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The Southern African Development Community Group and The European Union Trade Negotiations: Implications and Challenges to Regional Integration and Development

Richard Kamidza

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By
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List of Abbreviation

ACP	-	African-Caribbean-Pacific
AGOA	-	African Growth and Opportunity Act
BLNS	-	Botswana, Lesotho, Namibia and Swaziland
CEMAC	-	
DG	-	Directorate General
DGP	-	Gross Domestic Product
EAC	-	East African Community
EBA	-	Everything But Arms
EC	-	European Commission
EDF	-	European Development Funds
EPAs	-	Economic Partnership Agreements
EU	-	European Union
FTA	-	Free Trade Area
GNI	-	Gross National Income
IMF	-	International Monetary Fund
LDC	-	Least Developed Countries
MAT	-	Mozambique, Angola and Tanzania
NDTPF	-	National Development Trade Policy Forum
RECs	-	Regional Economic Communities
RISDP	-	Regional Indicative Strategic Development Plan
RNF	-	Regional Negotiating Forum
RPTF	-	Regional Preparatory Task Force
SACU	-	Southern African Customs Union
SADC	-	Southern African Development Community
SPS	-	Sanitary and Phytosanitary Standards
TBT	-	Technical Barriers to Trade
TDCA	-	Trade and Development Cooperation Agreement
TWN	-	Third World Network
WB	-	World Bank
WTO	-	World Trade Organisation

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1.0 INTRODUCTION

The European Union (EU) and the African-Caribbean-Pacific (ACP) countries are currently negotiating the Economic Partnership Agreements (EPAs) meant to replace the thirty-year-old Lomé non-reciprocal trade regime by 1 January 2008. While no country in the ACP community should be worse off under the EPA outcomes, the process has split African countries into four configurations[1] for the purposes of negotiating an EPA. This paper seeks to discuss the negotiations between the EU and the Southern African Development Community (SADC) configuration, which comprises of Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania. The SADC-EPA negotiations were launched on 8 July 2004 in Windhoek, Namibia. Until March 2007, South Africa[2] had an observer status in the negotiations. Currently, the SADC-EPA region is trading with the EU under the Cotonou Agreement[3], Trade and Development Cooperation Agreement (TDCA)[4] and the Everything But Arms (EBA) Initiative[5]. Cotonou Agreement and EBA initiative offer SADC-EPA products duty free access into the EU market without the requirement for reciprocity while TDCA is a reciprocal agreement that legally binds South Africa's products only.

While the EPAs negotiations assume a win-win-game, the negotiating parties are unequal in both economic and political terms as reflected by EU, which is largely strong, enlarged, powerful and united on the one hand and the SADC group which is hugely weak, poor and fragmented on the other. The parties have also huge disparities in their socio-economic and political conditions. The on-going process remains complex without clear outcomes, and is set to fortify Europe's vertical links with SADC-EPA group. The EPA process does not take into account developmental differences between Europe and the region, and within Southern Africa itself. This not only impact negatively on industrial development of the SADC-EPA economies, but also frustrate and/or disrupt regional integration that has all along been bankrolled by the same partner.

The EPAs outcome to-date reveals challenges, fears and negative implications to regional integration and economic development in the SADC-EPA group in particular and southern Africa in General. Emerging EPAs outcomes entail huge adjustment costs to individual member-states of the group, which if not taken into account, hamper industrial growth and development necessary to stimulate regional economic integration. The outcomes are likely to worsen the supply-side constraints thereby discouraging both domestic and foreign investment necessary to stimulate industrialisation, export diversification and competitiveness. Furthermore, loss of fiscal revenue is likely to negate socio-economic development thereby worsening already unimpressive human development situation of some member-states. Already there are doubts that EPAs' would provide additional resources for socio-economic development; open new

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[1] The Economic Community of West Africa (ECOWAS), the Eastern and Southern Africa (ESA), CEMAC and the Southern African Development Community (SADC).
[2] EU has agreed to the proposal that South Africa be part of the SADC-EPA group.
[3] For developing countries
[4] South Africa
[5] For Least Developed Countries

economic productive frontiers and opportunities; and enhance local entrepreneurial competitiveness. The risk to the group remains that of perpetuating the unhealthy post-colonial dependence on Europe for developmental aid and fiscal support, which unfortunately authors further neo-liberal market integration, trade liberalisation and privatisation of state-owned-enterprises. Indeed, consultative sessions debate so far have failed to demonstrate political commitment to transform the group's productive structures which largely export raw materials while consuming manufactured and capital goods from other regions – mainly the EU.

The EPAs negotiations process and outcomes have introduced challenges, fears and implications to regional integration and economic development which my paper seeks to address. Beside the introduction, the rest of my paper is divided as follows: chapter two provides the economic performance of this configuration; chapter three articulates trade relations between the group and Europe; chapter four shares the state of negotiations; and chapter five analyses emerging challenges, fears and implications to regional economic development and integration. The paper concludes by suggesting policy recommendations that is necessary to ensure a pro-developmental trade regime with Europe.

2.0 SADC-EPA ECONOMIC PERFORMANCE

SADC-EPA is a diverse group of countries facing various development challenges. There are large differences in economic size, development, trade patterns and factor endowments. South Africa, the latest member to join the group has the largest, most sophisticated and highly diversified economy which offers a wide range of benefits to other members of this group. The country not only has high offensive and defensive interests in its relations with the EU, but also dominates the rest of the group's economies. Indeed, these economies are not only small, weak, vulnerable and inward looking, but also least developed[6], highly indebted poor countries[7] and land locked[8]. Furthermore, these economies procure more South African goods and services than from abroad while exporting their products to the same economy which has a relatively large and diversified market. However, as is the case with the Southern Africa Customs Union (SACU) which in addition to South Africa comprises of Botswana, Namibia, Lesotho and Swaziland (BNLS) countries, the development locks these economies into high costs growth model, a situation which is a major incentive for countries to introduce external competition into their markets (Draper 2007). While this benefits SACU member-states which have already an inbuilt compensation mechanism to offset potential industrial relocation effects, is certainly going to negatively impact on Mozambique, Angola and Tanzania - (MAT) economies most.

