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Linkages Between NEPAD and WTO

NEPAD and the World Trade Organization (WTO): A review of Related Implications for Poverty Reduction in the SADC Region in the Wake of the WTO Ministerial Conference in Hong Kong, December 2005.

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Linkages Between NEPAD and the WTO: An Overview of the Relevance for Poverty Reduction in Africa

In recent years there has been an unprecedented amount of new activities that are aimed at fast-tracking African development and obtaining an improved position for Africa in the international community. It is perhaps no exaggeration to say that the main driving force behind this thrust is The New Partnership for Africa's Development (NEPAD), a programme of the African Union (AU) that has developed into a process that become internationally recognised as the primary framework for African development since its inception in 2001. The NEPAD has endorsed an improved position for Africa's international trade as a priority and has poverty reduction among its chief objectives. It is therefore fairly obvious that there are linkages between NEPAD and the World Trading Organization (WTO), and that this has special relevance for poverty alleviation in Africa. The relevance of this linkage is heightened as the NEPAD process is currently taking place in parallel with a Round of negotiations of the World Trade Organization (WTO) that is supposed to specifically deliver improved conditions of trade to better support global development.

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The very close relationship between NEPAD and the World Trade Organization (WTO) is often not too well recognised and this text attempts to help illustrate some of the linkages in this relationship, especially in reference to their profound implications for poverty alleviation in Africa. Here again the Southern African region can be seen as having its own specific interests within the broader African context, with these having perhaps a special relationship to the WTO regime inter alia because of the strong trading position of the South African/SACU grouping in the Southern African region.² The NEPAD context nevertheless remains of central relevance for the countries of Southern Africa as well as their regional entities, with the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) having special significance as key building blocks for NEPAD implementation in the NEPAD framework.

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² The Southern African Customs Union (SACU) is the oldest customs union in Africa and currently consists of South Africa as well as Botswana, Lesotho, Namibia and Swaziland. This reality as well as the fact that South Africa has, or is entering into, a wide spectrum of international trade agreements including its existing Free Trade Agreement with the European Union (EU), inter alia is a key complication for Southern Africa's international trading situation especially as the entire region apart from South Africa has a key economic relationship with the EU in terms of the Cotonou Agreement, and SADC has aims of becoming a customs union that will include the current SACU.

While most countries in the SADC region have continued to give specific attention to poverty reduction strategies in the context of such parameters as NEPAD priorities and the Millennium Development Goals (MDGs) of the United Nations (UN), there is extensive relevance for these variables in the context of regional, intra-regional African and international trade. As such it is imperative that the countries of Southern Africa continue to monitor events, and take relevant and often related action within the WTO context in so far as poverty alleviation is concerned.

The New Partnership for Africa's Development (NEPAD), Trade and the Alleviation of Poverty in Southern Africa

In such a consideration of the NEPAD-WTO relationship it is important to outline the nature of NEPAD in order to better understand its positioning vis-à-vis the WTO. In doing this one can note that the NEPAD process is largely founded on the concept of various series of supportive forms of collaboration or partnerships, both intra-African and those between Africa and the international community, but remains a process that is "African owned" and "African driven". These are among the key principles of NEPAD with others including:

- (i) Good Governance;
- (ii) Partnership between and among African peoples;
- (iii) An international partnership that changes the current unequal relationship between Africa and the rest of the world;
- (iv) Building African competitiveness;
- (v) Accelerated regional and continental integration; and
- (vi) Ensuring all NEPAD partnerships are linked to the MDGs.

The primary objectives of NEPAD are:

- (i) To eradicate poverty;
- (ii) To place Africa on a path of sustainable growth and development;
- (iii) To halt the global marginalization of Africa and enhance its integration in the international community;
- (iv) To accelerate the empowerment of women.

The NEPAD strategy contains specific targets, one of which is for Africa to achieve a 7% annual growth rate in the continental GDP. In order to do this NEPAD has urged its member states to commit themselves to raise their budget allocation to agriculture to a minimum of 10% of total public spending within five years. This illustrates the key role envisaged for agriculture in the NEPAD process. Within these parameters NEPAD is committed to pursuing these objectives not only for development generally but with specific goals including those of the elimination of hunger, eradicating poverty and enhancing food security.³

A key aspect of NEPAD is that it envisages business and especially private sector activities as playing a central role in its implementation and the sustainability of such results. Of all such business activities those of trade and investment flows, with an improved business-enabling context (or climate) for them, as for all other business activities generally, is recognised as centrally important for the objectives of NEPAD. Trade and its business-enabling context cross-cut all aspects of NEPAD and are directly linked also to the Good Governance programmes envisaged by NEPAD and through the related African Peer Review Mechanism (APRM) on a variety of levels. In this setting improved market access for African products is seen as one of the most important aspects of NEPAD.

It is correct and logical to assume that poverty reduction in Africa is a primary intention of the NEPAD objectives and thus one of the foremost results of its implementation. In further definition of this linkage between poverty reduction and NEPAD one can note that NEPAD has specifically stressed in that its stated objectives have a direct link to the achievement of the Millennium Development Goals (MDGs), with their own focus on poverty alleviation. Many

³ The CAADP makes such cross-references in various sections.

