

# **END OF YEAR ACTIVITY REPORT**

**JULY 2005-DECEMBER 2005**

**BY**

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## Executive Summary

This report covers the period from July to December 2005. It is a summary of activities carried out in the aforementioned period including analysis and recommendations for improvement. The activities reported on include Budget meetings and training workshops, Cotton Trade and Budget monitoring proposal development for Mozambique, EJN partnership conference, Ecological debt conference for Africa, Asia and Europe UNECA/EPAS conference held in Mombasa-Kenya and the Pre Hong Kong WTO Civil Society Organizations conference held in December 2005.

## **Budget Monitoring Workshop in Malawi, August 2005**

### **Aims and Objectives of the Workshop**

Mr Francis Ng'ambi, the Budget officer for Economic Justice Network, explained that the Budget workshop was a follow up workshop from the Budget Advocacy Workshop held in Lilongwe in April 2003 and its aims and objectives were as follows

- To raise awareness on the role of the church in economic issues especially in the budgeting process and also monitoring budget allocations

Under this aim, the idea, he said was to discuss with the church people to rekindle in them the zeal and readiness to use the church tradition, biblical and theological teaching to make impact on economic issues affecting the people of Malawi.

- To find ways and means of getting church leaders, priests, pastors and church workers as well as Christians to do advocacy and lobbying for better and prioritized budgeting and also seeing to it that budgeted resources go to the intended activities.

The idea under this aim was to use the opportunities that the church leaders/workers have when speaking to Christians to incorporate and use knowledge gain in economic issues to do advocacy for better economic policy making for Malawi.

### **Topics discussed at the Workshop**

Opening Ceremony

Socio-political and economic factors affecting Malawi's Budgeting process

Understanding the Budget Process for Malawi

How can the church participate in Budget Monitoring

## Outcomes of the workshop

<b>Outcome</b>	<b>Specific Activities</b>
1 Create an ecumenical task force to oversee activities of Economic Justice	
2 Follow Up Intensive Budget Monitoring Workshop for churches in Malawi	
6 Follow up on Scotland – Malawi cooperation on development and economic matters	
3 Capacity building for MCC: employment of Economic Justice Officer	
4 Advocacy work on protection on PPEs in Malawi’s Budget	
5 Improvement of communication, collaboration and coordination with MEJN	
6 Development of an Economic Justice Programme for the Churches in Malawi	
7 Continued work on Debt Cancellation including illegitimate and ecological debt	

## **Project and Proposal Development for Mozambique council of Churches**

Budget Project  
Cotton Trade

### **Ecological Debt Conference, October 2005**

#### **Introduction**

The World Council of Churches and the Economic Justice Network of the Fellowship of Christian Councils in Southern Africa (FOCCISA) organized a 3 days strategy conference for Christian councils and other partners from 31<sup>st</sup> October to 3<sup>rd</sup> November 2005. The objectives of the conference are:

- To increase and develop effective advocacy strategies and interventions on a selected number of priority issues affecting the region through joint conferences, seminars and workshops.
- To liaise with similar networks in Southern Africa and the continent and our International partners to collaborate on issues of global concern.
- To explain to participants the concept of Ecological Debt and how it affects Africa.
- To share case studies and research on ecological debt with National Christian Councils and other partners.
- To inform them of the ecological debt movement, the activities of Jubilee South on these issues.
- To see how Council of Churches can be involved in this campaign.

#### **Conference Proceedings**

The conference discussed four regional case studies of ecological debt commissioned by the World Council of Churches as part of its overall programme on economic justice.

The Economic Justice Network of FOCCISA, investigated the social and ecological impact of the dams along Zambezi river, which is the most dammed river in Africa with more than 30 large dams, on the Mozambique people. In particular the construction Cahora Bassa dam in 1975 led to the displacement of over 57,000 individuals from their sources of livelihood, mainly small-scale prawn-farming and fishing, and heightened the incidence of water-borne diseases among people depending on the river for their drinking water. It has also resulted in serious environmental problems including massive flooding (such as

the one that occurred in 2000) and the related loss of lives and agricultural lands, increased likelihood of earthquakes, and disturbance to aquatic and terrestrial habitats of animals, among others. The Cahora Bassa dam demonstrates concrete links between ecological and external debt: the US\$2 billion dam was financed by the World Bank with little consideration of its costs to local communities and the environment. It is primarily owned by the Portuguese government, which has refused to hand over control of the dam to Mozambique notwithstanding the end of its colonial rule over the nation. Moreover, despite generating the cheapest electricity in the world, over 90% of the electricity is exported to South Africa and only about 5% is utilised by Mozambique. The study concludes that the Cahora Bassa as well as other dams along the Zambesi River represent a tremendous ecological debt owed by the Portuguese and South African governments to the peoples of Mozambique.

