other instruments of trade cooperation including financial and technical aid.

The major purpose of the trade co-operation was to promote trade between the parties to the Agreements taking into account their respective levels of development, and in particular the need to secure additional benefits for the trade of ACP states, in order to accelerate the rate of growth of their trade and improve conditions of access of their products to the EU markets. The end result was to ensure a better balance in the trade of the contracting parties (Art.1). Therefore, selected products originating from ACP states were imported into the European Economic Community duty free albeit with some restrictions. The Convention also dealt with the issue of stabilisation of export earnings through the introduction of the Stabex scheme on a wide number of agricultural products such as cocoa, coffee, groundnuts and tea. Lome II created a similar mechanism (Sysmin) for countries that were heavily dependent on mineral resources for example Zambia (cobalt & copper), Botswana (diamonds), and Ghana (bauxite & gold). Under the Lome Conventions, specific Protocols were also agreed on with provisions guaranteeing prices and specific quantities of cane sugar, beef, veal, bananas and rum. Under the sugar protocol, a fixed quantity at guaranteed price each year was allocated to different countries.

For example Uganda was given a sugar quota of 5,000 metric tons per year. However, the country did not effectively utilise this quota while countries like Mauritius were able to transform their economies by utilising their quotas. The inability by Uganda to utilise its sugar quota is partly attributed to supply capacity constraints and also the lack of commitment by government to implement the agreements signed. It is one thing to sign the Agreement to create opportunities for the citizens it is yet another to ensure that there are enough people and companies that are able to fulfil the requirements of meeting the quota.

Despite receiving all these preferences, exports from Africa in general and Uganda in particular have been declining. For Uganda, exports to the EU have declined from US$ 309.9m in 1997 to US$ 263.8m in 2006. This is because trade preferences did not necessarily promote diversification in most African countries. The bulk of the products exported to the EU comprised mainly of agricultural primary commodities, whose value has continued to decline on the world market. Uganda’s export

---

16 The EEC members were Germany, France, Italy, Belgium, Netherlands and Luxembourg

17 Denmark, Ireland also joined

18 The Lome Convention, Article 1

19 UBOS 2007
commodities have included coffee, tea, cut flowers, fish, fruits and vegetables. These are products which are mainly produced by small farmers and with the collapse of the cooperative movement and marketing boards that provided critical services that used to promote produce buying, selling and export most small scale farmers could not afford to get their produce to the bigger markets. The women small scale farmers face numerous challenges which could have been addressed by the Stabex funds which the government received from the EU under the Lome Convention. However Uganda, like many other ACP countries failed to use the funds properly to address supply capacity constraints by supporting the producers. Instead it was used to support balance of payments as a result of the need to pay for imports. There were also market entry factors in the EU which discouraged exports from Africa for example the very high standards of size, packaging and branding, and tariff escalation and strict application of the Rules of Origin.

Thus the objectives of the Lome Conventions were not attained in most African countries including Uganda. As a result of the questionable development impact of the Lome Conventions, and other reasons like incompatibility with the World Trade Organization (WTO) rules, there were calls to reassess the ACP-EU Cooperation. The linchpin of the reassessment would be to make the trade regime ‘compatible’ with the requirements of the WTO through the introduction of reciprocal trade arrangements between the ACP countries and the EU. In 1998 negotiations for a successor agreement to the Lome Conventions were launched and these culminated into the signing of the Cotonou Agreement in 2000. The Cotonou Agreement provides for the negotiations of a set of reciprocal Economic Partnership Agreements (EPAs) between the ACP countries and the EU. In the negotiations of the Cotonou Agreement, the aid component took precedence and it was the Minister of Finance who negotiated and signed the Agreement on behalf of Uganda.

4.4.2 The Cotonou Agreement

The ACP/EU Partnership Agreement is a comprehensive aid and trade agreement concluded between 77 ACP (African, Caribbean and Pacific) countries and the European Union. It was signed in June 2000 in Cotonou (Benin) and is therefore, commonly referred to as “the Cotonou Agreement.” The agreement is to last for 20 years and contains a clause allowing it to be revised every 5 years. There are two main pillars of ACP-EU co-operation under the Cotonou Partnership Agreement. These are economic and trade co-operation and aid arrangements.

The key principles governing the partnership were:

- **Equality of partners and ownership of development strategies:** In principle, the ACP states determine and own the development strategies for their economies.
- **Participation:** Participation in the implementation of the Agreement has been extended to other actors apart from the central governments. The new actors include: civil society, private sector, local government/authorities and the members of parliament through the ACP-EU Joint Parliamentary Assembly.
- **Dialogue and mutual obligations:** The partners assume mutual obligations for example respect for human rights and the protection of fundamental freedoms, and ensuring accountable governance. These were to be monitored through dialogue.
Differentiation and regionalization: As with the principle of Special and Differential treatment in the WTO, the Agreement recognized that countries are at different levels of development; and therefore have different needs and priorities. Cooperation arrangement was to vary accordingly with special treatment being given to the Least Developed Countries (LDCs) and landlocked and island countries.

Under the trade cooperation pillar, the ACP –EU Partnership Agreement in Chapter 2, Article 37 provides for the negotiations of new trading arrangements between the ACP countries and the EU:

“Economic Partnership Agreements shall be negotiated during the preparatory period which shall end by 31st December 2007 at the latest. Formal negotiations of the new trading arrangements shall start in September 2002 and the new trading arrangements shall enter into force by 1st January 2008, unless earlier dates are agreed between the parties.”

4.4.4 Gender Provisions in the Cotonou Agreement:

The Cotonou Agreement has specific gender provisions which are highlighted in Article 31 where it is emphasized that gender issues should be a cross cutting theme and concern in all programs, projects and activities in political, economic, cultural and social spheres of cooperation. However, despite the Cotonou Agreement including clearer commitments to gender equality than its predecessors (the Lome Conventions), it is of major concern that gender issues are missing in relation to the “hard” areas of negotiations especially the trade and trade-related areas. It is argued that the EU just paid lip service to gender mainstreaming in the Cotonou Agreement. Trade, foreign policy and security matters were the main goals. The pursuit of profits and political expedience seem to have taken precedence, and therefore gender considerations have suffered.

4.4.5 The Economic Partnership Agreement (EPA) negotiations

The second form of TAs, African countries are negotiating with the EU since 2002 are called the Economic Partnership Agreements (EPAs). Beginning in 2003, the Africa region configured itself into five negotiating groups namely ESA, CEMAC, SADC, ECOWAS for the second phase of the negotiations. As per the Cotonou Agreement the new trading arrangements were supposed to be concluded by 31st December 2007 and to enter into force by 1st January 2008. The EPAs are supposed to replace the earlier non-reciprocal Lome trade arrangement between the two parties which had existed since 1975.

The EAC as part of Eastern and Southern African (ESA) comprising of Burundi, Comoros, DR Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe launched the 2nd phase of the EPA negotiations with the EU on 7th February 2003. The ESA region opted to negotiate in (6) six clusters i.e. Development issues, Market access, agriculture, fisheries, trade in services, and trade-related issues. According to the findings of this Uganda study ESA countries provided structures for stakeholders’ participation in these negotiations at both national and regional levels.

At national level, all countries formed the National Development Trade Policy Forum (NDTPF) which was a forum bringing together various stakeholders including government ministries, the academia, civil society organizations, and the private sector to participate in the EPA negotiations. At the regional level, the stakeholders at national level were also allowed to participate in the Regional negotiating
Forum, a forum which brought together all the ESA countries to harmonize their positions vis-a-vis that of the EU. Despite the space provided for in these negotiations, there was no organization working on gender issues which participated. The few organizations like Southern and Eastern Africa Trade, information and negotiations Institute (SEATINI) which actively participated in these negotiations did not raise any specific gender related issues in the course of the negotiations. According to the findings of this study this apparent gap mainly due to lack of capacity on the part of participating organizations to undertake the required gender analysis and provide concrete proposals to be included in the Agreement. The Ministry of Gender for example which would be in position to provide technical support in this area did not participate in the stakeholder forums.

4.4.6 Provisions in the Interim EAC –EU FEPA

In 2009, an Interim EAC – EU Agreement which primarily covers trade cooperation between the EAC and the EU was signed. The Agreement mainly focuses on market access because it is the only key area that needs to be addressed in order to comply with the WTO rules. The FEPA was signed in the interim pending conclusion of a comprehensive EPA. The provisions within the FEPA are as follows:

a) The Market Access offers in the EAC-EU Framework Agreement

The EC market access offer consists of duty –free and quota –free treatment of all goods imported from the EAC countries –except sugar and rice for which duty and quota-free treatment will be phased over a transition period. About one-fifth of 18% of the EAC trade with the EU will be excluded from any market liberalization requirements. These are mainly agricultural goods as well as some processed agricultural commodities and industrial products which are already locally produced or which Uganda can produce e.g. unassembled vehicles, motorcycles, footwear, glassware, textiles and clothing, plastics, tobacco, wines. The main criterion for their exclusion is the desire to protect infant industries and /or sensitive products in terms of rural livelihoods and food security in the EAC countries.

The FEPA provides for safeguards in Article 20 & 21. Safeguards are measures which can be taken by a country if a sector of a domestic industry suffers injury from increased imports. However, the safeguard measures provided for in the FEPA are complicated and cannot be practically used by EAC member states to protect their agriculture and industries. Uganda like many other African countries lack the institutional capacity to carry out such investigations as stated in the safeguards.

Therefore, with such weak protection, the EAC economy in general and the agricultural sector in particular where the majority of women are involved is in a vulnerable position against more competitive goods from the EU. The implication is that as cheaper agricultural products flood the markets in the East African countries, more and more people engaged in and dependant on the agricultural sector will be pushed further and further into poverty.

Critical issues in the FEPA and their implications on women’s economic empowerment and equality.

This section discusses the implications of the FEPAs in particular and the EPAs in general on women’s economic empowerment from the point of view of the general economy and also specifically in the areas of agriculture, export promotion, revenue losses, trade in services and intellectual property.
b) The extensive liberalization

The EPA in general entails further liberalization of Africa’s economies. Africa’s experience with liberalization since the 1980s under the Structural Adjustment Programs (SAPs) has not been very good as it has led to negative consequences for example, the collapse of local industries. The fortunes of women in their quest for economic empowerment are intrinsically linked to the general performance of the economy. When the economy is performing poorly, women are affected more because of their vulnerability and limited economic capacity. There are provisions in the FEPA and in the proposed comprehensive EPA that have implications specifically on women’s economic empowerment. The most critical feature of the EPAs is the very extensive liberalization of agriculture with limited safeguards. According to FAO, the trend towards the “feminization of agriculture” is accelerating.\(^{21}\) This term refers to the ever increasing role that women play in most developing and least developed countries (LDCs) in sustaining agricultural production. In sub-Saharan Africa, women produce up to 80% of food crops; and more than 90% of the small scale farmers engaged in agriculture are women. This situation is similar in Uganda. Therefore, if there are any negative repercussions on agriculture, women will be affected much more than men due to their primary role in this sector and the central role they play in providing food for their families.

The EPAs and their implication on agriculture should be viewed against the already precarious state of this sector because of previous liberalization.

In the 1980’s the government of Uganda liberalized the agricultural sector as part of the overall policy measures that opened the economic environment to free market forces. The liberalization of agriculture witnessed the drastic reduction of governments’ role in agricultural production, marketing and distribution; and the privatization of most of the agricultural activities. The reforms included the privatization of inputs and extension service; and removal of the standards or their enforcement that may help protect local consumers and their products. The government also left the price paid to the farmers to be determined by the private sector. Besides the domestic liberalization of agricultural marketing in Uganda, the agricultural sector was subjected to an open external trade regime through the removal of quantitative restrictions for example quotas, administrative controls on agricultural product imports as well as gradual reduction of tariffs on a number of imported products considered as raw materials and inputs to industrial processes. The inefficiencies in border controls, and high levels of corruption have led to some otherwise taxable agricultural products to enter the country tariff free.\(^{22}\) Uganda has one of the most liberal trade regimes compared to other African countries today.

Even though agricultural liberalization opened new opportunities to the private sector, it cannot handle all the roles that were previously undertaken by government. The liberalized regime has failed to provide the requisite services and inputs to the farmers in a consistent and affordable manner. A number of studies have reiterated that agricultural liberalization has led to declining productivity and contributed to the deepening of rural poverty (SEATINI 2008). Poverty levels are still high with 38.8% of the population living below the poverty line (GOU, 2005). Poverty reduced more in urban areas than in rural areas and studies show that it increased during the period 2000-2005 from 39% to 49% among households especially those engaged in agriculture, and especially for the proportion of those in crop agriculture whose numbers grew from 39% to 50% (SEATINI, 2008).

\(^{21}\) Quoted from UN Gender and Trade (2004) pg. 49

\(^{22}\) Werth A. et al 2005: pg. 67
Other consequences of agricultural liberalization include:

The marginalization of small scale farmers; Discouragement of local value addition; Increase in rural unemployment and exacerbation of rural –urban migration especially among the youth; Increase in cost of farm inputs; Worsening of gender inequalities in the rural areas; and reduction in the welfare of rural women; and Increase in the fluctuations of farm gate prices due to the collapse of collective marketing and price stabilization arrangements.

The liberalization of the agricultural sector has greatly weakened the sector and impoverished the small scale farmers and the majority as already emphasized above, are women who are the backbone of the agricultural sector in Uganda. The EPAs are envisaging further liberalization in the agricultural sector with very weak safeguards. This means that a wide range of products from the EU will come into Uganda duty free. Compared to the EU, the economies of the EAC countries are structurally weak and are highly dependent on agriculture; which is still underdeveloped and dominated by subsistence farming with minimal government assistance. On other hand, the EU’s agricultural sector is very advanced and heavily subsidized by the governments of EU member countries. Only about five percent of the population is engaged in agriculture and the agriculture sector contributes only 1.6% of the GDP. This support makes the EU exports more competitive in all the markets they are exported to. The most damaging of EU subsidies for agriculture exports include dairy and meat products, processed sugar, cereal grains, vegetable fats and oil for example. These are similar products produced by Uganda’s small scale farmers (SSFs) and small scale industries.

The importation of agricultural products from the EU has been increasing, especially in terms of cereals and dairy products, vegetables and fruits, beverages, tobacco and oil seeds. For example Uganda imported maize corn from the EU worth US$ 11.7 million between 2000-2004 representing an annual average of US$ 2.35 million; and an annual average growth rate of 76.8%. This happened while Uganda’s small scale farmers experienced bumper harvest of maize during the same period. However, due to poor marketing mechanisms, collection networks and limited processing capacity and storage, many farmers lose their produce and a lot is consumed without paying attention to the need for preparations for the dry seasons. This is also a product that women grow and would benefit them greatly if the trade arrangements were managed better and in their favour. Continued importation from the EU of such products clearly poses a challenge to domestic agricultural products through intense competition for urban markets, discouragement of investments in local agricultural expansion value addition, restricting farm-gate prices to minimal levels, and generally increasing the vulnerability of small scale farmers as they are already the weakest in the agricultural production and supply chain.

c) Export orientation of the EPA

By negotiating the EPAs, Africa in general and the EAC in particular is desirous of securing and increasing its access to the EU markets. Export promotion has been a major goal of most African countries though it has not been achieved due to supply capacity constraints within Africa and market entry factors within the EU market. Most African countries have tried to diversify their exports from traditional to non-traditional agricultural products. Traditional agricultural exports include coffee, cocoa, cotton, tea, tobacco; while non-traditional agricultural products include fish, cut flowers, fruits, vegetables, vanilla, sesame seeds,

---

23 SEATINI (2008a) pg 21
24 SEATINI January 2008 pg 25
beans and other legumes. The share of traditional export’s contribution to the total export earnings has declined from 53% in 2000 to 33% in 2005 (SEATINI, 2008). The main reason for the decline has been the fall in world market prices and the increase in the export of the non-traditional agricultural products.

Since most of the non-traditional agricultural products for export are also food crops or perishable products like flowers, this has negative implications on food security in the country. The production of food crops for exports implies an increase in the women’s work load. For example, the promotion of vanilla production in the period 1997 – 2005 in Uganda promised better proceeds for the farmer. Vanilla growing is labour intensive as it has to be manually pollinated. It is mostly the women who do this delicate task. Such work is back breaking, leaving them with no time to produce sufficient food for their families. In any case the proceeds from the sales are not equally shared between the men and women at the household level thus limiting further their economic capacity to purchase food from the market. Therefore, most often increased exports and earnings may not necessarily result in equitable development and the economic empowerment of women in a sustainable manner.

d) Revenue losses

The majority of African countries are largely dependent on customs duties for budgetary resources. The EU being a major market for imports from African countries, tariff reduction will lead to fiscal revenue losses depending on the extent of the trade between the EU and individual African countries. With the revenue shortfalls liberalization in the EPAs will lead to negative implications on the general welfare in the region, especially since it is the education and health budgets which are reduced first in case of any revenue shortfall. Health and education are very critical for the achievement of women’s empowerment and realization of their economic rights in particular.

e) Pertinent issues negotiated in the second phase of the EPA:

The rendezvous clause provides for extensive negotiations in the second phase. This section discusses a few of those areas that have grave implications on women’s economic empowerment. These include Trade in Services; and intellectual property under the trade related areas. The services sector includes those related to the provision of essential services like water, education, health, and infrastructural development which are central for social and human development. Extensive liberalization of these sectors means that these services may not be available and/or affordable for most of the people especially the most vulnerable like women living in rural areas and the urban poor.

The other areas for negotiations are diverse including among others; Competition policy, Intellectual Property and Transparency in government procurement policies. The EC is interested in negotiating binding rules in these areas; and has presented papers indicating the possible elements that should be included. For example under intellectual property the elements cover provisions on protection and enforcement. The EAC on the other hand is interested more in cooperation than putting in place laws and appropriate regulatory frameworks in these areas.

Intellectual property is particularly challenging for women empowerment as stronger protection of intellectual property provisions in the EPAs will have negative implications on access to medicines especially for HIV/Aids and reproductive health and on access to seeds, fertilizers, genetic resources

25 EAC Framework EPA , Article 37
and other know-how in agriculture (Heather Gibb 2007). Intellectual property rights focuses more on modern inventions as against traditional knowledge. Lack of recognition of the traditional knowledge of local and indigenous communities can serve as a major setback for women, since they are the custodian of traditional knowledge and they most often play a vital role in conserving biological diversity. In case the EPA with EAC member states is concluded in its current form, it will have far reaching negative implications on the EAC economies in general and on women’s economic empowerment in particular. The EPA will also not be in compliance with the Joint Africa- EU Strategic Partnership provisions signed with the African Union.

The EAC has raised a number of issues for example standstill clause for re-negotiation with the EU. However the grounds for re-negotiation are mainly based on the implications of the EPA on the general economy and not necessarily the existing gaps in the TAs that make it difficult for them to deliver on the goals of achieving gender equality and the empowerment of women articulated in the national development plans for Uganda and other EAC countries. As the East African countries are now focusing more on trade than aid it is important that proper gender analysis is done to assess the possible impact of the implementation of the trade agreements on the lives of men and women in the EAC in its present formulation.

4.4.7 The Bilateral Investment Treaties (BITs)

The third form of TAs that Uganda has with various EU member states are the bilateral investment treaties (BITs) that constitute to date the most important instruments for the international protection of foreign investment. Typically, BITs are concluded between a developed and a developing country, usually at the initiative of the developed country. The developed country, typically a capital exporting country, enters into a BIT with a developing country—a capital importing country— in order to secure additional and higher standards of legal protection and guarantees for investments of its firms than those offered under multilateral arrangements and national laws. The developing country, on the other hand, would sign a BIT as one of the elements for creating a favourable environment to attract foreign investors. The basic features of BITs, including their objectives, format and broad principles underlying the agreements, have changed little over the years. Their main provisions generally deal with: the scope and definition of foreign investment (which in most cases includes tangible and intangible assets, direct as well as portfolio investments, and existing as well as new investments); admission of investments; National and most-favoured-nation treatment; fair and equitable treatment; guarantees and compensation in respect of expropriation and compensation for war and civil disturbances; guarantees of free transfer of funds and repatriation of capital and profits; subrogation on insurance claims; and Dispute-settlement provisions, both State-to-State and investor-to-State.

