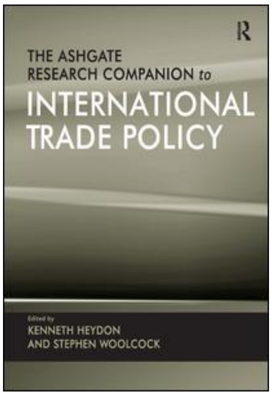

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Trade Policy-Making in East Africa

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Introduction

This chapter explores the trade policy-making process in four East African countries: Kenya, Uganda, Tanzania and Rwanda. The focus is mainly on the institutional framework, agenda setting and consultative processes. The choice of the four out of five countries making up the East African Community (EAC) is informed by the accessibility of basic information regarding the trade policy process. Information for Burundi, the other East African country left out, was found to be too scanty to furnish useful insights. In each of the four countries, information on the trade policy process was gleaned from country reports based on interviews with key actors in each of the countries. This was complemented by earlier works related to the trade policy-making process in some of the countries in the sample.

Trade policy-making in East Africa is a relatively recent phenomenon. Indeed the birth of the World Trade Organization (WTO) in 1995 gave new impetus to trade policy-making. Tanzania led the way in introducing a new trade policy framework, before Uganda, Rwanda and Kenya unveiled their blueprints. The trade policy reviews of the WTO have also helped to motivate and energize the countries to move towards a more open trade policy regime in line with their multilateral commitments. The economic and development gains promised by the Doha Development Agenda increased the momentum of the East African countries to position themselves to gain from globalization. In recent years East African countries have benefitted from two related issues: the protracted negotiations of the Economic Partnership Agreements (EPA) and the Doha Round. The level of consciousness has been increased by both events and all stakeholders are better informed regarding the benefits of an international developmental trade regime and the dangers of failure to actively participate and make contributions. The role and influence of international actors has also helped push for a favourable conclusion or movement to an early return to the negotiating table. The EPA negotiations have been the most illuminating towards this end. The African stakeholders believe that the negotiations have stalled and that the European Union needs to close the gap by moving closer to the position of the East African Community (EAC). On the other hand the official European Union position has been that many of the important issues have been agreed upon and that it remains only a matter of time before closure. The major drivers exerting pressure on government have been a vibrant civil society, the East African Legislative Assembly and a media which has been highlighting opinions on both sides of the divide.

In this chapter we show that there is a more robust trade policy-making process in motion and, most importantly, being institutionalized in the EAC. This does not, however, necessarily mean effectiveness in terms of strategy and execution. It will take more time and capacity development to increase the effectiveness of the trade policy process and more so the implementation. There is more documentation of trade policy than in the past and wider consultation, although this does not necessarily mean effective participation of all stakeholders. Government and the private sector still have an uneasy relationship as regards trade policy formulation, implementation and negotiations. Civil society has increased its role in providing an alternative voice, especially in regard to multilateral trade negotiations.

Trade Performance: Stylized Facts

In the sample countries, the trade policy framework has been shaped by the evolution of the historical, political and economic processes. The 1970s were characterized by closed, import substitution policies with a dominant public sector. This evolved into more export-orientation in the 1980s, with liberal trade policies generally becoming dominant in the 1990s (Bonger 2004; Ikiara et al. 2004; Kweka 2004; Takahashi et al. 2007). Subsequent privatization and deregulation translated into greater visibility for the private sector and a shrinking of the public sector.

The countries in the sample have all undertaken a series of trade reforms, principally as part of the structural adjustment programmes of the 1990s and more recently due to the deeper integration initiatives within the EAC common market. This was expected to have translated into dramatically reduced customs duty rates. However, judging from the MFN restrictiveness index (World Bank, www.worldbank.org/wti) two of the EAC countries still exhibit relatively restrictive trade regimes with Rwanda at 16.2 and Uganda at 14.6 respectively (see Table 26.1). This is well above the EAC average of 11.8. Kenya and Tanzania, on the other hand, appear to have less restrictive trade regimes in relative terms with indices at 8.2 and 7.7 respectively. It is expected though that with the adoption of the EAC common external tariff (CET), a significant reduction in the duty rates will be realized.

The trade in services sector across the EAC countries is still highly restricted, especially in modes 1, 3 and 4 (Dihel et al. 2010). Negotiations towards reforms and harmonization of the regulatory framework within the common market have yet to be effected. This is reflected by the high GATS restrictiveness index figures.

In the mirror perspective, three of the sample EAC countries: Rwanda, Uganda and Tanzania, face a relatively unfavourable trading environment in their global markets. The market access indicator, Market Access-Trade Tariff Restrictiveness Index (MA-TTRI)[1] shows Rwanda's exports facing a more restrictive trading environment than the rest of the EAC countries. During the period 2006–2009, Rwanda's market access impediment was 8.3 per cent, a much higher rate than the EAC average of 5.6 per cent. In the group, Kenya's exports face a relatively favourable trading environment with a market access impediment of 3.9 per cent.

