

National Advocacy Plan - Zambia

1. Background

CREW Project is being undertaken in two sectors in Zambia: staple food and bus transport. For staple food the study is being undertaken in the Maize sector in Zambia.

The discussions on the key issues started in Phase I itself, as the stakeholders had started to take interest in the study. CUTS took the opportunity to therefore begin some negotiations for the way forward for the findings that would be taken up fully in Phase II of the project.

The key issues identified in the Maize and Bus Transport sector in Zambia have been explained below.

2. Advocacy agenda for Staple Food (Maize)

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| 2.1. Questioning the rationale behind and process followed in determining FRA's floor price | Explore if a pro-competitive procurement regime (of maize) can be promoted in Zambia | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? <ul style="list-style-type: none"> – Procurement prices of FRA are higher than the market prices, which forces farmers to sell their produce (maize) to FRA. This crowd out private participation in procurement (FRA enjoys near monopoly). This has resulted in FRA to buy as much as 86 percent in some years and even buy more than needed, thus creating revenue burden. – FRA and FISP form two main (heavily invested) initiatives of Government of Zambia. With high floor prices and the willingness of the farmers to sell to FRA, the government has to buy from the farmers. This leads to more investment of the government's revenue on procuring maize. Needless to say the FISP subsidy creates considerable revenue pressure on the govt. coffers. – Given most farmers are net-consumers the high (set) price of maize creates a knock-on effect on the price of the maize at the retail end. – In terms of competition too, the private players are crowded out of the maize procurement market. • What would be achieved by addressing the problem? Competitive maize procurement prices by FRA and enhanced participation of the private players in the market. |

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| | | <ul style="list-style-type: none"> • How will the CREW project contribute towards addressing this problem? Researching the method of setting floor prices in FRA. This would help in understanding the reasons for setting prices higher than the market prices. Based on the evidence, dialogues with the relevant stakeholders would be undertaken initiate discussions on the need for making the floor prices competitive. • Action agenda <ol style="list-style-type: none"> i. Research on ‘Price determination process of FRA’ including both secondary and primary research. ii. Brainstorming sessions with the relevant stakeholders (policymakers, regulators etc.) based on the research iii. Drafting a campaign based on the inputs from the brainstorming session |
| <p>2.2. Fertiliser procurement process to be pro-competitive</p> | <p>To have a more transparent procurement regime of fertilisers to ensure that private players do not get discarded from participating in the bidding process</p> | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? <ul style="list-style-type: none"> – It has been observed that only a few private firms have been involved in the procurement process of fertilisers in Zambia under FISP. – It has been reported that the procurement process has created competition distortions in the distribution market. Those bidding for FISP fertiliser supply and distribution colluded and allocated markets. This allocation has been happening over the years. Currently, CCPC is already conducting an enquiry in this issue. – This has resulted in high distribution cost for fertiliser and robbed government of millions of kwacha. – Other players have been thus been disadvantaged and have not been able to participate in the bidding process. • What would be achieved by addressing the problem? Making the bidding process for fertiliser procurement pro – competitive with equal opportunity for all firms to participate in the process. This would help government save money as competition in procurement will force prices down. • How will the CREW project contribute towards addressing this problem? The project will contribute by doing further research the fertiliser bidding process under FISP. The research would be used to draft guidelines for conducting a ‘competitive’ procurement process for fertilisers under FISP |

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| | | <ul style="list-style-type: none"> • Action agenda <ul style="list-style-type: none"> i. Brainstorming meeting amongst MAL/FRA – ZPPA – CCPC – CUTS – Sector Experts (like IAPRI) ii. Undertaking research based on the brainstorming meeting for drafting the guidelines |

3. Advocacy agenda for Bus Transport

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| <p>3.1. Fare setting process (for Urban city Transport)</p> | <p>Make it scientific, inclusive and transparent.</p> | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? <ul style="list-style-type: none"> - Passengers, especially in the intra-city transport sector are heavily disadvantaged as bus fares constitute a significant portion of their income. CREW project has revealed that commuters spend about 8.6 percent of income on transport. - The consumers are generally dissatisfied with nearly 80% of the respondents indicating that the price change (increase) over the last 5 years has been undesirable. - Nearly 70% of the intra-city bus transport respondents were of the view that the bus fares are too high given the quality of the services provided (value for money). • What would be achieved by addressing the problem? <ul style="list-style-type: none"> - It is important to have an inclusive and transparent fare setting process. Consumers would be able to have better value for money (fares vis-à-vis quality of service) • How will the CREW project contribute towards addressing this problem? <ul style="list-style-type: none"> - Conduct an analysis of ‘good practices in transport regulation from across various countries’, covering the issues of fare regulation, route allocation and contract management - Engagement with parliamentarians, key stakeholders and policy makers to share some of the good practices that may apply to the Zambian scenario |

