





zambia

trade on the ground

Trade is gathering pace leaving imprints countrywide.

Trade's energy can be felt in the crashing streams at Victoria Falls' bridge crossing, next to where white wild flowers, diminutive in stature, grow. Nearby, groups of tourists head onto a Zambezi river cruise to catch sight of hippopotamus and crocodiles reclining by the grassy banks as sunset changes the water to pools of orange gold.

Trade is hurtling along with the trucks laden from the mines coming from Ndola and Kitwe. Here in Copperbelt, heavy machinery reaches into the earth, silhouetted against the miles of highways fringed with electricity poles and desert shrubs. Along the route, enterprising roadside vendors line up piles of sweet potatoes for sale and beekeepers smoke forest hives and press honey.

Trade is overlooking Lusaka's boldly expanding cityscape, tower blocks juxtaposed with sand-coloured buildings along tree-lined avenues. The road moves southwards to Choma over pasture fields where herds of Friesians graze and consumers line up at dairy cooperatives' milk collection centres to buy strawberry yoghurt for children.

“Trade is a fundamental aspect of Zambia’s development. EIF has been very useful to mainstream trade into development programmes. Government has been planning to fire away economic activity with the private sector as the engine.”

Stephen Mwansa, Permanent Secretary, Ministry of Commerce, Trade and Industry

trade journey

Trade is bringing fresh perspectives to villages nationwide. Beekeepers are increasing honey production to raise living standards; smallholder dairy farmers are adding value, as well as volume, to milk production. While a closer look at tourism and other sectors is helping more people have their say on how trade can build livelihoods.

getting trade on the right track

Supporting young people’s prospects means a solid investment in improving growth opportunities and making progress on social development. The Government has an ambitious goal to create a million decent jobs in a five-year period, across manufacturing and services. It’s a testament to the drive to strengthen the economy outside of the mining sector. The Sixth National Development Plan (2011-2015) includes a focus on trade, drawing on the Diagnostic Trade Integration Study (DTIS), and looks at infrastructure, human development, economic growth and diversification alongside rural development. It sets out a medium-term outlook, in which the EIF is backing export promotion and trade expansion.

With EIF support, a DTIS Update (DTISU) is underway, which will outline priority actions and make trade’s impact felt on the ground. The Trade Mainstreaming Roadmap for Zambia, with a focus on regional trade and gender, is about opening up the dialogue in line ministries and agencies on trade to bring together budget

trade snapshot

Invesco Ltd.’s workers in blue overalls bring plastic bottles to life as orange liquid is pumped in along the line, labels rolled on and boxes heaved onto trucks.

At the Zambia Forestry College, students gather around a tree hive for a practical honey harvesting session, protective white mesh covering faces, questions ready.

Choma cooperative farmers arrive on bicycle at the milk collection centres for testing and storage, milk cans strapped to the back, as money exchanges hands.

On Lusaka’s Shoprite floor, consumers browse stocked shelves, choosing local honey brands to put into red baskets as tills ring handing back Zambian kwacha change.

In Batoka Livestock Development Centre, smallholder farmers learn about new breeding methods to boost dairy production and how to build better milking centres.

Mpongwe Honey Cooperative’s local beekeepers are coming up with new products selling their artisanal brand of candles, beer and wine.

At Livingstone’s high-end hotels, walls of local artwork blend with the environment as tourists head out on safari to feed elephants and walk with lions.





“One of the features of dairy and honey are that the individual in the village is able to develop them with low technology. Important for Government to facilitate market access, that is what we are trying to do through efforts of coordination.”

Paul Lupunga, Chief Economist, Ministry of Finance

allocations. National policies and strategies already rolled out include the Honey Sector Strategy, Competition and Consumer Protection Policy, Horticulture and Floriculture Policy, Beekeeping Policy, Trade and Investment Strategy, National Quality Policy and the Micro, Small and Medium Enterprises Policy. There’s a series of national trade studies with the World Bank (WB) underway and a move to set up an Aid for Trade (AfT) database. There’s also the National Rice Strategy 2011-2015 and the Cassava Strategy with support from the European Union and technical assistance from ITC.