The EAC countries signed an interim Economic Partnership Agreement (EPA) with the EU in 2007 and negotiations are still to be concluded on the comprehensive EPA. Except for Tanzania, a member of the Southern African Development Community (SADC), the other three EAC countries are members of the Common Market of Eastern and Southern Africa (COMESA). In addition, Kenya and Uganda belong to the Intergovernmental Authority on Development (IGAD). Overlapping membership in regional economic groupings still presents policy heterogeneity issues which escalate the barriers to intra-member cross-border trade. Harmonizing membership and thus the regulatory framework appears to be a more desirable way forward. As an effort in this direction, the four EAC countries are part of the ongoing COMESA-EAC-SADC tripartite initiatives towards a wider Free Trade Area (FTA). At the multilateral level, all four EAC countries are members of the WTO.

The four countries, as members of the EAC, signed a Trade and Investment Framework Agreement with the United States in July 2008 aimed at fostering trade and investment relations with the United States. The countries remain eligible for duty and quota free access to the US market under the African Growth and Opportunity Act (AGOA) for certain goods.

The export composition of the four countries is quite narrow with some two or three commodities contributing at least 60 per cent of total exports. The export basket across the four countries is dominated by agricultural products, accounting for at least 40 per cent of the total exports. Rwanda has the highest export concentration with exports dominated by metal ore, tea and coffee, constituting about 89 per cent of total exports. There has, however, been a general improvement towards diversification of exports into non-traditional products across the four countries. Kenya and Uganda have diversified into high value export commodities with Kenya having been successful in aligning its horticultural potential with strict European standards. Similarly, Uganda has made significant efforts in diversifying into fish and fish products. The export markets are relatively diversified. Kenya, Uganda and Rwanda are big players in the intra COMESA and EAC trade with significant trade (exports and imports) taking place in comparison with other export markets.

In terms of intra-member trade performance, it is evident from Figure 26.1 that Kenya has been the dominant player. Goods from Kenya have flowed to the other partner states even before the customs union entered into force. What is

1 Source: www.worldbank.org/wti. MA-TTRI calculates the equivalent uniform tariff of trading partners that would keep their level of imports constant and it is weighted by import values and import demand elasticities of trading partners.

Table 26.1 Trade performance of the case study countries

	2006–2009	2006–2009	2006–2009	2006–2009	2006–2009
	Rwanda	**Uganda**	**Kenya**	**Tanzania**	**EAC average**
TTRI (MFN applied tariff) – All Goods	16.18	14.63	8.21	7.76	11.84
MA-TTRI (applied tariff incl. prefs.) – All Goods	8.31	6.28	3.89	5.24	5.58
Ease of Doing Business – Rank	67	112	95	131	116.2
Real growth in total trade (g+s,%)	-1.1	2.9	2.1	-2.6	1.3
GATS commitments restrictiveness index – all service sectors	5.61	3.16	3.21	0.98	3.17
Agricultural exports share of goods exports (%)	59.31	58.35	48.42	41.83	49.63
Trade integration (% of GDP)	33.12	60.29	60.37	57.6	54.5
Real GDP growth (%)	5.1	5	2.6	4.8	4.02
Export product concentration index	44.19	35.27	28.77	21.45	38.07
Export market destination concentration index	9.16	12.82	16.06	18.47	15.9
FDI inflows (% of GDP)	1.97	3.85	5.42	0.28	2.37
Share of trade with FTA/CU partners – exports (%)	16.97	14.95	32.22	1.13	15.6

Source: World Bank, World Trade Indicators database.

interesting, however, is the emergence and significant increase of exports to Kenya from Uganda and Tanzania. This coincides with the EAC Customs Union protocol coming into force and the increased intra-member trade may thus be attributed to the reforms arising from the EAC customs union.

An examination of the trend in merchandise trade over the last 20 years shows significant growth in the last decade (see Figure 26.2). This is attributed mainly to various reforms undertaken by the countries concerned towards easing the tariff rates or total elimination of tariffs such as within the EAC Customs Union and now the Common Market. The spike of merchandise trade during the mid-1990s, however, can be explained by the coffee boom, coinciding with a severe frost in Brazil. Coffee is a significant export product in all four countries.

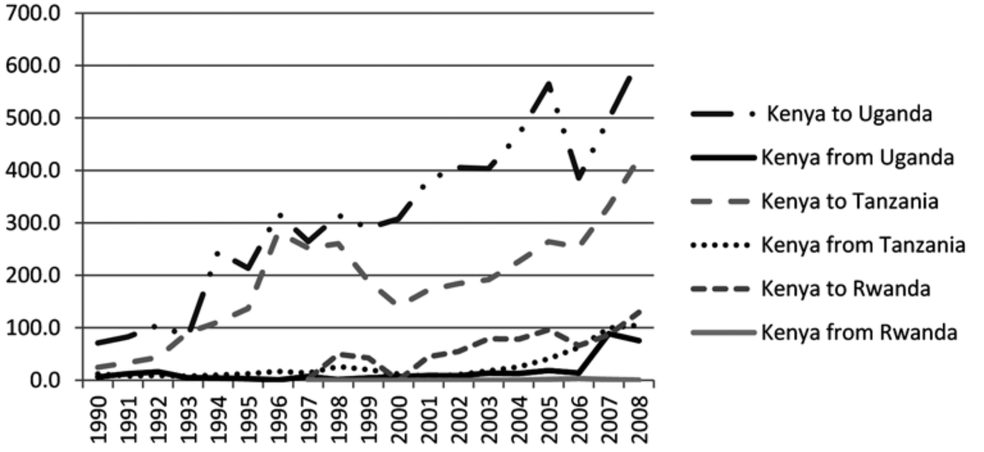

Figure 26.1 EAC intra-partner trade trends (USD millions)
Source: EAC Secretariat.