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| | | <ul style="list-style-type: none"> • Action agenda i) Paper on ‘Good Practices in transport regulation across developing and advanced countries – with specific reference to fare setting, route allocation and contract management’¹. ii) Brainstorming meeting with Ministry of Transport and relevant stakeholders to understand country level bottlenecks and possible way forward in addressing them. iii) Facilitation of knowledge on specific areas (viz fare regulation etc.) to balance impact on consumers and producers. |
| <p>3.2. Route Allocation (in Lusaka)</p> | <p>Enhancing bus availability for consumers in Lusaka city and equitable distribution of bus service within the city</p> | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? - The study reveals that once an operator is licensed to operate in intra-city bus transport, the operator is free to choose a route that is lucrative, even for the day. This practice leads to issues of access to buses for passengers staying on non-profitable routes. - However, the local authorities in Lusaka are considering applying a route allocation policy to enhance the quality of passenger transport. - For example, according to the unpublished Memorandum of Understanding (MoU) for Road Safety for public institutions, Lusaka City Council (LCC) has intentions to implement a route allocation policy with the ambition to enhance the quality of passenger transport in Lusaka. The implementation of this policy is in line with the Master Plan to improve Lusaka. • What would be achieved by addressing the problem? - Improved access for consumers, especially in areas that are inadequately serviced in Lusaka. - Organised urban transport in Lusaka city • How will the CREW project contribute towards addressing this problem? - Interactions with the stakeholders during the course of the project revealed that the above mentioned initiatives have stagnated at plan level only and no implementation has been carried out. - A political-economy analysis would be undertaken to understand the reasons for non-implementation of initiatives directed towards route rationalisation Lusaka. |

¹ This cross cutting research mentioned in item number 3.4 of Bus Transport describes in detail the exercise and its rationale. It is intended to be cross cutting for the three project countries namely: Ghana, the Philippines and Zambia.

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| | | <ul style="list-style-type: none"> • Action agenda i) Research on politico – economic constraints on route allocation in Lusaka (both secondary and primary) ii) Discussion and dialogues with the relevant stakeholders (policymakers, regulators, operators etc.) on the findings of the research iii) Build support and buy-in from the relevant stakeholders like MOT, district assemblies, transport operators etc. iv) Launching a media campaign on the findings |
| <p>3.3. Standards of intra city buses</p> | <p>Standards for seats and occupancy in buses</p> | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? - Most of the buses plying in Zambia are second hand buses. The quality of the bus and the services that they provide are generally not good. - Majority of the commuters interviewed (about 62.5 per cent) indicated that the trip which they had just taken was very uncomfortable. This was mostly attributed to overloading (72.3 per cent); uncomfortable seats (9.2 per cent) and rude bus crew (6.2 per cent). • What would be achieved by addressing the problem? - There is a need therefore, to have some standards to make the bus service comfortable and safe for the commuters. - Improved standard for bus service in Lusaka (vis-à-vis occupancy and seats). • How will the CREW project contribute towards addressing this problem? - Creating a demand for having better service standards for buses in Lusaka through media campaign based on interactions with relevant stakeholders. • Action agenda i) Engage with ZABS, RTSA and Ministry of transport ii) Initiate discussions on this issue and chart a best way forward iii) Media campaign |

The below mentioned agenda is intended to be taken up for three project countries, Ghana, the Philippines and Zambia:

| BUS TRANSPORT | | |
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| <p>3.4. Good Practices in transport regulation across developing and advanced countries – with specific reference to fare setting, route allocation and contract management</p> <p><i>(For Ghana, the Philippines and Zambia)</i></p> | <p>To develop guidelines for the project countries on fare setting process based on examples of good practices across developing and developed countries</p> | <ul style="list-style-type: none"> • What is the problem as informed by the evidence in the DCR? <ul style="list-style-type: none"> – Diagnostic work in three project countries (Ghana, the Philippines and Zambia) has shown that there is a lack of proper fare setting mechanism. This holds true for many developing and least developed countries. – This is mainly due to the lack of capacity in these countries and the necessary know how of good practices across the other countries. • What would be achieved by addressing the problem? <p>Having a proper fare setting mechanism in place ensures both consumer and producer welfare as proper fare determination takes into account several factors that impact both the beneficiaries. Having a well laid out document on best practices of fare regulation can act as reference point for policymakers to know as to what method is more suited to their needs.</p> • How will the CREW project contribute towards addressing this problem? <p>Documenting the experience gathered from the project countries as well as some other examples from the developing countries.</p> • Action agenda <p>The action agenda will include the following steps:</p> <ul style="list-style-type: none"> – Engage with organisations like Embarq – Interaction with stakeholders through skype etc. (wherever necessary) to understand the country level situations – Prepare case studies informed from the DCRs and secondary literature – Document the same in a ‘Discussion Paper’. |