In addition, some BITs include provisions regarding transparency of national laws; performance requirements; entry and sojourn of foreign personnel; general exceptions; and extension of national and most-favoured-nation-treatment to the entry and establishment of investments.

The Uganda –UK BIT and Women’s economic empowerment

In the Uganda study, the research specifically focused on the Uganda – UK BIT whose primary objective in general is to protect investor interests. The absence of any references to development objectives or public interest goals in the preamble strengthens the case for this argument. The UK – Uganda
treaty does not protect adequate policy space for Uganda to carry out regulatory measures in the public interest. Neither is there a specific requirement to mainstream gender by ensuring that a gender analysis is undertaken and appropriate strategies adopted as part of the investment strategy to secure the achievement of gender equality and women empowerment goals. The BIT appears to be based on the traditional template that focuses singularly on the investor protection goals rather than one that balances the interests of protecting investor interests with those of the development needs and goals of the host country. This kind of trade arrangement is not in conformity with the letter and spirit of the Joint Africa/EU Strategic Partnership.

Uganda concluded this trade arrangement with the UK to enhance its investment climate in order to attract more and better quality foreign direct investment (FDI) and benefit from capital inflows. The BIT can offer these benefits in addition to the promotion of a stable, predictable and transparent enabling framework for investment. However, realizing these potential benefits remains a challenge for Uganda as the country has not been able to strike the delicate and complex balance between using BITs for attracting FDI on the one hand, and preserving the flexibility needed for the pursuit of its national development objectives on the other hand.26

The findings of the country research indicate BITs can limit a state’s sovereign powers to regulate foreign investment by subjecting it to the unfavourable terms. Therefore, it is important that a country like Uganda reserves the policy space it requires to pursue policies for development and for national interest purposes. Investment policy is one component of a country’s overall development strategy, interacting with a host of economic, social, environmental and other policies in pursuit of a better, more balanced and sustainable allocation of resources. Attracting FDI can have a positive impact on a country’s development process if investment inflows are properly managed to that end. Such management implies a capacity to pursue and implement policies aimed at ensuring that FDI bring benefits and positive spillovers, preferably to all segments of society, including the poor and marginalized. It also requires capacity to implement policies that aim at keeping potential negative effects and implications to a minimum – bearing in mind the long-term development needs of the Uganda.

The Uganda-UK BIT does not contain development provisions and has a singularly investor protection oriented focus. It does not focus in any way on the promotion of women’s economic empowerment and has had a negative effect on the general economy. The Uganda –UK BIT was for a period of 10 years which expired in 2008. However according to the agreement the provisions shall continue in respect of the investments made while the agreement was in force for a period of twenty years after the termination of the agreement. However, this provision notwithstanding, the expiry of the agreement gives an opportunity to Uganda and other non – state actors to actively engage in subsequent negotiations.

4.5 Conclusion

The foregoing discussion of the three types of cooperation between Africa and the European Union highlight the contradiction between the professed and actual objectives of EU’s cooperation; and the changing trade relationship between EU and Africa i.e. from non-reciprocal to reciprocal trade

26 UNCTAD 200 , pg. 49
arrangements as exemplified by the shift from the Lome Conventions to the EPA negotiations. In all the above three trade-related arrangements, the EU professes to assist Africa to promote sustainable development and poverty eradication. However, the actions taken especially in the EPAs and the BITs belie these sentiments. The EPAs and the BITs serve primarily the economic interests of the EU and its member states at the expense of African economies and its people. Hence the limited possibility of these trade arrangements to lead to sustainable development and to the economic empowerment of women in Africa. These findings were confirmed by the various persons interviewed in the Ministry of Trade and industry, Finance, Planning and Economic Development and civil society actors working on trade justice issues in Uganda.

This contradiction, between EU’s talk and practice on the ground can be explained by the fact that today global trade is dominated by Multi-National Corporations (MNCs) who are competing for investment opportunities, markets, cheaper sources of raw materials and labour; in brief the competition is all about making profits. The Governments of the industrialized countries, the International Financial Institutions (IMF /WB) and the WTO have all been co-opted in this crusade to further the interests of MNCs by ensuring an enabling environment for their operations. Therefore, the policies of free trade, capital mobility, deregulation, privatization espoused by the IMF/WB and formalized through the WTO and bilateral agreements, are all geared towards facilitating the operations of the MNCs.

There is a discernible scramble for markets among the developed countries as their own economic growth rates reduce; especially between the EU, USA and the developing countries like China, India and Brazil. The proliferation of Free Trade Agreements (FTA) of which the EPA negotiations are a part; and the various initiatives like the African Growth and Opportunity Act (AGOA) and the BITs should be viewed against this background. Therefore, the EU trade arrangements first and foremost serve European economic interests in the global competition on access to the markets in the South. The EU has already signed Free Trade Agreements with several countries such as South Africa, Morocco, Egypt and the Mediterranean countries (Euro-med). Therefore, behind the rhetoric to support sustainable development efforts in African countries lurks EU’s aggressive search for markets and investment opportunities in order to revive the non-growing economies in Europe.

This contradiction is exemplified by the Declaration of the ACP Council of Ministers issues on 13th December 2007 in Brussels in relation to the initialing of the Interim FEPAs by a number of ACP countries:

“….deplore the enormous pressure that had been brought to bear on the ACP States by the European Commission to initial the interim trade arrangements. The European Union’s mercantilist interests have taken precedence over the ACP’s development and regional integration interests.”

Therefore, trade arrangements between Africa and the EU will not automatically lead to sustainable development and women’s economic empowerment; rather these arrangements have to be negotiated to ensure that achievement of gender equity and equality goals are an integral part right from the time of analysis of the trade and investment needs for the country, to the negotiations with the various actors and the close monitoring of the implementation process.

27 ACP/25/013/07
4.6 Existing frameworks for women’s and civil society organizations’ participation in the Trade related processes for negotiations and implementation of the EPAs, BITs and JAES

The efficacy of existing frameworks for the participation of civil society organizations’ (CSOs) in general and women’s organizations in particular, in negotiations, implementation, monitoring and evaluation of trade arrangements was analyzed during the study. The focus of the analysis was at national (Uganda), EAC and AU levels.

In Uganda the Ministry of Tourism, Trade and Industry (MTTI) has the primary responsibility for trade policy making and implementation. In light of the National Trade Policy (2007) the core function of MTTI revolves around coordination, policy formulation and guidance, resource mobilization, and monitoring and evaluation. They are also responsible for the implementation of the approved trade policy measures. Within the MTTI, the Department of trade is the one which is charged with dealing with all trade issues. However, there are also several other ministries and government departments that deal with certain aspects of trade policy making and implementation. These are:

- The Ministry of Foreign Affairs (MFA) which through its missions abroad, especially in Geneva and Brussels, participates in the ACP/EU trade negotiations; and also in the various trade initiatives between Uganda and individual EU countries especially the BITs. The MFA used to be responsible for coordinating regional trade negotiations for example under EAC and COMESA, but now all issues related to the EAC are coordinated by the new Ministry of East African Community Affairs (MEACA).

- The Ministry of Finance, Planning and Economic Development (MFPED) is the official authorizing arm of government for funds under the ACP/EU Lome Conventions and its successor arrangements under the Cotonou Agreement. The Ministry also coordinates trade and investment aspects under the Cotonou Agreement.

- The Ministry of Justice and Constitutional Affairs (MOJCA) is involved in trade policy processes when it comes to the need for changes in Uganda’s legislation arising out of international trade agreements. It is also responsible for preparing other appropriate legislation on trade policy issues for example drafting of relevant bills. Other line ministries like Ministry of Health, Education and Agriculture become involved in specific issues that relate to their respective ministries.

- Since the MTTI has the primary responsibility for trade policy making and implementation, it has put in place frameworks for stakeholders’ consultation and engagement in trade policy processes. In 1998 the Inter-Institutional Trade Committee (IITC) was set up by the MTTI with assistance from donors and institutions i.e. the World Trade Organization (WTO), the United Nations Conference on Trade and Development (UNCTAD), under a project known as the Joint Integrated Technical Assistance Program (JITAP). This project was implemented in a number of countries with the objective of enhancing the capacity of LDCs to effectively participate in trade negotiations. The IITC consisted of representatives of stakeholders from relevant government ministries, the private sector and civil society. It was established to deal with mainly WTO-related issues.
However, recognizing that there are other trade related issues beyond the WTO, the IITC was later mandated to cover the functions of the inter-ministerial coordination, and dialogue and consultation with other stakeholders. Thus the IITC is the centre of consultative arrangements on all trade policy issues in Uganda. The IITC is mainly funded by donors especially the EU. There have been calls for government to fund this body since it is also awkward to be funded by a party you are negotiating with. The IITC faces other challenges for example lack of clear legal status since it is still an ad hoc body. Therefore, the decisions made are not binding on government. There are also other consultative trade related arrangements outside the MTTI leading to uncoordinated positions at various fora.

Membership to the IITC and its various sub-committees is by invitation by the MTTI of those organizations that are actively engaged in trade issues. Organizations like SEATINI, ACTADE, Action Aid, and Oxfam GB have been actively involved in the IITC. Organizations can also request MTTI to participate in the IITC. It is up to the invited organizations to consult their constituencies and table their views to the IITC. SEATINI has used the Civil Society Working Group on Trade (CSWGT) which is a loose group of CSOs working on trade issues to mobilize the views of CSOs for input into the IITC processes.

The IITC is a good opportunity for women’s organizations to influence the various trade negotiations and policies. However they will have to be proactive to request for participation in these processes and also to have the requisite knowledge for effective participation. It is also necessary for women organizations to like up with the CSWGT as a learning platform and to ensure that in addition to advocating for their position directly on issues of trade, gender and justice issues they integrate their views in the CS statements.

The EPA negotiations are coordinated by the MTTI under the IITC’s sub-committee on the Cotonou Agreement. Under this sub-committee the Uganda National Development and Trade Policy Forum (NDTPF) was established to coordinate the EPA negotiations. The NDTPF brings together the relevant government negotiators, the private sector and the CSOs to discuss and coordinate positions in the EPA negotiations. Since the EPAs are still being negotiated, the issue of implementation is also one of the issues for negotiations. There are still no concrete proposals (especially from CSOs) as to how the various stakeholders will participate in the implementation and monitoring of the EPAs. This is an opportunity for CSOs and women’s organizations in particular to take advantage by ensuring that their participation in the implementation process is embedded within the agreement in order to make it legally binding.

The Joint Africa - EU Strategy (JAES) is already in place. It is implemented through successive Action Plans which build on the operational part of the Joint Strategy and cover proposed priority actions for three years. The first Action Plan was adopted in Lisbon, (2007) covering the period up to the Summit in 2010. The implementation of the First Plan of the Action was underway at the time when the multi-country studies were taking place. The responsibility of ensuring that trade arrangements signed by Uganda are in line with the Joint Africa – EU Strategy, lies with the MFA. The JAES is very elaborate on the issue of stakeholders’ participation in the implementation, monitoring and evaluation of the Strategy. The partners recognized that the Joint Strategy should be co-owned by European and African non-state actors and that these actors should play an important role in taking forward the objectives of the partnership. It was therefore, agreed that Members of Parliament, CSOs and European and African research institutes and think tanks would participate in dialogue mechanisms and initiatives and take on a key role in monitoring the implementation of the Joint Strategy.

---

28 JAES pg 23
With a view to a people-centered partnership, the African Union and the EU agreed to promote the development of a vibrant and independent civil society and of a systematic dialogue between them and public authorities at various levels. In addition, both sides agreed to make effective communication with non-institutional actors a priority and strengthen their capacity to disseminate information, collect and make use of ideas and proposals from civil society partners, and encourage the active involvement of non-institutional actors in the implementation and monitoring of the Joint Strategy and its Action Plans. The Strategy document also provides for monitoring, evaluation and review mechanisms which include preparation of a joint report on the progress made in the implementation of the Joint Africa-EU Strategy, the triennial EU-Africa heads of states and government Summit; Organizing joint hearings and preparation of political reports focusing on progress and gaps by the European Parliament and the Pan-African Parliament; and submission of Reports by non-state actors which could be general and/or sector-specific to the AUC and/or European Commission and these are considered in the conclusions of their annual reports.

It should be noted that despite these elaborate mechanisms on paper, there are no discernible processes at national level (in Uganda), hence the almost non-existent participation of CSOs in this process.

The negotiations of the various Bilateral Investment Treaties (BITs) which Uganda has entered into with other countries including individual countries of the EU like Denmark, Switzerland, and the UK have not been fully transparent as few people are aware of their existence, even in the ministries concerned. There are no structures to negotiate these agreements; and regarding implementation, there are no provisions in the Agreements nor structures for stakeholders’ participation at the national level. The BITs have also not been discussed in the IITC, though they are an important part of the trade policy.

4.7 Women’s organizations’ engagement in the EU-Uganda trade arrangements

The study in Uganda focused more on the EPA negotiation processes as it has a clear framework for stakeholder’s engagement. As mentioned above the MTTI put in place the IITC for stakeholder engagement in various trade processes. The sub-committee on the Cotonou Agreement is responsible for EPA negotiations under the NDTPF. It was found that women’s organisations’ participation in the EPA negotiations through the NDTPF has been very limited, almost non-existent. There is no women’s organization participating in this Forum regularly. However organizations like the African Women Economic Policy Network (AWEPON) have played a key role in undertaking research and disseminating information on the implication of EPAs on women’s economic rights. These studies have also brought out the contradictions between the legal and policy commitments that the governments have signed for example under CEDAW and the Interim FEPA the EAC countries.

Through workshops and other joint activities with other women’s organizations like the International Gender Trade Network (IGTN), AWEPON has enhanced capacities of other women organizations, in particular CSOs in general to appreciate the implications of the EPAs on women’s economic rights and empowerment. However, this very good work has not been translated into negotiating positions that influence the on-going negotiations. For example one of the studies clearly indicates that the very extensive liberalization will worsen the women’s conditions. However, the research does not put forward concrete proposals on the kind of social clauses that have to be included in the TAs in order to safeguard the rights of the poor and most vulnerable to unfair trade arrangements.
Since AWEAPON’s research women organizations have not presented any statement to the negotiators. Today the very extensive liberalization of 82% of all EAC trade with the EU still stands, yet women organizations have not protested or presented a statement to MTII and most of those we contacted during this study were not aware of the implications of the EPA with EU for the human rights work and development initiatives that are engaged in. Furthermore, the organizations have also not worked closely with other CSOs that work on trade related issues.

The Civil Society Working Group on Trade (CSWGT) and the Food Rights Alliance (FRA) are two mechanisms that have been very active in influencing the EAC – EU EPAs. Women organizations have not been very active in these fora. Yet such fora would have been a useful venue for women organizations to develop their positions and for the wider CSOs network to champion the women’s cause. Today positions put forward by CSOs in the EPA negotiations are general in nature since they lack gender differentiated data, in particular and expertise on gender issues in general.

The Uganda study confirmed that the Ministry of Gender has not been active in trade policy processes and this is due to the fact that the MTII does not consider it to be a key ministry (stakeholder) in these processes. The Ministry of Gender has no expert working on trade issues resident within the Ministry thus it has no specific programs focusing on issues of trade, gender and women’s empowerment. Lack of appreciation by women organizations of the linkages between women’s economic empowerment and the trade negotiations is one major cause of non-engagement. Trade issues and negotiations are very complex, requiring technical capacity which most women organizations do not necessarily have. Thus the issue of knowledge and its credibility becomes a critical issue for women organizations’ effective engagement.

Limited financial resources to undertake research and analysis of such complex issues impedes sustained engagement of women’s organizations in trade policy formulation and implementation processes.

There are also challenges which face CSOs in general while participating or aspiring to participate in trade policy processes. These challenges also apply to women organizations. These include: the limited trust between government and CSOs; since the latter do not usually agree with many aspects of the governments’ neo-liberal approach which makes it easier for government to access resources they need if they comply with the requirements through loans or aid for trade arrangements; and CSOs are most often challenged by government on the issue of their legitimacy and their mandate despite the constitutional right in Uganda for citizens to participate in public affairs and in their own governance. This is a serious challenge as the space for engagement in Uganda continues to shrink. According to one government official interviewed he said that the biggest challenge facing women organizations’ participation in trade policy processes in general and the EPAs in particular is the lack of credible and objective contributions to the ongoing processes. “Government would welcome organizations that add value to the negotiations. He said that CSOs engagement in the last few years also lacked consistency and continuity. These two challenges undermine the credibility of the organizations as serious stakeholders.

At regional (EAC) and Africa level, the situation becomes complicated for the participation of women’s organizations in such processes. For the EPA negotiations there were frameworks available for CSO participation at regional level until 2008 when this space was scrapped by the EAC member states. Regarding the JAES although there are frameworks provided for in the strategy for CSO participation, these frameworks are not clear on the ground and in any case the CSOs and women’s organizations are
not sufficiently organized for such engagement. It is imperative, therefore, that women’s organizations in particular, and CSOs in general address these challenges if there are to effectively participate in trade policy processes in order to make them responsive to women’s economic empowerment needs. As the IITC is still not legally constituted, this is an opportunity for women’s organizations to advocate for women’s representation on this body.

A key constraint on business headed by women is the difficult they face accessing finance. Although women make up nearly 40 percent of business with registered premises, they receive 9 percent of all credit. Banks often require land as collateral, but as a result of land allocation practices that favor men, women hold only 16% of registered land in Uganda. Non land securities law and practices is underdeveloped in Uganda, particularly for micro and small businesses that are not registered as companies. The lack of credit information (such as that provided by a credit reference bureau) means that the excellent repayment rates by women in the microfinance and system (World Bank 2006).

4.8 Recommendations for promoting women’s participation in trade policy processes

On the basis of the analysis above, the following recommendations were and confirmed by the participants who attended the validation meeting in April.

- Women’s organizations shall address their internal /institutional challenges first including financial and human resource challenges and the knowledge gaps in this area. Enhance gender analysis and mainstreaming skills in order to strategically challenge the power imbalances that currently influencing the focus of trade arrangements between Africa and the EU by providing a gender perspective on the TAs;

- Participate in the Civil Society Working Group on Trade (CSWGT) in order to obtain information, share their position on proposed actions, and solicit for support for their positions from wider CSOs;

- Engage with the Ministry of Gender to find ways in which a stakeholders meeting of women and human rights organizations working on women’s economic rights, gender and trade issues with the aim of setting up a working group to facilitate their engagement in the trade policy processes.

- The purpose of this working group would be to link up with the general CSOs working group and bring the women’s economic rights agenda to the fore.

- Work closely with the media to bring the women, gender and trade issues in the public domain.

- Engage at all levels i.e. local, national and global given the inter linkages of issues as a result of globalization. Already there are women organizations working on various issues related to trade agreements at the local and national levels. These include inter alia AWEPON working on women’s economic empowerment and
the Alliance for Integrated Development and Empowerment (AIDE) working on issues of women’s empowerment and access to medicines. Other organizations like Participatory Ecological Land Use Management (PELUM), Volunteer Efforts for Development Concerns (VEDCO) though not a wholly women’s organization have done some work on the implications of trade policies in general and the EPAs on access to medicine and agriculture. These efforts need to be coordinated and channeled into influencing policies for women empowerment.

- Given its mandate of advancing African women’s development, equality and other human rights; and its national focal points in African countries, FEMNET can and should address these challenges while working closely with leading organizations in the region to build the required competencies.

- Regarding the issue of financing, the beginning place for women’s organizations is to appreciate the centrality of trade negotiations in promoting women’s empowerment generally and economic empowerment in particular. FEMNET again should come in to enhance this appreciation. Then looking for funding and for the human resource to participate in these processes would relatively be easy to acquire.

- The trade related areas for negotiations are many but inter linked i.e. those related to the World Trade Organization (WTO), US-EAC Trade and Investment Framework Agreement, EAC, COMESA and SADC Tripartite Agreement …All these have implications on the economy in general and women economic empowerment in particular. Therefore women organizations should endeavor to engage in all of them.