NEPAD programmes include a specific focus on poverty reduction, although one can bear in mind that this will be the intended result of the entire NEPAD programme. The alleviation of hunger in the Comprehensive Africa Agriculture Development Programme (CAADP) of NEPAD, ie the primary NEPAD framework for agriculture, is a key example of poverty alleviation tackled by NEPAD.⁴

Key Sectors of NEPAD

The key sectors that NEPAD has identified for its organization and activities can largely be identified as the following:

- (i) Good Governance;
- (ii) Agriculture;
- (iii) Infrastructure (ICT, Energy Transportation, Water and Sanitation);
- (iv) Human Resources Development: Health and Education;
- (v) Science and Technology;
- (vi) Environment;
- (vii) Tourism;
- (viii) Gender Issues;
- (ix) Mobilising Resources; and
- (x) Culture

There are many overlaps between NEPAD sectors, and as noted trade is something that cross-cutss all. In the same way one can think of the poverty alleviation results flowing from NEPAD as having such multi-sectoral sources. Nevertheless the importance of agriculture as having special relevance for hunger alleviation and poverty alleviation in Africa should perhaps be noted as well as its specific linkage to trade issues in the NEPAD context..

Agriculture in the NEPAD Framework

The CAADP that has devised in the NEPAD process contains the primary overall blueprint for priorities in NEPAD's agricultural programme. In the CAADP four key "pillars" are identified as priorities for attention and improvement in the context of NEPAD in order to make the earliest, and possibly the most sustainable, improvement to the current African "agricultural crisis" ,directly helping alleviate a situation where hunger and poverty are rampant in a continent of great agricultural potential. These pillars are:

- (i) Land and Water Management;
- (ii) Rural Infrastructure and Trade-Related Objectives for Improved Market Access;
- (iii) Increasing Food Supply and Reducing Hunger; and
- (iv) Agricultural Research, Technology Dissemination and Adoption.⁵

The second pillar directly relates to the activities of the WTO but the third would be largely affected by the spin-off of improved trade, and an improved trade position (or increased potential) would in turn stimulate the goals of the first pillar. The important factors noted in the fourth pillar are themselves often subjects of many WTO deliberations, and are again directly affected by the impetus strengthened trade and investment flows would bring.

Increased African agricultural exports are essential to Africa where agriculture continues to play a key role in the economies of most African countries, especially in sub-Saharan Africa.

⁴ A document containing the final version of the CAADP was endorsed by African ministers of Agriculture meeting at FAO Headquarters in Rome, Italy, on 9th June 2002 under the auspices of the FAO Regional Conference for Africa. This CAADP document had been prepared by the FAO in co-operation with the NEPAD Steering Committee and gave the first full overview of the intended priority agricultural programme that had been developed in the ongoing NEPAD process. It gave the platform for further development and refinement, both in contents and roll-out.. See: "Comprehensive Africa Agriculture Development Programme", NEPAD, July 2003.

⁵ See Chapter One of: " Comprehensive Africa....." op cit, pp.12-17.

This reality is at the heart of the NEPAD focus on rural development and expanded agri-trade. In the CAADP it is stated that despite the need for growth in African agricultural trade to act as a key impetus for African development (and poverty reduction), African agricultural production has been growing very slowly and "The share of Africa in world agricultural exports has dropped steadily from 8% in 1971-80 to some 3.4% in 1991-2000". Africa's share of food imports has been steadily increasing and thereby costing resources that could have been otherwise used on sustainable development to take its societies into an improved position. Reversing this trend will require the increased efforts of all the African countries in cooperation with the international community.⁶

The agricultural sector in NEPAD more than most underlines the issue of trade for African development and poverty alleviation. Naturally enough in the international community the WTO is of central relevance for any mobilization of action by NEPAD vis-à-vis trade.

Issues Concerning Trade in a NEPAD Context

Trade is often stressed as a key dimension to many specific NEPAD programmes and objectives and here again agriculture is a case in point. Improved market access for African agricultural exports is a specific part of NEPAD's CAADP. It is seen as being of pivotal importance for NEPAD objectives generally and especially given the strong growth expected in rural areas that should result from expanded agri-trade. This intended up-liftment in rural life driven by improved agricultural output, largely led by improved agricultural exports that the WTO context can facilitate, on a sustainable basis will naturally have the relief of poverty/hunger reduction, at its very core. Among the NEPAD-related spin-offs that an improved agricultural sector in Africa could support would be: free food distribution to the poor, direct feeding programs, school-based food programmes and food safety-nets for emergency relief.

Trade in agriculture is usually a sensitive issue for most countries including the developed economies of the European Union (EU), USA and Japan, all of which are of pivotal importance in the global economy and its trade flows. These countries give substantial subsidies to their local farming communities and subsidise their agricultural exports, factors that help undermine Africa's need to boost its agricultural sector and agri-trade. In addition these countries usually impose complex and strict requirements for food imports that most African countries have difficulties to comply with, and are in addition are often perceived to be imposing various other difficult hurdles for any agricultural imports from Africa and other developing countries. All of this has a dramatic effect on hampering African agriculture from reaching the goals of NEPAD, especially if one considers the developed economic infrastructure existing in these countries that further supports their agriculture.

