

WORKSHOP REPORT

Stakeholder Workshop 4th March 8:30-16:30

Organised by
TANGO (Tanzania Association of NGOs) in partnership with CUTS LRC

Supported by Gesellschaft für Technische Zusammenarbeit (GTZ)

TIME-TABLE

TIME	ACTIVITY	RESPONSIBLE PERSON
9:00	INTRODUCTION OF ALL PARTICIPANTS	FACILITATOR
9:15	OBJECTIVES OF THE WORKSHOP	TANGO/CUTS
10:00	TESTMONIES	
	H E A L T H B R E A K	
10:30	THE DRAFT BACKGROUND PAPER	COORDINATOR
11:00	GROUP DISCUSSIONS	FACILITATORS
13:00	L U N C H B R E A K	
14:00	PLENARY	FACILITATOR
15:30	RECOMMENDATIONS	Tan TRADE
16:00	WAY FORWARD	Tan TRADE
16:00	CLOSING	TANGO

C: WORKSHOP PROCEEDINGS

The stakeholders' workshop was held on 4th March 2006 for the discussion of the report and current issues for negotiation under the EPA mandate. After opening, the workshop was divided into five groups of at least 8 people each. The Groups were chaired by experts in all highlighted issues in the specific areas of EPA negotiations. The workshop was very interactive and participatory by involving participants from all sectors of the economy. The deliberations from the workshop are presented hereunder.

1.0 EPA PROCESS CHALLENGES

1.1 EPA Process

- Capacity building to negotiators involving decision makers such as ministers, Permanent Secretaries and technical experts. These capacities should balance the interests and benefits through a prior understanding of what people wants as well as their trade partners;
- Effective involvement of more stakeholders in the EPA processes;
- Improve access to the EU markets through development of water and energy infrastructure, quality of produce, value adding processes and pricing of goods for trade;
- Although opening up to the EU might threaten certain sectors, an EPA will provide secure market access to the EU, whereas accessing the EU market through EBA is only available to Tanzania as an LDC and has strict rules of origin. However, should be noted that supply-side constraints mean that Tanzania is not presently filling its quota of preferences so securing market access is only a small part of the picture.
- We need to improve understanding of the EPA comparative advantages and its impacts. No sectoral impact assessment has been done for Tanzania. The government lacks resources to do this work and seems to be waiting for the EU to provide all the answers. However, more general studies have been done and suggest that Tanzania has little to gain from an EPA.
- Harmonisation of objectives or abolition of the multiple membership by SADC in conflicting economic integration or regional blocks such as ESA-EPA, SADC-EPA, TDCA, ECOWAS, etc. Might make more sense for Tanzania to be part of the ESA EPA rather than SADC one and this option should be explored.
- There is a concern that the EU is pushing regional integration too quickly through EPAs, by asking for a Common External Tariff when the SADC countries are not ready for this.

- The EU has promised development assistance to support the ACP to implement and benefit from EPAs. However, this support should not just come from technical assistance as this provides only limited long term benefits, as usually comes in the form of a consultant who is only around for a short period.

1.2 The Ways forward

- Government should not rush into EPA until the internal problems facing farmers are solved. That is, the government should take deliberate measures to address the supply constraint (Fast Track);
- The SADC countries should resist any attempts to hijack their regional integration process, which needs to be tailored to the needs of individual countries, especially the LDCs.
- Need to quantify and assess the benefits of retaining market access to the EU in relation to the potential cost of opening up our markets to EU imports. This needs to take into account the interests of consumers as well as producers.
- CSOs should organise themselves to push government to address the issues;
- CSOs also must organise community sensitisation and empowerment so that they can have professional attitude;
- Strong cooperation unions are needed in order to help the farmers from being cheated by buyers.

2.0 The TRIPS

2.1 TRIPS Objectives

- The objectives of TRIPS include creating and developing human mind and intellect. The intellectual property (IP) includes:
 - Copy rights
 - Patents;
 - Industrial designs;
 - Trade marks;
 - Undisclosed information;
 - Geographical information;
 - Layout design of integrated circuits.

2.2 The Main Challenges of TRIPS

- The agreement will require significant changes in the IPR regime of many developing countries. The process will involve in the review of the laws;

- Difficulties in using reverse engineering: In the past reverse engineering had been an important source of technology particularly in Small and medium size enterprises.
- Issues related to traditional knowledge have to be comprehensively addressed.