- In advocating for women’s empowerment, it is important to go beyond working with and strengthening women’s organisations to building a strong women’s rights movement that is advocating for the integration of issues of social and gender justice in trade arrangements. Social movements generally are large informal groupings of individuals and /or organizations focused on a specific political or social issue. They are an important vehicle for ordinary people to participate in policy processes. Social movements are beneficial in terms of mobilizing people towards a common goal and also in terms of sustaining a campaign. In order to challenge the powers that be not to prioritize profits and political expedience at the expense of violating people rights to a decent living and work and the right to development women organizations must invest in building a critical mass of people that are speaking out against TAs that undermine the rights regime that the government of Uganda is obligated to uphold.

- Enhancing the capacity of the government officials and selected members of Parliament including male members to appreciate the linkages between gender equality, trade and development. This should be part of the efforts of enhancing their capacity as well as gaining the trust of government actors.
It is also important that while engaging in the trade policy processes, putting on table credible and objective positions based on well researched studies and gender disaggregated data will further enhance the credibility of the women’s organizations. Women’s organisations should therefore work closely with research organizations to ensure that they integrate gender aspects in their research. The research should have gender specific Terms of Reference (TORs) i.e. to assess economic sectors dominated by women which are likely to be affected by the various trade related negotiations.

Women’s organizations should unleash their creativity to apply innovative methods in advocating for women’s rights in trade related arrangements. For example use new methods to mobilize public opinion through the media; or use of public interest litigation as a method of influencing decisions and as a way of publicizing women’s issues.

Women organizations should focus on the negotiation processes as well as ignoring the implementation and monitoring of what has been agreed on. Women organisations should learn from other interest groups like the Consumers Protection Group who have been active in championing their issues.

The ability of women to use non land assets (such as stock or machinery) as collateral should be enhanced by putting in place coherent legal frame work for moveable personal property securities. The proposed chattels securities bill is a step in the right direction, but it is flawed because it would allow for two concurrent registration regimes and a dual registration system (World Bank 2006).

More emphasis should be put on enabling women to asset their existing land rights when land is registered for the first time (under the Ministry of water, land and environment is system Demarcation project, for example. If co-ownership is culturally unacceptable one option would be for women to register a caveat on the title to protect their interest (World Bank 2006).

The Registration of titles Act should be reformed to create new modes of registration that protect a spouse’s interest in the matrimonial home (World Bank 2006).

The concept of giving a spouse’s interest in the matrimonial home should be explored. This would change with customary law provision for widows, unlike the automatic co-ownership proposal, which appears to conflict with cultural norms (World Bank).

Regulations should be developed to give more specifically to the duties of lenders and purchases to obtain in the consent of spouses to dispositions of family land (World Bank 2006).
CHAPTER 5

PROMOTING AFRICAN WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE ARRANGEMENTS – RWANDA

5.1 Profile Overview

Rwanda is a small, landlocked mountainous country with a surface area of 26,338 Km². It borders with the Democratic Republic of Congo (DRC) to the West; Republic of Uganda to the North/North East; United Republic of Tanzania to the East and Republic of Burundi to the South. The country enjoys a tropical temperate climate in most areas, which affords at least 2 agricultural seasons. Rainfall averages 1400 mm, but is unevenly distributed with the north and western parts receiving up to 2000 mm and the eastern plains receiving as low as 700 mm.

The 2009 projections put Rwanda’s population at 10.1 million people, 53% of whom were female (PRB, 2009; NSIR, 2009; GoR, 200929). Average population growth is 2.6% per annum. With an average population density of 534 people per sq Km, Rwanda has the highest population density in sub-Sahara Africa. Rwanda’s population is generally young – about 67% of the population is under 25 years, 83% of the population is rural-based, with only 17% of the people categorized as urban. Only 65% of adults aged 15+ are literate. Women make up 70 per cent of the rural population and 65 percent of the illiterate population (MINAGRI, 2009). Rwanda is one of the World’s poorest countries, ranked 167th out of 182 on the Human Development Index (UNDP, 2007). Poverty is high – some 56.4% of the population lives under the US $ 1 poverty line (NISR 2007) and 80% of the population lives under US $ 2 (purchasing power parity indicator (NISR, 2007)). On the Gender-related Development Index, however, Rwanda was ranked 139th ahead of 15 other African countries. Life expectancy at birth was 49.7 for male and 51.4 for females. Poverty in Rwanda manifests geographical, gender and occupational disparities. Poor people are likely to be women, disabled, widowed, rural dwellers or engaged in agricultural activities.

Table 5.1: Gender and Household Poverty in Rwanda

<table>
<thead>
<tr>
<th>Households</th>
<th>% Share of Population</th>
<th>Poverty Incidences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female-headed</td>
<td>23.8</td>
<td>60.2</td>
</tr>
<tr>
<td>Widow-headed</td>
<td>18.7</td>
<td>59.6</td>
</tr>
<tr>
<td>Child-headed</td>
<td>0.7</td>
<td>56.9</td>
</tr>
<tr>
<td>All Households</td>
<td>100</td>
<td>56.9</td>
</tr>
</tbody>
</table>

EICV II (NISR, 2006)

5.2 Economy and Trade

Rwanda’s economy is predominantly agrarian, with agriculture accounting for 37% of GDP, 80% of employment, and the main basis for industrial production. Rwanda’s total gross domestic production (GDP) stood at Rwf 2,992 billion (or approx $ 5.27 billion) in 2009, which represents a threefold increase from US $ 1.8 billion in 2000. Per capital GDP is estimated at US$ 520 (MINECOFIN, 2010) having doubled from US$ 250 in 2000. This remarkable growth has been attributed to increased public investments and good macroeconomic environment, including inflation rate which has been maintained at less than 10% for most of the decade (MINECOFIN 2010). In spite of the impressive economic performance – annual real GDP growth above 10% during 1996-2000, 6.4% during 2001-2006, and 6% in 2009, poverty remains high and inequality has widened from 0.47 in 2001 to 0.51 in 2006 (NISR, 2007). The services sector accounts for nearly half of the GDP as shown in figure 5.1 Agriculture contribution to GDP has declined (from 43% in 2003 to 34% in 2009).

Figure 5.1 Composition of Rwanda’s GDP by sector 2000 – 2008

The role of trade in the economy

Boosting trade as an instrument of poverty reduction and economic transformation is at the core of Government of Rwanda (GoR)’s regional integration and international cooperation strategy.

Rwanda’s international trade has increased since 1997. The main exports are Coffee, tea and mineral ores, which accounted for about 80% of the export earnings in 2008. As part of export diversification, Rwanda is expanding its tourism industry and developing the horticultural and handicrafts sectors mainly targeting Western Europe, United States and Middle East markets. Handicrafts (especially baskets –Agaseke) have particularly become a major export commodity dominated by women. In 2007, the value of Rwanda’s merchandise exports were valued at US $183 million and that of imports $697 million. Services accounted for 44% of total exports and services imports accounted for 28% of total imports during this period. Service exports are dominated by tourism.

The main imports are motor vehicles, petroleum oils, computers and other machinery, electrical machinery, pharmaceutical products, iron and steel, cement, salt, animal vegetable fats and oils, worn clothing and other textile articles, wheat or mesh flour, articles of iron or steel, sugar and sugar confectionery, medical appliances, plastics, paper and paperboard, cereals/maize seed/rice and furniture.

5.3 Europe – a Strategic Trade Partner for Rwanda

Rwanda’s main export partners are Brazil, Germany, Belgium, Pakistan, Spain, and Kenya, while the main import partners are Kenya, Tanzania, the United States, the Benelux countries, and France. Western Europe (the EU and Switzerland) accounts for 43% of Rwanda’s export market, with a combined value of US $ 78 million. The EU alone accounted for US $ 65 million and 36% of the Rwandan export market share.

5.4 Gender Equality and Women’s Empowerment: Progress and Gaps

Rwandan women were historically marginalized by cultural and traditional norms. They were confined to domestic chores and hardly ventured into economic activities. But hardships associated with forced migration, internal displacement and the 1994 genocide, inevitably catapulted women into political and economic arenas. Many women took to petty trade. It was initially perceived as occupation for those who didn’t make it to/in school or couldn’t find a job but over the years, many corporate Rwandan women have emerged. Now, women have played a critical role not only in the country’s economic recovery and social transformation process; they are active managers in businesses, international commercial ventures and multinational corporations.

Since 1995, Rwanda has made significant strides in promoting gender equality and empowerment of women, as evidenced by the numerous achievements: gender parity in primary school enrolment in which girl/boy gross enrolment now stands at 105/100;

gender equality in political participation where women are represented in all elective and non-elective public offices – 56% of Chamber of Deputies (lower parliament) are women, also headed by a Woman ; poverty among Female Headed Households reduced from 66.3% to 60.2% (during 2001-2006) and is expected to decline further to 48% by 2012; combating sexual and gender-based violence (SGBV)
including outlawing cultural practices that violate women’s rights e.g. polygamy; creating institutional structures to spearhead the promotion of gender equality and women’s empowerment.

**How have these been achieved?**

Political will, specific legislation that guarantee equal opportunities in accessing economic assets e.g. land; and special women’s programmes such as Women’s Guarantee Fund. However, there are still gaps. Although women form 53% of the population, they constitute less than 20% of the coffee and tea producers – the biggest export crops. At the mushrooming coffee washing stations, women occupy mostly the lower paid seasonal jobs.

### 5.5 Trade, Gender and Women’s Economic Empowerment in Rwanda

Trade plays a big role in the economic empowerment of Rwandan women given that: the majority are employed in agriculture and they have limited access to land; they constitute the majority of underemployed, illiterate and resource-poor Rwandans.

Rwanda is a signatory to CEDAW and all other international conventions, protocols, and charters on human rights. These include the Universal Declaration of Human Rights (UHDR), the African Charter on Human and People’s Rights and its Protocol to the Rights of Women in Africa.

In line with the CEDAW and Beijing Platform for Action (BPfA), the GoR has developed a number of policies, laws and programmes to realise gender equality and women empowerment targets. Most obligations of Article 2 of CEDAW have been implemented, enabling women to participate in social, economic, cultural and political spheres. The Rwanda Constitution of June 2003 guarantees the right of every citizen to a decent living; to freedom of choice; and to work and enjoy their fruits of labour without discrimination. Speedy delivery of national commitments under BPfA and CEDAW requires institutionalization away from few adhoc mechanisms; availability of adequate resources including technical expertise; and reinforcement of political authority to Gender Policy and women’s economic empowerment institutions and structures. Rwanda has a Permanent Secretariat to coordinate the implementation of BPfA commitments; a Ministry of Gender and Family Promotion (MIGEPROF) and a Gender Monitoring Office (GMO). The GMO, established by Article 18 of the Constitution, is fully operational since 2009. Gender-responsive budgeting (GRB) concept is being piloted in 4 core sectors of health, education, agriculture and infrastructure. This has further strengthened gender-mainstreaming into planning and budgeting processes, thereby increasing opportunities to empower women, and enable Government to comply with CEDAW.

### 5.6 Europe-Rwanda TAs: Scope, Status and Implementation Arrangements

#### 5.6.1 Rwanda-Europe Trade Arrangements and the Key Areas of Focus

*Rwanda-Europe Trade Arrangements (TAs) are analysed from 3 perspectives namely:*

- **Multilateral level** – between the EU and the ACP group of countries i.e. the Cotonou Agreement; the present Framework of economic partnership agreement; At bilateral level, Rwanda has specific trade and economic cooperation with a number of European countries, including Switzerland, Germany, The Netherlands Belgium and Sweden.
5.6.2 EU-ACP Cotonou Agreement (Expired)

The Africa, Caribbean and Pacific (ACP) – European Union (EU) Partnership Agreement (commonly referred to as the Cotonou Agreement) is the main framework for EU-Rwanda cooperation in trade, economic development and other development aspects. This framework of agreements was signed in Cotonou in 2000 and revised in Luxembourg in 2005. Rwanda is one of the 78 countries in Sub-Saharan Africa, the Caribbean and the Pacific involved. It, however, expired on December 31, 2007 but its principles continued through the Framework of Economic Partnership Agreement (FEPA).

The Cotonou Agreement is comprehensive, covering the promotion of economic, social and cultural development; peace and security, stable and democratic political environment in ACP countries. It has three dimensions: political, trade and development; and is based on 5 Pillars, viz: 1. Strengthening of political dimension; 2. Promotion of participative approach; 3. Development strategies; 4. Economic and social cooperation; 5. Reform of financial cooperation.

Rwanda and other ACP countries have enjoyed non-reciprocal tariff preferences for all their exports to the EU market, especially since 2001, when the *Everything But Arms (EBA) initiative came into effect*. Prior to this, 97% of exports were covered. Benefits include:

- **EBA quota-free, duty-free entry into the EU:** Rwanda products are 100% allowed into the EU markets duty-free and quota-free;
- **Aid for trade:** is financial assistance for developing countries specifically targeted at helping them develop their capacity to trade, develop the basic productive capacity, institutional and economic infrastructure and tools they need to expand their trade.
- **Support to addressing emerging structural challenges:** the 2005 revision of the Cotonou Agreement adapts ACP-EU cooperation to emerging challenges viz: climate change, food security, regional integration and aid effectiveness. To Rwanda, these are major trade barriers which affect primary production. It provided political and technical impetus for Rwanda to fast-track regional economic integration and trade negotiations.

**Objective and focus of the TA with Rwanda**

Article 34 of the Cotonou Agreement states that ….. "Economic and trade cooperation shall aim at fostering the smooth and gradual integration of the ACP States into the world economy, with due regard for their political choices and development priorities, thereby promoting their sustainable development ". Specific commitments most relevant to gender empowerment are: i) Support to trade negotiations related to the WTO and EPA; ii) Support to regional integration; iii) Private sector competitiveness; iv) Promoting gender equality. The gender equality goals are, however, being pursued from a governance and civic rights perspective. Whilst well elaborated, the enforcement of the gender integration in trade and economic development provisions in the Cotonou Agreement is inadequate. In addition, no clear mechanisms are proposed in the EPA negotiations to exclusively deal with gender equality or to protect country initiatives around gender equality.

**Implementation instruments:** The country-specific framework for implementation of the Cotonou Agreement is elaborated in the Multi-year Country Strategy Paper (CSP) approved by the European Commission (EC) in Brussels, and signed between the Government of Rwanda (GoR) and the Head of...
the EU Delegation in Kigali. The 2008-2013 CSP is executed through the 10th European Development Fund (EDF) multi-annual financial framework. A budget of Euro 294.4 million was allocated for this CSP, a sizeable component of which will directly support the processes for negotiation and implementation of the new EPA. There was little information on TAs prior to 2003, as Rwanda was still in the emergency humanitarian period. Even the sectoral progress reports under PRSP 1 (2002-2005) did not reflect trade relations with Europe or how women’s economic empowerment was being achieved.

Rwanda was supported in the revival of the Economic Community of the Great Lakes (CEPGL) which embraces DRC, Rwanda and Burundi. Although there were no specific gender programmes, this widened opportunities for cross-border trade and removal of barriers to trade. Women also benefited from conflict resolution, since they were victims of SGBV, poor sanitation and humanitarian conditions, especially in areas of prolonged conflict.

5.6.3 EU-EAC/ Economic Partnership Agreements (Under negotiation)

The EU-EAC Economic Partnership Agreement (EPA)- commonly referred to as the Framework EPA (FEPA), is an Interim EPA signed to succeed the Cotonou Agreement. The EPA is a result of the August 2007 Kampala decision by the EAC Summit to negotiate with the EU as a single block, subsequently signing the Interim EPA in November 2007. It is essentially the continuation of the EU-ACP Agreement with modifications.

FEPA covers a range of issues clustered into 6 groups, viz: market access; development; trade in services; Trade-related issues; Agriculture and Fisheries; In-country consultations with Parliament and other stakeholders have been undertaken around provisions relating to Trade in services, investment, agriculture, rules of origin, Sanitary and Phyto-sanitary Standards (SPS), Technical Barriers to Trade (TBT), customs and trade facilitation.

The EPA differs from the Cotonou Agreement in a few key areas:

end to the non-reciprocity system of trade preferences or EBA in accordance with the WTO rules which require that such provision be generalized (in this case for all Least Developing Countries), the fact that the EU is negotiating and will implement the Agreement with Regional and sub-regional Economic Communities (RECs) and customs union, in this case, the EAC.

Thus, Rwanda is negotiating and will enter the Economic Partnership Agreement (EPA) as part of the EAC Customs Union. From both the EU and GoR (MINICOM) perspectives, the EPAs have been initiated for 2 reasons, admission that the Cotonou Agreement has not succeeded in achieving the initial objective of integrating the developing countries into the global economy and reducing poverty through trade; it has not protected the ACP-EU trade relations which have been perceived as contradictory to the World Trade Organization (WTO) rules and have been threatened by free global trade interest groups. The EPA provisions will be aligned with the WTO rules.

The Interim EPA enabled the EAC to avoid disruptions in the trade relations and to build mutual confidence and commitment to the EPA process, as the lengthy negotiation process continues. Two of the biggest advantages of FEPA to Rwanda are: that it protects the provisions of the EAC Customs Union; a single and harmonized EAC Market has a higher bargaining power and is in position to meet many conditions compared to if Rwanda was to go it alone.
Focus of the FEPA and implications for Women’s Economic Empowerment

The FEPA focuses on the following issues: tariff and quota-free trade in goods and fisheries; market access issues, Economic and Development cooperation; Trade and Sustainable Development; Trade in services; Agriculture and food security; Competition policy; Intellectual Property Rights; Transparency in public procurement.

Table 5.2: Market Access Issues under EPA and implications for women’s economic empowerment

<table>
<thead>
<tr>
<th>Element</th>
<th>Particular Provisions</th>
<th>Implications for gender equality &amp; women’s empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Market Access (to EAC)</td>
<td>The EU offers duty &amp; quota-free access for EAC exports to EU, except for rice and sugar for which a transitional arrangement, is put in place</td>
<td>With little land for production, Rwanda’s export of horticultural products will increase, raising food security &amp; nutrition concerns.</td>
</tr>
<tr>
<td></td>
<td>EAC exports of rice to EU tariff free since January 1st 2010</td>
<td>Food security concerns as export might be preferred to food security. The region already a net importer of rice</td>
</tr>
<tr>
<td></td>
<td>Between 2008 and 2009, the EAC States are granted a quota of 15,000 MT of white sugar, additional to the current quotas under the Sugar Protocol.</td>
<td>Increased sugar export has implications for land use &amp; food security, and women will suffer more consequences.</td>
</tr>
<tr>
<td>2 Market Access (to EU)</td>
<td>Liberalization of 82% of imports from the EU by 2023 and 80% by 2015. Starting with 64% in 2010 and 16% starting in 2015 (2004-2006 base data); 2% liberalized during 2023-2033; Products covered in this phase are raw materials or capital goods which are already zero-rated under the EAC Customs Union Common External Tariff;</td>
<td>Likely loss of jobs as competition intensifies. No time to prepare Rwanda which, together with Burundi joined the EAC Customs union in 2010.</td>
</tr>
<tr>
<td></td>
<td>2 % of EAC imports in last liberalization phase comprise of finished goods with perceived positive effect on consumer welfare.</td>
<td>Loss of revenue as external investors import capital goods</td>
</tr>
<tr>
<td>3 EAC Exclusion List</td>
<td>18% of EAC imports from EU excluded from liberalization commitments under the EPA include agricultural products and mineral ores locally made, and those that protect local industries &amp; services.</td>
<td>This will protect struggling local industries &amp; rural production, hence secure jobs for women. However, the criteria for exclusion do not analyse or address women’s interests.</td>
</tr>
</tbody>
</table>

Source: EPA document.

Little was known by stakeholders outside the Government circles until close to its expiry when the framework EPA negotiations began. The EU Country office has a Unit specifically responsible for trade and trade agreements. But gender equality appears not to have been given special attention and no specific activities to integrate gender and women’s economic empowerment monitoring, have been undertaken.
Where are the opportunities to integrate gender equality and women’s empowerment?

As noted from the Cotonou Agreement, removing tariff and non-tariff barriers is not enough to enable women access and benefit from the TAs. Opportunities for integrating gender equality and women’s economic empowerment in the EPA lie in the following provisions:

- **Economic and Development Cooperation**: It was agreed that the EPA be used to boost economic development cooperation and that a full chapter of the final EPA will be dedicated to this. This should be reviewed and specific programmes and financing opportunities set aside to support women’s economic empowerment in trade and employment.