It is the WTO context that is of paramount importance to Africa in trying to rectify this situation. To quote the CAADP, "Expenditure on agricultural subsidies for the few in developed countries dwarf official development assistance for many countries in Africa, and the negative impact on the poor is quite clear."⁷

The ongoing sensitivity relating to agriculture and agricultural trade in the relationship between the EU and the so-called ACP (Africa, Caribbean and Pacific) countries that was initially created in the format of the Lomé Convention and now continues as the Cotonou Agreement, is one example that especially well-illustrates this point of sensitivity in developed agricultural sectors (specifically EU on this occasion). In the ACP-EU relationship there are many examples of limitations on ACP agricultural exports to the EU, despite the fact that these exports have often been their main form of exports. Although the Cotonou Agreement governing the EU-ACP relationship is in many ways potentially one of the most beneficial for developing countries that exist any future attempts by ACP countries to increase benefited

⁶ See Chapter Three of "Comprehensive Africa.....", op cit. pp 36-38.

⁷ See "Comprehensive Africa..", op cit, p 38.

exports, as NEPAD wants, will no doubt run into new problems from the side of the EU. The Lomé Convention allowed complete access tariff-free to ACP industrialised exports, largely as these were non-existent. In any case the future format current Cotonou agreement, now undergoing transmutation in the ongoing negotiation of Economic Partnership Agreements (EPAs) between the EU and the ACP, will continue to be very important to African agricultural issues but is in itself interdependent on the WTO position on agricultural trade.

Another dimension of trade issues that is of great relevance to NEPAD is that Africa should produce and export more beneficiated products with higher value rather than depending on trade in primary commodities alone. This in turn is seen to have results that are strongly linked with improved African economic development across a wide spectrum of activities, and most NEPAD objectives. It directly relates to the central NEPAD premise of a need for Africa to achieve an improved position in the international economic community, as well as the need for improved African development to be sustainable and be increasingly driven by a strengthened private sector that has greater sophistication and complexity, with growth higher up on the value chain than is now the case generally.

As noted any trade related to African economies built on a more sophisticated industrialised base with a more complex and sophisticated underlying economic processes, such as is intended by NEPAD, will open many new cans of worms in the international trading community.⁸ The probable difficulties for entry into the EU market that will be faced by any great increase in ACP industrial exports will again be a key factor in their overall difficulties in penetrating developed markets generally. The trade that is envisaged by NEPAD as a key necessity for its objectives across a wide spectrum will not be easily gained.

The complexities of the as yet still emerging new dimensions of all African trade relationships impact on both an intra-regional as well as an international basis, with the one directly affecting the other. As noted above there are direct linkages across all of this to NEPAD and to poverty alleviation in Africa. This effect on Southern Africa is a special case often due to the regional implications that are often caused by the strong South African economy and its trading patterns, as well as it being an area of many overlapping economic and trade regimes, all issues that have been noted before. Nevertheless it could be seen that these are all possible issues that NEPAD could help facilitate and also directly linked to the over-arching WTO framework.

As regards the South African economy, its relatively sophisticated and developed format can be a needed stimulant to economic growth in the region there are often fears that it could stifle emerging entrepreneurs in the region due to its strength, largely felt through intra-regional trade. These issues naturally have to be taken into account in regional relationships. They are one facet of the trading format of Southern Africa, already complex especially in African terms and growing more so. The Southern African Customs Union (SACU) agreement that has established a customs union between South Africa, Botswana, Lesotho, Namibia and Swaziland

⁸ The Lomé Convention that initially established the relationship between the EU and ACP countries was very open in allowing ACP industrialised products into the EU on a duty-free basis, no doubt largely because such products were very few at the time of Lomé's functioning. The ACP agricultural products were more sensitive and ACP agricultural exports largely subject to various rulings including quotas for such "sensitive" products as sugar. The agreement that replaced Lomé between the EU and ACP countries, ie the Cotonou Agreement, has seen far more caution from the EU regarding ACP trade generally and sensitivities especially regarding processed products. This at a time when Africa, now with additional urging from NEPAD, is pushing for an increased economic sophistication and accompanying market access for both agricultural products and such processed/industrialised goods. This nexus between the EU and the ACP, largely dominated by issues regarding African economies, is illustrated in the still ongoing trade discussions between the EU and ACP that are intended to produce the trade aspects of the new EU-ACP relationship in a series of Economic Partnership Agreements (EPAs) between the EU and the ACP under the umbrella of Cotonou.

is an important added factor as is the emerging effects of the SADC Trade Protocol.⁹

The complexity of the trading situation in Southern Africa no doubt helps complicate the ongoing EPA negotiations between the EU and the ACP countries that are also members of SACU and SADC, and the potential benefits that could accrue for them from the EU relationship. They are similarly factors that add complexity to the new trade discussions already taking place or mooted between South Africa/SACU and the USA, China, India and Latin America.

While these issues can be sorted out in regional frameworks such as SADC and COMESA, they are special cases that certainly complicate the ongoing arrangement of intra-African trade and the formal trade relationship between Africa and the international community. This in turn has implications for the implementation of NEPAD and its benefits for poverty alleviation especially through the beneficial effects flowing from trade. They again stress the important linkages between NEPAD the WTO.

The complexities of Southern African trade, and especially given their NEPAD context, underline the need for their linkage to a broad based international trading framework such as the WTO that can cater for complex economic facets of trade but also bear in mind the more simple needs of less complex economies, and both the regional dimensions as well as the developmental needs of all. By being broad based such a regulatory framework could also help link the region to the broader international community. Such a link could help set parameters that would possibly help unblock hold-ups in other trade negotiations between the region and such blocs as the EU as it helps lay-down basic guidelines.