Minus South Africa, the group's major exports include raw materials such as oil, diamonds and fish, which attract low value at the international market. Most countries are

[6] Angola, Mozambique, Lesotho, Swaziland and Tanzania
[7] Angola, Mozambique and Tanzania
[8] Botswana, Lesotho and Swaziland

mono-export commodity producers including Botswana (diamonds); Tanzania, Namibia and Mozambique (fish); and Swaziland and Mozambique (sugar), and therefore generate low foreign currency. For instance in 2003, the seven member-states of the group (minus South Africa) have five products which accounted for more than 86% of the total SADC-EPA exports to the EU (Masiiwa, 2005). These are precious stones and metals (diamond and gold), oil, aluminium and fish which account for 47.3%, 19.1%, 10.4% and 10%, respectively. Minus South Africa, the group's trade with the EU is extremely skewed in favour of Angola (41%), Botswana (22.5%) and Tanzania (13.7%). Over the same period, the three economies together accounted for 77% of the configuration's total trade with Europe. Minus South Africa, the group is currently benefiting from the sugar protocol[9] (Swaziland, Mozambique and Tanzania) and beef and veal protocols (Botswana, Namibia and Swaziland). For instance, Namibia have benefited from 13,000 tones beef quota and 800 tones grapes quota, annually. There is therefore high expectation that the EPA trade regime will sustain significantly these protocols. However, the group (excluding South Africa) has foreign currency constraints due largely to their narrow and undiversified industrial base. As a result, countries are net importers. For instance, in 2003 the group imported from Europe plant and machinery (29.5%), transport equipment (24.3%), food and beverages (8%), non-precious metals (7.7%) and chemical products (6.8%). The countries have also significant debt servicing obligations, which divert resources away from investing in industrialisation; export diversification; research and development; higher learning and skills training; and technological advancement. This raised the bar for a pro-development and regional integration EPAs outcome. Failure to achieve that gives credence to the perception that EPAs outcomes may continue to tie the group's economies to Europe in an unbalanced fashion that undermines national and/or regional producers of goods and services and the overall socio-economic conditions.

Agriculture not only dominates the economic activities, but is also the source of food security. While few cash crops such as cashew nuts, sugar and tobacco generate foreign currency, food security remains critical, especially to vulnerable households, most of whom are experiencing undernourishment. Although the sector provides employment opportunities to over 70% of the population, most agricultural activities have remained largely subsistence or small-scale operations in nature. The same weak and poorly funded sector is currently competing with subsidised agricultural products from Europe. As a result, most SADC-EPA's agricultural products fail to compete against EU products at the national, regional and global market.

There are four countries which dominate the fisheries sector. These are South Africa, the new member, Mozambique, Namibia and Tanzania which are well endowed with abundant marine resources. Namibia and Tanzania have significant inland fisheries activities. Namibia leads in large-scale fishing activities followed by Angola and Mozambique. Tanzania and Mozambique is dominated by artisan activities. On the global market, the demand for fish and fish-products has been steadily growing.

[9] Sugar protocol grant a group of ACP sugar producers a preferential market access to the EU. This came into force in 1975 as a replacement of the Commonwealth Sugar Agreement of 1950 which gave quota provisions with regards white sugar. However, production of beet sugar has steadily expanded.

Correspondingly between 2005 and 2006, Mozambique shrimp output rose from 9 000 to 9 300 metric tonnes; and Namibia output jumped from 20 000 to 25 000 metric tonnes, respectively while Mozambique's export of assorted fisheries[10] increased by 10%. This mirrors production and export potentials in some countries, though there is growing concern over rapid depletion of fisheries resources in the above countries, a development that requires just trade regime between EU and this group, proper management of fisheries resources and curbing of illegal fishing activities.

3.0 SADC-EPA – EU TRADE RELATIONS

EPAs are essentially "free trade areas" between partners that are both economically and politically unequal. The process remains complex without clear indicative outcomes. Expectations are that the new trade regimes would synchronize SADC-EPA relations with the EU which is currently defined by TDCA, EBA and Cotonou Agreement. EPAs are conceived within the neo-liberal policy agenda of "one size fits all" trade liberalisation and market integration, which has authored downsizing, de-industrialisation, de-agriculturalisation, regional disintegrative processes and unimpressive socio-economic indicators in many countries of this group in particular and African economies in general. South Africa, a relatively advanced and diversified economy which not only has an existing trade pact with Europe, but also both offensive and defensive interests with that market joined the group on 7 March 2007. But as the rest of the SADC-EPA economies continue to be marginalised at the regional and global market, the economic prospects remain bleak, and poise to support Europe's concerns of solving its overproduction and profitability crisis by opening up more markets for its products and services.

The EPAs outcomes are likely to promote Europe's interests at the expense of Southern Africa's long-term sustainable development and regional integration. EPAs are linked to multilateral trade negotiations processes, which continue to collapse, mainly due to trade distorting measures from Europe, United State of America and other industrialized economies. The negotiations seek to introduce a World Trade Organisation (WTO) compatible trade regime between Europe and this group. As such, there is no political will to explore options to circumvent the waiver argument that is whipping the group's negotiators towards 31 December 2007 deadline. But as feared on many occasions by civil society groups, it appears that EU is unwilling to politically foster an alliance with the ACP group thereby neutralising potential opposition towards the waiver extension. While EPAs speaks of vertical integration of the group's economies with that of Europe, emerging short- to medium-term outcomes are certainly going to worsen the plight of industrial producers, small-holder farmers and consumers in this group. It is also going to negatively impact on regional integration and the overall economic growth and development in respective member-states. This is despite supporting Europe's interests of securing more market access for products and services as well as her interests at the multilateral level.

[10] Fish: fresh, chilled or frozen, dried, salted or smoked, canned and crustaceans.

Europe has assumed greater control over the developmental agenda including regional integration of southern Africa, hence continues to set frameworks and/or conditions that facilitate further capitalist exploitation, expansion and hegemony. Europe is able to protect her producers (industrialists and farmers), service providers and consumers through negotiating trade regime covering such aspects as tariff escalations, quotas, rules of origin, patent legislation, subsidies, and export credits. However, in many instances, the negotiations have undermined sub-regional industrialization thrust including regional integration while introduce new generation of issues, a development that requires capacity depths in the group. This worsens an already socio-economic underdevelopment, limited industrial output and export competitiveness situations of the SADC-EPA economies. Thus, through developmental aid and debt control, Europe continue to exert strong influence in the internal affairs of the respective countries; regional events, processes and developments; and policy formulations and implementation. EU wield tremendous power and influence over equally weaker SADC-EPA group which end up not only complying with her interests, but also fail to prepare and articulate offensive and defensive positions and/or interests necessary to shape the future trade regime.

Table I: EC support to selected SADC-EPA countries

Country	Project	Budget	Period
Angola	Trade policy general (Technical Cooperation Facility)	Eu 3.6 m	April 2006 – December 2013
Botswana	Trade policy general (Technical Cooperation Facility)	Eu 1.385 m	Mid 2004 – September 2007
Lesotho	Trade policy general (Technical Cooperation Facility); and Customs valuation (Asycuda)	Eu 1.9 m Eu 1.0 m	2006 – 2008
Namibia	Trade facilitation (Namibia trade and regional integration programme)	Eu 3.0 m	2005 – 2009
SADC[11]	TBT / SPS (Foot and mouth disease)	Eu 12.6 m	2006 – 2011

Source: compiled from: www.sadc.int/english/tifi/trade/documents/inventory/TRAsector-table1Aug06.pdf.