The country’s Vision 2030 is to move to middle-income status, driven by pro-poor growth. IF support helped strengthen reforms as part of the Private Sector Development Reform Programme (PSDRP) to improve the investment climate, build the private sector and expand to regional and international markets. With partners having come together to leverage finance, there’s the acclaimed Chirundu One Stop Border Post, and now, a One-Stop Shop for Business Registration. Through EIF backing, there was a study tour to Cambodia to learn lessons, and Zambia has hosted a regional workshop on monitoring and evaluation and communication to promote experience-sharing among countries.

putting partnerships into practice

Building fresh engagement with local communities meant investing in a broad partnership approach with the private sector and civil society. The dynamic EIF National Implementation Unit (NIU) team has promoted awareness through regular stakeholder fora including line ministry and private sector-specific events,

engagement with Parliamentarians and groups, such as the Zambia Honey Partnership and Dairy Association. As part of the DTISU led by the WB, there have also been a series of sector-specific consultations. Through the NIU's collaboration with non-governmental organization CUTS, outreach to communicate the benefits of trade and boost information flows has been rolled out. It's included user-friendly materials and community theatre alongside support to grassroots actors to build the national trade dialogue. CUTS is looking at local solutions to create profitable businesses, with a focus on women and youth. It's accompanied by the NIU's promotion of visual tools such as the film 'Don't give me fish anymore, rather teach me how to fish' and media coverage with press and five TV shows and webpage updates.

With EIF support, there's a focus on building up skills and knowledge, including for 120 stakeholders on trade and national development; 31 stakeholders were trained on trade policy development relating to the COMESA Customs Union and 16 Ministry of Commerce, Trade and Industry officials in project management. What's more, 13 smallholder farmers in the honey sector were given support to participate in the African Organic Conference to learn good practices in organic farming techniques. Another innovation is the connection with the Ministry of Commerce, Trade and Industry through the EIF to partner with the University of Zambia and introduce a flagship Trade Policy and Development Course.

EIF backing, as part of the PSDRP, is helping to build the public-private dialogue, bringing trade into a wider private sector forum and looking at rural employment. The Chair of the multi-stakeholder EIF National Steering Committee (NSC) comes from the private sector and has raised awareness of what more can be done to bring them on board. The NSC comes under the higher-level Trade and Industry Sector Advisory Group and reflects strong political will to lead on the agenda. Importantly, the Advisory Group also plays a role in the monitoring and evaluation of the National Development Plan. There's a partnership between the NIU and Develop4Value and the Zambia Development Agency to help businesses to access markets through finance, including business clinics. The European Union has taken over the role of EIF Donor Facilitator from Finland and there have been active efforts to promote partners' coordination, while the NIU has updated development partners on joining up separate projects into a coherent programme on trade.

supporting trade at the grassroots

There's been renewed focus on delivery with strong stakeholder buy-in to projects on trade developed through calls for proposals posted countrywide. The EIF-backed beekeeping and honey project is led by SNV Zambia and involves partners, including the Forestry Department and Zambia Forestry College. It aims to support entrepreneurial beekeeping and set up a centre of excellence to encourage research and development. That will mean increasing production and productivity, improving market access and quality and standards. The goal is to provide training to 5,000 producers, including 15% young people and 35% women, to achieve higher honey productivity. That will mean going from 8 kg to 20 kg per hive and generating US\$1.50 per kg and US\$30 per hive. And at the same time, it will mean an increase in the overall volume of bee products from 4,000 to 7,000 metric tonnes. It is looking at eco-friendly business solutions for rural households, while managing the forests. That's a vital connection for communities in the Copperbelt to profit outside of the mining sector. And it's also improving on low nutrition and health. Now a move into developing products including candles is helping producers get more from the raw material through marketing.

