

Aide Memoire

Pre Diagnostic Trade Integration Study (DTIS) Mission to Zambia May 12-14, 2004

1. The Mission led by Fahrettin Yagci (World Bank) and accompanied by David Luke (UNDP), Zainab Mchumo (WTO) and Robert Kirk (World Bank Consultant) met with the Hon. Dipak K.A.Patel Minister of Commerce, Trade and Industry, Hon. Eugene Appel Deputy Minister of Commerce, Trade and Industry, Davidson M. Chilipamushi Permanent Secretary and other local stakeholders, donors and representatives of the private sector.
2. The objective of the Pre-DTIS Mission is to:
 - Discuss the draft Concept Paper with government and all the stakeholders;
 - To agree with Government and the private sector on the priorities for the DTIS;
 - To finalize the logistics for the DTIS including the appointment of a lead donor and the timing of the Technical Mission.
3. The Minister welcomed the Mission and made the following key points. After so many studies it is important that the Integrated Framework focuses on identifying the key findings in order to recommend priorities for implementation and additional technical support. The DTIS should be seen as a vehicle for mobilizing additional technical assistance in support of strengthening trade policy capacity and providing a broad framework for donor support for trade. He emphasized the importance of ‘not reinventing the wheel’ and of ensuring the work was operational and could assist with supporting existing government priorities. He specifically mentioned the need to ensure the Ministry was able to prepare briefing papers for the ongoing negotiations, the difficulties of meeting ever increasing standards, and the need for a legislative review, to ensure that regulations did not become hidden barriers to trade.
4. The National Working Group on Trade commented on the Draft Concept Paper. The DTIS team was requested to include the livestock sector as a case study, to focus more on the service sector, and the need to ensure effective participation of all stakeholders and ownership of the IF process. It was suggested that one of the peer reviewers should be from Zambia. The Mission confirmed that the team of consultants preparing the DTIS will include a number of Zambians and one of the peer reviewers will be from Zambia. The participants emphasized that Zambia had many studies and that it was important for the DTIS to build on the existing work and mobilize resources to strengthen trade policy capacity and facilitate increased integration into the multilateral trading system. The DTIS report would also provide an input to the Private Sector Development Program currently being prepared by the Ministry of Commerce.
5. The stakeholders welcomed the proposed work aimed at highlighting the linkages between trade and poverty. It was noted that increased understanding of the links between trade policies and poverty reduction is essential for designing specific pro-poor interventions. It was noted that the timeframe for the preparation of the DTIS coincides with the preparation of the PRSP for 2005-2007 this provides an opportunity to integrate the two initiatives. It was also suggested that the DTIS should address the issue of small scale traders and small and medium enterprises. A number of participants highlighted the importance of regulatory policy on export competitiveness, including problems encountered in implementing new export incentives.

6. The Minister informed the Mission of a number of ongoing initiatives aimed at mainstreaming trade issues and strengthening capacity. These included the recent establishment of a National Working Group on Trade and the JITAP process. The National Working Group is chaired by a representative from the private sector and consists of 6 members each from both government and private sector. The Integrated Framework process will be monitored by a sub-committee of the National Working Group on Trade. The UNDP agreed to fast track support to enhance the capacity of the National Working Group.

7. Mrs. Helen Mealins, DFID Country Director, organized a meeting of the donors to discuss the DTIS process. The meeting was attended by the Mission, government, and representatives from the UNDP, the EC, Sweden, and the Netherlands. The Mission outlined the DTIS process, summarized the recent experience from Lesotho and Malawi and invited comments on the draft Concept Paper. The meeting discussed the process and timing of the DTIS and made the following observations. The DTIS should incorporate all the existing ongoing trade activities and must ensure the effective participation of the private sector. The DFID consultants responsible for designing a project to strengthen the enabling environment will work with the Technical Mission to ensure a consistent approach. The technical mission was requested to focus more on the regulatory barriers to trade and investment and should also seek to identify specific constraints experienced by small scale traders.

Way Forward

8. Ms. Dorothy Tembo Director of Foreign Trade and Chief Trade Negotiator at the Ministry of Commerce will be the Official contact point for the DTIS Mission. Ms. Kristine Kühnel from SIDA will act as the lead donor for the next 6 months with DIFD in support, after which the role of lead donor will be reviewed.

9. It was agreed that the Technical Mission of the DTIS will commence on May 31, 2004. The technical team is expected to be in country for at least two weeks. The Draft DTIS report will be completed before the end of September 2004.

10. The draft Concept Paper will be revised taking into account the comments received and will be dispatched to the official contact point by May 21. The DTIS report will use the large number of existing studies to develop an Action Matrix that prioritizes technical assistance projects. The Mission requested the Ministry to submit a list of urgent technical assistance needs as these could be addressed during the preparation of the DTIS.

Prepared May 14, 2004