Europe is a strong trading partner and a significant donor to the SADC-EPA member-states. Most countries in this group get aid and fiscal support from the EU, which in many instances become instruments to achieve its trade agenda. As Svensson (2006) show, financial support induces aid dependence syndrome, which in the case of Tanzania and Mozambique, is projected to rise to 27 and 47% of the gross national income (GNI), respectively by 2010. Table 1 illustrates how EU as a donor is bankrolling the implementation of national and/or regional developmental programmes and/or projects; regional integration efforts; fiscal expenditures of respective countries; and bilateral trade negotiations. The support is in the form of both direct financial flows and/or technical assistance covering a wide range of mandates including the on-going EPAs trade negotiations. Already EU has supported Swaziland's fiscal restructuring which enabled the country to diversify its tax base; Namibia's public financial management; harmonization of Lesotho's value-added tax system with that of South Africa; and fiscal

[11] Figure include support to other SADC countries which are negotiating in other configurations.

adjustment of Mozambique, Angola and Tanzania. Furthermore, EU is sponsoring[12] the on-going SADC-EPAs negotiations to which its institutions have remained influential at both the national and regional preparatory processes. The strategy is to entrench EU's capitalist exploitation, expansion and hegemonic agenda towards this group in spite of growing rates of poverty, unemployment and other social ills.

EU as a donor is known to apply various threats to trading counterparts including withdrawing development assistance, investments and budgetary support; and re-imposing trade barriers even during the negotiation processes. The threats have in the past contributed to desired outcomes and rightly so, the fear for the same is manifesting through regional disintegration, adjustment costs and revenue losses. Furthermore perceived lack of political will to redress supply-side constraints; and export industrialisation, diversification and competitiveness reinforce this fear. It appears clear now that EU with the support of global neo-liberal of WTO, the International Monetary Fund (IMF) and the World Bank (WB) seeks to entrench trade liberalisation, privatisation and market integration agenda in this configuration.

Although EPAs seeks to promote poverty alleviation, sustainable development and gradual integration of group's economies into the global economy, there are indications of profound implications for local production; competitive investment and trade; welfare provisions and employment opportunities; and government revenues. Significant negative impact would be felt by impoverished communities such as farmers, small producers, people with disabilities, fisher folk and informal traders while loss of government revenues negates economic human rights of citizens. The EC is aware that the group's economic production and trade structures are certainly going to satisfy the medium- to long-term interests of EU's global trade agenda.

SADC-EPA activities reflect busy schedules for member-states in spite of the expressed commitment by both sides to meet the tight deadline (SADC-EC Joint Road Map). This entails rationalising the negotiating process by clearly structuring the preparatory meetings taking cognisant of limited capacity of the group. This also means stretching existing capacity, especially now that the TDCA review has to be adjusted in order to take into account direct interests of BLNS countries. Capacity stretching is also eminent given that the institutional mechanism has to ensure full participation of the BLNS countries in the TDCA review. It is possible that the TDCA review has to consider indirectly the interests of the non-SACU members of the group – MAT economies, which may demand observer status during this process. The capacity stretching was reflected in June 2007 when EC organised different meetings in Windhoek (for non-state actors) and Welvis Bay (state actors), Namibia simultaneously, despite knowing very well that both state actors and non-state actors have been participating equally in the Regional Negotiating Forum (RNF) process. This resulted in the SADC EPA Unit desk, the intellectual advisor to this process failing to interact with non-state actors while EC's objective of "we came and consult" was rightly recorded. This also means that the non-

[12] EU funded impact assessment studies and national workshops; and participation of 3 people (both government and non-state actors) at the Regional Negotiation Forum.

state actors could not only participate at the RNF process, but also follow the proceedings.

4.0 THE STATE OF NEGOTIATIONS

4.1 The negotiating structure

The SADC-EPA negotiations are being conducted through a three-tier structure, that is, at the Ministerial, Senior Officials and technical levels. In this respect, the Minister of Trade and Industry in Botswana has been designated to lead the negotiations at Ministerial level; a Chief Negotiator at Senior Official level; and the EPA Unit of the SADC Secretariat at the technical level. The group has agreed that the non-state actors (the private sector and civil society organizations) be part of respective government delegations to Regional Negotiating Forums (RNF). In each country, the National Development Trade Policy Forum (NDTPF) comprising of government officials and representatives of civil society and the private sector was established to prepare positions and interests which feeds into RNF process. In addition to NDTPF and RNF in which all the stakeholders participate, albeit at different levels, there is the Regional Preparatory Task Force (RPTF) comprising negotiators[13] from both sides (EU and SADC-EPA). This structure is expected to identify areas of convergence and divergence in ways that speed up negotiations. RPTF also seeks to ensure that the process support trade and economic cooperation provisions and development component of the Cotonou Agreement as well as ensuring efficient delivery of support to the SADC-EPA group during its preparatory stages of the negotiations. The above structure has not been affected in any way by the acceptance of South Africa into the group given the former's earlier observatory status.

4.2 The negotiating sequence and principles

The EU and SADC-EPA agreed on a joint road map that sequenced the negotiations in three stages and clearly define the overall objectives of EPAs, especially with respect to SADC-EPA economies. These goals include sustainable development of SADC[14] economies and their subsequent smooth and gradual integration into the global economy in ways that contribute towards poverty alleviation. This entails promoting sustained growth, production and supply capacities of economic agents; industrialisation, diversification and socio-economic transformation processes; and regional integration initiatives in line with long-term goals of Regional Indicative Strategic Development Plan (RISDP)[15].

Table II: Sequencing of negotiations

Stage	Time Frame	Subject matter of negotiations

[13] SADC-EPA group comprise representatives of the regional and national authoring officers and relevant experts of the SADC Secretariat nd member-states; the EC comprise officials from DG Trade, DG Development, EuropeAid Cooperation Office and the EC Delegation in Botswana.

[14] There are 14 members in SADC, five (Mauritius, Madagascar, Malawi, Zambia and Zimbabwe) are negotiating under the ESA configuration while DRC is doing so under the Central African region.

[15] Following the restructuring of SADC, RISDP was adopted to provides strategic direction with respect to the region's programmes and activities; and to align its strategic objectives, priorities, polices and strategies for achieving desired long-term goals.

Stage I	July to December 2004	Setting priorities and preparation for negotiations
Stage II	January 2005 to July 2007	Substantive negotiations
Stage III	July 2007 to December 2008	Finalisation of negotiations

Source: SADC-EC Joint Road Map

Table II notes that the group allocated six months to set its priorities for negotiation; two years and six months to engage in substantial negotiations, that is, developing positions, interests and offers; and one year and six months to conclude the process with EC. Table III summarises the principles guiding EPAs negotiations. Thus, as defined by the road map, the negotiating principles and identified priority areas include development dimensions; regional integration; market access in non-agriculture, agriculture and fisheries products; rules of origin; trade facilitation; technical barriers to trade (TBT); and sanitary and phytosanitary standards (SPS). The parties agreed to prepare these cluster negotiations at the technical level.

