



CONSUMER UNITY AND TRUST SOCIETY AFRICA RESOURCE CENTRE, NAIROBI

[CUTS ARC, NAIROBI]

STRATEGIC BUSINESS PLAN

[2013-2017]

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1. Introduction

CUTS-Centre for International Trade Economics and Environment, Nairobi <http://www.cuts-international.org/ARC/Nairobi/> is an independent Non profit; Non Governmental Organisation registered under Section 10 of the NGO Co-ordination Act of the laws of Kenya on 2nd November 2000. Over time it has come to be commonly referred to as **CUTS, Nairobi**. It started its operations in the year 2003.

The Organization is affiliated to CUTS International (www.cuts-international.org) registered in India in 1984 as Consumer Unity & Trust Society, a non-governmental organisation working on public interest issues with a ‘rights-based’ approach in different parts of the world with a staff strength of over 120 persons and a large international network of professionals (associated in various other capacities, e.g., fellows, consultants, advisers, etc.) working on international trade and development, consumer protection, governance, competition policy and law and economic regulation issues. However, CUTS Nairobi is an independent legal entity with its own board and management.

2. Mission, Goal & Objectives

Mission: To function as a resource, coordination as well as networking Centre to promote South-South cooperation for sustainable, people-centred economic and social development in Eastern Africa specifically and the Sub Saharan Africa generally.

The goal: To contribute to national and regional policy discourses by providing technical support and guidance to various stakeholders on national, regional and international policy issues, viz. consumer protection, trade and development, good governance, and competition and regulatory policy.

Its specific *objectives* include:

- To act as a knowledge centre for information on trade and development, competition, consumer protection, investment and regulatory policy issues.
- To build local, national, and regional capacities of multiple stakeholders on areas of trade and sustainable development, competition, consumer protection, governance, investment, and regulatory policy through advocacy and dissemination of information through a South-South cooperative approach.
- To promote civil society co-operation on trade, sustainable development and regulatory reforms by creating and building long term capacity of civil society representatives and civil servants to address the issues of equity and accountability in the economic systems.
- To undertake research based advocacy at the national, regional and international levels on those policies that have impact on trade and sustainable development.

Focus Region:

Eastern Africa

3. Programme Areas

Towards achieving its goals and objectives the CUTS Nairobi Centre focuses on three programmatic areas:

- Trade and Development
- Consumer Welfare and Governance
- Economic Regulation and Competition

A. TRADE & DEVELOPMENT

Strategic Goal:

To enhance trade and economic development policies through rigorous research, policy advocacy and networking with both state and non-state actors in the eastern Africa region

Thematic Focus

- Safeguarding and promoting livelihoods under external trade and trade-related policies
- Trade as a tool for sustainable development and consumer welfare
- Strengthening the linkages between trade, development and poverty reduction
- Aid for trade and private sector development
- Regional Economic Cooperation
- Agricultural Trade and Food Security – Policies, Practices and Small Farmers Organisations, SMEs and agriculture and policy and institutional regimes in the sector
- Climate change and its linkages with development aspects of trade and agriculture

B. CONSUMER WELFARE AND GOVERNANCE

Strategic Goal

To empower consumers through research, information and education for the realisation of their rights and good governance in Kenya and the eastern Africa region

Thematic Focus

- Enhancement of Consumer awareness and consumer education through outreach
- Research on Consumer Welfare issues
- Consumer participation and engagement in sector regulation
- Linkage between competition and consumer protection
- Financial consumer protection
- Promotion of good governance through utilisation of social accountability tools

C. ECONOMIC REGULATION & COMPETITION

Strategic Goal

To enhance the formulation and effective implementation of appropriate regulatory policies (including competition policy) at the national and regional (including the East African Community) level for achieving developmental strategies

Thematic Focus

- Factors influencing effective enforcement of competition Policy and Law
- Harmonisation of competition enforcement between national and regional levels
- Assessment of competition in key sectors and its implications
- Assessment of regulatory framework and its delivery in sectors