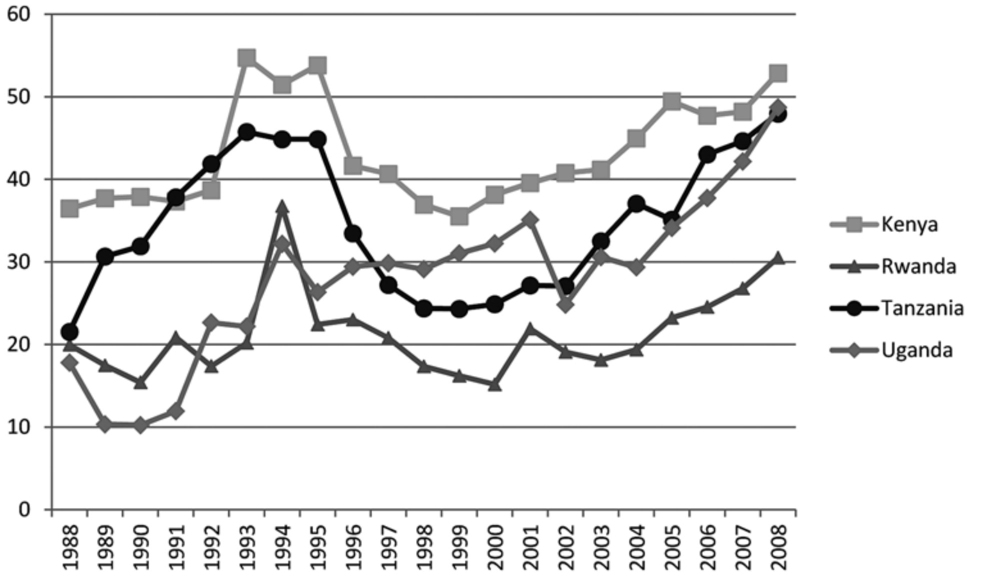

Figure 26.2 Merchandise trade as a percentage of GDP
Source: World Bank.

The Trade Policy-Making Process

The Institutional Framework

Effective trade policy direction, formulation and implementation are highly dependent on the quality of the institutional framework, given the direct effect on policy coherence and indirect effect on policy outcomes. The trade policy process and institutional structure within the four EAC countries is shaped importantly by their membership of regional and multilateral trade organizations. Membership obligations motivate the countries to undertake domestic economic and sectoral reforms.

The requirements inscribed in the WTO agreements have influenced the direction of the trade policies in these countries as well as the trade policy reviews (TPR) conducted by the governments and the WTO Secretariat. For example, the Ugandan government undertook commercial law reform to bring its trade-related laws, regulations and procedures into conformity with the WTO requirements. This has also shaped the commercial reforms in Tanzania with the establishment of Tanzania Trade to provide strategic direction to the country's export markets. The trade regime in Kenya has equally undergone reform leading to the publication of a strategic plan and a new trade policy in 2009.

At the regional level, an EAC negotiating mandate provides the institutional framework for the trade negotiations involving EAC partner states. This framework was decided by the summit on the ongoing COMESA-EAC-SADC tripartite negotiations. Among the key requirements is that the EAC will negotiate as a bloc. It should be noted that the EAC partner states have experience negotiating as a bloc in the WTO's Joint Trade Policy Review (2006), the Framework for EPAs (2007), the Trade and Investment Framework Agreement (2008) and full EPA negotiations (East African Community Secretariat 2010). The negotiating mandate delineates, between the EAC Secretariat and the partner states, the roles and negotiating structures both with the other parties and/or any third party. It is observed, however, that the EAC partner states have a tighter control on what gets negotiated and thus handle the negotiations directly. The role of the Secretariat is limited to acting as a backstop – facilitating and managing the negotiations for the partner states.

By virtue of the treaty establishing the EAC, the number of stages in the trade policy process in the four countries has increased relative to the previous national policy process. In the same context, the recent addition of a ministry in charge of EAC affairs, which is central to EAC trade policy, adds another institutional structure in policy formulation. Under the current EAC rules of procedure, the formation of national positions in the current EAC regional mandate is facilitated by the Secretariat through a notice to partner states for a meeting with requisite documentation on national positions. This triggers the process of forming national positions through the constitution of an inter-ministerial committee consisting of experts from the key ministries, parastatals and private sector representatives

(Omiti et al. 2007). In the next link in the chain, the coordination committee, consisting of permanent secretaries from key ministries in each member state, considers reports from the sectoral committees and submits a proposal to the Council, consisting of ministers from EAC affairs, trade and finance and including heads of the central banks, revenue authorities and the attorneys-general. Once consensus is reached, the Council tables Bills before the East African Legislative Assembly (EALA) for discussion. The discussed Bills are finally forwarded to the Heads of State summit for assent. Admittedly, there are still weak links in this apparently strong institutional framework. However, as trade becomes the engine of growth in EAC countries, capacities will develop and lessen the weaknesses.