Table III: Negotiation principles

Instrument for Development This takes into account specific countries socio-economic, environmental and structural constraints; the capacity to adapt their economies to the EPA process; and the developmental objectives of SADC as spelt out in its RISDP.
Regional Integration processes This premised the SADC–EC EPA processes on regional integration initiatives of the SADC member-states in terms of its design and sequence, and is intended to complement and support regional integration process and programmes; harmonise regional rules; and consolidate SADC regional market.
WTO Compatibility This ensures that SADC–EC EPA shall be compatible with prevailing WTO rules and principles, taking into account the context of the Doha Development Agenda.
Preservation of the Cotonou Trade Acquis This ensures that the SADC–EC EPA not only preserve, but also improve the current ACP and EBA preferences into the EU market for SADC exports in line with the goal that no country would be worse off.
Special and Differential Treatment Both sides concur that the SADC–EC EPA outcome provide special and differential treatment to all SADC countries, taking into account the particular needs of the least developed countries (LDCs), and vulnerability situations of small and single commodity exports; landlocked; natural calamities (drought and floods); and post-conflict countries.
Sustainability This entails that the SADC–EC EPA have both negative and positive significant implications for the socio-economic fabric of group member-states in terms of welfare maximisation and minimisation of adjustment costs.
Legitimacy and Transparency This entails that the SADC-EC EPA establishes its legitimacy in all the parties to the agreement through its contribution to sustainable development. This further call for both parties to consult widely and involve deeply all relevant stakeholders in the negotiation

process so as to mobilise public support to the process and the outcomes.
Resources and Support for Adjustment This ensures that the implementation of the EPA process entails adjustments cost, hence the call for adequate fiscal revenues to upgrade productive structures, human resources and institutional capacities. Adequate resources are needed to assist member-states in meeting EPA-related adjustment costs.

Source: derived from SADC-EPA Unit documents and other sources.

The outlined negotiating principles by the group seek to realign EPAs outcomes with SADC regional integration programmes, efforts and initiatives, and are in support of the Cotonou Agreement objectives. However, the unfolding processes and emerging concerns, fears and outcomes are totally at variant with these principles.

4.3 The negotiating process and outcomes

After the launch of the EPAs negotiations in 2004, the group religiously followed the road map in its quest to meet the given deadline. Intense discussions occupied a large part of 2005 and culminated in the "Framework for EPA Negotiations between SADC and the EU" document that was adopted by the SADC-EPA Ministers of Trade on 12 February 2006, in Luanda, Angola. The document was subsequently submitted to the EC at a joint SADC-EC-EPA meeting in Gaborone, Botswana on 7 March 2006. South Africa's observatory status influenced the group to formulate proposals using TDCA template. The framework document sought to create a single trade regime between the EU and SADC by merging the TDCA, EBA and the Cotonou Agreement. This marked the first attempt to harmonise the free trade relations with EU. Its key proposals and the EU's response are summarised in table IV.

Table IV: SADC-EPA proposals and EC's responses

SADC-EPA proposals	EC's responses
The BLNS countries should use the TDCA as a basis for their market access offers to the EU.	The EU ***has accepted*** the use of TDCA as a basis for market access offers but proposed a differentiation between South Africa and the rest of the SADC-EPA member-states. This effectively means that there will be two treatments for EU exports to the SADC-EPA region and for imports into the EU market from the region. There would not be any technical problems regarding exports to the EU as opposed to imports where close monitoring would be required.
The three LDCs in the SADC-EPA configuration (Angola, Mozambique and Tanzania) should not be required to reciprocate the concessions from the EU.	The EC ***insists*** on some form of reciprocity for the LDCs with respect to tariff concessions. Tanzania has indicated to the Senior Officials that they would also like to reciprocate because EBA does not help them to develop. Mozambique and Angola have not yet clarified themselves on whether they would also like to reciprocate or would prefer EBA.
South Africa should be accepted as a substantive member of the	The EU ***has accepted*** the inclusion of South Africa in the group.

SADC-EPA configuration.	
There should be no binding commitments on new generation issues under the EPA but the issues should be discussed for purposes of cooperation only.	The EC ***insists*** on the inclusion of new generation trade issues in the EPAs. The EC's argument is that the issues are necessary to achieve development and would also provide certainty to investors about the region. The EU also insists on linking the inclusion of these issues in the negotiation and development assistance to be offered under the EPA.

Source: Botswana Ministry of Trade and Industry/NCTPN/12th/2007/9

The document takes cognisant of the existing production and trade structures which invariably are basically commodity based as both agriculture and mining account for an average of over 50% of the total gross domestic product (GDP) (reference). These sectors not only have linkages with the rest of the regional economy, but also sustain the livelihoods of the majority of the population. The document also takes cognisant of the prospects for further growth and export diversification given the group's weak and relatively underdeveloped manufacturing sector currently protected by high tariff walls. High tariff regimes significantly apply to sensitive[16] and special products.

The framework presents a strategic approach that navigates the complexity of trade relations in the SADC-EPA group. In this respect, the framework document seeks to lay the basis for harmonizing three existing trade arrangements[17] with the EU; co-ordinate and align the TDCA review process with the EPA negotiations; develop an approach that is compatible with existing negotiating capacities in the group with the view to conclude an EPA within the set limits; retain the impetus for regional integration amongst the SADC member states; and ensure that the EPA process support existing integration efforts in the region. The document also noted that the SADC-EPA arrangement with the EU is WTO compatible, and that proper alignment exist between trade related technical assistance in the EPA process with the programming of EU development support.

The framework further notes that the BLNS already offer reciprocity to the EU through SACU of which South Africa is a member, hence may consider the TDCA as the basis for tariff negotiations taking into account all their sensitivities, especially that of Lesotho and Swaziland. Already the BLNS countries are suffering revenue losses and adjustment costs due to the TDCA, a development that calls for specific compensation from the EU *(See Table V on page 18)*. Angola, Mozambique and Tanzania as LDCs - are not required to offer market opening to EU under the EBA initiative, a position that has been protected by the Doha Development Round processes. Based on the above, the SADC-EPA group through this framework hopes to provide EU with a differentiated or variable geometry offer based on the EU's current access to the SACU market with appropriate adjustments to accommodate BLNS sensitivities; and non-reciprocity offer for Angola, Mozambique

[16] SADC-EPA sensitive product lists include agricultural and agro-industrial products; chemicals; petroleum and petroleum products; articles made of plastics, rubber and rubber products; machinery and parts thereof; transport equipment and selected building materials; textiles and clothing, rubber and rubber products; and glass and glass ware.