- **Capacity development**: The EPA intends to address supply-side constraints, impediments to business, and to enable the EAC States to build capacity to exploit the opportunities created by the EPA. Women will only benefit with specific focus on gender equality and dedication to women empowerment is included. Specific provisions are needed to address the challenges faced by women entrepreneurs and promote women entrepreneurs to participate actively in the value chains targeted under the EPA.

- Excluded products list include those deemed to have potential to contribute to increased production and trade competitiveness, but no provision has been made to consider welfare for women or protect those economic ventures that promote women’s economic empowerment. It is important to identify and protect women-dominated ventures like handicrafts, tourism and horticulture, and motivate them to take up opportunities for empowerment.

5.6.4 Rwanda – Europe Bilateral Trade Cooperation Agreements

Rwanda – Belgium Trade Cooperation

This Agreement focuses on avoidance of double taxation and prevention of tax fraud and fiscal evasion with respect to taxes on income and on capital. It also has a component for capacity building for EPA negotiations and improving competitiveness especially in the area of export agriculture. The Belgian Technical Cooperation (BTC) is supporting the horticulture value chain right from organizing farmers to markets in the EU. The aim is to enhance competitiveness and sustainability. Rwanda Revenue Authority (RRA) is responsible for following up on the aspects related to taxation by advising traders and ensuring that such provisions are incorporated in the tax administration system. The Rwanda Development Board (RDB) uses this TA and provisions therein to develop and disseminate incentive packages to attract investors. In general, however, the Rwanda-Belgium TA is within the framework of the TAs that the country has concluded with the EU, being a member of the EC.

Rwanda – Kingdom of the Netherlands

This arrangement entered into effect on March 24, 2004. In Rwanda it is executed by MINICOM and the Rwanda Private Sector Foundation (RPSF)and, the execution and monitoring is entrusted to the Dutch Government’s Agency for International Business and cooperation. The Commercial Unit at the Royal Netherlands Embassy (RNE) in Kigali acts as the liaison and technical facilitating agency.
The Netherlands-Rwanda cooperation pays specific attention to empowering small businesses through skills and knowledge transfer through business to business connections and facilitating networking and mentorship between experienced and emerging entrepreneurs. For local business entities – such as small women’s enterprises, there is a window for support where a Dutch organization sends exports to assist in technical, business and organizational capacity development in order to improve quality and competitiveness. Removing technical trade barriers, such as transport and phyto-sanitary issues, is one of the key aspects. Rwanda Flora, a flower farm that exports fresh roses (and is launching into tropical flowers), is a direct beneficiary of the Rwanda-Dutch trade arrangements.

**Rwanda – Swedish Trade Cooperation**

The Rwanda-Sweden Trade Cooperation focused initially on facilitating contact between the Swedish and Rwandan business sector, especially during 2007-2008. As a result of the trade cooperation, Swedish tourists and business partners with Rwanda have increased especially in the area of tourism. Although gender equality is a key priority for Sweden, there is no specific provision on gender equality in the trade cooperation arrangements. Gender equality is promoted through the SIDA Country Strategy 2010-2015. For instance, through support to the GMO, SIDA is helping to develop a monitoring and evaluation framework for gender equality in economic sectors.

The main benefits from the Sweden-Rwanda TA are: institutional support for regional integration; platform for business exchange and contacts; provision of information on business opportunities in Sweden and Rwanda, and technical support. Through support to the GMO, SIDA has provided technical support to facilitate regional integration process, including the EAC Customs Union. SIDA also cooperates with other EU partners around the on-going EPA negotiations.

**Rwanda – Switzerland Cooperation**

Although Switzerland is not in the EU, its trade and economic cooperation in Rwanda is embedded in the general development cooperation framework – The SWISS Cooperation. Switzerland is a major destination for Rwandan products, mostly coffee.

### 5.7 Institutional Arrangements for TAs Negotiation, Implementation and Monitoring

From the EU side, the Commissioner for Trade of the European Commission is the Chief Negotiator. From the EAC, the Ministers with responsibility for Trade constitute the Lead negotiation team of the EAC, facilitated by the EAC Secretariat and national technical experts.

In Rwanda, MINICOM is the overall national body responsible for trade policy formulation and monitoring, including the negotiation of international trade agreements. Other key actors are the Ministries of Foreign Affairs (MINAFFET), East African Community Affairs (MINEAC), and Finance and Economic Planning (MINECOFIN). Some officials have been co-opted from the RRA and the Directorate General of Immigration and Emigration. The main institutions expected to play roles in
the negotiations, implementation and/or monitoring of Trade Agreements are stated in table 5.3. However, only MINICOM and MINEAC are actively involved in the TA processes. Rwanda Private Sector Federation (RPSF) has six strategic priorities which are: (i) strengthening member’s active involvement in regional and international trade; (ii) promoting entrepreneurship and business growth; (iii) developing private sector capacity; (iv) conducting effective private sector advocacy; (v) supporting active involvement in regional and international trade and; (vi) developing quality member services and enhancing communication.

Table 5.3: Institutions involved in Trade Agreements Negotiations and Implementation Process

<table>
<thead>
<tr>
<th>Institution</th>
<th>Responsibilities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINICOM</td>
<td>Institution responsible for trade policy setting and trade negotiations. The Trade Department acts as the Secretariat and coordination mechanism for TA negotiation</td>
<td>Should organize a national sensitization, awareness and consultative process so that stakeholders, including gender lobbies can participate more proactively and integrate gender equality concerns. Working with key stakeholders like GMO and the Civil society will be critical.</td>
</tr>
<tr>
<td>MINAFFET</td>
<td>Responsible for international relations and diplomacy. The Minister signs and is responsible for monitoring all international bilateral and multilateral agreements. The EU CSP was co-signed with the Head of EC Delegation.</td>
<td>Coordination with MINEAC and MINICOM on TAs negotiation and monitoring should be stepped up; there is inadequate capacity for trade policy analysis in relation to TAs.</td>
</tr>
<tr>
<td>MINEAC</td>
<td>Responsible for EAC regional integration issues, including facilitating, participating in and monitoring the progress on EAC-EU EPA negotiations.</td>
<td>There is inadequate engagement with in-country stakeholders. The CS, particularly the gender lobbies, must prepare, demand for information &amp; a voice in the negotiations.</td>
</tr>
<tr>
<td>MINECOFIN</td>
<td>Overall responsible macroeconomic policy issues</td>
<td>MINICOM has a Desk Officer responsible for cross-gender &amp; other cutting issues under the EDPRS and is implementing a gender-responsive budgeting programme. This is an unutilized opportunity to engage the TAs processes with MINICOM. MINECOFIN is in a vantage position to influence the national TAs negotiation &amp; implementing processes.</td>
</tr>
<tr>
<td>RDB</td>
<td>Mobilises DFIs, facilitates investors and provides information on EU markets and potential business and partners in the EU</td>
<td>Developed export guide but the rules of origin and other technical information remains too complicated for many business people &amp; certainly women entrepreneurs. There is no systematic integration of gender issues with RDB. It’s a key partner for Gender lobbies to engage.</td>
</tr>
</tbody>
</table>
### Institution | Responsibilities | Comments
--- | --- | ---
RRA | Communicating and enforcing tariffs in the tax administrative systems | Has attempted to sensitise business people about the

RBS - Rwanda Bureau of Standards | Promoting international market access through standards setting, monitoring, local awareness raising and certification. Phytosanitary standards, eco-labelling and packaging among others, are key technical barriers to accessing the EU markets. | RBS had undertaken awareness raising and training on standards specifically targeting EU market standards. But no specific efforts were made to deal with women’s capacity development

GMO | Monitoring and ensuring that gender equity & equality aspirations enshrined in the country’s Constitution, the Gender Policy and other Strategies, are implemented and realized. | Monitoring gender equality & economic empowerment is a key priority of the GMO but the institution has severe capacity constraints. It’s a good partner for Gender Lobbies but will only be beneficial if Gender Lobbies become pro-active.

RPSF | Advocacy, networking, mobilization and capacity building of private sector, including Chamber of Women Entrepreneurs; facilitating public-private partnership | A number of projects have been implemented to develop north-south business partnerships; and strengthen competitiveness among Rwandan entrepreneurs; and increase access to business opportunities in European Markets.

RPSF is a key institution that should be targeted for integrating gender equality because of its strategic positioning as an advocacy and facilitation body for private sector in Rwanda, its resource-base, being supported by World Bank, EU and bilateral, and its regional networks at the level of EAC Business Summit. It is the most effective and well-resourced mechanism to voice concerns relating to women entrepreneurs and gender equality.

#### 5.8 Civil Society and Stakeholder participation in the EU-Africa trade negotiations

The framework for civil society participation in the negotiation, implementation and monitoring of trade agreements is provided for in the Cotonou Agreement and the EPA. Article 2, in particular the encouragement of “ownership” of the strategy by the country and populations concerned, and the essential elements and fundamental element defined in Articles 9 and 11b of the Agreement. Civil society participation in all TA processes is further provided for in the operational frameworks – the EU-CSP 2008-2013; and the SIDA Development Cooperation Strategy for Rwanda (2010- 2015).

Rwanda established a National Development and Trade Policy Forum (NDTPF) which is the key platform for stakeholder participation in the trade negotiations process. The NDTPF is made up of representatives from the public sector, the private sector and academia as well as the civil society. The CS Platform is also a member of the National Economic and Social Council, coordinated by the Prime
Minister’s Office. It has responsibility for monitoring of trade and other policy processes in the pursuit of social and economic targets.

Under the EPA negotiations, MINICOM and MINEAC have initiated consultations with CSOs, and some local NGOs benefited from regional training initiatives on trade negotiations. Civil society participation, however, remains limited and somewhat peripheral. Even weaker is the women’s voice in the trade negotiations, despite strong gender lobbies. Part of the problem is inadequate institutional capacity especially in research and communication.

Why low CS Public Participation in the Trade Agreements?

A number of reasons account for this, including:

- **Historical**: Policy processes in Rwanda have, until the EDPRS formulation (in 2006) been a state affair, and CSOs generally had no role in public policy processes, which remain the domain of the state. It’s not surprising, therefore, that the civil society voice is faint in the EPA negotiations.

- **Low levels of awareness and limited access to information**: Only 3 out of 8 CSOs interviewed knew about TAs and only 2 had participated in related activities.

- **Space for engagement in the TA processes was not clear**: For example, the provision in the Cotonou Agreement also seems to place CS engagement at the discretion of the state. "Recognition by the parties of non-governmental actors shall depend on the extent to which they address the needs of the population, on their specific competencies and whether they are organized and managed democratically and transparently." This clause may be used by Government to censure CS or otherwise limit their participation.

5.9 Potential Country-level Partners in Engaging Trade Agreements in Rwanda

From the review and interaction with the local CSOs, the gender lobbies and CSOs profiled in table 5.4 below are potential partners to FEMNET in effectively engaging TA processes, especially the EPA negotiations.
Table 5.4: Mapping Gender and Human Rights Lobby Organisations in Rwanda

<table>
<thead>
<tr>
<th>Organisations</th>
<th>Nature of Organisation</th>
<th>Thematic Areas of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRO-FEMMES/ TWESO HAMWE</td>
<td>Umbrella organization with 54 women’s associations/local CSOs</td>
<td>Women and children’s rights advocacy; gender mainstreaming &amp; capacity development. Profemme has positioned itself as a platform for consultation &amp; exchange of ideas, issues, knowledge, information &amp; resources that promotes women’s fulfillment and their effective participation in national development</td>
</tr>
<tr>
<td>CCOAIB</td>
<td>Umbrella Organisation</td>
<td>Policy advocacy, rural development and human rights promotion. With their focus on agriculture, livelihoods and their organizational strength, CCOAIB is better positioned to promote the women’s economic empowerment, except that gender dimension is weak.</td>
</tr>
<tr>
<td>Rwanda Women’s Organisation</td>
<td>Umbrella Network of women’s organizations</td>
<td>supporting advocacy and socioeconomic empowerment of women</td>
</tr>
<tr>
<td>Safer Rwanda</td>
<td>Women’s rights, GBV and livelihoods improvement</td>
<td>Have expressed interest in trade policy advocacy work and are skilled in networking nationally.</td>
</tr>
<tr>
<td>CESTRAR</td>
<td>Trade Union &amp; Labour Movement</td>
<td>Workers rights and collective bargaining for formal and informal sector workers</td>
</tr>
<tr>
<td>CLADHO</td>
<td>Umbrella organization for Human Rights</td>
<td>Human rights advocacy and communication. Have recently started economic and budget policy analysis.</td>
</tr>
<tr>
<td>PRESS HOUSE</td>
<td>Collective of independent media experts, practitioners &amp; advocates</td>
<td>Advocating media rights &amp; justice for independent journalists; media training and capacity building.</td>
</tr>
<tr>
<td>IMBARAGA</td>
<td>Federation of smallholder farmers associations</td>
<td>Advocacy for farmers’ voice, advocacy and collective bargaining for smallholder farmers</td>
</tr>
<tr>
<td>RCSP</td>
<td>Civil Society Platform comprising</td>
<td>Coordination, mobilization, capacity building &amp; acting as a voice for CSOs in Rwanda. Recognized by GoR as CS voice.</td>
</tr>
</tbody>
</table>
5.10 Implications of TAs on Human Rights, Gender Equality and Women’s Empowerment

5.10.1 Integration of Gender and Human Rights-based Approach to TAs Processes

Article 31 of the Cotonou Agreement covers gender and women’s empowerment issues. It provides for strengthening of the policies and programmes that ensure and broaden equal participation of men and women in all political, economic, social and cultural spheres. It commits assistance to improving women’s access to resources required for the full exercise of their fundamental rights. This is promoted by creating an appropriate framework to:

- integrate a gender-sensitive approach and concerns at every level of development cooperation including macroeconomic policies, strategies and operations; and;
- encourage the adoption of specific positive measures in favour of women such as: equal participation in all spheres of political, economic, social and cultural life; support for women’s organisations; access to basic social services, especially to education and training, health care and family planning; access to productive resources, especially to land and credit and to labour market; and taking specific account of women in emergency aid and rehabilitation operations.

Article 33 provides for institutional mechanisms to promote and sustain universal and full respect for and observance and protection of all human rights and fundamental freedoms.

Article 35 of FEPA recognizes gender inequality and provides for affirmative action. It calls for mechanisms to ensure the “participation of marginal groups in the fishing industry will be encouraged, for example through the promotion of gender equity in fisheries, and particularly developing capacity of women traders involved and intending to engage in fisheries. Other disadvantaged groups with the potential to engage in fisheries for sustainable socioeconomic development will also be involved in such processes”. However, this gender equality provision is only specifically called for in the fisheries sector. Similar provisions should be reflected in other areas, where Rwanda’s competitiveness and targets for EU markets are e.g. horticulture.

Article 36 of FEPA on sustained growth needs to reflect the quality of growth being pursued through development cooperation i.e. it must be equitable and engendered growth. Rwanda’s history and demographic circumstances have dictated that that gender equality and women’s empowerment be prioritized in every development action. An appropriate benchmark for assessing whether the TA processes are engendered is provided by GATI (2007)\(^{30}\), which suggested that a “gender-friendly” EPA should:

- support enterprises and sectors, and target trade related assistance to sectors where women are dominant; collect sex disaggregated statistics on women’s activities in formal and informal economies; identify gender sensitive product lists for developing countries; promote and protect core labour standards; engage non-state actors, making special efforts to include women’s organizations; include gender expertise at senior levels in negotiating teams;

Rwanda has made good attempts at point (i) and has made recent initiatives at (ii). There are recent initiatives to develop sex disaggregated statistics between the GMO and NISR. The Labour Code has been revised but largely as part of removing trade barriers rather than protecting local workers and women. Gender expertise does not seem to reflect in the negotiation processes although the negotiating teams represent women and men in good measure. Women are the lead negotiators (the 2 Ministers of MINICOM and MINEAC, Director of Trade and the RPSF Chief Executive are women) and about 70% of Rwandan EPA negotiators are women.

Article 25 of the Cotonou Agreement on Social sector development aims to promote equitable access to basic services including health, education and training, population and reproductive health concerns, and support to vulnerable groups. This provision needs to be synchronized with the productive and business provisions if it’s to work for women’s economic empowerment. Women’s livelihoods and economic status should be adopted as key indicators for tracking progress on social sector development under article 25 of the Cotonou Agreement.

Article 27 on Cultural development commits the cooperation to: (a) integrating the cultural dimension at all levels of development cooperation; (b) recognizing, preserving and promoting cultural values and identities to enable inter-cultural dialogue; (c) recognizing, preserving and promoting the value of cultural heritage; supporting the development of capacity in this sector; and (d) developing cultural industries and enhancing market access opportunities for cultural goods and services. Women have particularly benefited from Clause 27(d) which has motivated the revival and profitable exploitation of Rwanda’s rich cultural heritage. More than 70% of the employees in the cultural industries are women. Besides crafts, Rwandan women and men have organized themselves into professional cultural troupes that stage shows in Europe (Belgium, France, Switzerland, Sweden and more recently the UK).

5.10.2 Labour standards within TAs that promote women’s Economic rights

A whole article is dedicated to Trade and Labour Standards, and has the following commitment:

1) Commitment to Internationally recognized core labour standards. In this case, those defined by or affirmed by International Labour Organization (ILO) Conventions. Of particular relevance to Rwanda and women’s empowerment are the freedom of association and the right to collective bargaining, the abolition of forced labour, elimination of worst forms of child labour and non-discrimination in respect to employment;

2. Labour related cooperation is highlighted in a number of provisions: i) exchange of information on the respective legislation and work regulation; ii) formulation of national labour legislation and strengthening of existing legislation; iii) educational and awareness-raising programmes; and iv) enforcement of adherence to national legislation and work regulation.

There is, however, a caveat that may undermine local actions to protect women’s labour. “labour standards shall not be used for protectionist trade purposes.” This could be a limitation for countries to exercise discretion regarding protecting women and other disadvantaged groups, unless it is clarified in various texts.
Article 40 of the FEPA provides for general exceptions where measures may be undertaken to:

Protect the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts; Products of prisons’ labour – this is particularly relevant, given that thousands of men and women in Rwandan prisons are involved in productive ventures, including handicrafts, agriculture and infrastructure development, as part of community service.

5.10.3 Realizing Women’s Economic Rights and Empowerment through Africa-Europe TAs

The main mechanisms in which women’s economic rights are being pursued through TAs are:

1. Legislative reviews to empower women: Rwanda ratified the optional protocol to CEDAW (the main framework for women’s rights) and integrated its provisions into national legislation and economic development programmes – the EDPRS and PRSP. The GMO, which also hosts the Beijing Secretariat, is monitoring the CEDAW implementation.

Three of the most important legislative instruments that have helped reduce impediments to women’s economic empowerment are: the review of the Law on matrimonial regimes that effectively allowed women to inherit and co-own land and property; the 2005 Land Law and Policy which protect women and children in land registration and disposal; and the Labour law 2009.

The National Gender Policy 2004 advocates for women’s capacity building and economic empowerment among other approaches, to address the feminine face of poverty (MIGEPROF, 2009) and the establishment of the GMO in 2009 put in place a permanent framework for monitoring women’s economic and social empowerment across the public and private sectors.

2. Policy reform: The trade policy and EDPRS targets for trade have integrated gender equality and women’s economic empowerment. Specific gender equality issues integrated in the National Trade Policy and Strategy 2010, include:

Integration of gender issues in trade policy formulation, implementation and in trade negotiations at national, regional and international levels; Increased awareness among women of emerging trade opportunities at national, regional and international levels; Identify sectors where female work force is particularly significant and design trade policies that enhance production and trade opportunities in such sectors/products, including through the improvement of infrastructure to facilitate access to markets, removing of customs obstacles and other barriers to export; and encouraging entrepreneurship in such sectors.

Increase access for women to training in entrepreneurial skills, including managing and financing, and training for women entrepreneurs in rural areas. The EDPRS is now fully engendered, and Gender responsive budgeting (GRB) is being piloted in 4 key sectors that are essential for women’s empowerment i.e. agriculture; infrastructure; education and health. Other actions to be undertaken include: (i) assessment to ensure better understanding of specific challenges and opportunities that women face from market liberalization; (ii) formulating complementary policies aimed at maximizing opportunities for women are formulated and implemented; and
(iii) facilitating women’s transition to more competitive and economically profitable activities.