EAC members have equal rights but at times particular members are more influential depending on personalities and issues on the table. For example, during the tenure of Dr Mukhisa Kituyi as minister for trade, Kenya was very influential in the EAC, COMESA and even the Africa Group. Uganda currently seems keener to fast-track the political federation of the EAC. On this issue, Uganda is providing the leadership. Burundi is a more ambivalent member, Rwanda is increasingly assertive and at times has shown leadership (it waived visa requirements long before the common market). Tanzania is a cautious member depending on issues on the table and moves at a slow pace in terms of common market matters, especially on land and free movement of people. Kenya's stance on issues tends to influence the tone if not the speed of the negotiations.

At the national level, across the sample countries there is a similar institutional structure that defines the trade policy-making process. The role for the public institutions is structured on three key trade policy areas: policy direction, formulation and implementation. This national phase of the policy process includes the president's office in all four countries, together with key officials from the ministry of finance and planning. Across the four countries, trade policy direction is driven by the president's office. This is to be expected given the political ownership implications of the policy process, as the political performance of the ruling party is to some extent gauged by the policy frameworks initiated and pursued.

Notable within policy direction and guidance at the national level is the existence of an economic forum that incorporates key officials from the public and private sector. Policy formulation is driven by inputs from key ministries that include trade and industry, foreign affairs, agriculture, finance and EAC affairs. At the policy implementation level, key bodies dealing with revenue, standards and line ministries play a significant role. From the table in Appendix 26.1, it is evident that some of the ministries execute the three aspects of the policy process generating potential conflict of interest and biases in the policy process especially if influential lobbyists exist in the country.

The ministry of trade and industry and its departmental variations within the EAC countries has a major coordination role and takes the lead in both the policy formulation and implementation levels. In this respect, specific departments exist within the ministry that cater for bilateral, regional and multilateral trade policy issues. The exception being that all EAC related issues are specifically coordinated by the ministry of EAC affairs in each of the countries under study. In addition to the ministry of trade and industry, one of the most important actors in the trade policy process is the ministry responsible for agriculture. This is attributed to the central role of agriculture in the export sector of these countries. Other ministries critical in the policy formulation level include ministries of finance and planning and foreign affairs. This representation is similar across the four countries.

Visible at the policy implementation level across the four countries are the key parastatals and departments dealing with revenue collection, standards and immigration issues.

Within the EAC, the private sector's role is becoming more apparent. For example, the East Africa Business Council (EABC), an umbrella organization for the business community in the EAC, has observer status during the EAC Secretariat activities. In reality however, the EABC does not have the gravitas and capacity as an effective interlocutor for regional business. This perception has limited its membership and participation in trade policy-making. The private sector comprises both multi-sector and sector umbrella organizations. However, the views represented are biased towards the interests of the manufacturers who appear to have more lobbying power. Common across the four countries are private sector institutional establishments with a coordinating role. These comprise the chambers of commerce and the private sector foundations. Effective influence of the private sector in trade policy-making, however, is mainly limited to the individual private sector vested interests close to the president.

The civil society organizations' (CSOs) role in trade policy has been mainly from an advocacy perspective concentrating on the ramifications of trade policy initiatives. In each of the countries, there is an established policy research institution that plays a crucial role in this aspect. In Kenya, the Kenya Institute for Public Policy Research and Analysis (KIPPRA) and Institute of Economic Affairs (IEA) play this role corresponding to that of Institute of Policy Analysis and Research (IPAR) in Rwanda, Economic Social Research Foundation (ESRF) in Tanzania and Economic Policy Research Centre (EPRC) in Uganda. The African Economic Research Consortium (AERC), an economics training and research coordinating centre based in Nairobi, complements the national research institutions on trade policy research and training. In addition, this is also complemented by specific and tailored trade policy capacity building activities executed by the Trade Policy Training Centre in Africa (trapca) for which the study countries are target stakeholders. Civil society has become more assertive, although capacity constraints make it intellectually less effective in trade policy matters. To bridge this gap, there is a reliance on research based civil society from the developed countries. The flow chart in Figure 26.3 presents a summary of the trade policy decision-making process.

Agenda Setting

The agenda-setting process is in a state of dynamism with many layers involved, as shown in Figure 26.4. But the multilateral trading system shapes and tends to influence the process, followed by regional economic communities. All the EAC