[17] Creating a single trade regime between the EU and the SADC-EPA group by merging the Cotonou Agreement, EBA and TDCA

and Tanzania. The above satisfies WTO disciplines while allowing SADC-EPA the time and policy options to define a regionally determined approach to harmonize tariff structures necessary to sustain economic growth and development in a globally competitive market.

As from 7 March 2007, European Commission (EC) accepted South Africa to become a participant of the SADC-EPA group. This means adopting TDCA template. However, this creates challenges relating to differential treatment of sensitive sectors including agro-processing industrial activities. Indeed, the dilemma of the EPA process centres on how to differentiate group countries, that is, South Africa, other SACU member-states and non-SACU economies. Is EPA outcome therefore ready to give equal treatment in spite of huge economic differences within the group? The above negates the spirit of a 'united group voice' and has potential negative impacts to weaker and vulnerable economies.

Furthermore, the SADC-EPA group aim for more liberal and simplified "rules of origin[18]" that allows greater access to the EU market. However, this poses challenges, which the group ought to tightly monitor. There is a possible risk of giving different treatment to BLNS and MAT countries. Therefore, porous borders between and/or among group member-states coupled with absence of tight intra-regional controls could allow imported products from the EU to evade duty charges. This requires MAT countries to vigorously inspect imports from SACU that could have EU origin.

The configuration seeks to build capacity on SPS and TBT standards which are necessary to secure better market access. Already both parties have produced technical reports to continue guiding discussions on the levels of technical and financial assistance. Though the framework notes the importance of trade facilitation which seeks development support from the EU, no binding obligations will be entered into under the SADC-EPA. Similarly, the group not only wants to construct a set of conditions to protect fisheries resources, but has also commissioned a study to assist in on-going sectoral consultations.

Given the group's limited institutional negotiating capacity, the formulated framework dismisses negotiating new generation trade issues: services, intellectual property, environment, investment, competition, procurement and labour. The group further observed that the SADC bloc has currently no common policies covering the above (new generation) issues. This poses not only serious policy dilemma, but also possibilities of delivering unbalanced outcomes which may negatively impact on national and regional developmental objectives.

While the framework focuses on technical exchange and cooperation necessary to develop institutional, policy and legislative infrastructure, the group wants EU to provide significant levels of financial and capacity building support. The financial support is necessary to redress supply-side constraints; compensate for fiscal revenue losses, the costs of trade diversion and other related socio-economic adjustment costs; and build

[18] Rules of Origin are designed to ensure that the benefits of free trade accrue to member-states of the group that is negotiating an agreement.

infrastructure for trade facilitation. Similarly, support to capacity building enable SADC-EPA member-states to upgrade their respective productive structures in ways that promote export capacities and diversification; redress EU imposed non-tariff barriers of SPS and TBT; facilitate transfer and/or efficient use of information and/or communication technology; and promote foreign investment in small and medium-sized enterprises. It is therefore imperative to speed up the disbursement of the financial assistance, especially the European Development Funds (EDF) as well as properly align the funds with the development component of the EPA negotiations. On the contrary, EU is accused of psychologically applying undue pressure through the 10th EDF with the view to force some countries to switch configurations. This has been the case with Swaziland which was prevented to negotiate under ESA group; DRC which switched from ESA to CEMAC; and Tanzania which is being pressured to switch to the East African Community (EAC), a bloc that is not negotiating an EPA (e-comesa Newsletter No. 96). The EC has linked and preconditioned programming of 10th EDF to specific configurations thereby giving impression of deliberately switching countries. Meanwhile countries continue experiencing difficulties in accessing the promised resources.

However, the framework proposals required a change in the negotiating mandate of the EC thereby resulting in a lengthy consultative process with EU member-states, Commission services, producers, consumers and other constituencies. This explains why the EC took a year to respond to their counterpart's proposals[19]. Unfortunately, there was total inaction by SADC-EPA negotiating machinery thereby worsening perceptions of secrecy, transparency, legitimacy and marginalisation of other constituencies[20] to the process. It thus becomes a lost opportunity to adequately consult all constituencies at both the national and regional levels. What is more worrying is lack of consultative process involving all the constituencies[21] in the SADC-EPA group. In particular, civil society groups which have not interacted with both the negotiators and the SADC-EPA Unit desk since 2004 remain outside the EU-led processes. The above interaction is limited to NDTPF and RNF participants only. In addition no meaningful consultations have taken place involving various constituencies and consumers outside the EU-led processes. Proactively, civic bodies organised a number of meetings in 2006 hoping to interact with the SADC-EPA intellectual leadership[22] who are leading the negotiations at the technical level, but alas, those initiatives went begging. At all the SADC Summits, where civic

[19] SADC-EPA proposal that was submitted to the EC in March 2006

[20] Such as producers, non-state actors, consumers and various organised groups.

[21] Such as producers, non-state actors, consumers and various organised groups.

[22] SADC-EPA officials failed to attend (i) a regional EPAs meeting organised by the Trades Centre in Harare, Zimbabwe on 7-9 September 2006; (ii) a regional civil society dialogue organised by the Consumer Unity and Trust Society – Africa Resource Centre (CUTS-ARC) based in Lusaka, Zambia whose theme was "EPAs and Economic Development in ESA Countries" on 19-21 October 2006; (iii) a roundtable discussion organised by the Southern Africa Regional Poverty Network (SAPRN), based in Pretoria, South Africa, whose theme was "EPAs negotiations: Challenges and Opportunities for Poverty eradication in Southern Africa" on 23 October 2006; (iv) though presented to the 21st Plenary Assembly of the SADC Parliamentary Forum meeting in Johannesburg, South Africa on 10-17 November 2006 under the theme "Enhancing the role of Parliaments in Governance and Development at Regional Level: Trade and Development Issues relating to the ACP – EU Trade negotiations", the two officials left immediately without interacting with MPs who had expressed concerns on the process, substance and expected outcomes.

bodies' presence is hugely felt, no interaction with the SADC-EPA Unit desk has ever been noted.

The joint SADC-EPA and EU meeting committed to redefine the scope of negotiations as well as reorganise the work plan in order to facilitate successful completion of the negotiations by the set date. EU is already aware of institutional capacity deficiencies to comprehend the task at hand. Further, the group has a challenge of satisfying the interests of all member-states, especially now that South Africa is an active member of the group. The fear though is the impact on the preparatory process, particularly wide consultations and deep involvement of constituencies in the respective countries' capitals. This commitment is feared to have serious implications to the process, resulting in detrimental EPAs outcomes to the developmental thrust of the region.

5.0 EMERGING CHALLENGES, FEARS AND IMPLICATIONS

5.1 Introduction

A recently completed joint EPA review has noted a number of challenges which are not only likely to negate sustainable socio-economic development, but also race against the set date. These relates to institutional and negotiating capacity; and divergent views between negotiating parties. As a result, various stakeholders, especially those outside the negotiations mandate have expressed fears that the EPA outcome may entrench donor dependence syndrome thereby surrendering national and/or regional developmental initiatives and fiscal needs to external funders. These challenges are likely to dilute robustness in formulating offensive and defensive interests, position and offers. They also points to negative implications to economic growth and development and regional integration.