4. Strengths, Limitations, Opportunities and Threat (Slot Analysis)

Strengths

- Its status as a locally registered NGO, registered in Nairobi as opposed to being seen as a foreign NGO in Kenya.
- CUTS International's Profile i.e. name, experience and reputation as a research, advocacy and networking organisation in the areas of consumer protection, governance, international trade and development, competition, investment and economic regulation, etc and the ability to use CUTS' network of donors, resource persons, research capacity, civil society, academia and other contacts, position CUTS ARC, Nairobi as a partner on several CUTS projects.
- Location advantage - Nairobi is an international city and a centre of other international bodies that operate in East and Central Africa.
- Unique identification of niche areas where not much has been done e.g. economic rights, consumer rights, south-south and south-north co-operation; and areas where a vacuum exists in the region, e.g., consumer protection, governance, competition, investment and economic regulation.
- Database of consultants around its programme area that are not only qualified, respected but also available to undertake assignments for the Organisation.
- Information dissemination: the organization has produced many publications over the years and this gives it an edge over its competitors, many of whom do not publish a lot.
- A young and vibrant team

Limitations

- Limited human resources thus affecting workload management.
- Limited financial resources affecting the need to recruit staff at competitive ratios compared to other likeminded organizations. Low salaries have also affected ability to retain experienced staff.
- Image building and sustainability of projects on thematic areas.

Opportunities

- Increase of interest in some niche areas that the Organisation is working on renders it relevant now and in the near future. These areas include competition and regulation, climate change and linkages with other aspects of development like trade and agriculture. Locally consumer issues are being incorporated in various legislations e.g. Kenya consumer law has just been adopted.

- Availability of like-minded Organizations internationally and regionally that are ready and willing to partner with CUTS as experience has shown.
- Alliance building with more partner organization in the region, such as ESRF in Tanzania, or SEATINI in Uganda, etc.
- Recent discoveries of key natural resources in the region call for concomitant policy intervention
- Governance and re-alignments in Kenya calls for policy research and advocacy inputs

Threats

- Ever decreasing donor resources from the traditional donors due to the continuation of the financial and economic crisis in the West.

5. Milestones

Past Projects and Milestones-National

Since inception the Organisation has achieved its programmatic objectives through its four complementing functional areas of research, advocacy, capacity building and networking. The following are just some of the milestones of the Centre in the last 10 years.

National

- **ACP-Rwanda 2012:** Consultancy to conduct investigations on Anti Competitive practices in some selected industries in Rwanda supported by Ministry of Trade and Industry (MINICOM) Rwanda.
- **CONSREG 2012:** Consumer rights empowerment for socio-economic justice and good governance in Kenya supported by Akiba Uhaki Foundation (AUF)
- **State of Competition in the Agriculture Sector 2012:** IEA & CUTS ARC, Nairobi's Joint project on to analyze the status of competition in the agricultural market with specific reference to milling and bulk storage markets in Kenya.
- **KAPMAD 2010:** This study mapped out the Institutional-Policy Environment and Issues Affecting Small-Scale Farmers and Options for Enhancing Productivity and Market Access Development in Kenya (KAPMAD). It aimed at providing an understanding of the constraints blocking productivity-related competitiveness of smallholder producers and their sustainable access to markets. It was implemented in partnership with Kenya Small Scale Farmers' Forum (KESSFF) with support from Ford Foundation. Project details: <http://www.cuts-international.org/ARC/Nairobi/KAPMAD/index.htm>
- **Trade in services and domestic regulation (July 2007 –December 2007):** This study in Kenya provided background information on the country's services sector over the last two decades. It analyzed the evolution of the sector in Kenya and its contribution to the country's gross domestic product, employment, exports and imports, investment flows and sectoral linkages.