Naturally enough the parallel negotiation and obligations from such different sets of regulatory frameworks would complicate the process and stretch the already strained capacity of many African countries to deal with the needed level of negotiations and issues. These challenges would nevertheless often seem to be necessary *inter alia* because of the imperatives of NEPAD goals but the NEPAD framework and process offer a framework that can be utilised to get support to help cope with the challenges.

In terms of a broad based trading framework that can help assist NEPAD implementation, and with it poverty alleviation in Southern Africa, the World Trade Organization (WTO) would seem to be the obvious entity. Its central role in regulating world trade is generally accepted and the linkages between the activities of the WTO and poverty reduction are also generally accepted along with the premise that trade and investment support development,, despite hesitation on the part of some and many would possibly caution the need for avoiding blanket generalised solutions being implemented. Such critics of the WTO often seem nervous of such dangers as that of the WTO entrenching a situation where Africa would continue to be open trade from the developed countries without any defences behind which to develop, while at the same time continuing to export traditional primary products for the benefit of the already developed economies.

What should perhaps be better reflected upon is the role of the NEPAD in the context of its relationships to both the WTO and poverty alleviation, not to mention the obvious goals of its own, to help ensure that Africa achieves benefits from the potential offered to it by the WTO. First one could perhaps reflect a little on the WTO and its current position regarding NEPAD.

The World Trade Organization and NEPAD

The World Trade Organization (WTO) is a fundamental international forum for international trade issues. As is stated in its website it is "the only truly global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their

⁹ See also Footnote 2 above

parliaments.”¹⁰ Created in the course of the Uruguay Round of its predecessor the General Agreement on Tariffs and Trade (the GATT) the WTO had a membership of 149 countries at the end of 2005. “ The goal is to help producers of goods and services, exporters, and importers conduct their business”¹¹. A key intention of WTO activities can be said to be the facilitation and the liberalization of world trade.

The results from such a liberalization will naturally have great implications for the entire international economic community that will be affected, and these will have especially profound implications for the developing countries given the generally sensitive nature of their economies and need for development. If one takes into consideration the expected accompanying expansion of trade and the enormous potential of such improved trade and investment flows for stimulating economic growth and development, it naturally becomes clear that the activities of the WTO although being possibly often somewhat challenging to developing countries, should be able to be a primary agent in promoting development. As such they are of central relevance for the alleviation of poverty.¹²

The WTO also has economic development as one of its stated primary objectives and WTO activities include providing technical assistance and capacity building for developing countries inter alia to assist them to better access possible benefits from the WTO context. As such the objectives of the WTO in respect of the strengthening and liberalization of world trade, together with its spin-off intended results that especially target development, makes it fairly obvious that there is a direct link between the WTO and implementation of the goals of NEPAD. In both cases the alleviation of poverty is a key objective with the NEPAD context helping give an extremely relevant African focus for the results of the work of the WTO, and a key mechanism for the improved mobilization of activities to produce the results intended.

Recent events in both NEPAD implementation and WTO activities give particular cause to focus on these close linkages between the WTO and NEPAD, and flowing from this the manner in which this can be down-loaded onto poverty alleviation in Africa. These events include:

- (i) The increasing focussed attention of NEPAD on the use of strengthened business and trade for its implementation;
- (ii) The emphasis promoted in NEPAD on building regional integration in Africa and the need for resulting regional trade to be a driving force in this process;
- (iii) The increasing realization in the NEPAD context that Africa needs an improved business-enabling context, ie also referred to as the investment-enabling climate, to achieve NEPAD objectives, and that this is directly related to good regulatory frameworks for trade;
- (iv) The growth of economic sophistication in Africa being promoted by NEPAD that have new needs in the international trading regulatory arena;
- (v) The new spurt in international interest in assisting development in Africa generally but now with a linked interest in doing this through market forces and especially trade¹³;
- (vi) The Doha Round of WTO negotiations, ie the so-called Doha Developmental Round (DDR);¹⁴
- (vii) The need for Africa to obtain improved coordination between its intra-African trade arrangements and those between both African countries and regions, and the broader international community where the WTO is of paramount relevance; and
- (viii) The pressing need for progress both in NEPAD as well as in the DDR, this being placed in turn by many in the broader international context of the new emerging relationship

¹⁰ See WTO website : www.wto.org : What is the WTO?

¹¹ Ibid.

¹² In so far as some challenge the concept that the WTO acts in the interests of poverty alleviation for all, despite the generally held international consensus seems to favour the idea that it is an important vehicle for development, see argument confirming the latter interpretation in article “Why the Poor Need the WTO”, Peter Draper, Mail and Guardian, 24 March 2006.

¹³ The recommendations of the UK Commission for Africa Report in 2005 are a good example.

¹⁴ See more elaboration below in text.

between various blocs of countries and the shape of such a community both with regard to broad structured formats as the WTO and the UN, but also with regard to regional entities.

Across the entire NEPAD-WTO relationship one can note that a key aspect of the nature of NEPAD is the notion of a supportive international partnership on which NEPAD rests. In this dimension the WTO as a leading global multilateral entity can be regarded as a key partner of NEPAD. In addition the various partnerships between NEPAD and the member states of the WTO, bilaterally or in collective formats, are all constituents of this WTO-NEPAD relationship.

An additional dimension is that with one of the central priorities of NEPAD being the building of regional capacity inter alia through improved regional integration, the emerging position of SADC in the international community that is being largely shaped by the WTO helps bring such a focus onto Southern Africa where the SADC is a key entity for the implementation of NEPAD objectives in the Southern African region.