In an EIF dairy project under design, the aim is to increase the number of smallholder dairy farmers involved in commercial milk production from 3,000 to 8,000. Boosting productivity will help to double the average annual income of farmers and to create 2,000 jobs in the dairy value chain, with 25% for women and 25% for young people. Current consultations are ongoing with several dairy cooperatives across Lusaka, Copperbelt, Southern and Western Provinces. Helping smallholder dairy farmers will mean looking at value addition into yoghurt and cheese products and how to make business more productive. That will mean turning the lives around for women farmers, many of whom head up their household in regions with big social development gaps and against the heavy presence of HIV/Aids, which will in turn offer fresh social integration opportunities.

Research into sectors including coffee, handicrafts, light manufacturing, cashew nuts and copper fabrication has also been carried out. There are plans to see how tourism can impact on job creation and exchange experiences with Cambodia on building up different sectors including in rice, honey and cassava.



heading into a new trading future

Zambia is plugging into a joined-up approach to regional and international trade. There's a dynamism growing to invest in people, ideas and resources. The DTISU will guide the vision alongside an important national trade strategy around which partners, in the Government and in the donor community, can coordinate efforts to add value to the trade agenda.

Getting ahead and opening doors for young people as the next generation of traders will mean moving to look beyond mining, providing in-demand skills. At the same time, it means making sure that backing goes to making trade easier for a landlinked country with infrastructure connecting the regions. That's important in rural areas as beekeepers and dairy cooperatives need to access new markets and receive higher-than-farm-gate prices. It's also vital to help SMEs – where 70% of people's employment is to be found – to move up the ladder with access to credit and market information. And it also means boosting people's life chances with a focus on water, sanitation and health to fight the hard poverty still a reality on the ground.

The EIF is helping Zambia move onto a new track on trade, at the service of the communities who are counting on it the most to transform their prospects. That's where the full trade partnership needs to come in with renewed energy and build that future potential.



“EIF is increasing its role all the time. The Government wants to create a million jobs in the next five years and EIF must play a part. EIF can be a critical catalyst that transforms potential into new production activity.”

Ville Luukkanen, former EIF Donor Facilitator representative, Finland

trading high

making trade matter:

The Sixth National Development Plan (SNDP) 2011-2015 draws on the DTIS and is the medium-term strategy for development, with trade as a growth sector	The Sector Advisory Group on Trade and Industry has been set up as well as a multi-stakeholder National Steering Committee, chaired by the private sector
A Trade Mainstreaming Roadmap has been developed, opening the dialogue in line ministries and agencies to address priority needs and join up budget allocations	National policies and strategies rolled out including Horticulture and Floriculture Policy, Beekeeping Policy, Trade and Investment Strategy, National Quality Policy and Micro, Small and Medium Enterprises Policy, alongside the National Rice Strategy and the Cassava Strategy

“The private sector in the National Steering Committee is the beneficiary in terms of process. It’s vital they bring on board their requirements, their needs. The private sector brings about the playing field for them to prosper and grow.”

Ajesh N. Patel, Chairman, EIF National Steering Committee

support to trade:

EIF total support equals US\$3,768,330	
EIF support of US\$2,469,930 and SNV Zambia with US\$358,200 for a honey project	EIF support of US\$899,400 to boost ability and coordinate AfT-related activities and programmes for the Ministry of Commerce, Trade and Industry
EIF support of US\$399,000 to support Zambia’s Diagnostic Trade Integration Study Update and Action Matrix with the World Bank (WB) taking the lead	

private sector:

EIF backing as part of the Private Sector Development Reform Programme (PSDRP) supports the public-private dialogue, bringing trade into the private sector fora. Earlier IF support went to improve the investment climate, private sector growth and trade in regional and international markets	The EIF partnership with Develop4Value and the Zambia Development Agency is going to help businesses to access markets through finance, offering 50% of the total investment
The first One-Stop Shop for Business Registration in Lusaka has been set up with PSDRP coordination	

“The government has realized that civil society is an important partner in development. We realize that once people are properly informed of the opportunities available, they can take advantage of those opportunities.”