3. Institutional and Human Resources Capacity building to increase export competitiveness through improved value addition, compliance with export market standards, and increased market linkages. RPSF has been supported to implement a 3-year capacity building project for art, crafts and artisans. Cooperatives have been supported through this project to improve production and export marketing. A total of 30 Artisans’ co-operatives drawn from across the country are benefiting from a three-year capacity building project through the Chamber of Art, Craft and Artisans. In a bid to empower and improve quality and global competitiveness, the Chamber of Craft, Art and Artisans partnered with the Shared Interest Foundation, Cooperation for Fair Trade in Africa (COFTA) on a 3-year capacity building project worth £235, 998, funded by “Big Lottery Fund” of United Kingdom.

5.10.4 Contribution of TAs towards realizing MDGs 1 & 3 targets

The progress towards the achievement of the targets under MDGs 1 and 3 are reflected in 2 key areas: a) expanding employment and business opportunities in which women’s enterprises can flourish; b) eliminating the structural barriers and empowering women with the knowledge, skills, information and resources required exploring employment and business opportunities.

MDG 1 (Eradicate extreme poverty and hunger) and MDG 3 (Promote gender equality and empower women) are central to the full realization of human rights because poverty and inequality between men and women remain the most clear indicators of human rights violations. In order to assess how TAs are contributing to realization of the MDGs 1 and 3 (targets 1, 2 and 4), a general picture on national progress towards these targets is summarized in table 5.5.

Table 5.5: Progress towards MDGs 1& 3 Targets

<table>
<thead>
<tr>
<th>Goal</th>
<th>No.</th>
<th>Target</th>
<th>Observations on progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eradicacte Extreme Poverty &amp; Hunger</td>
<td>1</td>
<td>Halve the proportion of people living in poverty between 1990 and 2015</td>
<td>Progress is far too slow. The HLCS 2006 indicated that poverty Very modest reduction was</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Halve by 2015 the proportion of people who suffer from hunger</td>
<td>Rwanda has attained food security</td>
</tr>
<tr>
<td>Promote Gender Equality and Empower women</td>
<td>4</td>
<td>Eliminate gender disparity in primary and secondary education by 2005 and at all levels of education by 2015</td>
<td>The gender gap has been closed in primary &amp; secondary education and the country is firmly on track to achieve the MDG by 2015. However, Women &amp; girls enrolment at higher education levels remains low – at around 30%.</td>
</tr>
</tbody>
</table>

Data source: MINECOFIN, 2003; 2008; Progress towards MDGs Implementation
Government of Rwanda Initiatives

An action plan responding to the trade barriers and challenges that affect gender equality and poverty reduction is being implemented by the GoR. The actions being undertaken range from reforming the financial sector to increase access to credit by women and smallholder entrepreneurs; strengthening expertise for trade negotiation in various sectors; establishing supportive infrastructure such as cold storage facilities; strengthening the organizational capacity of the rural and productive sectors (focusing on cooperatives and other institutions); and enhancing the knowledge and business skills with social focus on women; and developing the information and knowledge base on investment and business opportunities, among others. Considerable work has been done over the last 5 years and results are impressive.

Tariff-free and quota-free access to the European markets has resulted in development of high value coffee, handicrafts and horticulture exports, which have stimulated rural industries, boosted agricultural commercialization and increased employment and incomes for women.

1. **Production and export of fully washed coffee**: since Rwanda launched into the high-value fully washed coffee production, the coffee washing stations (CWS) have increased from 1 in 2002 to 46 in 2005 and are expected to be 240 scattered around the rural coffee producing villages throughout the country, by 2012. CWSs and coffee plantations employ thousands of people, more than two-thirds of whom are women, mostly in rural areas.

2. **Rwandan crafts industry** has expanded from a small cottage industry to a big export venture worth millions of Dollars, under EBA initiative. It employs an estimated 100,000 people, more than 70% of whom are women\(^{31}\). This has contributed immensely to the national economy and poverty reduction, with clearer benefits to women.

   The handicrafts industry has contributed enormously to women's economic empowerment. Thousands of rural women have been given skills in basket weaving, organized in cooperatives and trained on how to save and establish small enterprises. Powerful women entrepreneurs have emerged employing hundreds of women as basket weavers, marketers and other functions. This sub-sector has contributed to poverty reduction and women's economic empowerment because it targets rural people, mostly women; has provided productive and professional skills enabling the beneficiaries to sustain their livelihoods; adds value to natural resources, and is an off-farm employment sector requiring no land, which is a constraint to production in most of Rwanda.

   *Horticulture value chains* have developed significantly in the last 3 years with support from Belgian Technical Cooperation (BTC), EU, the United States AGOA Programme and other agencies.

3. TAs have promoted and provided institutional, technical and financial support to regional integration, enhancing internal and cross-border trade: many Rwandan business women are involved in smallholder cross-border trade, and have benefited from awareness creation, simplification of customs and tax requirements, safety and convenience of transport systems, and a host of other support mechanisms.

---

4. Training and skills improvement (provided for in Article 3 of the EU-ACP and entrenched in the Interim EPA), has benefited Rwandan women especially those involved in production and export of handicrafts. According to MINICOM (2009), about 420 associations comprising 7,113 organized craftsmen and women have been supported and fully operational. At least 70% of these are women. More than 100 members from about 30 crafts cooperatives benefited from trainings conducted in early 2009 alone. The range of skills provided included customer care, business plan writing, marketing skills, basic accounting skills and time management, as well as balancing enterprise and conservation (since most raw materials are drawn from biomass).

5. Economic justice for women enhanced through FAIR TRADE promotion: As Rwanda struggles to compete in the European market through product differentiation and value addition, international certification has become critical – especially in coffee, tea, horticulture and crafts. Many companies in the west (e.g. Starbucks Coffee and Marks & Spencer) encourage Fair Trade Certification- which requires commitment to employing women, sustainably manage the environment, pay fair wages and provide good working conditions. The certification processes have resulted in improved working conditions, environmental management, better wages and increased employment of women at Coffee water stations CWSs or coffee farms, tea plantations and factories and flower farms. To enhance the application of fair trade principles in business, Rwanda Federation for Alternative Trade (RWAFAT) was established in June 2007 as one of COFTA's country networks operating under the principles of Fair Trade. Extending COFTA into Rwanda has helped Rwandan entrepreneurs to network globally and become more competitive.

Expansion of rural industries, has brought employment opportunities closer to women: in terms of employment, the increased production of fully washed coffee, and, in particular, the expansion into rural areas, has benefitted women more than men from 3 perspectives: i) reports indicate that more women than men are employed at CWS, mainly in picking, sorting and packing coffee (Ocir Cafe, 2008, MINICOM, 2009); ii) as CWS are rural industries, women who are less mobile, have increased access to industrial jobs, a situation that tends to provide them equal chances with men; iii) because of business and social reasons, women have higher chances of being employed than men.

5.11 Major Gaps, Concerns and Challenges

5.11.1 Gaps and Major Concerns in the TAs and TA negotiation processes

A number of concerns have been observed in the Europe-Africa trade relations with respect to women’s economic empowerment:

i) Country-specific issues may lose visibility or suffer from regional level negotiations. Negotiating at the regional level is already challenging for Rwanda given that the country has just joined the EAC Customs Union. While the regional TAs are associated with collective bargaining and economies of scale, country specific concerns may not be clearly voiced. In areas of capacity building and employability of its citizens, Rwanda needs to do much more than other EAC countries. Each of the 5 EAC countries has different labour conditions and free movement of labour within the EAC is still limited. In these circumstances, adoption of the
core International Labor Organization (ILO) standards, including work places discrimination, maternity, compensation and other aspects, has to be considered. It is not referred to or even mentioned.

ii) Stiffer competition is likely to stifle the smallholder firms and farming enterprises that women are engaged in. There appears to be no mechanisms to protect workers in short-term employment which most women in CWS, flower farms and tea and coffee plantations are subjected to. They have low bargaining power, are less organized. They earn very low wages and have often no insurance benefits, except where such businesses are internationally certified.

iii) Labour rights violations still exist in some circumstances, albeit complex. Although issues like child labour, sexual exploitation and related gender-based rights violations have been effectively controlled, the agricultural sector where most women are employed (coffee and tea plantations, flower farms, coffee washing stations) still have challenges of labour rights violations, low wages and poor working conditions; limited opportunities for knowledge and skills upgrade; job losses and biases related to reproductive processes like pregnancy and child birth, etc.

iv) Labour standards do not seem to protect women’s economic aspirations and interests, even with the seemingly clear provisions for workers’ protection e.g. contract termination, payments and work environment. Is there any assurance that Rwandan labour laws will not be weakened by the TAs? The passing of the new code, which, inter alia, reduced maternity leave for women, was ostensibly to reduce the cost of doing business but ended up encroaching on women’s rights. Key social services for women – health, skills improvement, wages and work conditions may be progressively deregulated.

Another important observation is that Women’s reproductive responsibilities/rights, their limited mobility compared to men, often un-monetised, un/under-paid work and related factors that limit their competitiveness are neither recognized nor incorporated in any of the TA documents. Even where women’s rights in the workplace are secure, most women are not aware or not confident enough to claim them. Incidences of women exploitation for which there are no adequate measures to monitor or penalize, still exist – adequate sanitation and decent working environment, not providing time to breastfeed/attend to infants, promotions when deserved, etc.

v) Sustainability of smallholder women farmers’ livelihoods may be jeopardized by the fully commercialized and fully liberalized agricultural trade. Women constitute 70% of the farming population in Rwanda, and nearly all of them are smallholder farmers (MINAGRI, 2009), yet the TAs have tended to focus more on tariff removal and a few technical barriers without addressing price, product and other value chain issues. How will smallholder farmers and firms be protected by TAs in the face of stiff competition from cheap imports and conditioned dependency on foreign technologies? Smallholder women farmers, who form the majority of the rural smallholder farmers, are the least capable of dealing with the market weather shocks.

vi) Food security and nutrition are a major concern: exports of rice and other cereals to Europe quota and tariff free may trigger outflow of food and reduce food security in Rwanda. With horticultural products (fruits, vegetables) destined to the EU market, and sugar added onto
the list of exports, Rwanda’s recent gains in food security and nutrition could be reversed, and women will be the most affected. About half (48%) of women suffer from malnutrition (NISR, 2007). Addressing climate change and related vulnerabilities are another issue not clearly addressed in the TA documents.

vii) The EPA and the Cotonou Agreement do not appear supportive of the need for Government to implement affirmative action to promote local women’s entrepreneurship. This is important especially given the potentially catalytic role of women’s economic empowerment in poverty reduction and equitable growth. The provision on most favoured nations is tilted in support of EU vendors although all ACP countries are preferred who fulfill basic capacity criteria are fulfilled.

viii) Many stakeholders across the public and private sectors were unaware of or do not have access to sufficient information on TAs processes. This implies that there is limited dialogue around TA negotiation and implementation processes.

5.11.2 Challenges related to gender equality integration in the TAs include:

i) Capacity and knowledge gaps: there are serious gaps in analytical capacity for gender equality, trade and employment in the public, private and civil society sectors. Without adequate analysis, it will be difficult to understand trade-gender relations, and hence inability to integrate them into the policy processes. SIDA (2010) has noted that lack of qualified labour as one of the biggest challenges to increased gender equality and growth in Rwanda.

ii) Inadequate communication: The Trade Secretariat does not have a clear communication mechanism or help desk specifically to provide information on international trade arrangements. There has not been any effort to simplify the complex legal text to various stakeholders except the export guides produced by RIEPA (now RDB).

iii) Lack of sex-disaggregated data: sex-disaggregated data on trade issues later on trade agreements is lacking. Analysing the gender dimensions of trade arrangements in Rwanda is an uphill task. Nonetheless, there are on-going initiatives to establish gender statistics.

iv) Perceptions among public sector agencies and community: there appears to be a general perception among some government and most civil society stakeholders that public policy formulation, including international relations like trade agreements, are a matter for the Government, hence limited involvement of the civic population.

5.11.3 Challenges relating to women benefiting from opportunities within TAs include:

- Women are particularly disadvantaged, because of the structural constraints relating to:
- Limited access to economic assets: Rwandan women still face disproportionate bias in accessing resources to effectively benefit from TAs, viz: land, labour (knowledge and employable skills) and capital. The latter 2 are particularly important for trade in goods and services. Even where opportunities have been availed e.g. affordable credit, women are
unable to borrow funds to start-up or expand businesses because they lack security. Limited access to information on opportunities: Limited access to credit and lack of requisite information about economic opportunities. Limited Education, knowledge and skills: most Rwandan women lack technical and managerial skills needed to effectively pursue international business and to gain from employment opportunities created by Rwanda-Europe trade arrangements.

Cross-border business actors still face challenges of price determination; taxation and high transaction costs related to rent and markets; transport, insurance, quality management, lack of bargaining power, inadequate access to professional services and mitigating risk. Some tend to be perceived as smugglers often leading to violation of their rights.

5.12 Way Forward: Making TAs Instruments for Gender Equality and Women’s Empowerment

Conclusions: A synthesis of main issues and opportunities

Africa-Europe trade arrangements have provided a range of economic and political opportunities for promotion of gender equality and women’s economic empowerment in Rwanda. The most active arrangements are with the EU, but at a smaller level with the Netherlands, Belgium, Switzerland and Sweden.

Rwandan women have benefitted considerably from Europe-Africa TAs through employment and business opportunities. Most importantly, however, TAs have contributed to breaking down barriers for women through establishing a supportive policy and legislative environment, as well as direct public investments in the promotion of women’s economic empowerment and gender equality.

Participation of non-state actors is low. TAs and their negotiation processes are largely a state affair. The study has noted that even with the space created around the EPA consultations and the enabling political environment for promoting gender equality, CS participation in the TA processes remain low and generally passive. Yet Rwandan gender lobbies are known to be strong and well-motivated in terms of advocacy; they have the voice; political constituency locally and internationally, and have proven record of success e.g. in areas like gender-based violence.

Opportunities provided by the lengthy EPA negotiations could be missed if Gender Lobbies and CSOs do not strategise and engage in-country dialogue and other activities in the TAs processes in time. Gender equality and women’s economic empowerment are recognized as human rights, but there are risks that these rights may be perceived in trade negotiation processes as part of the trade barriers that should be removed.

To engender the TA processes, the country negotiation process must be widened to ensure participation and engagement of TA processes by various actors - notably gender lobbies and women’s Chambers of trade, farmers groups, researchers and independent public policy experts.
5.13 Recommendations for improving gender-responsiveness of Trade Agreements

How can national gender lobbies use trade agreements to advocate for the realization of women’s economic rights and the empowerment agenda? A number of actions are recommended:

- Raise awareness and increase access to information on TAs by CSOs, particularly gender lobbies and advocacy groups, and sensitise them to generate interest and confidence, to actively participate in and monitor gender integration and women’s empowerment issues in the TA processes. Diagnostic studies and baseline surveys should provide information and policy options to integrate gender equality, and help develop technical capacity for trade-related gender analysis, and provide basis for dialogue and engagement. Gender lobby groups need to be supported to proactively engage TAs actors and ensure that the gender equality and social protection provisions in the TAs are effectively implemented;

- Integrate gender issues into the trade-related indicators and targets of the EDPRS, starting with the Trade Policy and strategy 2010. On this basis, trade facilitation and competitiveness processes – key tools in the negotiation processes - should integrate gender equality targets. This will assist to prioritise the women’s economic empowerment issues into the national negotiation processes, increase local participation and ownership of the TAs processes. It will also provide opportunities for Government and stakeholders to monitor progress towards women’s empowerment through trade agreements.

- Develop strategic partnerships with and build capacity of local civil society, particularly gender advocacy and networking organizations, to enhance advocacy around, participation in, and active monitoring of Rwanda-Europe trade negotiations and women’s economic empowerment processes. Local gender lobby groups and organizations should be supported with knowledge, skills and equipment in areas related to:
  - i. Trade Policy research and Analysis;
  - ii. Developing and monitoring indicators in gender-in-trade, women’s economic empowerment, and human rights, with clear linkages to the provisions of MDGs, CEDAW and Human Rights declarations and treaties;
  - iii. Collecting data, analyzing and communicating information to stakeholders and partners;
  - iv. Networking and advocacy at local, national and regional levels.

- Develop partnership with, train and equip Rwanda Federation of Women Parliamentarians (FFRP) to understand, advocate, follow-up and monitor the trade arrangements with MINICOM. As an influential body in a parliament where women command a 56% majority, FFRP has potential to influence TAs at policy level, if it develops the requisite knowledge, information and skills. The following actions are recommended:
provide an enabling environment for women’s entrepreneurship development through securing market access (networking, linking to global markets, access to finance); promoting enhanced participation of women entrepreneurs, researchers and gender activists in TA processes, as well as in monitoring poverty reduction strategies and national budgets; deal with structural constraints that the women empowerment agenda faces - e.g. they work in the informal sector where the majority have limited power to deal with risk and vulnerability caused by poverty, loss of employment, sickness, HIV/AIDS and maternity.

- Advocate for increased access of women to training in entrepreneurial skills as well as for affirmative action in public procurements. Entrepreneurship training should include managing, financing and leadership, advocacy and networking; and modern communication using ICTs and training for women entrepreneurs in rural areas. Use of women-to-women learning models should be considered, as is the sharing of good practices in Women’s innovative approaches to entrepreneurship and income generation, real business opportunities, productivity and access to resources and markets. Inclusion of clauses to protect women in procurement in the TAs should be operationalised through affirmative action in public procurements. There ought to be provisions to reserve at least 10% of procurement value for women-owned businesses especially small, rural-based enterprises or those that employ the majority women.

- Support gender lobbies and women entrepreneurs to leverage ICTs to effectively communicate and break down economic and social barriers that Rwandan women face – access to information; limited mobility; education and skills.

- Integrate economic empowerment strategies into gender and women’s rights advocacy and capacity building activities. Strategic focus on enhancing the entrepreneurial capacities of women in leadership as well as poor and vulnerable women through education, skills and vocational training and retraining of labour force, access to financial resources, in particular micro-financing, land, infrastructure, markets, technology and services in order to meaningfully integrate them into the labour market; integrating human rights-based approaches is critical.
CHAPTER 6

PROMOTING AFRICAN WOMEN’S ECONOMIC EMPOWERMENT THROUGH GENDER RESPONSIVE TRADE ARRANGEMENTS – ZAMBIA

6.1 Trade Arrangements between Zambia and European Countries.

Zambia and the African, Caribbean and Pacific (ACP) Group of Countries

Zambia is a member of the African, Caribbean and Pacific (ACP) group of countries and has been signatory to all the Lome Conventions (Lome I – IV). The Lome Conventions were agreements that laid down the framework for cooperation policy, trade and industry between the European and the ACP countries. In June 2000, the Lome Conventions were replaced by the Cotonou Agreement which entered into force on 1st April, 2003. The ACP countries trade as a block through the various trade agreements with the European Union. As an ACP member, therefore, Zambia trades with European countries as a block, under the European Union (EU). The country has no bilateral trading arrangements with any individual European country.

The current trading arrangements between Zambia and the European Union are regulated by the Cotonou Agreement of 2000. The Cotonou Agreement entered into force in April 2003. As part of cooperation under this Agreement, a number of the goods exported by ACP countries to the EU were allowed to enter European markets duty-free. The ACP countries were also allowed or granted permission to retain their tariffs from the EU. The Cotonou Agreement also has a provision for the establishment of regional Economic Partnership Agreements (EPAs) between the EU and ACP countries. The main aim of the EPAs is to change the current arrangements on tariffs. ACP countries will be required to liberalize their economies to allow EU goods to come into these countries duty-free. Under this arrangement Zambia has been included in the Eastern and Southern Africa (ESA) group of ACP countries. The ESA EPA was initialed but not signed by the Zambian government at the time of the study. Once signed goods from the EU will enter Zambia duty-free.
6.2 The Focus of the Trade Arrangements between Zambia and the European Union

The main objectives of the trade arrangements between Zambia and the EU, under the Cotonou Agreement are the reduction and eventual eradication of poverty and the gradual integration of ACP states into the global economy. Broadly under the Cotonou Agreement, the focus of cooperation between the EU member states and Zambia, as an ACP country, is on trade, policy and economic development. The European Union currently supports many programmes and projects aimed at poverty reduction and sustainable development in Zambia. EU development support is focused on the main focal areas of health and transport infrastructure. The funding also targets non-focal sectors including food security, agriculture diversification, governance; EPA/trade related capacity building as well as support to Non State Actors (NSAs).