From a Southern African perspective the previously noted strengthening of integrative forces in African regions as a NEPAD priority can be seen as both a NEPAD objective as well as part of the partnership formats supporting the entire NEPAD process. Here again the NEPAD context and the end result of regional poverty alleviation are both important aspects of the relationships between such regions and the WTO process. In the case of Southern Africa the relatively important international position of South Africa in international trade gives particular gravitas to both the links between the WTO and poverty reduction in Southern Africa, and also the NEPAD context for such linkages. The central role of South Africa in the NEPAD process both as one of the African countries that were the original founders of NEPAD, as well as in the ongoing functioning of the NEPAD process, further underlines this importance.

Strengthening the Overlaps Between NEPAD and the WTO

As noted previously, among the recent events that strengthen the linkages between NEPAD and the WTO has been the ongoing emphasis in NEPAD roll-out on finding ways to strengthen market access and especially agricultural market access, for African business. In this the Africa Partnership Forum (APF) is an entity that has targeted the importance of strengthening private sector activities behind NEPAD implementation. The APF has emerged since its inception in 2003 as a key forum that brings together representatives of key NEPAD partners, ie from the G8 countries and other major donors of development support to Africa from the OECD group of countries, with African representatives to help identify key issues on which the partners can focus NEPAD-related support. During the October 2004 APF in Washington, USA, the importance of the private sector for NEPAD implementation was tabled by Belgium and in the course of various APF meetings hunger alleviation has been discussed, inter alia setting it in the broader CAADP context referred to previously. The UN Office of the Special Adviser on Africa (OSAA) has also embarked since 2005 on various projects to focus on the role of the private sector in NEPAD implementation. The spin-offs of such activities include helping bring attention to the trade (and WTO) linkages to NEPAD, strengthening the linkages.

In the course of 2005 there were a series of CAADP workshops held in different African regions to help identify ways in which the CAADP could be implemented at regional level, with agri-business including agri-trade being among the key features of these deliberations. These were followed by a pan-African workshop in Ghana in June 2005 to help review and coordinate the recommendations of the regional workshops. In this process the trade, and hence WTO, dimensions for NEPAD roll-out, especially at regional level, were clearly identified and in so doing strengthened further. The relevance for Southern African poverty alleviation is clear.

The launch in 2005 of an Investment Climate Facility (ICF) as an initiative of the G8 Gleneagles Summit based on a long-standing NEPAD priority, to help improve the business context for Africa and NEPAD priority areas, and its intended ongoing activities, is a project being undertaken in collaboration with NEPAD and one of the NEPAD projects regarding private sector

strengthening. The ICF will again inter alia focus attention on the importance of clear and reliable regulatory frameworks for trade and investment flows and hence the importance of the WTO for supporting NEPAD implementation.¹⁵

There is an increasing sophistication and growth of NEPAD programmes in key NEPAD sectors and here relevance to trade/WTO context is considerable and often offer new horizons. Examples include such fields as the environment¹⁶, tourism¹⁷, science and technology¹⁸, and ICT¹⁹. Naturally enough in so far as the trade related aspects of most NEPAD programmes are very much cross-cutting and overlapping, the relevance of linkages between NEPAD and the WTO are strengthened as well as the implications for impact on poverty alleviation. Other such NEPAD sectors of note include those of health²⁰, and education²¹.

All these programmes create new frontiers for Africa in terms of issues that are or could be on the WTO agenda.²² In many cases they increase the challenges for African capacity in terms of any regulatory framework discussions such as those of trade but yet help bring in the more sophisticated international economic community into which NEPAD hopes to better position Africa so as to improve African circumstances and bring poverty alleviation.

In illustrating this nexus of opportunities and challenges one has only to consider the importance of developing tourism in Africa for NEPAD but then reflect on the challenges for Africa in liberalising concomitant services industries when African tourism, itself needing to develop in terms of NEPAD strategies, is hopelessly weak in comparison to competition from other countries. Other examples are

given in terms of NEPAD goals for health improvement in Africa with the cross-cutting need for finding cheaper medical care and medicines. The development of local generics, something also related to the bio-science objectives of NEPAD science and technology programmes, have especially profound implications in a trade-related sense as it affects TRIPS issues such as patent rights.

The NEPAD process helps bring them to Africa earlier than otherwise need be the case but there are great capacity needs for Africa to adequately cope in handling these issues in a suitable manner so as to ensure optimal developmental benefits especially for poverty alleviation. One hopes that the NEPAD process can be used to find capacity-building

¹⁵ See www.investmentclimatefacility.org for details

¹⁶ . The NEPAD Environment Action Plan (EAP) has outlined a spectrum of challenges and priorities for African development many of which have direct relevance to emerging trade questions and most of which are directly linked to rural development and poverty alleviation.

¹⁷ An AU/NEPAD Tourism Action Plan was adopted in May 2004 at the 41st World Tourism Organization Commission for Africa meeting in Seychelles, and subsequently adopted at the 3rd General Assembly of the AU in Addis Ababa in July 2004. This inter alia stresses the relevance of tourism for African development as a NEPAD priority.

¹⁸ The NEPAD process has launched an ambitious plan for developing African capacity in relevant fields of science and technology that are especially usefully applicable in the implementation of NEPAD priorities. The targeting of agricultural science and technology (bio-sciences) is a good example of this and has a clear useful application in CAADP that is in turn directly related to trade/WTO and poverty alleviation.