2.3 Recommendations

- Developing countries should conduct a thorough impact assessment study before signing any agreement;
- All the stakeholders, i.e. CSOs, government, donors, etc should take trouble to educate and capacitate themselves on trade issues in order to be able to negotiate and advocate for an issues with informed evidence and data;
- Politicians involved in the EPA process should be patriotic instead of pleasing donors. (“The Group quoted the statement of the former President Mr. Mkapa who said “Wafadhili wananisifia sana kwa kuacha milango ya biashara wazi”, i.e. Development partners do commend him for liberalisation of almost all the sectors of the Tanzania economy);
- The developing countries should deliberately nurture and encourage talents and innovations.

3.0 AGRICULTURE

3.1 Threats to EPA Benefits

- EPAs in general cannot benefit a normal Tanzanian farmer because already there are a lot of problems facing them internally, including supply side constraints, accessing market information and complying with the increasingly strict food safety and quality standards.
- Another huge problem that will limit the ability of farmers to benefit from an EPA is the fact that farmers have very little say in terms of prices and the supply chain is dominated by large marketing firms.
- Tanzania cannot compete in EPA since farmers in the developed countries are subsidised while farmers in Tanzania depend on their own for everything;
- Tanzania is selling its products as raw material while others sell processed products.

- EU has strict health and safety standards that food producers need to meet, and although the ESA region has made proposals for support, this is not yet forthcoming.

3.2 Issues of Roles in the EPA Process

- The Government being a regulator has not committed itself to support the farmers
- Measurements of the products in the market i.e. crops can be measured in terms of packaging instead of weight lumber;
- There is corruption by the existing cooperative officers who collude with buyers to arrange the price;
- The existing cooperative unions are not beneficial to the farmers since they have been formed by some smart guys who take the advantage of vacuum created by the government after liberalisation;
- Farmers are lacking proper market information something which lead them to sell at lower price or even exchange their product with other like clothes

4.0 MANUFACTURING 1

The main aim of Tanzania in the manufacturing negotiations is to improve its access to the EU market but also protect key manufacturing sectors that are vulnerable to competition from EU exports. Specifically, the objectives include addressing tariff **peaks**², high tariffs, tariff **escalation**³ and **non-tariff barriers**⁴ on products of export interest to Tanzania. .

Specific issues identified by the group are as follows:

4.1 Tariff Peaks:

- Access to the EU markets by LDCs and poor countries including impoverished Tanzania, is still hampered by tariff peaks and EBA still restricts access in some areas.

4.2 Tariff Escalation:

1 Group Chaired by Mr. Godwill G. Wanga (Principal Research Consultant/ Economist)

2 Tariff Peaks (TP) are relatively high tariff usually on sensitive products amidst generally low tariff levels. For LDCs, tariffs of 15% and above are generally recognised as TP.

3 Tariff Escalation (TE) refers to higher import duties on semi-processed products than on raw materials and higher still on finished products. The practice protects domestic industries and discourages the development of processing activity in the countries where the raw materials originate.

4 Non-tariff barriers refer to indirect regulatory restrictions on imports and exports.

- Denies Tanzania the right to add value through processing of products for trade. Some key value added sectors are still protected by EBA and this limits the opportunities for Tanzania.

4.3 The Non-Tariff Barriers (NTB):

- The Non-Tariff Barriers such as quality standards are very restrictive and hence limit the Tanzania's trade into the EU market;
- The Rules of Origin are unfair and unrealistic in an interdependent world context;
- EU has strict health and safety standards that food producers need to meet, and although the ESA region has made proposals for support, this is not yet forthcoming.

4.4 Less than full reciprocity:

- Formulate the flexibilities to meet the special needs of Tanzania. Their appropriateness should be measured by improved markets access to the developed and developing countries;
- Application of the "Less than Full Reciprocity" principle is necessary to be adopted. Tanzania should be allowed to impose significantly higher tariff level than the EU. This should possibly base on the equity rather than equality basis.
- The EU does not talk about flexibilities at the negotiating table, only talks about market access and there needs to be more serious discussion about the flexibilities that will be applied to the market access provisions of an EPA.