- **Linkages between Trade, Development and Poverty Reduction (February 2005-December 2008):** This project analyzed possible linkages between trade, development and poverty; drawing from among others, success stories of such linkages that have been demonstrated in other developing/least developed countries. Ways in which Kenya can increase its capacities to engage on trade as a means to enhancing the state of economic development thereby reducing poverty were also addressed. Apart from Kenya, the research (and subsequent advocacy) was done by leading research partners in Tanzania, Uganda and several other countries both within Africa and Asia, comprising a total of 13 countries. Institutions and resource persons from the civil society, government and business community were engaged in this multi-country initiative. Project details: <http://www.cuts-citee.org/tdp.htm>
- **Investment and Development (October 2002-September 2007):** This was a two-year research and advocacy project that was initiated in 2002. The aim of the research undertaken in Kenya, among other countries was to assess the impact of investment on development; testing the hypothesis of whether an increase in investment automatically meant an enhancement in the economic development regime in a country. The project was undertaken in partnership with the United Nations Conference on Trade and Development (UNCTAD). Project details: (www.cuts-international.org/ifd-indx.htm)
- **Competition and Regulatory Policy Research (May 2007-July 2007):** In collaboration with the CUTS Centre for Competition, Investment and Economic Regulation, CUTS ARC Nairobi has been instrumental in implementing and coordinating a number of research-based advocacy and capacity building projects on competition policy and law issues (referred to as 7Up projects). The role of ARC has been that of a regional coordinator for the project. The centre has made substantial contribution in the effort to carry forward the ‘key outcomes’ from the project to inform national policy in various countries of the region (in addition to that of Kenya), to ensure appropriate uptake of these findings in the process of competition and regulatory reforms in the beneficiary countries. Project details: 7Up 3 Project: (<http://www.cuts-ccier.org/7up3/7Up3.htm>), 7up 1 Project: (<http://www.cuts-ccier.org/7up1/index.htm>)
- **Sectoral Regulatory Study (May 2007-July 2007):** A research study entitled, ‘Comparative Study of Sectoral Regulation in Developing Countries: Lessons for Policy, Governance and Implementation – A Case Study of Kenya’ was undertaken by CUTS ARC, Nairobi. The main aim of the study was to analyze the regulatory institutions and processes in select sectors (electricity and telecom) in Kenya, and draw lessons relevant for other developing countries. Project details: http://www.cuts-international.org/ARC/Nairobi/Competition_in_Energy_Sector/index.htm

Past Projects and Milestones-Regional

- **Impact Analysis of EAC Common Market Protocol 2012-2013:** This was a joint research program bid by CUTS/CARIS/CROWN AGENTS and IDS to study the state of EAC integration, trade facilitation and its limitations supported by Trade Mark, East Africa.
- **SCP-EAC 2010-2012:** Scenario Planning for EAC Agricultural Development (SCP-EAC) by Trade Mark East Africa (TMEA). The objective of this project is to propose the

direction for agricultural development in EAC through a Common Agriculture Policy (CAP) to realise sustainable food security by 2020

- **Fostering Equity and Accountability in the Trading Systems 2008-2011:** The project objective is to ensure and enhance positive linkages between trade and development in Africa by developing the capacity of governments to proactively and positively respond to trade issues through policy research, advocacy and networking. The project was supported by the William and Flora Hewlett Foundation. The project covered five east and southern Africa countries including: Kenya, Tanzania and Uganda and Southern Africa: Malawi and Zambia started in April 2008 and came to an end in March 2011. Project details: <http://www.cuts-international.org/ARC/Nairobi/FEATS/index.htm>
- **Building an Inclusive EAC (BIEAC) Project 2008-2010:** Building capacity of civil society organisations in East Africa to respond to policy challenges in integration of the EAC vis-à-vis external bilateral, regional and multilateral trade arrangements like EPAs and WTO, a 2008-2010 BIEAC project funded by German Ministry for Economic Cooperation and Development (BMZ) Project details: <http://www.cuts-international.org/ARC/Nairobi/BIEAC/index.htm>

Key Milestones in Advocacy and Networking

- The centre in collaboration with Friederich Ebert Stiftung (FES, Nairobi) carried out advocacy work on international trade where linkages between trade and poverty were discussed in a seminar held in Naivasha (Kenya) in October, 2004. This meeting drew participants (academicians, government, researchers and members of the civil society/consumer organizations) from around Africa, Asia and Europe, and laid the foundation for initiating a multi-country initiative on the subject, subsequently.
- In September 2007, the organisation in collaboration with FES, Nairobi office held a two day regional conference to discuss the changing global order and strategies to counter this. Representatives from government, private sector, civil society, and media were represented from five eastern Africa countries.
- In March 2008, the centre held an international Pre-UNCTAD XII (held later that year in Accra, Ghana) civil society forum, to gather the views on the various issues that were on the agenda of UNCTAD XII, in order to build up pressure on the international policy community to consider civil society voices while shaping the future of global economic governance system. The deliberations were incorporated into the main draft of the UNCTAD XII declaration. Close to over 25 countries from the developing world were represented in this meeting.
- WTO Regional Workshop in Nairobi on 29th-30th April 2009 under the theme “The Multilateral Trading System: Opportunities and Challenges for the East African Community (EAC) countries”.
- Pre LDC IV African CSO Forum on 3rd November 2010 in Arusha bringing together civil society organisations (CSOs) from African least-developed countries (LDCs) to discuss the implementation of the Brussels Programme of Action and to make recommendations to the Fourth UN Conference on LDCs (LDC IV), on traditional and new development challenges faced by these LDCs.