¹⁹ The NEPAD ICT programme has seen great strides at rolling-out ICT in Africa and is often linked to other programmes such as those of Science and Technology, Education and Agriculture. All have strong relevance to trade issues with these often being related to ICT products and services in their own right.

²⁰ The NEPAD Health Strategy targets key challenges facing African health but cross-cutting most goals is the issue of finding cheaper medicines such as generics. This has especially profound implications in a trade-related sense as it affects TRIPS issues such as patent rights.

²¹ Education also has various trade-related issues such as the pending consideration of services in the WTO context. The end results of education expansion in Africa such as under NEPAD will be a profound improvement in poverty conditions.

²² Most of these issues are trade related but as with ICT often are the possible subject of trade issues in their own right. The NEPAD process has launched an ambitious plan for developing African capacity in relevant fields of science and technology that are primarily of use in the implementation of NEPAD priorities.

mechanisms to meet such new challenges.

These aspects of NEPAD are taking place in the context of the reality that on the broad international front there has been a growing need for more sophisticated forms of relevant regulatory frameworks for dealing with new aspects of trade topics as well as new issues for the international trade agenda. In both cases they are usually of a more sophisticated and complex nature than the traditional items.

Examples of new issues would be the trade related aspects of such issues as services and the environment such as those now appearing in the NEPAD context. Identifying internationally accepted ways to deal within these issues is often very challenging and at the cutting-edge of international governance. Nevertheless the need for such regulatory formats is clear especially given their increasing role in the international community and their relevance in global economic development.

The issue of services, for example, helps illustrate the point that it is of general international concern not only for the developing countries, with services in the EU being one of the greatest generators of growth in that body in recent times. The difficulty of finding ways to manage it is similarly illustrated by the ongoing problems regarding the integration and harmonization of multilateral rulings on services and the service industries within the EU itself, never mind finding some formulae for global application.

The WTO is obviously a key entity that should deal with these emerging, often sophisticated, issues that are clearly of increasing relevance to both developing and the developed countries at this point in time, with NEPAD helping bring about such a convergence. Possibly at no other time in recent years has there been a more urgent need for the WTO to help facilitate formats of international trade that can stimulate development and meet the challenges posed by such issues as the MDGs and NEPAD implementation, with African needs being at the cutting edge of such action and the alleviation of poverty possibly the key target. The situation in Southern Africa is perhaps of special note given its particular constituent factors that seem to offer a special chance for a success that can more readily spread to other parts of sub-Saharan Africa. In all of this there is seemingly new relevance for both NEPAD and the WTO collaborating on finding ways to effectively allow this spectrum of emerging issues become part of a broadly accepted international regulatory framework that takes the needs of Africa into account.

The needs of Africa, and the developing world, generally tend to focus on more basic issues that can seem better able to deliver quick results, especially when these countries have a capacity problem on various fronts to hold their own in negotiating regulatory frameworks on more sophisticated issues where they often have a disadvantage to start. Becoming involved in negotiations on liberalising international services, for example, where Africa is clearly at a disadvantage compared to most developed economies such as those of the EU, is often thought to be unnecessary and premature despite pressures from the developed countries and despite a growing need for improved support for stimulating their growth in Africa under the NEPAD agenda. This is seen by many in Africa to be especially true when, also for example, there is a clearly recognised key need for improved agricultural access for Africa into the markets of such developed countries as those of the EU, USA and Japan and such countries continue with various practices to give subsidies to their local farming community and agricultural exporters and hamper African agri-imports.

In the interests of African development with NEPAD implementation as a leading agent, there are clearly many outstanding already under discussion in the WTO and other contexts that the WTO should urgently help the international community to address, such as agricultural subsidies and improved market access for exports that are especially meaningful to Africa and NEPAD, without putting the more sophisticated issues also on the agenda. Nevertheless the point remains that these new issues will increasingly also become of ever pressing need to Africa also.

It would seem that given the overlaps that already exist between NEPAD and the WTO with regard to African development and poverty alleviation in Africa, the way ahead could be one where the NEPAD process could be used to play an ever more useful facilitating role in finding compromises and convergence on certain issues not only in the WTO context but also in harmonizing the WTO negotiations and outcomes with related negotiations and issues on other fronts for Africa so as to better strengthen and unify the African negotiating capacities for optimal results in support of NEPAD that coordinate rather than complicate. This could hasten the intended results of NEPAD and especially lead to an early poverty reduction in Southern Africa.

The current Round of WTO negotiations, ie the Doha Round or the so-called Doha Development Round (DDR), would seem to be especially suitable for allowing the WTO to further the NEPAD agenda and for an increased NEPAD dimension in the way noted above. The current situation in the wake of the last session of the DDR in December 2005 would not seem to lead one to be especially optimistic for fast results. This is a pity given that the DDR is taking place in parallel with a more definitive phase of the NEPAD process; increased moves to use strengthen regional economic integration/harmonization in Africa as part of a strengthening of regional capacity to help fast-track development and peaceful governance; the lead-up to the MDG deadline; the emphasis on trade facilitation as a form of aid by such entities as the EU; and multiple trade negotiations that are often sapping African negotiating capacity while undermining mutually beneficial results and where guidance emanating from clarity found in the WTO context would be most helpful for Africa.