5.2 Supply-side constraints

Supply-side constraints are blamed for the group's failure to exploit potential benefits from the EU trade preferences. Meyn (2005) notes failure to provide developmental aid necessary for the SADC-EPA countries to improve their export capacities. This gives way to fears of a non-developmental EPA outcome in spite of huge supply-related bottlenecks. These include unreliable public utilities (electricity and water); poor public infrastructure (run down roads, bridges and railways); weak institutional policy frameworks (fluctuating exchange rates, high inflation rates and poor fiscal measures); low labour productivity (arising from poor education, health and housing provisions); and unfavourable investment climate coupled with inadequate resources to foster socio-economic transformation. As a result, group countries' production structures and/or capacities have not only remained weak and undiversified, but also unattractive to foreign investment capital. The fear therefore is the failure to conclude a pro-supply-side developmental trade regime with Europe.

5.3 Production capacities and export competitiveness

SADC-EPA states are yet to develop their production structures in line with the dictates of global industrialisation, export diversification and market competitiveness. Invariably, the level of industrial and export base have remained very weak, narrow and highly oriented in favour of primary and unprocessed commodities. Pessimists note that EPAs outcomes are likely to provide limited options to individual countries' industrial strategies and development; and may prohibits discrimination against 'foreign investment' thereby forcing SADC-EPA economies to loose their options to protect national 'infant' industries as well as promoting investment policies that encourage upstream and downstream industrial growth. This not only inhibits efforts towards building national and regional industrial capacities, but also limits market competitiveness and export diversification efforts.

The above indicates constraints to economic development, which an EPA outcome may fail to redress and/or take much longer time to resolve. There is fear that EPAs are intensifying further opening up of national and regional economies to international competition thereby firmly entrenching neo-liberal policy project of the 1980s and 1990s. The negative perceptions are strong in those countries which had bad experience of the "one-size-fits-all" economic reform blue prints, which fear that the EPAs outcome may result in loss of industrial competitiveness, expansion and/or sustenance; and employment opportunities. They also fear that cuts in tariff immediately translate to revenue losses which further undermine industrialisation processes in terms of skills training and innovation, research and development.

5.4 SADC regional disintegration

SADC with the financial support of EU and other international cooperating partners has established trade protocols seeking to facilitate intra-regional and/or inter-regional trade and beyond. The region has embraced regional free trade area (FTA) agenda as well as expressed its desire to become a customs union by 2010. In spite of this good work, the EU is sacrificing the very regional integration agenda it has long been bankrolling for decades in order to conclude a new trade regime with the SADC-EPA group. Due to the EPAs process, EU is facilitating the split of the regional block, particularly SADC, whose members are negotiating under different platforms[23]. The vulnerability of regional economies to the EPAs economic politics has resulted in easy plucking and regrouping member-states in ways that suit EU's long-term goal of establishing an FTA.

Regional trade is characterised by a combination of cooperation and competition. But South Africa, without consulting its neighbours – mainly SACU countries, signed TDCA with the EU. Furthermore, as EU-South Africa signed TDCA, they both were aware of the inherent negative implications the new trade regime would entail to BNLS counties and non-SACU economies in this group and beyond. Now that SACU member-states have revoked article 31 of SACU Agreement of 2002 which stipulates that "no member-state shall negotiate and enter into new preferential trade agreements or amend existing agreements without the consent of other member-states". This has paved the way not only for South Africa to become an active participant to this group's process, but also the realignment of the SADC-EPA process with the existing TDCA template. Kamidza (2007) expressed fear that the on-going EPA process may compromise SADC member-states' collective ownership of the impetus, direction and time-frames for deeper regional

[23] SADC-EPA, ESA-EPA and CEMAC-EPA

integration as stipulated by RISDP. There is fear that the negotiations outcomes may fail to harmonise not only existing multiple free trade negotiations with EU, but also timeframes and resources targeted at a single trade regime to govern SADC-EU future trade relations.

The process is systematically hurting and undermining existing regional integration efforts. It is further dampening efforts to reconcile multiple memberships of configurations despite serious inherent future contradictions within respective countries, and between and/or among countries. In the case of SADC-EPA, this means re-orienting countries which also belong to other economic integration blocs[24]. While this points to small, weak and fragmented regional integration frameworks, it shows total disrespect of existing regional integration efforts. The fear is that the process has negative implications to regionalism, long perceived as a necessary stepping stone to integrate regional economies into the global economy. The fear is also that the EPAs process is increasingly becoming a backward trajectory to regional integration and completely out of touch with the reality of developmental challenges facing Southern Africa in general and SADC-EPA in particular. In deed, weak and vulnerable regional negotiating configurations such as this configuration can not withstand the pressure and negotiation prowess of the EU.

EPAs have re-oriented SADC countries into new regional trade groupings, in spite of the politico-socio-economic realities of member-states. Judging by the rate of meetings, emerging literature and stakeholders interaction processes, EPAs configurations are increasingly assuming the status, roles and functions of existing regional economic communities (RECs) in Africa. Indeed, the EPAs political framework and process runs contrary to medium- to long-term goals of existing SADC trade and investment portfolio. There are fears that formulation of offensive and defensive common negotiating positions may suffer from commitment to many regional efforts, low level of trade integration, divergent of economic interests, missing convergence in tariff levels and existence of 'special and differential' treatment for LDCs. Further, there is fear that the future of intra-SADC trade relations will be more complex leading to the possibility of splitting the countries permanently into four blocks – namely:

- SATDCA, that is in existence already;
- SACU-SADC-EPA countries that are already locked into the trade liberalization scheme of a 12 year TDCA;
- Non-SACU-SADC-EPA countries which are all LDCs (Angola, Mozambique and Tanzania) and have the potential to retain their non-reciprocal trade relations with EU. With the exception of Mozambique, these countries are hardly economically integrated into SACU economies; and
- Non-SADC-EPA countries that is negotiating an FTA with EU under the ESA configuration (Madagascar, Malawi, Mauritius, Zambia and Zimbabwe); and CEMAC (DRC).

[24] The Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Southern African Customs Union (SACU)

Ngwenya (2007) questions the ability of EPAs to facilitate regional intra-trade when EU products are likely to displace regional production, especially in higher value-added sectors. Indeed, regional trade will decline in favour of imports from the EU thereby making it difficult for firms to compete well on the local and regional markets. Likewise, subsidized agricultural products will be dumped into the region thereby forcing farmers to abandon production due to unfair competition. As a result, sectors which contribute to livelihood, food security and rural development get threatened as reflected by losses in entrepreneurial profits, jobs and incomes.