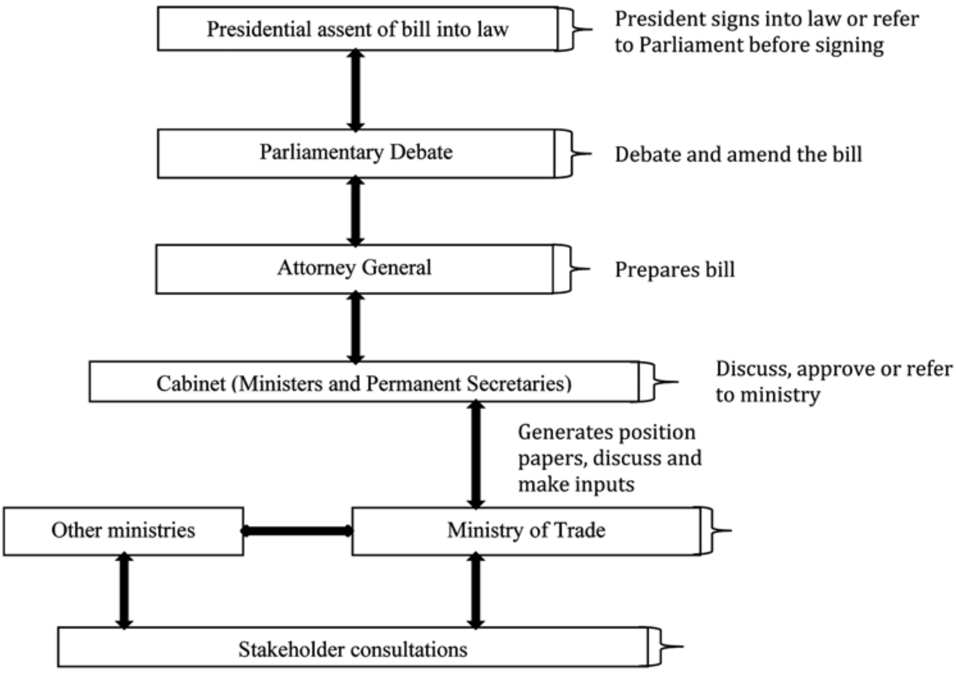

Figure 26.3 Trade policy decision-making flow chart
Source: Authors' construction.

countries are World Trade Organization members and therefore bound by the WTO Law. In addition, the trade policy reviews of the WTO have encouraged the countries to reform and realign their domestic policies and laws. As a result of the reviews, the countries now have consolidated trade policy documents.

The pressure of both the global and regional trade discourse is directed at government as the first interlocutor. On the other hand, government reaches out to various stakeholders to sense issues that could inform the national trade policy-making process. This interaction places government at pole position in trade policy-making. The public sector is therefore the driver of the agenda-setting process, though consultations at various layers of the process have a strong influence on the outcome.

Civil society in all four countries has played a significant role in the recent past, advocating more inclusive and pro-poor trade policies. As noted, however, many of these organizations have serious capacity constraints to fully articulate informed positions in trade policy during negotiations.

The private sector tends to have weak national associations whose capacity to set the agenda for trade policy-making appears compromised by two factors. First, big businesses tend to shun national private sector associations and instead opt to belong to sectoral associations, or to use their capacity to engage at the highest levels of government, as mentioned above. The second factor, which is linked to the first, is the perceived lack of capacity at the institutional level of the private sector associations to effectively prosecute issues that affect private business. The political class has been very reactive in the trade policy formulation discourse. In many cases they marginally participate at the tail end, opting to wait for debates in the chamber or the appropriate portfolio committee, and therefore shape the final outcomes of legislation.

In general, public policy agenda setting is strongly influenced by the media in Kenya, Uganda and Tanzania. The media are still not very influential in Rwanda. Rwanda's agenda setting and consultation process is lean as the private and civil society organizations are few compared to the other countries.

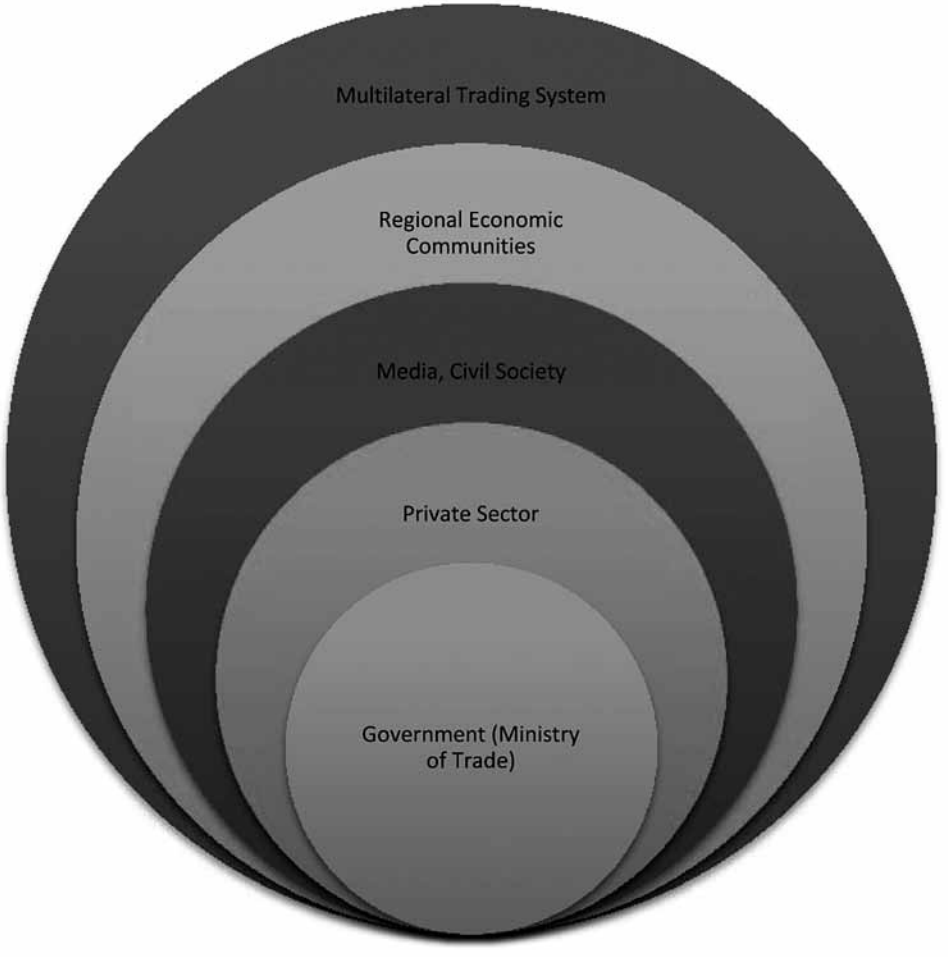

Figure 26.4 Layers of agenda-setting environment
Source: Authors.