An overview of some of the more salient aspects of the current status of the DDR in the NEPAD context could possibly help illustrate the situation and ongoing challenges

The Doha Development Round of WTO Negotiations: A Key Opportunity for NEPAD

Recognition of the key role that trade has on promoting development was central to the launch of the current Doha Round of WTO negotiations that began in Doha in November 2001, with this Round being called the Doha Development Round (DDR) in so far as it was meant to specifically help address problems of developing countries and promote sustainable development.²³ One of the key achievements of the DDR objectives would be an improved position for developing countries regarding agricultural trade with improved market access and accompanying spin-off benefits naturally including those of improved food security and rural development. The special relevance of such spin-off results for NEPAD implementation and poverty reduction has already been noted. Given that the liberalisation of trade and development are both normally central to the activities of the WTO the DDR was supposed to give special prominence to development.

In this context it should again be noted as an example of the relevance of the DDR for NEPAD that the abolition of barriers to improving African agri-exports is seen as a NEPAD priority along with the abolition of all quotas on trade with Africa and all agri-subsidies distorting such trade. As such these concur with basic objectives of the DDR and should be central to the DDR for results.²⁴ The fact that Goal Eight of the MDGs similarly call for a levelling of the playing fields with abolition of quotas and subsidies strengthens the urgent need for the DDR to address these concerns. Nevertheless the complexities of reality in many developing countries often means that such generalities can not always be applied in a uniform manner in some cases without endangering current economic situations and threatening to increase poverty in the short term rather than alleviate it. This has naturally compounded the complexity of needs to be taken into account by the SADC in the DDR and made results more difficult to attain.

This is often the case in agriculture, something more easily understood if one considers the extreme importance for agriculture and rural development for most of Africa. In some

²³ The intended goals of the DDR are contained in the Ministerial Declaration adopted in Doha on 14 November 2001.

²⁴ The original Ministerial Declaration places agricultural liberalisation as one of the first goals mentioned.

economies where there has been economic growth particularly based on agriculture that is very sensitive to shifts in its enabling-context, any liberalisation of agri-trade could hold dangers. This is illustrated, for example, in the case of Mauritius and Swaziland with regard to sugar, a commodity now at the forefront of agri-trade liberalization in the international agri-trade agenda with the changing EU sugar regime at the cutting-edge of such change. Both of these SADC countries are among the countries with relatively small economies that feel endangered by the changes in the world sugar trade that the WTO aims to introduce. On the other hand there would seem to be great opportunities presented by a more liberalised sugar trading system for emerging sugar producers in Southern Africa such as Mozambique, Malawi and Zambia. In these cases the spin-off results for a considerable result in regional poverty alleviation, with compounded regional integrative effect, would also seem to be considerable.

In such circumstances the opportunity for Africa to better use the NEPAD process to achieve convergence of interests in a manner that helps the DDR achieve meaningful developmental results would seem to be again illustrated. In the cases of sensitive agricultural products such as sugar the need could seem especially great and here the NEPAD context could also be better utilised to help sugar producer countries affected by new sugar trade liberalization better cope with the changed circumstances and utilise any support given by developed countries in a manner that promotes onwards sustainable economies and poverty alleviation.²⁵

The direct relevance to NEPAD again becomes very clear not only if one examines such primary aspects and intentions of the DDR but also if one downloads the NEPAD agenda on more precise aspects. In doing this however the implications often become more obtuse and the consequences more complex to define, yet they remain of key consequence for NEPAD.

Of the individual agricultural products that have special importance for Africa, cotton has been especially singled out in the DDR thus far. Here again the limited progress that was made in the DDR for African cotton-producers by late 2005 could perhaps still be placed in the NEPAD facilitating context where it could link with other aspects of NEPAD-related activities such as the APF, for optimal gain by Africa.

In the sweep of DDR objectives there were also intentions to provide improved access for non-agricultural market access (NAMA), give special attention to the Least Developed Countries (LDCs) and retain the issue of special and differentiated treatment (S&D) as being one of key relevance on the agenda. Among other key issues for developing countries those concerning intellectual property rights (TRIPS), especially in relation to issues concerning public health, and problems with existing agreements (ie the so-called "implementation issues") were also on the DDR Agenda.

Certain issues have been pursued by the developed countries in the WTO context, but have not always been seen as priorities by the developing countries. Nevertheless many are of great relevance to development and NEPAD. In this regard the more "sophisticated and complex" issues such as environment and services could be placed and as has been already illustrated they have, and will have, great relevance for the emerging NEPAD programme. Even if the developing countries have been key factors in currently keeping them off the main Doha agenda. In this context one need especially note the so-called Singapore issues (investment, transparency on government procedures, investment and trade facilitation) that the developed countries have been pursuing as well as labour practices and environmental issues in a trade context.

Broader Considerations of the NEPAD-WTO Nexus

To reflect again on the broader context, the relevance of the WTO for Africa is strengthened even further when one considers that the achievement of an improved position for Africa in the

²⁵ The EU, for example, has promised support funding to ACP sugar producers affected by the new sugar regime that is in turn in keeping with the objectives of the WTO.

overall international economic context is in itself a key NEPAD objective and that this international context is largely created through the activities of the WTO. It is a vital component of the partnerships that support NEPAD, and has a further linkage through the fact that most of the key partners of Africa in NEPAD are also WTO members. The recent period of G8 leadership by the United Kingdom (UK), for example, was one which gave special prominence to this relevance of trade and investment flows for African development, and the need for the developmental partners of Africa to facilitate improved conditions for expanded trade and investment flows relating to Africa in keeping with the goals of both NEPAD and the MDGs

The need for a strengthened African business sector that can take better advantage of the international trading system is a key objective of NEPAD and central to the implementation of such NEPAD programmes as the CAADP that has recently been given new impetus following the aforementioned series of continental-wide gatherings that focussed on CAADP implementation inter alia by business activities. Nevertheless such a strengthened business sector must be largely driven by the related context regarding trade and investment flows and hence the relevance of the WTO is again of paramount importance.