Some Achievements

- Through its project “Building and Inclusive East Africa Community” (BIEAC) in the region the centre has been able to develop a loose network of organisations around trade and trade related issues. These organisations look up to CUTS Nairobi for directions regarding some of the policy challenges facing the region including on EPAs, NTBs.
- The only organisation that brought both CSOs and Government together in trying to bridge the differences regarding EPAs. Many organisations and even the Government tried to discuss EPA issues with little or no progress.
- The Organisation is also among the few CSOs that have a working framework with the EAC Secretariat through the signing of a MoU, this goes to show recognition of the work that its doing.
- Our knowledge base through research continues to impact development research agenda through citations by stakeholders across the board in their work.
- The centre has lived up to its objective of south-south development co-operation by providing platform at both regional and international level to ensure that CSOs are able to work together and influence the international development agenda. One such platform was organising a pre-UNCTAD civil society meeting that saw CSOs from over 25 developing countries being represented to make inputs to a draft position paper that would give inputs to the main draft of the UNCTAD XII declaration.
- In 2012 the Organisation was invited to be part of KEBS committee on IT and communication equipment and systems.
- In 2012, the Centre launched the first ever State of Consumer Report for Kenya which was well received by authorities across the country including CCK, CAK, ERC. They have since shown willingness/enthusiasm to involve the Organization in their work.
- The Organization undertook an investigative research report of Rwanda’s beer, insurance and banking sector. This report remains authoritative and influential in helping Rwanda to operationalise its new competition law. Because of this report the various players suspected of anti-competitive practices were summoned by the Ministry of Trade and Industry and warned against the practice.
- The EAC Dialogue Framework between CSOs and PSOs that was to be used by the EAC Secretariat and engaging the two groups was mainly developed with leadership from CUTS. This framework is currently the basis of working relations between the EAC and CSOs at both national and regional levels.

6. Future Strategy

It is imperative that players in the industry become innovative and re-engineer themselves in the new global order that seems to be ever changing. It is therefore important for CUTS Nairobi to continuously address contemporary challenges if they are to remain relevant. The following issues therefore highlight both operational and substantive issues that the Centre believes is a look into what will engage the world and specifically the region in the near future:

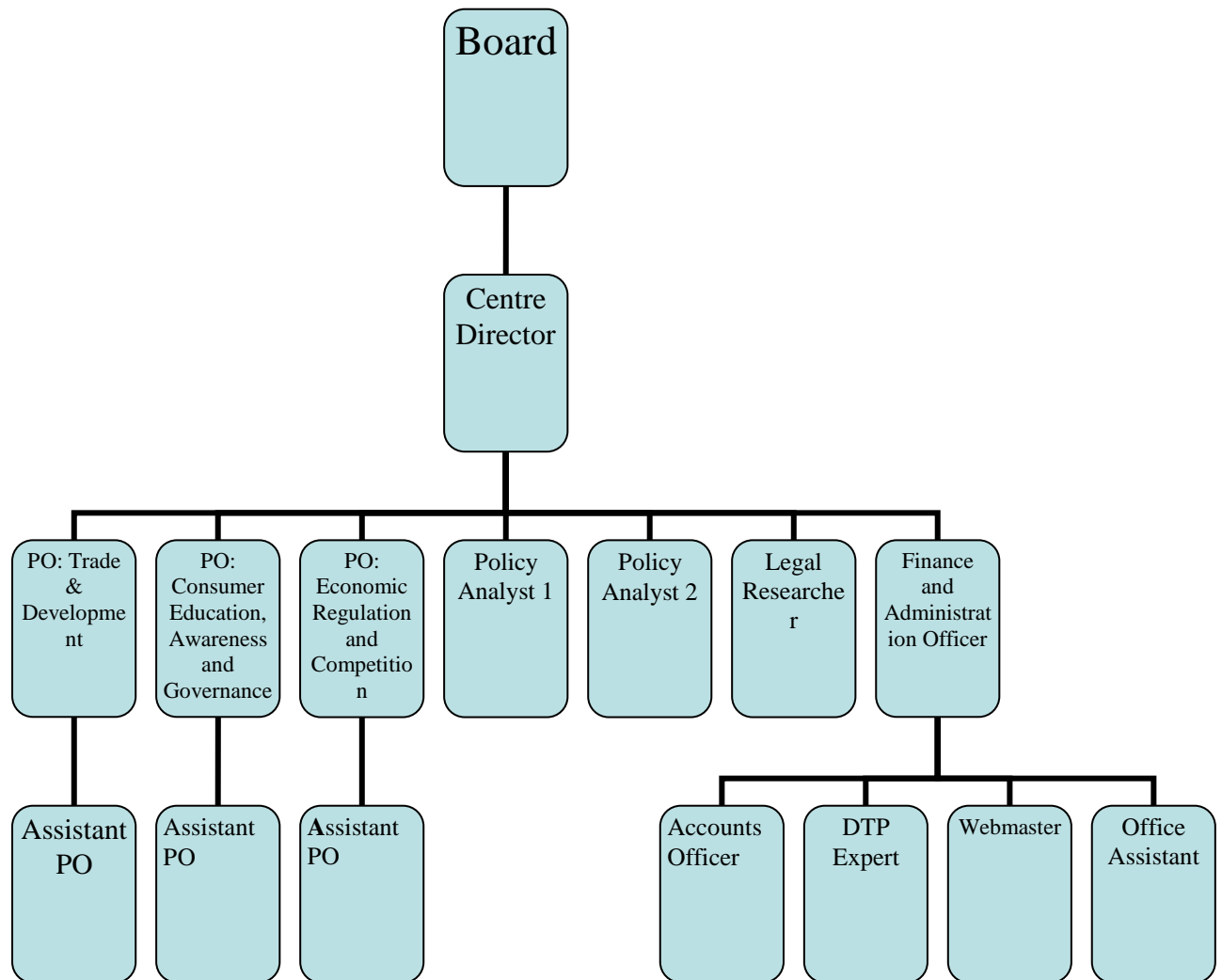
- There will be need to build synergies and develop partnership with key African Organisations and institutions like UNEP, UNECA, AU, AGRA, ACF not to mention the need to this in a coordinated fashion with CUTS offices in Lusaka and Accra in collaboration with the Jaipur headquarters.
- Establishing knowledge management bases to ensure that successes of the past are well documented for our partners to see and thus evoke a need for continuity through issues arising out of those outputs including workshop reports and previous research reports.
- Communication and outreach will remain pivotal in disseminating our work for the next five years hence the need to establish a framework to ensure that this happens through structured media coordination engagement, development of issue based networks and forums. In doing so there will be need to build the capacity of local media through media interaction forums.
- Enhancing corporate governance to develop a culture of transparency and accountability necessary in view of increasing demand by donors for the same.
- In pursuing its programmatic agenda the centre will be aiming at consolidating the sectors it's already working on including energy, agriculture and food from a pro-active point of view. Other emerging sectors that the Centre will also be observing and hopes to make incremental progress includes pharmaceuticals, financial consumer protection, and governance. The basis and thus strategy for engaging in these sectors will follow a criteria of: capability, long-term focus (sector-wise), funding opportunity, cost effectiveness and relevance.
- The centre is already making plans to outline what are the key challenges in the current world that falls within its realm and thus can be addressed through its three programmatic areas. These include now more than ever issues around agricultural productivity and livelihoods, climate change, trade related agendas including gender, consumer protection and education, good governance, regional integration, economic regulation in sectors including energy, pharmaceuticals.
- CUTS Nairobi therefore has a vigorous plan to monitor performance of international policy and practice impacts in the countries through regular interactions (meetings and brainstorming) with stakeholders and funding agencies and inter-governmental agencies active in Kenya and in other parts of Eastern Africa.
- The Organisation plans to consolidate the current network of CSOs around issues of trade and economics in the region. The CSO voice as it relates to many regional challenges is hampered not by lack of its existence but unity of purpose. Consolidation of existing networks through new and reformed ways of partnership development will be vital. These networks include but are not limited to national level organizations including NGOs and

government officials, particularly in Eastern Africa with whom it has established a robust working relationship in the past years.