4.5 Conclusions:

- All the negotiations should improve the market access of the non-agricultural products originating from Tanzania to the EU. This may be made possible through reduction of tariff levels or elimination of tariff peaks and escalations. Improved manufacturing market access and protecting Tanzanian industries will grant trade justice to Tanzania

4.6 The Challenges/ Ways Forward:

- Capacity building to CSOs for sharing knowledge, mobilising resources for advocacy and awareness creation and negotiations on strategic and current trade issues for improved trade justice and rights;

- Enhancement of the capacity of Tanzania to negotiate effectively for lower or no tariffs and reflect imposition of trade terms;
- Need to defend small scale producers and local industries engaged working to improve their productive capacity;
- Eliminations of all tariffs including tariff escalation for semi-processed and finished products to improve market access and encourage production;
- Elimination of all export subsidies and other domestic support measures implemented by the EU, which distort or inhibit the market for Tanzanian products should be addressed and eliminated;
- Comprehensive research to be conducted to establish which sectors can be opened up to competition with the EU and what period and measures that need to prepare for this;
- Develop improved dialogue on non-tariff barriers, including rules of origin, sanitary and phytosanitary measures, licensing, standards, packaging materials, sizes and quality, etc. Should negotiate for financial assistance from the EU to support compliance with non-tariff barriers.

5.0 HISTORICAL AND POLITICAL ASPECTS OF TRADE IN TANZANIA

5.1 Introduction:

- There has always been trade; slave and colonial trade were unjust trade; political independence and a just social order (for e.g. Arusha Declaration) are pre-conditions for the existence of trade justice;

5.2 What Needs to be Done Now to Achieve Trade Justice?

- CSO/ NGOs/ Civil society must pressurise those who negotiate trade agreement (e.g. Government) to define national goals/ consensus, demand widest possible participation in trade related decisions;
- CSO/ NGOs must pressurise all concerned to define national tradable values/ assets; set home grown standards of tradable values/ encourage cultivation of tastes for goods we trade/ see that culture and national heritage are promoted as tradable values.

5.3 Three Human Rights Violations:

- Unequal participation in trade negotiations/ unequal compensation for labour in trade exchanges;

- Unregulated trade/ removal of tariffs by all inclusive of poor countries will deny revenue to governments in poor countries leading to denial of basic rights to education, health, shelter vis-à-vis poor in poor countries.

5.4 What are the Main Challenges that Inhibits Trade Justice?

- Lack of national direction/ lack of political will/ legitimacy, for e.g. going beyond Vision 2025, MKUKUTA; return to the Grand Vision (Arusha Declaration);
- Lack of capacity to negotiate from a position of strength derived from having research/ think tank back-up and solidarity among the weak in facing the strong;
- Lack of aggressiveness in defining tradable values/ mindsets which refuse to cherish and promote own good things.

5.5 The Ways Forward:

- CSOs/ CBOs/ NGOs should take up challenge of networking in-country/ South-North in demanding wider participation of all stakeholders in influencing agendas of trade negotiations;
- CSOs/ CBOs/ NGOs should work to sensitise all stakeholders on link between trade justice and observance/ promotion of human rights and wider democratisation nationally and internationally.

D: THE PRIORITISED WAYS FORWARD FOR THE CSOs

1.0 EPA PROCESS CHALLENGES

- To improve the capacity of the CSO stakeholders to negotiate
- To carry out resource mobilisation initiatives including financial, human resources, for the benefits of more stakeholders in the negotiation process
- To harmonise the RTA processes and address the conflict of interests
- To carry out lobbying and advocacy roles in the negotiation processes

2.0 TRIPS

- Initiate and engage in the process of the reviewing of the laws on TRIPs (Background studies, etc) to inform any discussions on TRIPs through EPAs

3.0 AGRICULTURE

- To improve community sensitisation towards commercial attitude;
- To support strengthening cooperatives for production, marketing and trading capabilities;
- To identify the gains and losses to Tanzania from EPA negotiations relating to agriculture.

4. MANUFACTURING

- Conduct comprehensive sectoral studies on the capacity of manufacturing sectors and the support they need to benefit from an EPA;
- Carry out capacity building for sharing knowledge on trade issues, resource mobilisation, and awareness creation of the current trade issues under EPA negotiations;
- Conduct studies to single out the Tanzania positions in the EPA process and influence all key negotiators including the GOT.

5. HISTORICAL AND POLITICAL ASPECTS OF TRADE IN TANZANIA

- The CSO to pressurise the GOT to prioritise and implement areas of negotiations;
- Take up networking challenges in the entire country and the rest of the world (North, West and South);
- Sensitise stakeholders to link and relentlessly struggle for justice and rights under the democratic trade and political regimes in and outside the country.