Groups Involved in the Consultation Process

Although the groups in the consultation process appear to be well structured, in some cases they are only consulted as a formality or in some cases are expected to rubberstamp the government position. This tends to reduce the efficacy of their contributions. In each of the four countries, issue-based consultation, for example during the negotiation of EPAs, tends to dominate the policy discourse and the intensity of consultation generally loses steam as negotiations drag on. In this case inclusiveness is not directly correlated with effectiveness. A recent study by the Consumer Unity and Trust Society (CUTS) (2009b) used qualitative data to calculate the Inclusive Trade Policy Making Index (ITPM) of several African countries. The results showed above average participation and inclusiveness in Kenya, Tanzania and Uganda, and all four countries have become active in trade policy-making in the last five years. This may be attributed to the new consciousness brought about by participation in various trade policy negotiations.

The Consultation Procedures and Mechanisms

A common thread runs through the consultative process across the countries in the sample as inferred from the interviews and government documents. Consultations on trade policy issues are executed through committees involving government actors and private sector and civil society organizations. Governments have inter-ministerial committees established to advise them on all matters pertaining to trade and the WTO. The ministries act as focal points for sub-committees handling relevant trade-related issues. The ministry of trade and industry coordinates the committees and plays a critical role in identifying those to be invited. The inter-ministerial committee then meets, discusses and forms a position on each of the areas to be negotiated. Once a position document is agreed, that includes a fallback position by the technical officials, it is taken through the approval process by permanent secretaries, ministers and the president before it becomes a national position. There is, however, a pessimistic view from non-state actors about the level of representation in the official delegation to ministerial conferences and negotiating teams. Non-state actors talked to by the authors argue that their main input is more of a draft policy validation exercise since their input is sought after the draft document is ready. There is a feeling of inclusion without effective involvement.

The effectiveness of the committees is, however, very much dependent on the availability of resources for organizing the meetings and the coordinating efficiency of the ministry of trade. Across the sample countries, despite the potentially critical role played by the committees, they do not have a legal mandate and thus no budget line. Moreover, the government does not have any binding obligation to adopt their recommendations. This has an immediate implication for the frequency of the meetings, the nature of representation and the productivity of the discussions. Evidence gleaned from the country documents and interviews indicates that meetings are irregular, with uneven attendance and limited enthusiasm in the discussions.

It is observed that the effectiveness of the private sector in influencing trade policy is dependent on the negotiation and lobbying strength at the highest level. This is evidenced by the presence of a presidential forum comprising key stakeholders from the private sector. In all the countries there are high-level meetings between the president and private sector. In the case of Kenya, this comes in the form of the Prime Minister's Round Table that senior government officials attend and the captains of industry. One of the key weaknesses of the umbrella representation is the variety of the interests of the member organizations and the lack of a common position. In this respect, middle to large private sector firms have had the opportunity to exert significant influence relative to the polarized and financially constrained small and medium scale players (Onyango 2008). This is exacerbated by the observed weak understanding of the rather complex trade issues by the majority of the private sector constituents. The most active and vocal private sector representatives in EAC processes are those who are involved in manufactures.

Country Cases: Comparative Analysis

It is evident from both the country documents reviewed and the preceding discussion that there is a lot of similarity in the trade policy process across the EAC countries in the sample. The ministry responsible for international trade issues has an overall responsibility for both initiating and coordinating the various actors during the trade policy-making process. In the case of EAC common market, the Ministry of EAC Affairs coordinates its position with the Ministry of Trade.

On the basis of government documents and of interviews we have conducted, we conclude that trade policy in Uganda is driven by a variety of inputs ranging from lobbyists to directives from the president, but that the top-down element is very important. The influence of multilateral, bilateral and regional agreements to which Uganda is a signatory is significant in the sense that most are adopted as part of the national trade policy. Uganda's trade policy is also, in a holistic way, aligned to national development policies such as Vision 2025, the Medium Term Competiveness Strategy and the plan for the modernization of agriculture. Stakeholder participation in trade policy-making is limited, with the private sector playing a minor role in the process. However, views and concerns from the private sector are channelled through a high-level business advisory council, the Presidential Investors Roundtable (Republic of Uganda 2009).

It is the mandate of the Ministry of Trade, Tourism and Industry (MTTI) to initiate policy ideas and vet them through a multi-stakeholder arrangement – the Inter-Institutional Trade Council (IITC). Coordination is executed by the MTTI, and the IITC prepares draft policy white papers that are presented to the cabinet and parliament for vetting and approval. The policy acquires the necessary legal instruments after the president gives his assent.