- Towards its network development the Centre aims at widening its existing networks by taking advantage of available opportunities and those it engages in, development of an active database and an outreach plan
- With regard to expanding its financial resource base, the Centre has had positive trend in its revenue growth and will be working towards ensuring this trend is sustained while aiming at doubling its revenue base in the next five years as well. This will require going beyond traditional donors and traditional forms of resource mobilisation. It will also require the Centre to pay attention at forging strategic partnerships with like-minded Organisations locally and internationally. In doing this it will be important to develop a roadmap of doing so through development of a fund raising strategy.
- The centre will make deliberate efforts at forging partnerships with like-minded Organisations, strategy for which will include organising joint activities of research and advocacy as well as network development. Strategies to this end will include establishment of networks around the programmatic areas and development of working frameworks through MoUs.
- Regional integration remain a cross cutting area of focus in all the programmatic areas of CUTS Nairobi. The Centre will therefore seek to establish stronger links with regional representative bodies and institutions including the EAC, EALA, EABC, EACJ. This links will be strengthened through working arrangements and outreach plans as well as seeking collaborative activities within their respective calendar of activities or plan of action. The centre will also seek to identify key officials and departments in these institutions relevant to its programmes and the regional integration agenda.
- The Centre will constantly engage in evaluating its work over the next five years through elaborate and deliberate internal and external mechanisms of monitoring and evaluation (M&E) to check impacts and outcomes of its programmes and not just outputs and most importantly whether its making a difference.

7. Human Resource Development/Management

CUTS ARC Nairobi Organization Structure



Key: P.O - Programme Officer

Organizational Structure

The organization has a well-structured system ensuring flow of information as well as openness among the employees to facilitate communication for proper functioning of the center. The structure also puts a lot of emphasis on the need to engage experts and

professionals in the advisory board to benefit from their experience and expertise in the general programmatic directions in tandem with the vision and mission. The structure comprises of the Executive and the Advisory Committees and the administrative and programme staff.

Executive Committee

The Executive Committee is required to give policy direction and guidelines to the Centre and ensure that the aims and objectives of the organisation are achieved.

Staff/Human Resources

The centre is headed by the Centre Director who in liaison with the executive board is charged with the overall management of programme and administrative staff. Each programme is headed by a programme officer. One programme has an assistant programme officer who assists in both programme and managerial work in these programmes. The organisation also runs an internship programme that gives a chance to two interns every three months to engage in programmatic and managerial work of the centre.

Human Resource Strategy

In view of the activities encapsulated in this business strategy it is anticipated that the personnel requirement for the centre would comprise of - Centre Director, (2) policy analysts, (1) legal researcher, (3) programme officers, (3) assistant programme officers, (1) DTP expert and (1) webmaster.

Financial Resources

Sustainability and Resource Requirements

Lack of a comprehensive fund-raising strategy has hampered many of the centre's operations and thus growth. This has led to over-reliance on stand alone or one-off projects as opposed to development of sustainable programmes through a core base of funding. The centre in its bid to strengthen both its national and regional agenda will require generating funds to strategically position itself through proper systems and structures in its programmes and administration.

Budget

The following is an overview of the budget requirement, for operationalising this strategic business plan, over a period of the next five years. According to the estimate as summarised in the table below, a budget of **US\$ 2,306,000** (US Dollars Two Million, Three Hundred and Six Thousand) would be required to do so.

S No.	Items	2013-14	2014-15	2015-16	2016-17	2017-18
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1	Research and Capacity Building Trainings (Research Methodologies)	5,000	6,000	7,000	8,000	9,000
	Research Internships	10,000	26,000	30,000	35,000	40,000
	Joint Research Programme	5,000	6,000	7,000	8,000	9,000
2	Communication and Outreach	10,000	-	-	-	-
	Communication Strategy Trainings	5,000	6,000	7,000	8,000	9,000
	Publication and dissemination	5,000	6,000	7,000	8,000	9,000
	Website work	5,000	2,000	2,000	2,000	2,000
3	Personnel Costs	100,000	115,000	132,000	152,000	174,000
4	General Programmatic Costs	30,000	35,000	40,000	46,000	53,000
	Research & Analysis					
	Travel	45,000	52,000	60,000	69,000	79,000
5	Programmatic Streams	50,000	58,000	67,000	77,000	89,000
6	Administration and Establishment Costs	40,000	46,000	53,000	61,000	70,000
7	Sub-Total	310,000	358,000	412,000	474,000	543,000
8	Overheads (10 %)	31,000	35,800	41,200	47,400	54,300
9	Grand Total (Rounded-Off)	341,000	394,000	453,000	521,000	597,000