Accion Ecologica likewise spearheaded a research aimed at accounting for the social and ecological debt resulting from the building of the Daule-Peripa dam (also known as the Jose Roldos Aguilera Multiple Purpose Project) in Ecuador. Though assessed to financially unfeasible (with a net negative value of US\$50 million), the dam was erected at the cost of nearly US\$1.7 billion largely through foreign loans from the International Development Bank, the Banco de Brasil and other foreign banks, thereby increasing the external debt of Ecuador. The building of the Daule-Peripa dam displaced some 20,000 persons, isolated 100,000 persons, destroyed ecosystems, and eroded prime agricultural lands, among other consequences. To some extent, these costs may be quantified in terms of the money required for the partial restoration and/or repair of environmental damages, but the real costs, especially on peoples' present and future livelihoods, are impossible to value. While the dam supplies electricity, irrigation and drinking water to the city of Guyaquil and the Santa Elena Peninsula through trans-national corporations (TNCs) such as Bechtel (USA), utility charges are expensive and at least one-fifth of the population of Guyaquil has no access to water. The study arrives at the conclusion that foreign banks, foreign construction companies, TNCs, and governments governed by corporate and oligarchic interests – the main beneficiaries of the mega-project – have an ecological debt towards the local communities, peasants and indigenous peoples of Ecuador.

Swedewatch in cooperation with the Christian Council of Sweden undertook a study of the operations of Swedish-owned Veracel pulp

and paper plantations in the Bahia region of Brazil as an example of ecological debt. Financed by the Nordic Investment Bank, European Investment Bank and the Brazilian Social and National Development Bank, the USD\$1.2 billion pulp and paper project amounts to one of Brazil's biggest private investment. However, it has encountered mounting civil society resistance because the numerous social and ecological problems associated with tree plantations. While creating few jobs in one of the poorest regions in Brazil, plantations have forced local peoples, peasants and indigenous groups and subsistence farmers from their land as well as decreased the supply of land available for land reform. These have had detrimental effects on agricultural activities and the availability of water. The plantations also have had negative consequences for the sensitive flora and fauna in the Atlantic rainforest – one of the most bio-diverse forests in the world. In general, the study recommends strengthening public awareness-raising to develop a strong ecological debt movement and the conduct of dialogues, campaigns and other actions that put pressure on concerned corporations and governments to promote social responsibility.

Finally, the Integrated Rural Development of Weaker Sections in India (IRDWSI) conducted a community assessment of the social and ecological costs of mining and mining-based industries' to the *adhivasis* or tribal peoples in Orissa, India. While proponents have generally argued that mining will result in more jobs and the general development of communities, the case of Orissa reveals that the number of persons employed in mining industries has fallen even as production of minerals in the area (e.g. iron ore, manganese and graphite) has gone up. The social and ecological impacts of mining projects in Orissa, particularly the National Aluminium Company (NALCO), are significant. As a result of its operations, almost 600 families were displaced from their sources of livelihood. Moreover, the company's mining activities pollute rivers and streams as waste water is released into the Kolab river that flows through 9 villages. The company's bauxite and aluminium refineries cause rising temperature because of high electricity requirement met by thermal power generation. It adversely affects agricultural activities in the area as more than 300 acres of cultivable land have been affected by the waste water, leading to falling harvests. Peoples and animals in the area suffer from skin and other diseases. Overall, tribal women are more adversely affected than men due to women's traditional burdens of ensuring regular supplies of food, fodder, fuel and water, and the lack of alternative livelihoods once their lands and forests are taken over. There is need to study and rethink the current development

models as the way forward to building sustainable communities that demonstrate alternatives to the dominant neo-liberal, corporate-driven development paradigm.

### **Conclusion**

Amongst many things agreed at the end of the conference, the participants agreed to carry out a number of activities as part of the way forward with the campaign for ecological debt, some of which are:

- To raise more awareness on the impact of ecological damages and impacts to the environment and to the people affected
- Develop strategies of how to link ecological debt to the fight for cancellation of foreign debt for poor countries
- Strengthen linkages with other organizations both, local and international, fighting for ecological debt
- Develop strategies to engage those responsible for ecological damage to make reparations.