6.3 Organs Responsible for the Formulation, Implementation and Monitoring of the Trade Agreements

At the international level, and as a member of the ACP, Zambia is a member of the joint institutions for cooperation that were initially established by the former Lome Conventions and which remained in force under the Cotonou Agreement, namely: The Council of Ministers; The Committee of Ambassadors; and The Joint Parliamentary Assembly. At the national level, the main implementation organs include the Ministry of Trade, Commerce and Industry (MCTI), in collaboration with the Ministry of Finance. The MCTI uses working groups, for various sectors, for consultations including civil society at various stages in relation to processes leading to the development of trade agreements. The Ministry of Finance signs the programme documents like the Financing agreements on behalf of government. In the current arrangement the Zambian Parliament does not debate or discuss the trade agreements between government and the EU but is represented at the Joint Parliamentary Assembly by a Zambian Member of Parliament.

6.4 Extent to which the Processes of Developing the Trade Agreements involved Civil Society Actors.

The 2000 Cotonou Agreement provides for the participation of civil society and other non-state actors (NSAs), generally, in all processes relating to development and implementation of the trade agreements between the EU and ACP countries. Government involvement of civil society organisations (CSOs) in activities relating to trade arrangements between the Government of the Republic of Zambia (GRZ) and the European Union (EU), was reported to be quite good. There is a close working relationship between government and the CSO mother body that deals with trade policy issues, namely the Centre for Trade Policy and Development (CTPD). This is a membership based organization to which several other CSOs are affiliated. The overall objective of the CTPD is “to promote equitable, pro-poor trade policies and practices.” According to CTPD sources, the CSOs affiliated to them are consulted regularly on trade issues including the trade arrangements between Zambia and the EU. The CSOs sit on government working groups which deal with issues relating to trade with other countries. They are also represented during trade negotiations. The main functions of the CSOs during negotiations is to monitor what
government is committing to and what the state actors or negotiators are doing and agreed to do at the country level. The CSOs, therefore, play an observer and monitoring role to ensure that the state actors are doing the right thing.

Several challenges were, however, observed regarding civil society participation at various stages of the programme cycle. Inadequate participation by gender lobbies or organisations that focus on gender equality and women’s rights issues, constituted a major gap. Out of nearly ten organisations affiliated to the CTPD, only one, namely, the Zambia Association for Research and Development (ZARD) deals with gender and women’s rights. Women were generally lagging behind in terms of representation on government working groups on trade. The only other organization dealing with gender and women’s rights, represented was the Zambia Federation of Women in Business. It was also observed by some CSOs, especially those involving women entrepreneurs, that participation in processes pertaining to trade agreements ended at the formulation stage. They were not involved or consulted during the implementation, monitoring/programme review and evaluation stages.

In addition, many of the CSOs that were affiliated to the CTPD had limited or no capacity for mainstreaming gender perspectives and women’s rights in the trade agreements as well as government policies and programmes on trade. There has been no training to equip them with the necessary skills on gender analysis and the mainstreaming of gender/women’s rights in trade and development programmes.

6.5 Level of Integration of Gender and the Human Rights Approach in Trade Agreements

The human rights-based approach to gender equality and equity as reflected in the background information given in Zo Mandriano’s report on Gender, Trade and Development strategies.

6.5.1 Integration of the Gender and Human Rights Approach in the Trade Agreement

There are many references to gender and human rights in the early trade agreements between the European Union and the ACP countries. What is not clear is the level of integration of the gender and human rights-based approach to gender equality. Despite the many references to human rights, gender and women’s rights issues in the trade agreements, the gender and human rights approach has not been integrated in the majority of these agreements. Gender issues are almost absent in the Interim Eastern and Southern Africa Economic Agreement (ESA EPA), to which Zambia is among the potential signatories. There has been no integration of the gender and human rights approach. Although there are some references to gender the little that has been incorporated in the agreement reflects a WID approach. In article 35(9) (ii), for example, women are included among the vulnerable groups under social-economic and poverty alleviation measures: “Participation of marginal groups in the fishing industry will be encouraged for example through the promotion of gender equity in fisheries by developing capacity of women engaged in fisheries, as well as other disadvantaged groups with the potential to engage in fisheries for sustainable socio-economic development.” Article 35(g) (ii) is the
only section that deals with “gender” in detail in the main text. The agreement does not tackle gender as a human right in any of the “hard core” areas of Trade, Economic and Development Cooperation (including Private Sector Development, Infrastructure, Natural Resources and Environment and Financial Provisions). Thus the ESA EPA is totally blind to gender equality as a human right issue that affects women’s and men’s participation in trade arrangements.

The Cotonou Agreement and the Gender and Human Rights Approach

Among the three major agreement with the EU and which Zambia has been dealing with (Lome Conventions, Cotonou and ESA EPA), only the Cotonou Agreement adopts the Gender and Human Rights Approach to Development Cooperation. The agreement has managed to do this by declaring gender as a cross-cutting issue and as an area for development cooperation. Gender equality and non-discrimination on the basis of sex are fundamental human rights in themselves recognized by international legal instruments such as the United Nations (UN) Universal Declaration on Human Rights and CEDAW. As a cross-cutting issues, the need to recognize gender equality and equity in development cooperation cuts across all areas of cooperation along with good governance, human rights and environmental sustainability.

One of the main weaknesses of the agreement is lack of a mechanism to make the mainstreaming of gender as across-cutting issue mandatory in development cooperation. There is nothing in the Agreement that can urge or push governments, as is the case with governance and human rights, in implementing its provisions on gender.

Another area of concern is the compartmentalization of gender as a cross-cutting issue into a section. It is necessary to tackle the “hard core” issues of Economic and Trade Cooperation and to state what needs to be done to empower women economically through trade and private sector development. This is important since people who deal with trade and economic cooperation issues may not necessarily possess skills for mainstreaming gender as a cross-cutting issue in economic co-operation.

6.5.2 Impact of Trade Agreements in Promoting Women’s Economic Rights and Empowerment Agenda

What are Economic Rights in the Trade Arrangements between Zambia and the EU?

Provisions of the trade agreements between Zambia and the EU have been translated into several development programmes sponsored by the EU. The development programmes come with economic rights such as: Access to financial resources; Employment/access to job markets; Education and training; Benefits such as access to ARVs in EU sponsored health programmes; to name a few. These rights are intended for both women and men and are required to be fairly distributed among the various social groups in the nation. They are crucial for women’s economic empowerment.

6.5.3 Situation Analysis

Both the Government of the Republic of Zambia (GRZ) and the European Union (EU) have committed themselves to the promotion of women’s economic rights and the empowerment agenda. The Government of Zambia adopted the National Gender Policy (NGP) in 2000. The NGP prescribes
measures for gender mainstreaming in all sectors to ensure effective and equitable participation of both women and men in the socio-economic development of the country. The vision of the Government is to attain gender equity and equality between females and males. Zambia is signatory to the Cotonou Agreement which treats gender as a cross cutting issue in all development cooperation. Zambia is also signatory to the Convention on Elimination of Discrimination Against Women (CEDAW), the Beijing Platform for Action (BPfA) that urges governments to “promote women’s economic rights and independence, including access to employment, appropriate working conditions and control over economic resources.” The African Union’s various human rights instruments and the SADC Protocols on Gender, the COMESA Gender Policy, to which Zambia is signatory, all call for 50 percent (or more) representation of women in all areas of decision-making.

Despite the commitments on gender equality by the Government of Zambia and the European Union, however, the results of cooperation, in relation to the economic empowerment of women, have not been satisfactory. The Cotonou Agreement, for example, calls for the EU-ACP cooperation to: “Encourage the adoption of specific positive measures in favour of women such as: Participation in national and local politics; Support for women’s organizations; Access to basic social services, especially to education and training, health care and family planning; and Access to productive resources, especially to land and credit and to labour markets.

Currently in Zambia 86 percent of Members of Parliament are men while women constitute 14 per cent of the House. At the Local Government level, men constitute 93 percent of the elected councilors while female representation stands at only 7 percent. In education, especially at tertiary level, the number of female students lags far behind that of male students while the dropout rate continues to be high among girls.

Table 6.1: Participation of Women and Men in Various Sectors in Zambia

<table>
<thead>
<tr>
<th>Area / Sector</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic participation &amp; Opportunity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour force Participation</td>
<td>66%</td>
<td>91%</td>
</tr>
<tr>
<td>Income (PPP US$)</td>
<td>62</td>
<td>1,130</td>
</tr>
<tr>
<td>Legislators, senior Officials and Management</td>
<td>6%</td>
<td>94%</td>
</tr>
<tr>
<td>Professional and technical workers</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>Political Empowerment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14% (2010)</td>
<td>86% (2010)</td>
</tr>
<tr>
<td>Women in Ministerial positions</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Years with female head of state</td>
<td>0</td>
<td>50</td>
</tr>
</tbody>
</table>

34 The Cotonou Agreement, Article 31.

35 The Zambia National Women’s Lobby’s Up-dated list of Successful Female Candidates after the 2006 Parliamentary and Local Government Elections.
## Area / Sector

<table>
<thead>
<tr>
<th>Area / Sector</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Attainment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy rate</td>
<td>60%</td>
<td>76%</td>
</tr>
<tr>
<td>Enrolment in primary education</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Enrolment in secondary education</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Enrolment in tertiary education</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Health and Survival</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex ratios at birth (female / male)</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Healthy life expectancy (years)</td>
<td>35.0</td>
<td>34.8</td>
</tr>
<tr>
<td>Maternal mortality rate (per 100,00 live births)</td>
<td>750(2006)</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>450 (2010)</td>
<td></td>
</tr>
<tr>
<td>Births attended by skilled health staff</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Accessibility of Government provided child care</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>On a 1–to- 7 scale Forrst scale 7 = best score</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Table 6.1 above shows that gender inequality is still of great concern in Zambia. Men dominate the economic opportunities available in the country, political power and decision-making and educational attainment.

### 6.5.4 Access to EU Markets by Women Entrepreneurs

The main aim of the agreements between the EU and Zambia as a member of the ACP group of countries has been economic cooperation through trade. Zambia has been formally involved in trade arrangements with the EU for thirty five years (from Lome 1 in 1975 to the Cotonou Agreement of 2000). Trade is a potential tool for the economic empowerment of women and the realization of their economic rights. Women’s participation in all areas of economic cooperation, including trade and private sector development, is therefore, of crucial importance.

The European Union is one of Zambia’s large import and export markets. It is the largest market after South Africa. Like many African countries, Zambia imports more than it exports to the EU. Zambia’s imports from the EU stood at 34.1 percent in 2003 compared to 2.3 percent in terms of exports. Zambia’s imports from the EU include mainly machinery/equipment, pharmaceuticals and textiles, especially second hand clothes and blankets. Zambia, on the other hand, exports mainly minerals and agricultural products to the EU. Table 6.2 below shows the range of goods that are exported to the EU.

---

36 EU Delegation to Zambia web site

37 Ibid.
Table 6.2: Main traded Zambian Products imported into the EU

<table>
<thead>
<tr>
<th>Products</th>
<th>% Total of Countries</th>
<th>Cumulative total of %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidential Trade (of Chapter 81)</td>
<td>16.9</td>
<td>16.9</td>
</tr>
<tr>
<td>Cobalt mattes and other intermediate products of cobalt metallurgy;</td>
<td>16.2</td>
<td>33.1</td>
</tr>
<tr>
<td>Cane or beet sugar and chemically pure sucrose, in solid form</td>
<td>15.7</td>
<td>48.8</td>
</tr>
<tr>
<td>Cut flowers and flower buds of a kind suitable for bouquets</td>
<td>13.5</td>
<td>62.3</td>
</tr>
<tr>
<td>Cotton yarn other than sewing thread containing 85% cotton weight</td>
<td>8.5</td>
<td>70.8</td>
</tr>
<tr>
<td>Other vegetables, fresh or chilled (excl. potatoes, tomatoes)</td>
<td>7.7</td>
<td>78.8</td>
</tr>
<tr>
<td>Coffee, whether or not roasted or decaffeinated; coffee husks and skins</td>
<td>4.9</td>
<td>83.4</td>
</tr>
<tr>
<td>Unmanufactured tobacco, tobacco refuse</td>
<td>3.5</td>
<td>86.9</td>
</tr>
<tr>
<td>Leguminous vegetables, shelled or unshelled, fresh or chilled</td>
<td>3.1</td>
<td>90.0</td>
</tr>
<tr>
<td>Confidential trade of Chapter 71</td>
<td>2.9</td>
<td>92.9</td>
</tr>
<tr>
<td>Copper refined and copper alloys, unwrought</td>
<td>2.0</td>
<td>94.9</td>
</tr>
<tr>
<td>Parts suitable for use sorely or principally with the machinery of heading</td>
<td>1.3</td>
<td>96.2</td>
</tr>
</tbody>
</table>

**Source: Website for EU Delegation in Zambia**

The findings indicate that Zambian business women are involved in the production of goods that are popular with European tourists and which could be exported to foreign markets. Women’s products include handicrafts, beaded clothing, products from African textiles “chitenge”, and interior decorations such as cushions, bed spreads and curtains from African textiles and so on.

Focus group discussions (FGDs) held in August 2010, with members of the Executive Board of the Zambia Federation for Women in Business (ZFAWIB), the umbrella organization for women entrepreneurs, indicated that Zambian women entrepreneurs generally, do not participate in the export and import trade with the EU. One or two women were doing so through an ILO programme. The majority of women do not have this opportunity. Business women occasionally attended trade fairs in Europe, but were not able to export their products to European markets. The women entrepreneurs indicated that they were not able to access the EU market even after identifying customers for their goods during trade fairs. Several contributory factors, for inadequate access to EU markets were identified as follows: Inability to meet the required standards for the European market. “We fail to meet the expected standards for goods due to lack of capacity. We need capacity building, technological transfer from Europe including machinery and equipment,”38 Inadequate capacity to meet the demand for the goods by the EU markets; Women entrepreneurs lacked skills in value addition, import and export management; and Inadequate access to credit/financial services.

The lack of involvement of women in the export sector contributes to the small size of Zambia’s exports to the EU. As already noted, women are dealing in goods which could be exported to European markets

38 Focus Group Discussions with members of the ZFAWIB Executive Board, 8th September 2010
but the quality and quantity are inadequate to satisfy the EU market. The trade arrangements between Zambia and the EU have great potential to enhance women’s access to the EU market. The focus group discussions with women in business, for example, showed that women entrepreneurs needed skills in value addition, packaging, capacity to fulfill the demand for their goods in the European markets. They also needed skills in export and import business management generally.

The Zambian national Indicative Programme (NIP), for the 10th EDF, had a lot of opportunities and programmes where the capacity needs of women entrepreneurs could have been mainstreamed, namely: The General budget support (of EUR 232 million); EPA/Trade related support on capacity building (EUR 2 million); Support to initiatives of non-state actors (which target the private sector (EUR 5.5 million); Food security and diversification (EUR 30 million; and Technical cooperation.

Unfortunately both the Response Strategy and the NIP did not incorporate gender perspectives for the period 2008-2013. If women entrepreneurs’ needs were mainstreamed into these programmes, gender would be truly treated as a cross-cutting issue in EU-Zambian trade arrangements. It would also satisfy the requirements of the Cotonou Agreement (Article 31(b) (ii)) which calls for positive measures in favour of women “such as support for women’s organizations;” and of Article 69(d) which provides for financial support for cross-cutting issues. In addition women would start accessing the EU market.

6.5.5 Implications of the ESA EPA on the Promotion of Women’s Economic Rights and the Empowerment Agenda

The Zambian government had not yet signed the Economic Partnership Agreement (EPA) for ESA countries, with the EU and The EPA was therefore not being implemented at the time of the study. Possible implications and potential impacts of the provisions of the Interim ESA EPA on women’s economic rights and the empowerment agenda when signed would be, to contribute to the reduction and eventual eradication of poverty through the establishment of strengthened and strategic trade and development; improve the ESA countries’ market access to the EU and reinforcing regional cooperation among these countries ;requirement to liberalize ACP countries’ economies and remove customs duties on imports of products originating from EU countries. It is feared that if the ACP countries open up to competition from technologically advanced European countries and heavily subsidized European farmers, they (ACP countries) will not be able to compete and new industries will not be able to develop and sustained. The new arrangements would put a strain on the economies of the ACP countries and the jobs and future of millions of poor people will be put at risk. Thus poverty levels will continue to rise and sustainable development will not be achieved.

In terms of gender issues, increased trade and investment liberalization can improve economic growth, which in turn can increase women’s participation in the labour market. However, increased employment opportunities have been noted in non-traditional agricultural activities such as flower growing, clothing and textiles, and also in the electronics-oriented Export Processing Zones (EPZs) and the services sectors. The trade regime under the EPAs if effected in their current form will create a new inequality between developed and poor ACP countries, and between women and men. This is

39 Ibid
partly due to the fact that trade policies tend to have differential impacts on women and men.\textsuperscript{41}

In Zambia, as in other ACP/ESA countries, women form the majority of the poor in both the urban and rural agricultural communities. In the rural areas women are concentrated in the informal sector and smallholder activities in terms of employment and agricultural production. Through the informal sector activities women contribute greatly to household food security and the survival as well as welfare of the families through trading of agricultural commodities and other items. Women are also found in small and medium scale enterprises (SMEs) in good numbers. It is the informal sector, smallholder activities and SMEs that tend to be very adversely affected by liberalization trade and investment policies. Once the tariffs have been eliminated, cheap agricultural products with which smallholders cannot compete would increasingly be present on the markets. In this way EPAs threaten the subsistence and the right to food especially of small holders, a section of the population (in Zambia) that is particularly poor.”\textsuperscript{42}

The main objective of ACP-EU cooperation, as stated in the agreement, is to eradicate poverty. As already noted elsewhere, women form the majority of the poor in Zambia and ACP/ESA countries generally. Poverty reduction will not be realized if the current arrangements on trade liberalization are effected without considering the position of women and the poor generally in ACP countries. The ESA EPA should be mainstreamed with gender and pro-poor perspectives before it is effected. There has to be well targeted policies and programmes together with clear incentives to cushion the poor from the apparent effects of the trade policies if adopted in the current format.

\section*{6.6 Use of Trade Agreements to Promote the Realization of Women's Economic Rights: Gender Responsiveness in the Programming Process and Project Implementation.}

\subsection*{6.6.1 Programming}

The consultations involve the production and approval of key documents by the government and EC respectively. These include: The Country Strategy Paper (CSP) is the basis for EC Aid programming in Zambia and ACP countries generally. It therefore offers an opportunity for government to guide the European Union on how gender as a cross-cutting issue would be integrated in the national programmes. The current Country Strategy Paper and National Indicative Programme (2008 – 2013) are based on the Cotonou Agreement and the 10\textsuperscript{th} EDF. It includes, among other issues, the following: A Response Strategy- the government’s proposed areas for EC support, for the period 2008 – 2013. And The National Indicative Programme. Despite commitments in the agreements gender as a cross-cutting issue is inadequately treated in the two key sections of the CSP, namely the Response Strategy and the National Indicative Programme (NIP). None of the selected sectors/areas indicate how gender issues would be integrated in the programmes which include: EPA/Trade related support (capacity building); Food Security and Agricultural diversification; Transport and Infrastructural development; Health; and Non state actors.

It was noted very few women entrepreneurs are involved in trade between the EU and Zambia. Inadequate capacity to export their products according to the required EC standards was cited as


\textsuperscript{42} Germany Watch, 2009, p4
a major problem. They lacked skills and technology in packaging, value addition for the products, and many other areas. The programmes on capacity building on trade should capture such needs. In addition, women play a key role in food security and agricultural production generally. Food security programmes should target in a gender responsive manner, the needs of both women and men in the CSP.