There is a growing perception that consultation of constituencies being undertaken by the EC[25] is focusing on the politics of SACU at the expense of MAT countries. This exposes the process as anti-configuration unity of purpose in terms of developing interests, positions, concerns, fears and offers for negotiations. This is further worsened by the fact that DG Trade, which is leading negotiations, is only concerned with market opening regardless of size but at the expense of development. This shows that EPAs are not for development, but market integration. The process has clearly displayed neo-liberal perspectives while no reference is made to existing regional integration policy documents, treaties, programmes and protocols; and SADC's commitment to existing objectives, timeframes and programmes and/or projects. For instance, SADC's RISDP whose objective is to become a single macro-economic entity responsible for regional policy harmonisation, promoting regional infrastructure and consolidating common institutions, has been put on ice until the conclusion of the EPA processes.

5.5 Trade and Development Cooperation Agreement and Adjustment costs

Europe negotiated TDCA with South Africa, the dominate economy of the SACU region. However, SACU as a single trading and negotiating entity for all the member-states was not involved when South Africa negotiated an FTA with Europe. The TDCA between South Africa and EU among other things call for total liberalisation of the services and goods sectors. Specifically, under the TDCA, South Africa is to liberalise her agricultural and industrial market by 81% and 86%, respectively in order to allow EU's subsidised commodities to enter SACU market duty-free for a period of 12 years. While TDCA provides greater access of South Africa's products to the EU market as well as positioning its competitiveness on the international market arena, the new trade regime has huge cost implications to economies of BNLS. This exposes the BNLS economies to the EU competitive environment thereby destabilises existing production structures resulting in more unemployment and poverty. TDCA lowers tariff levels thereby reduces significantly SACU's customs revenue, and invariably reduces the overall share of revenue accruing to BNLS countries which are not part to the new trade regime. For instance, prior to the new trade regime, EU accounted for 40% of all SACU imports, a revenue sources that guarantees Swaziland, Lesotho, Namibia and Botswana to receive 45, 42, 28 and 17% respectively. Now with TDCA in place, there is drastic implication to the common revenue poll, which significantly affects Swaziland and Lesotho that traditionally draws over 40% of the total common poll revenue. Bertelsmann-Scott (2006) estimated that revenue losses to BNLS ranges between R1.9 billion and R3.5

[25] Regional Information consultative meeting organized for non-state actors by the EC officials focused totally on SACU. The presentations and discussions totally ignored MAT countries.

billion a year thereby translating into significant decline in BNLS fiscal expenditures, especially social services (health, education, housing, and civil servants employment) and infrastructural development. Table V shows an annual revenue loss to BLNS countries of R2 billion, which translate into more loss to BNLS countries than South Africa. Lee (2001) notes that BNLS countries would suffer losses arising from trade diversion by importers from non-European markets to the EU because of the FTA regime.

Table V: Distribution of revenue losses from a R2 billion reduction in duty collections

Country	**SACU revenue (R Million)**		**% Change**	**% Share of revenue loss**
	Before reduction	**After reduction**		
Botswana	4,008	3,423	-15%	29%
Lesotho	1,984	1,709	-14%	14%
Namibia	3,228	2,753	-15%	24%
Swaziland	2,795	2,371	-15%	21%
South Africa	13,027	12,787	-2%	12%
Total	25,042	23,042	-8%	100%

Source: Bertelsmann-Scott, 2006

Although TDCA is signed only by South Africa, the lifting of all border controls within SACU allows European goods duty-free access to BNLS markets as well as non-SACU regional member-states. Thus, the new trade regime undermines the agricultural and industrial sectors in many of the SACU, SADC-EPA and non-SADC-EPA economies whose markets risk being flooded by cheaper products from Europe. This is further worsened by porous borders which are difficult to police, especially in those economies experiencing rapid shrinking of the formal economy leading to growing unemployment and informal sector activities including cross boarder trading activities. The above promotes easy entry of EU products beyond the South African economic boundary. Within the framework of SADC-EPA, the negative impact fall heavy on Angola, Mozambique and Tanzania than other SACU member-states which at least directly benefit from tariff revenue that goes into the common revenue pool.

TDCA violates existing agreement among members of the regional customs union to which all countries belong. Even though the group adopted TDCA template, they are opposing any ‘attempts to require South Africa to allow more market access for EU products’ which could potentially displace their exports to South Africa. While efforts to harmonize SACU’s trade relations with the EU under one trading regime is appreciated, serious consideration ought to be accorded to MAT countries’ interests in the EPAs outcomes. This requires proper scrutiny by all national and regional constituencies, especially non-state actors[26] with an oversight functions in economic justice activities.

[26] Non-state actors include civic bodies, private sector, Members of Parliament, media and social movements.

But as noted by EU Ambassador to Namibia[27], "the non-state actors have been ignored in the process". This is imperative in the spirit of 'configuration unity' as emphasized during the launch of EPAs process.

Although South Africa is now a member of this group, other SACU member-states will continue to suffer adjustment related costs. The review of TDCA and the finality of EPAs is a process that takes considerable time before implementation of outcomes. Meanwhile, negative implications of TDCA will continue to be felt. Another emerging fear relates to the possibility of South Africa's dominance in the process driven by the desire to renegotiate offensive and defensive interests albeit at the expense of other members of the group, especially the LDCs. This seem to favour EU's political game plan since any objection from the group is viewed as that of South Africa, yet negotiations are with the group. The EU is intensifying for the inclusion of services in the negotiations, a proposal that is certainly going to hurt South Africa and few other members of the group. The fear is that other group countries through psychological warfare (part of 10th EDF) (see page 13) are being pressured to accept the inclusion of services in the negotiations. There is fear that such proposals risk dividing the group in ways that has future serious ramification to respective countries economies.

6.0 CONCLUSION AND POLICY RECOMMENDATIONS

SADC has two groups - the SACU countries and non-SACU SADC economies. In the negotiations, the former act as one group of countries and are bound by the common external tariff while the latter act as individual customs territories though they are all LDCs. SADC-EPA countries are expected to reciprocate, a development that entails not only reduction in both tariff and non-tariff obstacles, but also massive cuts in government revenues. It is important to always ensure that member-states' interests are well taken care of and adequately represented in the negotiations.

National and regional negotiators, activists, policy makers and other stakeholders should strategically work towards defining the final EPAs content in line with the dictates of industrialisation initiatives, export diversification options, regionalism efforts and socio-economic development agenda. Such commonly defined pointers should properly harness of all opinions, perspectives and suggestions. Only Africa in general and SADC-EPA in particular lacks such strategic networking. This explains why the group negotiators have since the launch of the EPAs process failed to interact publicly with other constituencies beyond the "diplomatic spaces" of NDTPF and RNF.