### **Partnership Conference, November 2005**

#### **WTO Pre-Hong Kong CSO conference, 28<sup>th</sup>- 29<sup>th</sup>, November 2005, Johannesburg**

### **Introduction**

Southern African Regional Poverty Network (SARPN) and the Economic Justice Network (EJN) jointly held a Pre-Hong Kong Consultation on Trade and HIV/Aids with key CSOs/NGOs in Southern Africa from 28<sup>th</sup> – 29<sup>th</sup> November, 2005 in Johannesburg, South Africa.

The main objectives of this meeting were as follows:

1. To contribute to the debates and discussions on the development of trade policies that protect and promote the rights of HIV/AIDs affected and infected communities.
2. To create opportunities for CSO to deepen debate on the relationship between trade and HIV/Aids.
3. To facilitate the development of a CSO agenda for engagement with other stakeholders in the Trade negotiations or platforms in Hong Kong.
4. To advocate for fair Trade Rules in the December WTO Ministerial conference thereby building a Southern Africa CSO voice to lobby for just trade rules in the WTO

#### Specific Objectives:

- Build capacity of churches and civil society to understand the power base, politics and workings of the WTO
- To advocate for change of WTO neo-liberal policies and other macro-economic policies hampering welfare of poor people in the SADC region
- Build and strengthen national lobby campaign groups towards runner-up of government-civil society consultations on WTO national agendas to be tabled at the next WTO in Hong Kong

#### **Why was Trade and HIV/AIDS highlighted as an issue at the workshop?**

The HIV/AIDS pandemic is one of the biggest development challenges that is negatively impacting the vulnerability and coping strategies of households, communities and nations in the Southern African region. It is also, arguably, the gravest challenge to prospects of social and economic development and global security.

While sub-Saharan nations comprise only 10% of the world's population, they are bearing the burden of 70% of the world's new Aids cases. The World Health Organization (WHO) reports that of 14 million people who have died of Aids to date, 12 million have come from this region. In the hardest-hit countries – Botswana, Namibia, South Africa, Zimbabwe, and Swaziland, infection rates in the 15-49 age group are running at 25%. In tourist areas such as Victoria Falls in Zimbabwe, the rates are even higher – 40%.

Unfortunately, the effects of this rampaging epidemic are widespread: sub-Saharan African economies are already being slowed by the mortality of men and women of working age, with inevitable repercussions to global market economy. The possible gains associated with billions of development dollars invested in Africa over the past 15 years by industrialized nations have been seriously eroded by the relentless march of this plague. In the arena of the public health, Aids is giving rise to an explosion of such highly contagious diseases as meningitis and tuberculosis.

In the face of limited capacity to respond to these challenges and poverty levels, Trade is being viewed as one of the possible avenues through which developing countries can attain social and economic

development. There is on going debate, however, between developing and developed countries on issues pertaining to the WTO with regards to consideration of trade barriers, tariffs and preferential treatment among others.

In these debates there have been concerns raised on the impact of these trade negotiations on HIV/AIDs. Some of the issues that have been raised pertain to the impact of trade on health service in terms of accessibility, availability and cost of drugs. More importantly the questions being raised vary from different stakeholders. These issues include:

**1. Intellectual property rights and HIV/Aids** - In Southern Africa, there is a recognized need for the protection of international property rights and compliance with remunerative tendencies on patents but the concerns are predominantly on whether sufficient consideration has been made on how this will impact on the costs of the drugs and their accessibility.

**2. Trade Tariffs** - There are calls for a more concrete consideration of the impact of import and export trade tariffs on the costs of drugs and the ability of affected communities to afford them.

**3. Trade Delays (Trade Facilitation)** - Discussion has been held on the movement of goods and people across borders and the existence of barriers to smooth movement. Some of the barriers include the delays in the processing of the requisite papers. These delays in an HIV/AIDs context would impact on ready availability of drugs, perpetuation of manipulation and risky behaviour which are push factors to exposure.

**4. Other trade related and HIV/AIDs** - Further debate will be needed on the other dimensions HIV/Aids and trade such as:

- Parallel importing and its impact on drug availability.
- Tourism and its impact of increasing opportunities for infections.
- Competitiveness on the global markets: Increasing labour costs due to HIV/Aids.