These issues need to feature predominantly in the Response Strategy, National Indicative Programme and the budget. The programme on non-state actors should clarify how gender issues would be handled or treated so that private sector organizations like the Zambia Federation of Women in Business (ZFAWIB) can benefit from EU support, under this sector. It would be necessary to work with leading CSOs networks to undertake a mapping exercise and identify the different groups that exist, their location, capacities or lack of capacity and their needs in order to secure their effective participation. Information should also be widely available about the availability of this kind of support. National banks and micro-finance institutions in other African countries have been instrumental in designing new packages that are well targeted to poor communities and groups to increase access to financial resources and loans to support their economic activities. The National Indicative Programme (NIP) 2008 -2013 maps out the sectors and areas that were accepted for EC aid, gives a timetable for its implementation and specifies how non-state actors would be involved. The NIP is silent on gender. All the proposed sectors in the Response Strategy, for the period 2008-2013, were accepted in the NIP, for funding by the EC and other financial instruments. Among the cross cutting issues Governance was included in the NIP with its own budget of EUR 25 million. Gender equality did not qualify as a budget item under the NIP. It was envisaged that gender equality issues would benefit from this money without specifics.

The findings indicate that Government did not adequately translate the provisions of the Cotonou Agreement on gender as a cross-cutting issue, into the proposed programmes. It failed to guide the EU on how government would tackle the issue of gender in the cooperation activities between Zambia and European countries. Government failed to adequately advise the EU on its interpretation of these Articles in the Country Strategy Paper. Inadequate attention to gender in the EC funded programmes is a major factor contributing to lack of promotion of women’s economic rights, through the implementation of the trade arrangements.

One of the major factors contributing to gender blindness in the policy documents is lack of sex disaggregated data to feed into the planning and programming processes. The CSPs are not informed by gender sensitive data for the selected sectors. In addition, inadequate involvement of gender specialists at various phases of the programme cycle also contributes to this problem. The study also found that the majority of those responsible for programming lacked gender analysis skills.

### 6.6.2 Project Implementation

With regard to project implementation, EU development support in Zambia is based on the main focal areas of Health and transport infrastructure. The funding also targets non-focal sectors including food security, agricultural diversification, governance; EPA/trade related capacity building as well as support to Non State Actors and other areas. There is generally inadequate mainstreaming of gender perspectives in project implementation. The exceptions to this challenge were projects that were being implemented by some Non State Actors (NSAs) in agriculture on income generating activities.
A number of the NSAs such as HIVOs, and Micro Bankers Trust have gendered approaches to project implementation, monitoring and evaluation\textsuperscript{43}. The Health Programme also targets aspects of women’s reproductive rights. HIV positive pregnant women are specifically targeted with ARVs.\textsuperscript{44} There have been attempts in the area of transport and infrastructure to target both women and men in the labour force, especially in labour intensive road works.\textsuperscript{45}

Generally, however, there is no systematic mainstreaming of gender perspectives in the programmes. Gender mainstreaming activities depend mainly on individual initiatives of the project managers. There were no gender guidelines, or tailor-made training for programme and project staff on gender mainstreaming. The programmes depended on government gender focal points’ (GFP’s) guidance on gender issues. In nearly all the Ministries responsible for EU programmes, however, there was little or no collaboration between the office of the sector gender focal point and the project implementers. However, Ministry of Agriculture was doing quite well in incorporating gender perspectives in projects handled by NSAs, there was no involvement of the GFP in the implementation, monitoring and evaluation of the EU funded projects. The projects depended mainly on the initiatives of the managers of the NSA projects.

6.8 New ways in which Trade Agreements can be used for Women’s Economic Empowerment

6.8.1 Some recent approaches towards the promotion and realization of the Beijing Platform for Action

Feminist researchers and advocates in gender-focused organizations such as the IGTN, Development Alternatives with Women for a New Era (DAWN) & Gender & Economic Reform in Africa (GERA) have promoted a new approach that underscores the central role of social reproduction in sustaining the global economic system. In particular, these organizations have stressed the significance of a political economy of trade liberalization, for a thorough analysis of the gendered impact and implications of trade policy. A political economy approach emphasizes the crucial need to link trade policy, fiscal, monetary, industrial and social policies alongside analysis of global inequalities in order to ensure that the Multilateral trading system (MTS) supports the achievement of gender equality and sustainable human development.

Another approach which is used mainly by donor agencies or cooperating partners, and which is visible in Zambia is the new aid architecture. The new aid mechanisms, originating from the Paris Declaration of 2005, are increasingly integrated into the national planning processes such as the Poverty Reduction Strategy Papers (PRSPs) and the Country Strategy Papers (CSPs). This relates to donor harmonization, the building of effective and mutually beneficial partnerships, national ownership of the process of development and its benefits, internal accountability and provision of aid for results. This requires the use of mechanisms like the sector-wide approaches (SWAPs) and aid support within the framework

\textsuperscript{43} Interviews with project staff, Ministry of Agriculture and Cooperatives: Support to Agricultural Diversification and Food Security Programme, August 2010.
\textsuperscript{44} Interview with Acting Gender Focal Point, Ministry of Health, August 2010.
\textsuperscript{45} Interviews with Project Staff, Road Development Agency, August 2010.
of the country’s PRSP (national development plans) by development partners providing direct budget support (DBS). SWAPs, however, have their own short-comings as, “the potential for their promoting gender equality has been limited due to an overall de-prioritization of gender equality as a separate objective.”

The need to integrate Labour Standards in trade agreements and the subsequent trade arrangements with ACP countries is a requirement of the Cotonou Agreement. In the Zambian case, Labour Standards have been integrated in the Country Strategy Paper. Partly as a result of the requirement to improve the labour conditions of workers in all ACP countries, the Zambian Government has ratified forty one (41) ILO Conventions. The Conventions have been domesticated and converted into Zambian Law. Some of the laws tackle issues which improve the working conditions of women. The Minimum Wages and Conditions of Employment Act provides for paid maternity leave while the Employment of Women, young persons and children Act makes it an offence for any person under the age of fourteen (14), to be employed in any industrial concern except where all employees in the enterprise are members of the same family.

6.8.2 The way forward for Zambia

The Beijing Platform for Action (BPfA/or the Platform) serves as a good guide for the economic empowerment of women. Zambia has not integrated the requirements of the BPfA in its trade arrangements with the EU. There is need to adapt the relevant guidelines from the BPfA to the Zambian situation. Many of the recommendations will require the use of some of the new ways discussed above as well as gender mainstreaming as a strategy. Although the effectiveness of gender mainstreaming has been questioned as a strategy for the macro international levels, it is still relevant and key in addressing the problems experienced at the national level in Zambia and indeed in ACP countries as a whole. There is need to engender the trade policies, programmes and the processes leading to the development of trade agreements through the mainstreaming of gender and women’s economic rights.

The programming process should interpret and translate the provisions of the Cotonou Agreement and the BPfA adequately, into action. This would require the incorporation of gender perspectives in all aspects of the work relating to the trade arrangements between Zambia and other countries. In this connection, the Country Strategy Paper, especially the Response Strategy and the National Indicative Programme should be engendered. Gender issues should be mainstreamed at all phases of the programme, including the negotiation stage for the trade agreements, implementation, monitoring and evaluation.

6.9 National Gender Lobbies that can work with FEmNET

Advocacy at the national level is of key importance in tackling challenges related to gender and trade policy formulation and implementation. In Zambia, generally, the involvement of women’s organizations in advocacy work relating to trade arrangements between Zambia and other countries has
been inadequate. Trade justice, for example, is absent from the strategic objectives and plans of work of most women’s organizations, including the Non-Governmental Coordinating Council (NGOCC), which is the umbrella women’s organisation. For a long time, only the Zambia Association of Research and Development (ZARD), a research NGO and one or two other organizations like Women for Change, have been struggling to ensure attention to trade justice and women’s economic rights. The impact of these activities, as we have seen, has been negligible and trade policies in Zambia continue to be gender blind.

There is, however, great potential for improvement. There are many women’s organizations in Zambia which could make contributions towards the engendering of trade policies and trade arrangements between Zambia and other countries, as well as for local trade. The majority of the women’s organisations that were contacted expressed interest in working with FEMNET and to engage in advocacy activities related to trade justice for women. These include:

- The Non-Government Organisations Coordinating Council (NGOCC) is the umbrella organization to which all women’s organizations which deal with gender equality issues are affiliated. About one hundred and eight (108) organizations are currently affiliated to NGOCC. About fifty per cent (50%) of the affiliates are community based organizations (CBOs). Through its membership, NGOCC reaches out to about 75 per cent of women in Zambia. The organization has three programmes, namely: Membership Development and Support Programme which includes sub-programmes on: Capacity building & networking; and Grant management. Communications and Advocacy Programme (CAP); and Governance and Management Programme (GAM) . The organization carries out capacity building for its affiliates through the capacity building and networking programmes. The capacity building activities are intended to enable member organizations to effectively implement gender and development programmes for women’s empowerment. There are currently no advocacy or capacity building activities on gender and trade justice.

- The Zambia Federation of Associations of Women in Business (ZFAWIB) is the umbrella organization of women entrepreneurs, traders and women in business generally. The organization is currently the national focal point for women in business in the COMESA region and is a member of the Federation of the National Associations of Women in Business (FEMCOM) a COMESA institution. ZFAWIB is a country level organization with a membership of 58 women entrepreneur associations affiliated to it. The advocacy programme is implemented mainly through representation or membership on various advisory bodies including the National Gender Consultative Forum, Industrial Sector Advisory Group at the Ministry of Commerce, Trade and Industry and Programme Advisory Committee (OAC) on ILO’s Women’s Entrepreneurship Development and Gender Equality (WEDGE) Programme. ZFAWIB voices the needs and challenges faced by women entrepreneurs through these organs and institutions. The lack of such a programme constitutes a major gap on ZFAWIB advocacy activities. Organizations such as FEMNET, together with Zambian NGOs that are involved in advocacy work on trade and the economic empowerment of women, such as ZARD, could conduct capacity building interventions for ZFAWIB. These would be specifically trainings to facilitate the transfer of skills and knowledge to enable the organization to spearhead advocacy activities on gender and trade justice.
Women for Change (WfC) works with rural communities in Western, Southern, Central and Eastern Provinces of Zambia. The organization has about 3,000 members in the four provinces. One of the major strategic goals of WfC is to achieve a society which will see an increased number of rural communities attaining basic rights and sustainable livelihoods in a gender sensitive manner. WfC also works with local and international organizations on gender and trade justice. None of the strategic objectives and programmes of the organization, however, deal with gender and trade justice. There is need to build this aspect into the programme on advocacy.

Zambia National Women’s Lobby (ZNWL) is a non-governmental organization (NGO) which seeks to get more women into decision-making positions by creating awareness among policy makers on gender issues. The organization has chapters in all the nine provinces of Zambia with provincial offices in Western, Eastern and Copperbelt Provinces. The ZNWl lobbies government and other institutions to set up structures aimed at ending discrimination against women. The advocacy and lobbying programmes focus on the political empowerment of women. There are no activities on the economic empowerment of women. The organization would be willing to apply its lobbying and advocacy skills to the promotion of women’s economic rights. This would entail capacity building for the organization to facilitate the acquisition of knowledge and other needs relating to the women and economic empowerment agenda.

Women and Law in Southern Africa (WlSA, Zambia) is part of a regional organization with offices in seven countries in the region. The overall objective of WlSA is to improve the legal status of women in Southern Africa. WlSA conducts action research which is intended to inform and influence action being taken to improve women’s legal position and “which incorporates action into the research by educating women about their legal rights, providing legal advice, questioning and challenging the law. WlSA’s information generation action research is used to encourage government to make legal and policy changes on various relevant issues. In addition, the organization has strong networking skills which are implemented both at the national and regional levels. However, WlSA activities in Zambia have not targeted the issue of gender and trade justice. The Zambian WlSA chapter expressed willingness to undertake projects on gender and trade justice and would require capacity building for the organization. The training would be specifically on Zambia and trade arrangements with the EU and other foreign countries with emphasis on the legal implications of such arrangements on women’s economic rights.

Zambia Association for Research and Development’s (ZARD) overall objective is “to contribute to development and advancement of the status of women in relation to men, through the production of evidence-based information, alternative approaches to development, capacity building of communities and coalition building with like-minded organizations.” ZARD has proven competencies in research and advocacy work. Like WlSA (Zambia), ZARD conducts action research. The results of the research are used to implement programmes on advocacy, networking and information dissemination generally. Information from action research is documented and published for dissemination to the public and key stakeholders. ZARD is involved in advocacy work on gender and trade justice and is a member of the Centre for Trade Policy Development (CTPD).
The major gap regarding the ZARD advocacy activities on gender and trade justice was inadequate networking with key stakeholders such as the Zambia Federation of Associations of Women in Business (ZFAWIB). There is need for organizations like ZARD to empower the organizations that are directly involved in local and international trade so that they can improve their advocacy skills on gender and trade justice. Organizations that are directly involved in trading or business entrepreneurship need to take up the challenge and fight for women’s economic empowerment through gender responsive trade arrangements. This could be facilitated by organizations such as ZARD, WLSA and others which have skills in advocacy and action research.

The majority of the gender lobbies that were contacted were involved in advocacy work for gender equality and women’s rights. Except for one or two organizations, however, the majority of the women’s organizations did not include gender and trade in their advocacy work. Many of the organizations needed to be equipped with skills that would enable them to translate their advocacy skills to suit trade justice and the women’s economic empowerment agenda. A number of staff required gender analysis skills in some organizations. The majority of women’s organizations needed skills in carrying out quick gendered impact assessments and research skills generally.

In terms of knowledge, some women’s organizations lacked understanding of trade arrangements between Zambia and the European Union. There was no enough knowledge regarding the trade agreements between Zambia and the EU, the responsible organs, the benefits involved, procedures and processes. At times some members of women NGOs staff lacked knowledge on gender issues. The CTPD and the majority of its affiliates also needed knowledge on gender issues. Capacity building activities will, therefore, need to target these skills needs and improvement in terms of levels of knowledge on trade and gender issues.

Despite the existence of relatively good provisions on gender issues in the Cotonou Agreement, the trade arrangements between Zambia and the European Union (EU) have not benefitted women in the country.

The provisions of Articles 20, 31 and 69 of the Agreement have largely not translated in specific policies and programmes that would facilitate achievement of gender equality in trade and realization of the economic rights of women. Women have not been deliberately mobilized, supported and targeted by the Zambian government to harness their potential to be active and equal participants in international trade with the EU. Gender inequalities that persist are in terms of access to education and training, access to health services, access to economic and productive resources including information, access to well-paying jobs and economic opportunities and access to decision-making at all levels hugely contribute to the limited participation of Zambian women in international trade arrangements between Zambia and the EU.

Men still dominate the economic and political arenas as well as education and training. Unless the gender and human rights approach advocated by the Cotonou Agreement is deliberately implemented trade arrangements between EU and Zambia will not necessarily translate into women’s economic empowerment and realization of their economic rights. The major factors contributing to this situation include gender neutral processes leading to the development of the trade agreements. There is inadequate use of disaggregated data to indicate the inequalities that exist and thus justify
the need for targeted programming and special measures that would address the inequalities and de facto discrimination that is inherent in the trade systems.

The limited involvement of women’s organizations that focus on gender and women’s rights as well as and gender experts during the formulation, implementation and monitoring and evaluation phases also has led to lack of an integrated approach to address gender inequalities in trade and macroeconomic policy matters. The trade policies and programmes are not engendered while key documents such as the Country Strategy Paper, provide insufficient guidance on what needs to be done to address the gender issues identified in the analysis and that is if the analysis is properly done.

In addition, it was noted that the women’s organizations in Zambia have limited capacity and resources to participate consistently and effectively in research and advocacy on trade issues. There is, therefore, need for stakeholders to adopt strategies that will ensure gender responsiveness in the trade arrangements between the EU and Zambia. Although the effectiveness of gender mainstreaming has been questioned as a strategy for the macro international levels, it is still key in addressing the problems faced at the national level, especially if it is complemented by some of the new approaches discussed in this report.

There is need to engender the trade policies, programmes and the processes leading to the development of trade agreements through the mainstreaming of gender and women’s economic rights; while the participation of gender lobbies in adequate numbers should be encouraged. The processes that translate trade agreements into programmes and reality on the ground, including the CSP, the NIP and the Response Strategy, must be engendered so that the resultant programmes can be gender responsive.

6.10 Recommendations

Recommendations on how trade agreements and their implementation can be further strengthened to be gender responsive in their formulation, implementation and benefits that accrue to the partners involved.

- The European Union should take the following measures to ensure that trade arrangements between Zambia and the European Community are gender responsive at each phase of formulation and implementation: Promotion of gender equality as a cross-cutting issue should be declared a mandatory cooperation goal at all phases of the programme cycle, in the same light as good governance and human rights have been highlighted. Provide funding for gender equality issues in line with the “twin-track” approach, and that of Article 69 (d) of the Cotonou Agreement. Provide support for building of the capacity of women organizations and entrepreneurs with a view to promoting their access to European markets as importers and exporters and advocates for trade justice. Include funding for gender sensitive studies for informing the programming process.

- The Government of the Republic of Zambia should take the following measures to ensure gender responsiveness in trade policy and trade arrangements with the European Union: Ensure the elimination of de jure and de facto discrimination affecting the
participation of women in all aspects of the economic life of the country and should take leadership to provide guidelines on how such discrimination can be eliminated. As part of the capacity building programmes ensure that key public sector employees both men and women participate in quality training on gender and trade. This should form part of the Zambian government strategy to ensure that all relevant sectors have competent leaders and staff members that can undertake gender analysis at different levels and design gender responsive programmes and budgets for the equal benefit of men and women.

- Ensure the incorporation of provisions of the Cotonou Agreement on Gender issues into the trade arrangements between the EU and Zambia resulting in gender responsive trade policies and programmes. Engender the processes leading to the development of trade policies as well as those that facilitate the translation of trade agreements into programmes and projects on the ground that augment the implementation of laws that guarantee the economic rights of women and men. In particular, ensure that the following treat gender as a cross-cutting issue in the proposed programmes and budgets: The Country Strategy Paper (CSP); The Response Strategy; The National Indicative Programme (NIP); Annual monitoring reports; and Evaluation reports: Mid-Term and end of term reports. It is important for the Zambian government and its actors to bear in mind that women have multiple roles and responsibilities. Thus mechanisms for participation should consider this factor to ensure that women’s engagement in the processes remains effective and meaningful. The production of CSPs should be informed by gender sensitive studies that reflect the needs of women and men in the area of trade.

- Allocate funds in the CSP to achieve gender equality target in all the prioritized sectors. Central Statistics Office should produce gender disaggregated statistics on trade related issues including access to European and other markets. The availability of this kind of data makes it possible to identify those living in poor and remote communities so that special measures and incentives are put in place to provide for increased economic and social development opportunities. Opening up such areas for expanded trading opportunities would definitely be beneficial to Zambian women and men living in rural areas like Shang’ombo, Kasempa, chinsali, Senanga, remote parts of the Southern, Central and Eastern Provinces.

Recommendations on how national gender lobbies can use trade agreements to advocate for the realization of women’s economic rights and the empowerment agenda from the economic opportunities presented by the trade arrangements between Africa and Europe.

- Gender lobbies/ women’s organizations that advocate for gender and women’s human rights should adopt the following measures: Improve on the mapping done in this report of women’s organizations in Zambia that can take the lead in promoting the effective participation of women in trade justice programmes. Include gender and trade justice in strategic objectives, plans and budgets of the organizations. Constitue an advocacy
network/coalition of women’s organizations on gender and trade justice issues. This is one way to strengthen capacities, pooling resources and speak with a stronger voice within the negotiating and decision making structures; Lobby for adequate inclusion of women’s organizations in government and mainstream CS organs that deal with trade issues. Conduct gender and social impact assessments of trade negotiations and programmes and use the data and information collected to develop policy briefs; Conduct research on gender and trade with special focus on access to European and other markets. Build organizational capacities for managing gender and trade justice programmes. Link up with mainstream civil society groups that focus on trade and development issues to ensure that gender and women’s economic rights issues are an integral part of their lobby work and messages. Lobby and monitor government implementation of trade agreements to ensure that they support the implementation of the constitutional provisions and laws that guarantee the economic rights of women.