A proposed offer by EC does not address the real problems of market access for ACP countries in general and SADC-EPA in particular, which is, the standards and rules of origin. In addition, EU gave four offers to the region, that is, 'SACU offer', 'Mozambique offer', 'Angola offer' and 'Tanzania offer' yet the negotiations are a

[27] Elisabeth Pape is the current EU Ambassador to Namibia who said this during the opening of 'Regional Information Seminar organized by the EC and attended to by representatives of the non-state actors and researchers.

corrective effort of the configuration as clearly defined by the negotiation road map. It is thus strange how these separate offers are emerging when the negotiations are between EC and the group.

The language of the EC has always been “configuration process and stakeholders”, why then formulates separate offers when the configuration submitted a composite proposal? Negotiators would be naïve if they accept separate offers, which should be contemptuously dismissed as a “divide and rule” tactic that the EC has relentlessly employed since the launch of EPAs negotiations to all the ACP configurations. Negotiators should be reminded about the slippery “development envelope” which authored the split of ACP into six (6) regions at a time the “territorial enlargement” was on the EU’s agenda. Therefore, the group’s citizens should questions the motives for such separate offers. In addition, why is EU treating South Africa as a major competitive threat each time the group show boldness on certain views on the table? Why is EU using threats of loss of market access for exports from this region if EU-led EPAs are not concluded by 31 December 2007? This is both a threat and manipulation tactic.

Development dimension was explicitly included in the Cotonou Agreement to a point of being the main mover of EPAs negotiations, but now it has remained restricted to the periphery of negotiations. Instead, EU has allowed DG Trade to negotiate with regions while DG Development remains in charge of “the development envelope” of recycled money which prop up only if certain objectives are to be met. It is imperative that the group’s negotiators, stakeholders and citizens question EU’s political commitment to release the ‘development resources’ and the rational of allowing both DG Trade and DG Development to continue employing confusing signals. EC has thus argued that members of the group, just like in other configurations, failed to “detail exactly what they want in the development dimension beyond uncosted requests for additional support”.

EPAs review has highlighted delays in the negotiations process, capacity constraints, limited human and resource capacity in the negotiations. It is therefore imperative to contemptuously remind EU that commitment to sign by 31 December 2007 has to be weighed against “late commencement of these negotiations” due to factors beyond the responsibilities of the group’s negotiating machinery including elections in Europe and USA. It is therefore imperative to dismiss contemptuously DG Trade notion of a “new trade regime first with Africa before other regions such as China. Moreover, the review was not an all inclusive stakeholders’ consultative process as regular and consistent consultations among stakeholders remain elusive in this group thereby fuelling negative perceptions about the process.

EU is demanding openings in high growing core services sectors and/or infrastructural related services including telecommunications, transport, energy, construction and finance, which are high growing sectors. The EU Parliament report notes “these services contribute to deeper regional integration while stimulating growth and competitiveness”. This needs to be contested by the group. Since June 2007, the EU-led consultative aimed at soliciting views of non-state actors, not only lacks transparency, but also exclude radical views including those calling for “Stop EPAs” to participate in the dialogue sessions. The EC organised June regional meeting for non-state actors deliberately confused concerns of the people's sector with those of the profit sector. In addition, all constituencies are not yet actively involved in the process due to lack of resources as the EU totally failed to bankroll non-state actors' activities on this process the way they engage with governments and regional bodies. But, the EC knows very well those financial windows available to governments exclude non-state actors, hence the call for assistance in order to facilitate robust engagement in the process before the "ink is on the paper". Failure to seriously consider views and submissions of non-state actors – moderate and radical - risks authoring underdevelopment, poverty, socio-economic instability, and above all, "selling the region to profit principals[28] in Europe".

It is also imperative for the SADC-EPA Unit desk[29] to interact with the civic bodies at every stage of the process. Unfortunately, since 2006, this Unit desk has constantly snubbed civil society's organized dialogue sessions despite being funded[30]. In addition, the Unit desk should organise similar consultative sessions with the private sector and other constituencies. Such wide and deep consultations entail analysing and publicising emerging issues, concerns, positions and interests with the view to share with all the stakeholders. This enables the Unit to harness resources from the civil society including critical analytical views, publications and database in ways that benefit networking on the process.

Similarly, group negotiators should immediately start consulting all the relevant constituencies by holding dialogue sessions; and sharing notes, publications and policy briefs. It is instructive to note that EC took a year[31] to respond to the group's proposals. The proposed consultative should therefore focus on substantive issues than the desire to meet the set deadline. Why sacrifice content of the negotiations for timelines, which should only act as a barometer to focus the process? After all, history shows that a number of multilateral trade rounds for instance fail to respect set timelines. As TWN (June 2007) noted "It is more important to get agreements right than to meet deadlines."

Group negotiators should also not worry about the waiver as the African Growth and Opportunity Act (AGOA) was implemented without recourse to a waiver, yet the scheme remains in place. Why should the waiver argument whip negotiators to sign when all the

[28] Transnationals or Multinations Corporations

[29] SADC-EPA officials failed to attend (i) a regional EPAs meeting organised by the Trades Centre in Harare, Zimbabwe on 7-9 September 2006; (ii) a regional civil society dialogue organised by the Consumer Unity and Trust Society – Africa Resource Centre (CUTS-ARC) based in Lusaka, Zambia whose theme was "EPAs and Economic Development in ESA Countries" on 19-21 October 2006; (iii) a roundtable discussion organised by the Southern Africa Regional Poverty Network (SAPRN), based in Pretoria, South Africa, whose theme was "EPAs negotiations: Challenges and Opportunities for Poverty eradication in Southern Africa" on 23 October 2006; (iv) though presented to the 21st Plenary Assembly of the SADC Parliamentary Forum meeting in Johannesburg, South Africa on 10-17 November 2006 under the theme "Enhancing the role of Parliaments in Governance and Development at Regional Level: Trade and Development Issues relating to the ACP – EU Trade negotiations", the two officials left immediately without interacting with MPs who had expressed concerns on the process, substance and expected outcomes.

[30] Per diems, accommodation and ticket, just like what EC funds in all the EPA related processes.

[31] SADC-EPA submitted its proposal on 6 March 2007 to the EC and got the response on 7 March 2007.

constituencies are not satisfied with the proposals on the table? Why not solicit the right political will from the EC to extend the waiver window? Both sides should therefore develop the right political will to push for the extension of the waiver, especially that both the regions constitute 104 members plus possibilities of trade-offs with other developing countries, statistic that matters during voting of proposals.

It is imperative to demystify the notion that the civic bodies in particular are "noise makers" when the road maps as well as respective national regulations affirm their role in economic justice and governance structures of the proposed trade regime.

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INSTITUTO DE ESTUDOS SOCIAIS E ECONÓMICOS

Av. Patrice Lumumba, 178 - Maputo
MOÇAMBIQUE

Tel. + 258 21 328894
Fax + 258 21 328895
www.iese.ac.mz