Love Mtesa, Board Chairman, CUTS International – Zambia

honey:

EIF support through SNV Zambia to beekeeping is going to provide training to 5,000 producers, including 15% young people and 35% women. It will mean going from 8 kg to 20 kg per hive and generating US\$1.50 per kg and US\$30 per hive. And an increase in the volume of bee products from 4,000 to 7,000 metric tonnes	The EIF honey and beekeeping project is eco-friendly focusing on managing the forest including in partnership with the Forestry Department and Zambia Forestry College
The Zambia Honey Partnership is in place as a platform for public-private sector in promoting sustainable social and economic growth of the honey sector	Zambia is the leading African country exporter of bee products, exporting 1,100 metric tonnes in 2012 from 500 in 2005. There is the potential to generate higher export earnings from bee products than from copper

civil society:

With CUTS, the EIF is looking at community-based solutions for businesses and empowering rural women and young people, with grassroots actors as trade advocates

“We were trying to concentrate on agriculture as a business. It is run by farmers, mostly women. Farmers produce more milk and more volume, income increased tremendously. Once value is added, farmers will get more money.”

Girja Shankar Pandey, Dairy Development Specialist, GART (Golden Valley Agricultural Research Trust)

dairy:

The EIF dairy project under development aims to increase the number of smallholder dairy farmers involved in commercial milk production from 3,000 to 8,000. Boosting productivity will help to double the average annual income of farmers and to create 2,000 new jobs in the dairy value chain, with 25% for women and 25% for young people. Current consultations are ongoing with several dairy cooperatives across Lusaka, Copperbelt, Southern and Western Provinces	
EIF support to dairy farmers is looking at increasing production and value addition into yoghurt and cheese products	There are 20,379 registered cooperatives from all provinces according to the Ministry of Agriculture and Livestock (2012)

building knowledge:

120 stakeholders have been made aware of trade mainstreaming and national development	31 stakeholders have been trained on trade policy relating to the COMESA Customs Union and 16 Ministry of Commerce, Trade and Industry staff in project management
The Ministry of Commerce, Trade and Industry through the EIF in partnership with the University of Zambia is introducing a Trade Policy and Development Course by the end of 2013	

“We made the diagnostic on this DTIS an important instrument. Understanding the constraints, having an action plan to implement – there are very important instruments in terms of poverty alleviation and growth.”

Kundhavi Kadiresan, Country Director, The World Bank





trade story

"I was very poor at the time. Through the money I was given from the milk I managed to take my children to school, even to the hospital." Judith Hamachila, dairy farmer

Judith kneels on the ground, rhythmically chopping gourd into her dairy cows' trough. Her woollen hat is in sharp contrast to her lively blue, red and gold skirt fabric. She looks over and beams in the direction of her new brick house with its tin roof and solar panel. A widow with four young children, her life has been turned around, starting with just one cow. She now earns 800,000 Zambian kwacha (US\$150) a month and sits on the Board of Monze Farmers' Cooperative. *"There are very few tanks at our cooperative and we need more milking collection centres."* She wants to help make her story a reality for other village women, motivating her to be the change the communities need. *"Maybe one day I'll be one of those who'll be on top helping other people who are poor."*

Joining in is a strong cultural tradition in Zambia. Take the musicians' drawing an enthusiastic crowd to chant sporting triumphs at Lusaka's city market along the Lumumba road. In rural areas, there's a winning approach linking trade to social outcomes encouraging more people to get engaged. Beekeepers and dairy farmers are connecting to cooperatives making nutrition a feature for communities while also accessing new markets and higher incomes through joint efforts. It's an inspiring model that Judith and her smallholder farmer colleagues are making a reality, growing in size, forging ideas nationwide and beyond.

"EIF can do even more strategizing together to define partnerships that realize their promise. We must create an environment in which we see more young people able to enter business, build the stock of the entrepreneur that is going to deliver Africa and Zambia from where we are today."

Likando Mukumbuta, former CEO, ZATAC Ltd. (Zambia Agribusiness Technical Assistance Centre), current Director General, CEEC (Citizen Economic Empowerment Commission)