Recommendations for FEMNET Interventions

- FEMNET, in collaboration with local NGOs who are involved in advocacy activities on trade arrangements between Zambia and other countries and gender and trade justice, should carry out capacity building interventions for the Zambia Federation of Women in Business (ZFAWIB), to transform the organization into a vibrant institution for championing the cause for gender and trade justice and the economic empowerment of women through gender responsive trade arrangements.
CHAPTER 7

COMPARATIVE ANALYSIS OF FIVE COUNTRIES IN THE MULTI-COUNTRY STUDY

7.1 Frameworks supporting women’s empowerment in the existing trade arrangements

In 2007 Africa, led by African Union successfully negotiated with the EU, the Africa / EU Strategic partnership. This Joint partnership is to take the Africa-EU relationship to a new, strategic level with strengthened political partnership and enhanced cooperation at all levels, and provides for an overarching long term framework for Africa- EU relations. It is to be implemented through successive short-term action plans and enhanced political dialogue at all levels, resulting in concrete and measurable outcomes in all areas of the partnership. It has implications for African women’s economic empowerment in promoting trade and regional integrations.

Based on the research findings the EU has a trade agreement with Egypt and it is also negotiating EPAs with other countries in Sub-Saharan Africa through their various economic blocs. For example, the EAC countries including Rwanda, Kenya and Uganda have signed an interim EU-EAC/ Economic Partnership Agreement, referred to as the Framework EPA (FEPA) in December 2010 to succeed the Cotonou Agreement. It is essentially the continuation of the EU-ACP Agreement with modifications. For Zambia which is negotiating the EPA under the ESA. Bloc this process is still ongoing. The EPA differs from the Cotonou Agreement in a few key areas; it brought an end to the non- reciprocity system of trade preferences in accordance with the WTO rules which require that such provision be generalized (in this case for all Least Developing Countries); the EU is negotiating and will implement the Agreement with Regional and sub-regional Economic Communities (RECs) and customs union unlike previously when it was with all the ACP countries.

From the EU side, the Commissioner for Trade of the European Commission is the Chief Negotiator and from Kenya, Rwanda and Uganda, three of the countries included in this study, the Ministers responsible for trade constitute the lead negotiation team, facilitated by the EAC Secretariat and national technical experts. Presently, Zambia is represented at the Joint Parliamentary Assembly of the EU by a Zambian Member of Parliament.
Key actors involved in the process of developing trade agreements in the five countries.

In **Egypt** there are a multitude of actors and stakeholders in trade negotiations. However, the Ministry of Foreign Trade and Industry has the lead and other key actors involved directly are the General Federation of Chambers of Commerce (GFCC), the Federation of Egyptian Industries (FEI), the Egyptian Business Men Association and the Egyptian Exporters’ Association (EEA). The Egyptian Commercial Service under the Ministry of Trade and Investment contributes to the economic reform and development process for trade. Egyptian Export Promotion Center (EEPC) is the executive authority established by the Ministry of Trade and Industry to support both the development and promotion of Egyptian exports and consists of 14 Export Councils covering various sectors. The Trade Data Warehouse (housed by the General Organization for Export and Import Control) disseminates trade information to policy makers and the business community every month. Export Development Fund provides export subsidies that are payments given by the government to farmers so that they sell their product abroad. Commodity Export Councils are regulatory framework that brings together exporters and producers in order to link production. The Egyptian Business Women Association (EBWA) is an NGO that organizes events, training seminars and programmes for women entrepreneurs to enhance knowledge and skills. The Egyptian Agribusiness Association is another non-profit making NGO, which serves the Agribusiness community.

In **Kenya** the Government Institutions responsible for trade are Ministries of Trade, Finance, Planning and Vision 2030, Gender, Tourism and the Trade and the Export Promotion Council (EPC). The Ministry of Trade has been handling the EPAs between Kenya under EAC and EU, which started in 2000 ending November 2010. In the meantime the trade arrangements are being handled under an interim agreement, EPA framework. The government has taken a multi-sectoral approach, led by the Ministry of trade and the other key players during the negotiations for EPAs including the Ministry of Agriculture; Ministry of Livestock and Fisheries; Ministry of Finance; Ministry of Planning and National Development and Vision 2030; Kenya National Bureau of Standards (KNBS); Kenya Bureau of Standards (KNBS); Kenya Plant and Health Inspection Services (KEPHIS); Kenya Revenue Authority (KRA); Kenya Association of Manufacturers (KAM); Kenya Private Sector Alliance (KEPSA); Fresh Produce Exporters Association of Kenya (FPEAK); Flower Council of Kenya (FCK); other interest groups; and Civil Society Organisations (CSOs).

In **Uganda** the Ministry of Tourism, Trade and Industry (MTTI) has the primary responsibility for trade policy making and implementation. In light of the National Trade Policy (2007) the core function of MTTI revolves around coordination, policy formulation and guidance, resource mobilization, and monitoring and evaluation. They are also responsible for the implementation of the approved trade policy measures. Within the MTTI, the Department of trade is the one which is charged with dealing with all trade issues. However, there are also several other ministries and government departments that deal with certain aspects of trade policy making and implementation. These are Ministry of Foreign Affairs (MFA) which through its missions abroad especially in Geneva and Brussels participates in the ACP/EU trade negotiations; and also in the various trade initiatives between Uganda and individual EU countries, especially the BITs. The MFA used to be responsible for coordinating regional trade negotiations for example under EAC and COMESA, but now all issues related to the EAC are coordinated by the new Ministry of East African Community Affairs (MEACA).

The Ministry of Finance, Planning and Economic Development (MFPED) is the official authorizing arm of government for funds under the ACP/EU Lome Conventions and its successor arrangements under the Cotonou Agreement. The Ministry also coordinates trade and investment aspects under the
Cotonou Agreement. The Ministry of Justice and Constitutional Affairs (MOJCA) is responsible for the trade policy processes legislation in Uganda, arising out of international trade agreements. MTTI has the primary responsibility for trade policy making and implementation and has put in place frameworks for stakeholders’ consultation and engagement in trade policy processes. The Inter-Institutional Trade Committee (IITC) has been set up by the MTTI with assistance from donors and institutions i.e. the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD).

The IITC consists of representatives of stakeholders from relevant government ministries, the private sector and civil society and is the centre of consultative arrangements on all trade policy issues in Uganda. Organizations like SEATINI, ACTADE, Action Aid, and Oxfam GB have been actively involved in the IITC. SEATINI has used the Civil Society Working Group on Trade (CSWGT) to mobilize the views of CSOs for input into the IITC processes. The EPA negotiations are coordinated by the MTTI under the IITC’s sub-committee on the Cotonou Agreement. Under this sub-committee the Uganda National Development and Trade Policy Forum (NDTPF) was established to coordinate the EPA negotiations. The NDTPF brings together the relevant government negotiators, the private sector and the CSOs to discuss and coordinate positions in the EPA negotiations. Since the EPAs are still being negotiated, the issue of implementation is also one of the issues for negotiations. The negotiations of the various Bilateral Investment Treaties (BITs) which Uganda has entered into with other countries including individual countries of the EU like Denmark, Switzerland, and the UK have not been fully transparent as few people are aware of their existence. There are no structures to negotiate these agreements; and regarding implementation and there are no provisions in the Agreements or any structures for stakeholders’ participation at the national level.

In Rwanda, the Ministry of Trade and industry (MINICOM) is the overall national body responsible for trade policy formulation and monitoring, including the negotiation of international trade agreements. Other key actors are the Ministries of Foreign Affairs (MINAFFET), East African Community Affairs (MINEAC), and Finance and Economic Planning (MINECOFIN). Some officials have been co-opted from the Rwanda revenue authority (RRA) and the Directorate General of Immigration and Emigration. However, only MINICOM and MINEAC are actively involved in the TA processes. The Rwanda Private Sector Federation (RPSF) has played an active role in trade. Rwanda established a National Development and Trade Policy Forum (NDTPF) which is the key platform for stakeholder participation in the trade negotiations processes. The NDTPF is made up of representatives from the public sector, the private sector and academia as well as the civil society. The Civil Society (CS) Platform is also a member of the National Economic and Social Council, coordinated by the Prime Minister’s Office. It has responsibility for monitoring of trade and other policy processes in the pursuit of social and economic targets. Under the EPA negotiations, MINICOM and MINEAC have initiated consultations with CSOs, and some local NGOs benefited from regional training initiatives on trade negotiations. Civil society participation however remains limited.

At the national level, in Zambia the main implementation organs include the Ministry of Trade, Commerce and Industry (MCTI), in collaboration with the Ministry of Finance. The MCTI uses working groups for consultations including civil society at various development stages and processes of trade agreements. The Ministry of Finance signs the programme documents like the Financing agreements on behalf of government. In the current arrangement the Zambian Parliament does not debate or discuss the trade agreements between government and the EU but is represented at the Joint Parliamentary Assembly by a Zambian Member of Parliament. Government involvement of civil society organisations
CSOs in activities relating to trade arrangements between the Government of the Republic of Zambia (GRZ) and the European Union (EU) was reported to be quite good.

There is a close working relationship between government and the Centre for Trade Policy and Development (CTPD). This is a membership based organisation to which several other CSOs are affiliated. The overall objective of the CTPD is “to promote equitable, pro-poor trade policies and practices.” According to CTPD sources, the CSOs affiliated to them are consulted regularly on trade issues including the trade arrangements between Zambia and the EU. The CSOs sit on government working groups which deal with issues relating to trade with other countries. They are also represented during trade negotiations. The main functions of the CSOs during the negotiations is to monitor what government is committing to and what the state actors or negotiators are doing and agreeing upon to be undertaken at the country level. The CSOs, therefore, play an observer and monitoring role for the state.

**Key actors in the trade negotiations**

**Table 7.1 Summary of the Key actors in the trade negotiations in the five country study**

<table>
<thead>
<tr>
<th>Country</th>
<th>Key Ministry</th>
<th>Other Major Bodies</th>
<th>Civil Society Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>Ministry of Trade</td>
<td>Ministry of Agriculture; Ministry of Livestock and Fisheries; Ministry of Finance; Ministry of Planning and National Development and Vision 2030; Kenya National Bureau of Standards (KNBS); Kenya Bureau of Standards (KNBS);</td>
<td>Kenya Association of Manufacturers (KAM); Kenya Private Sector Alliance (KEPSA); Fresh Produce Exporters Association of Kenya (FPEAK); Flower Council of Kenya (FCK); other interest groups; and Civil Society Organisations (CSOs).</td>
</tr>
<tr>
<td>Egypt</td>
<td>Ministry of Foreign Trade and industry</td>
<td>The Egyptian Commercial Service, Egyptian Export Promotion Center (EEPC)</td>
<td>General Federation of Chambers of Commerce (GFCC), the Federation of Egyptian Industries (FEI), and the Egyptian Business men Association, and Egyptian Business Women Association Egyptian Agribusiness Association</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Ministry of Trade and industry (MINICOM)</td>
<td>Ministries of Foreign Affairs (MINAFFET), East African Community Affairs (MINEAC), and Finance and Economic Planning (MINECOFIN)</td>
<td>Rwanda Private Sector Federation (RPSF) and National Development and Trade Policy Forum (NDTPF)</td>
</tr>
<tr>
<td>Uganda</td>
<td>Ministry of Tourism, Trade and industry (MTTI)</td>
<td>Ministry of Foreign Affairs (MFA), Ministry of East African Community Affairs, Ministry of Finance, Planning and Economic Development, Ministry of Justice and Constitutional Affairs</td>
<td>ITTC-includes stakeholders from private sector and civil society including SEATINI, ACTADE, Action Aid, Oxfam GB</td>
</tr>
<tr>
<td>Zambia</td>
<td>Ministry of Trade, Commerce and industry (MCTI),</td>
<td>Ministry of Finance</td>
<td>Centre for Trade Policy and Development (CTPD)</td>
</tr>
</tbody>
</table>

The trade negotiation processes are between governments for all countries included in the research and the Ministry of Trade and Commerce is the key ministry mandated for the negotiation process. CSOs participation is at different levels in the various countries.
In Kenya, the civil society is a key player during the planning and consultation processes for the negotiations for EPAs together with the Government Ministries presented in table above. They include the Kenya Association of manufacturers, Flower Council of Kenya, Kenya Private Sector Alliance KEPSA and others. Their role is to monitor and contribute to the negotiation process. However, participation at the EU negotiations is only between Government representatives.

In Egypt, the civil society has a strong role in the export promotion and facilitation for development and promotion of Egyptian exports. There is also an Export Development Fund that provides export subsidies by the government to farmers so that they sell their product abroad. However, participation by women as entrepreneurs and in key positions was limited according to the research.

In Rwanda, the private sector federation too has played an active role in to strengthen member’s active involvement in regional and international trade. The National Development and Trade Policy Forum (NDTPF) is the key platform for stakeholder participation in the trade negotiations processes and has representatives from the public sector, the private sector and academia as well as the civil society.

In Uganda, the Inter-Institutional Trade Committee (IITC), set up by the MTTI has representatives of stakeholders from relevant government ministries, the private sector and civil society. It is the centre of consultative arrangements on all trade policy issues in Uganda. Organizations like SEATINI, ACTADE, Action Aid, and Oxfam GB have been actively engaged with the Civil Society Working Group on Trade (CSWGT) on trade issues for input into the IITC processes.

In Zambia, there is a close working relationship between government and the Centre for Trade Policy and Development (CTPD). This is a membership based organisation to which several other CSOs are affiliated. The overall objective of the CTPD is “to promote equitable, pro-poor trade policies and practices. The CSOs participate in the government working groups which deal with issues relating to trade with other countries and are also represented during trade negotiations. During the negotiations the CSOs monitor and observer what the state actors or negotiators are committing to at the country level.

**Common challenges and gaps addressed in the five countries research were as follows:**

- As a result of trading as regional blocs, country specific issues may lose visibility or suffer from regional level negotiations. Negotiating at the regional level is already challenging for example in Rwanda, given that the country has just joined the EAC Customs Union. While the regional TAs are associated with collective bargaining and economies of scale, country specific concerns may not be clearly voiced. Each of the 5 EAC countries has different labour conditions and free movement of labour within the EAC is still limited. In these circumstances, adoption of the core International Labor Organization (ILO) standards, including workplace discrimination, maternity, compensation and other aspects, has to be considered. It is not referred to or even mentioned.

- For all countries it was a common concern that many stakeholders across the public and private sectors were unaware of or do not have access to sufficient information on TAs processes. This implies that there is limited dialogue around TA negotiation and implementation processes. There appears to be a general perception among some government and most civil society stakeholders that public policy formulation, including international relations like trade agreements, are a matter for the Government, hence limited involvement of the civic population.
There must be deliberate partnership (Public-private sector partnerships) between government, Civil Society Organizations and gender based organizations on building capacities of communities of international trade on issues of trade negotiations and agreements to ensure gender responsiveness, equity and enshrining of economic and human rights in such frameworks. This must be complemented by availability of relevant data and information on trade negotiations, arrangements and business opportunities readily accessible by the public for effective application.

Inadequate communication. [The Trade Secretariats do not have a clear communication mechanism or help desk specifically to provide information on international trade arrangements. There has not been any effort to simplify the complex legal text for various stakeholders.

Lack of sex-disaggregated data on trade issues, trade agreements is lacking. Analyzing the gender dimensions of trade arrangements in all countries was cited as a challenge.

Specific areas that the ongoing activities initiatives need support from FEMMNET and other possible future interventions that will ensure that trade agreements are gender responsive and fulfil the aim of empowering women, as expressed by the country stakeholders were as follows.

Working with Rwanda private sector federation in Rwanda. RPSF is a key institution that should be targeted for integrating gender equality because of its strategic positioning as an advocacy and facilitation body for private sector in Rwanda, its resource-base, being supported by World Bank, EU and bilateral, and its regional networks at the level of EAC Business Summit. It is the most effective and well-resourced mechanism to voice concerns relating to women entrepreneurs and gender equality.

In Zambia, FEMNET can work in collaboration with local NGOs involved in advocacy activities on trade arrangements between Zambia and other countries, and in gender and trade justice. Carry out capacity building interventions by assisting the Zambia Federation of Women in Business (ZFAWIB), for championing the cause for gender and trade justice and the economic empowerment of women through gender responsive trade arrangements. Trade justice is absent from the strategic objectives and plans of work of most women’s organizations, including the Non Governmental Coordinating Council (NGOCC). The Zambia Association of Research and Development (ZARD), Women for Change (WfC) and Women and law in Southern Africa (WLSA) have expressed interest in working with FEMNET.

Many of the organizations need to be equipped with advocacy skills to suit trade justice and the women’s economic empowerment agenda. Other felt needs were quick gendered impact assessments and research skills. In terms of knowledge, some women’s organizations lacked understanding of trade arrangements between Zambia and the European Union. There was insufficient knowledge regarding the trade agreements between Zambia and the EU, the responsible organs, the benefits involved, procedures and processes. The capacity building activities will need to target the specific skills needs and improvement levels of knowledge on trade and gender issues.

In Egypt, the common feedback received from different NGOs and associations is the lack of systematic integration of gender analysis in trade negotiation and implementation processes.
Consultation with either woman’s CSOs in particular or with different NGOs or associations is minimal and is mainly a condition by the donor partners involved in these processes. The many bodies and associations is a challenge for the Egyptian government to organize effective consultations and involvement of non-state actors in review mechanisms, dispute settlements and technical assistance. The non-state actors also lack the capacity to be able to engage effectively in the various mechanisms. A good entry point for FEMNET is to work on enhancing women’s skills through the Women’s Business Association such as the EBWA or Associations targeting women in particular Egyptian Agribusiness Association.

- In Uganda it was summarised that women’s organizations would first resolve their internal/institutional challenges including financial and human resource challenges and knowledge gaps. They would enhance gender analysis and mainstreaming skills in order to strategically challenge the power imbalances that are currently influencing the focus of trade arrangements between Africa and the EU by providing a gender perspective on the TAs; collaborate with the Ministry of Gender to find ways to engage a stakeholders meeting of women and human rights organizations working on women’s economic rights, gender and trade issues, with the aim of setting up a working group to facilitate their engagement in the trade policy processes; work closely with the media to bring the women, gender and trade issues in the public domain and engage at all levels i.e. local, national and global. Women organizations working on various issues related to trade agreements at the local and national levels include AWEPON, the Alliance for Integrated Development and Empowerment (AIDE), Participatory Ecological land Use Management (PElUM), Volunteer Efforts for Development Concerns (VEDCO). These efforts need to be coordinated and channeled into influencing policies for women empowerment. It is with these women’s organizations that FEMNET would collaborate to enhance their capacities.

- In Kenya, it was felt that a deliberate effort be made for Public-private sector partnerships between government, Civil Society Organizations and gender based organizations like FEMNET on building capacities of communities of international trade on issues of trade negotiations and agreements to ensure gender responsiveness, equity and enshrining of economic and human rights in such frameworks. This must be complemented by availability of relevant data and information on trade negotiations, arrangements and business opportunities readily accessible by the public for effective application. FEMNET would also participate in the formulation of policies whose framework flags out structures that reduce vulnerabilities of women traders in order to enhance their socio-economic rights within the operations of the EAC trade agreements and arrangements towards standardizing functions as is reflected by Common Agricultural Policy.

In conclusion given its mandate of advancing African women’s development, equality and other human rights; FEMNET can and should address these challenges identified by the different country actors and by working closely with lead organizations in the region to build the required competencies and in turn promote African women’s economic empowerment through gender responsive trade agreements.
References


Other websites:

Egypt International Trade Information about International Trade in Egypt Accessible online: http://www.nationsencyclopedia.com/economies/Africa/Egypt-INTERNATIONAL-TRADE.html


With Support:

[TRUST AFRICA logo]

KUSCCO Center, Kilimanjaro Road, off Mara Road
PO Box 54562 -00200, Nairobi
Tel: +254 20 271 2971/2    Fax: +254 20 271 2974
Email: admin@femnet.or.ke
Website: www.femnet.or.ke