**5. Poverty and HIV/AIDS** - Unless and until poverty is reduced there will be little progress either with reducing transmission of the

virus or an enhanced capacity to cope with its socio-economic consequences. If the WTO trade liberalization, pioneered by the WTO does not lead to poverty reduction, there is a very high chance of increasing the prevalent of HIV-Aids and vice-versa. Particularly, the lack of attention to access to adequate and affordable HIV/AIDS drugs can increase the level of vulnerability of households and so will be the increase in the poverty levels.

### **Southern African CSO challenges of participation**

One requirement to be followed by national governments prior to WTO conferences is to conduct consultation meetings with as many stakeholders as the governments can identify. The aim for this is to generate ideas and issues that the governments can use to develop an agenda to take to the WTO Ministerial conferences.

This year the WTO Ministerial conference is scheduled for 13<sup>th</sup> – 18<sup>th</sup> December 2005 in Hong Kong and both national governments and civil society are busy making preparations for the conference. There are a number of challenges for CSOs, particularly those in Southern Africa to influence these processes. Some of these include:

**1. Inadequate Consultations by National Governments** - it has been observed that often times national governments are not open or rather want to go it alone while developing the agenda for the WTO discussion. This has been exhibited in many instances such as the PRSP processes, fight for Debt cancellation and now in the WTO deliberations. The arguments given for leaving out civil society in the consultations are varied but the commonest one is that national governments believe that they were put in power by the people to represent the interest of the same people and so whatever the governments do is in the interest of the people. Much as this assumption may contain some truth, the problem is that the governments do not often times represent the interest of the people they are meant to serve.

They usually adopt policies of the IFIs which have serious repercussions on poverty. This is why there is need for greater participation by civil society groups in order to influence policies and agreements that national governments sign on behalf of their people.

**2. Selection of CSO representatives** - By now many national governments in most developing countries have already identified which civil society groups they will take along with them to the WTO

conference. Other governments are in the process of consulting stakeholders to develop an agenda to take to Hong Kong and others have not yet began or will just go it alone without consulting any stakeholders other than government officials and departments. However, many problems have been observed in the process of how national governments identify NGOs to go with to the WTO conferences but also in the consultation process as a whole. On the identification of the NGOs, the problem is that governments often choose NGOs that politically support the ideologies of the governments even if they might be detrimental to national interests. There are deliberate allegations that such NGOs are limited when it comes to honest deliberations with WTO policies which are perceived to be bad to national interests and this need further interrogation.

### **Key Issues discussed**

At the consultation, the participants discussed, among others the following issues:

- Issues pertaining to the link between Trade and HIV/Aids
- The outcomes/challenges of in country consultations of CSOs with their respective governments
- What agenda to take to the WTO Ministerial Conference
- How the civil society could be empowered to understand the power dynamics and politics that underlies the WTO deliberations
- What strategies they could take to effectively influence governments to adopt pro-poor policies within the Trade discussions

More specifically, the consultation examined how the following Trade issues link or influence HIV/Aids and impact on the lives of the poor people in the SADC region some which are:

- NAMA agreements
- TRIPS especially related to production and access of Ant Retroviral Drugs and other generic drugs related to HIV/AIDS
- Impacts of policies on agreements on Services and Goods and privatization of the sector

### **Expected Outcomes of the consultation**

It was expected that the consultation would bring forth the following outcomes:

- Increased and deepened debates about how Trade affects HIV/AIDs and vice versa and thereby exacerbate the poverty crisis
- Greater awareness and understanding of the nature and working system of the WTO
- Deeper understanding of hardships created by the neo-liberal policies of the Rules developed in the WTO to poor people in the SADC region
- Well informed and rational consultations with National governments on Agenda to be tabled at the WTO conference
- Consolidated regional positions, perspectives and interventions developed by different groups including the Church, farmers Unions and others to be presented at the WTO conference

Broadly the Consultation were expected to also play a key role in enhancing CSO capacity for participating in the WTO conference with facts and issues that they might not have been aware of about the WTO. The idea was to prepare and enable the NGOs and Civil Society groups to participate fully in the discussions.

### **Participants**

This Consultation drew an equal number of men and women from the sub regional to participate in the meeting. The participants came from social movements, unions, faith-based organizations and NGOs working on HIV/Aids and/or Trade issues within Southern Africa.

### **Monitoring and Evaluation**

SARPN and EJM agreed to work together with the network members and participants to this meeting to continue monitoring progress of the runner-up campaigns towards the WTO conference and to also endeavor to inform participants of the outcomes of the Ministerial Meeting. This information would be available both in electronic as well as print form.

### **Citizens' Participation Manual Testing meeting, Mozambique,**

**December 2005**