In Tanzania, trade policy formulation and review rests with the Ministry of Trade, Industry and Marketing (MTIM) as a key coordination body. The departments and divisions within the line ministries responsible for trade policy issues collaborate with the MTIM. There are five stages in the policy formation process: initiation by the MTIM; scrutiny by the Cabinet Secretariat; review by the Inter-Ministerial Technical Committee (IMTC); review and decision by the Cabinet; and finally, implementation and monitoring (United Republic of Tanzania 2003).

In Kenya, the Ministry of Trade (MOT) is the key institution in trade policy formulation, adoption and implementation, with support from relevant government agencies engaged in trade-related activities. The ministry is the lead agency on bilateral, regional and multilateral negotiations presenting somewhat top-down policy-making at the ministry level (Ministry of Trade, Kenya 2007).

In Rwanda, as in the other three sample countries, the Ministry of Trade and Industry (MTI), plays a critical role in the identification of the trade policy needs of the country. It is also the lead agency responsible for the key aspects of the trade policy-making process with inputs from partner institutions representing finance, foreign affairs, agriculture, East African Community and the private sector. The private sector however, features more as a consultation and validation body rather than being involved in the entire process (UNCTAD 2010). This is a similar scenario across the other three countries in the sample.

It worth noting that in each of the five EAC countries, the Ministry of East African Community Affairs is mandated to be the lead agency handling EAC issues. Potential coordination challenges arise given the cross-cutting nature of the trade issues dealt with by this agency and by the principal trade ministry, leading to increased bureaucracy and poor coordination in trade policy-making. It has been observed too that overlaps in the negotiations do exist between the specific units dealing with bilateral and multilateral trade issues within the trade ministry.

Conclusion

In conclusion, we can infer that the legislative bodies tend to be rather weak in African countries, including in East Africa (and so have relatively limited impact on trade policy). Presidential authority, however, looms large in African trade policy-making and there is therefore an important top-down element in the trade policy process. For this reason, private sector influence is likely to come via high-level connections rather than from the role of umbrella bodies. In fact multinationals mostly participate in sectoral lobby groups, which seem to have high-level connections in government. When local efforts do not bear fruit, a visit from the top honchos of transnational corporations' headquarters tends to rewrite government policy. A visit to the state house is arranged and any political decision made takes precedence.

In trade policy-making, the regional dimension (EAC) both helps, by fostering market opening, and hinders, by adding complexity to the institutional framework.

But on balance, it is a good thing given the increasing move towards harmonization of regulatory frameworks in line with the regional norm. It is clear too that the partner states within the EAC have significant influence on the direction and outcome of any trade policy decisions even within the common market, with the role of the Secretariat limited to facilitation at most.

Compared with the advanced industrialized countries, developing countries, including those in East Africa, are subject to greater external influence over trade policy-making (IMF, World Bank, WTO, bilateral aid donors, and bilateral trade partners, etc.) through the financing channel. And in terms of external influence on East Africa, though WTO disciplines and monitoring are important, bilateral influences with key trading partners, such as via the EPAs, are becoming increasingly important.

This said, the domestic environment for reform is still the crucial element. On this score there are grounds for optimism, given the irreversible shift from import-substitution and the growing recognition within each of the sample countries of the potential gains from trade and market opening. But these trade gains will only be fully realized if broad supporting policies and implementation frameworks are in place such as infrastructure development, training, institution-building and macroeconomic stability.

Do the observations on trade policy process from the sample countries feature in other parts of Africa? In our view, they do. A brief survey of literature affirms that a similarity exists in Malawi, Zambia and South Africa (CUTS 2009; FANRPAN 2001). The Eastern and Southern African countries exhibit a similar process in trade policy formulation.

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Appendix Table 26.1 Matrix of trade policy process actors

		Kenya	Rwanda
State	Policy direction	• President's office • National Economic and Social Council • Office of the Prime Minister, • Ministries of Planning, National Development and of Finance	• President's office (Strategic Unit) • National Trade Policy Forum • Rwanda Economic and Social Council • Ministry of Finance
	Policy formulation	• Ministries of Trade, East African Community, Industrialization, Foreign Affairs and of Agriculture	• The Rwanda Development Board (RDB), the Ministries of Finance and Economic Planning, Foreign Affairs, Agriculture and Animal Resources and East African Affairs
	Policy implementation	• Ministries of Trade and of East African Community • Kenya Revenue Authority • Kenya Bureau of Standards • Other Line Ministries and Agencies	• The Ministries of Finance and Economic Planning, • Foreign Affairs, • Agriculture and Animal Resources • and East African Affairs • Revenue Authority • Bureau of Standards • Immigration
Private sector		Multi-sector Umbrella Organizations • Kenya National Chamber of Commerce and Industry • Kenya Private Sector Alliance • Federation of Kenya Employers Sectoral Umbrella Organizations • Kenya Association of Manufacturers • Kenya Flower Council • Fresh Produce Exporters Association of Kenya	• Rwandan Private Sector Federation • The Flower council
Civil Society		Local NGOs • Kenya Human Rights Commission • EcoNews Africa • Consumer Information Network Regional/International NGOs • Oxfam, CUTS International • SEATINI • ActionAid Kenya Research CSOs • Institute for Economic Affairs • African Economic Research Consortium • KIPPRA CSOs Networks • The Kenya Civil Society Alliance	• Institute of Policy Analysis and Research

Source: Adopted from CUTS report (2009b) and modified with country reports.

Tanzania	Uganda
• President's Office – Planning Commission • Ministries of Industry, Trade and Marketing • and of Finance	• President office • Cabinet • Presidential Economic Policy Forum • Ministry of Finance, Planning and Economic Development
• Ministries of Industry, Trade and Marketing, Foreign Affairs and International Cooperation, Finance, Agriculture and Cooperatives and of East African Affairs	• Ministries of Tourism, Trade and Industry, Agriculture, Animal Industry and Fisheries, Foreign Affairs and of East African Affairs
• Ministry of Industry, Trade and Marketing • Tanzania Review Authority • Board of External Trade • Other Specialised Government Agencies • Other Line Ministries and Agencies	• Ministries of Tourism, Trade and Industry, Justice and Constitutional Affairs, and Local Government • Uganda Export Promotion Board • Uganda Revenue Authority • Other Line Ministries and Agencies
Multi-sector Organizations • Private Sector Foundation • Tanzania Chamber of Commerce, Industry and Agriculture Sectoral Umbrella Organizations • Confederation of Tanzania Industry • Tanzania Exporters Association	Multi-sector organizations • Private Sector Foundation • Uganda National Chamber of Commerce Umbrella sectoral organizations • Uganda Manufaturers Association • Uganda General Importers and Exporters Association • Uganda Small Scale Industries Association
Local NGOs • Faith-Based Organizations • Tanzania Networking Gender Programme • Media Council and MISA Economic and Social Research networks	Local NGOs • National Farmers Federation Research CSOs • Economic Policy Research Centre • Centre for Development Initiatives Regional and International NGOs • CSOs network

Appendix Table 26.2 Consultation mechanisms

Country	Consultation mechanisms	Composition	Role
Tanzania	National Business Council (NBC)	Various government agencies and the private sector. Private Sector Foundation coordinates the private sector representation in the NBC	A wide ranging forum for public sector institutions and the private sector on general policy issues including trade
	Inter-Ministerial Technical Committee(IMTC)	All government ministries	A forum for harmonization and coordination among all government ministries on all relevant issues including trade.
	National EPA Technical Team (NETT)	Related government ministries and departments, the civil society, research institutions and academics, and the private sector	A forum to discuss and coordinate Tanzanian interests and position in EPA negotiations with the EU
Uganda	President's Economic Council (PEC)/The National Forum	Headed by the President, PEC included ministers and high level government technocrats dealing with economic policy issues, and the representative of private sector	These have broad mandate and high level consultations on trade policy issues
	The National Trade Negotiations Team (NTNT)	Led by the Minister responsible for Trade. The Permanent Secretary in MoT to determine composition of Team. But to take consideration of private sector and Inter-Institutional Trade Committee (IITC)	Harmonize stakeholder views and take a lead in trade negotiations
	Trade, Debt and Finance Committee (TDFC)	Composed of political leaders trade, finance and economy, and technocrats: National Planning Authority and Bureau of Statistics	Enhance Uganda's competitiveness of exports and as an investment destination, among other issues
	Inter-Institutional Trade Committee (IITC)	Relevant government ministries, private sector and CSOs. The staff of the MTTI Trade department is ex officio member of the IITC	The IITC mandate covers both the functions of inter-ministerial coordination, and consultation with the private sector
	Uganda National Development and Trade Policy Forum (NDTPF)	Relevant governmental negotiators, the private sector, and the CSOs	Coordinates Ugandan participation in the negotiations for EPA with the EU
Kenya	National Committee on the WTO (NCWTO)	• All stakeholders from the public sector, private sector, and the civil society • MoT convenes and chairs the meetings	Mandated to develop national positions on WTO issues

Country	Consultation mechanisms	Composition	Role
	Joint Industrial and Commercial Consultative Committee (JICCC)	• Public and private sector representatives • The MoT convenes and chairs the meetings	To be a consultative forum on trade and industrial issues
	Kenya-European Union Post-Lome Trade Negotiations (KEPLOTRADE) Support Programme/ National Development and Trade Policy Forum (NDTPF)	• Public sector, private sector, and civil society representatives • The MoT coordinates and is also secretariat	To facilitate Kenyan preparations for the EPA negotiations with the EU and disseminate the EPA-related information
	Cabinet's Sub-Committee on Trade	Ministers responsible for relevant government ministries	Ministerial level consultations and coordination on trade-related issues
	Inter-Ministerial Committees (IMCs)	Government ministries	Inter-ministerial coordination including on trade
Rwanda	Ministry of Trade and Industry	Ministries of Finance and Economic Planning, Agriculture, Infrastructure, Lands, Environment, Forestry, Water and Mines, and RRA, the Investment Promotion Agency and National Bank of Rwanda	Trade policy formulation, implementation and negotiations. Coordinates with other ministries and government agencies
	The government–private sector institutional dialogue	Private sector lobby groups and government ministries and agencies	Responsible for lobbying government for incentives to private sector and protecting their interests
	Other non-state actors	Civil society	Engages the state to articulate concerns on negative impacts of trade agreements

Source: Authors and Table 1.7, CUTS International, 2009b.

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