In this situation African exports need the broader market that the NEPAD programmes try to create inter alia through strengthened regional integration, and also rely on investments that in turn inter alia rely on an improved investment climate. Given the key role of WTO activities that affects all of these facets of NEPAD, however, the central relevance of the WTO context for creating optimal conditions for NEPAD implementation is again underlined.

The WTO agenda and its results in relating to many specialised issues that impact on such NEPAD priorities as developing more sophisticated sectors of African economies that include the production of beneficiated products, help define the format for the public-private partnerships that are seen as so important for such key NEPAD sectors as infrastructure but also others including agriculture. The relevance of the current WTO agenda for services and communications, so important in the NEPAD context, is also obvious.

An over-arching issue in the ability of Africa to utilise WTO opportunities remains the fact that the scope of virtually every WTO Round has expanded, especially as regards the more sophisticated issues, straining African capacities to adequately address them in the process. Nevertheless the need for Africa and its regional economic communities (RECs) to improve capacity to effectively participate in all these negotiations and find strategic positions on all these WTO issues in a manner that support NEPAD objectives, has perhaps never been more pressing. The convergence between issues in the WTO context and those in other fora that are critically relevant to NEPAD helps underline this reality.

As regards the latter, the parallel trade-related negotiations by African countries across a broad spectrum of vitally important issues and with many partners, heightens the importance for a WTO positioning for Africa that can be used as a central position, protected in a transparent multilateral system as much as possible, that helps protect against any undermining of African interests in other negotiations. Naturally enough, however, this position must be flexible enough to give negotiating space for various specific African trade interests in the other fora.

An improved African capacity to take better advantage of the international trading system is a key goal of NEPAD but this is not always available. Nevertheless as a part of future increased coordination between NEPAD and the WTO on behalf of African development, the NEPAD process can help co-ordinate a range of like-minded stakeholders to help produce results in the WTO and other trade negotiating contexts that support African development and the aims of NEPAD. This could help compensate for a current lack of African capacity although the NEPAD process is already targeting mechanisms for building such capacity. It may be possible for an even yet better targeted approach through NEPAD to direct such capacity building to focus more than before on issues that are especially pertinent in both a NEPAD and WTO context.

NEPAD and the WTO: The Current Situation

It is vital for the implementation of NEPAD that African efforts continue to receive the support of the international community for NEPAD- relevant goals in the context of the WTO and currently in the ongoing Doha Round of discussions. Again, as regards poverty alleviation in Southern Africa, successes flowing from the WTO would often have to be downloaded onto local circumstances in many cases. It is here that regional strengthening and coordination with NEPAD would seem imperative. The SADC has a special role in doing this as has COMESA but their relationships across other relevant regional bodies is also important. Linked to the regional response to better use the WTO context for poverty alleviation in terms of NEPAD parameters would also seem to be the need to try to improve relevant regional conditions.²⁶ Here again suitable interaction by regional entities and stakeholders would seem necessary.

The regional private sector is one of the stakeholders to be included in this process given the relevance of the relationship between the WTO agenda and its activities, and this would imply new work can be done at helping mobilise the regional business community to become more interactive with the WTO process not only for their own interests, but especially in terms of furthering the general interests of the regional society in the NEPAD parameters and with a focus on poverty alleviation. In all such improved regional mobilization, not only coordination would be involved but also resultant capacity building that imparts an improved understanding of the pertinent issues, and their relevance for regional poverty alleviation, by all stakeholders.

In assessing the present state of play in the wake of the Hong Kong WTO Ministerial of December 2005, it may be just as well to reflect on the current situation in the wake of the recent WTO gathering that took place in Hong Kong last December, intended to take major strides towards a conclusion of the Doha Round that would have more meaningful results for Africa than the current world trade situation. The general view of many is that progress was minimal especially as far as the interests of the developing countries was concerned, ie the supposed key target of the Doha "Development" Round. The so-called "Development Package" as referred to by the EU, have thus not yet strongly materialised and firm progress was certainly elusive in Hong Kong. The gains made for their interests on such issues as addressing the concerns of African cotton producers or the least developed countries were qualified at best, and most agree that much still remains to be done if any of the intentions of the DDR as a "developmental round" are to be achieved in solid action.²⁷

Already the next set of deadlines set by the DDR process seem as if they will not be met and, indeed, there are doubts whether the Doha Round will be finalised by its current intended deadline. Nevertheless some gains have been made by the end of 2005 and, especially given the relationship between NEPAD and the entire spectrum of the WTO process, there seems to be an ongoing need for the partners of NEPAD to consolidate these gains in the context of ongoing negotiations in the post-Hong Kong period. Without such a targeted mobilization it is highly possible that firm results that can promote the implementation of NEPAD priorities, and with them the MDGs and alleviating poverty in Southern Africa, will remain elusive in the current WTO context.

In August 2003 consensus was reached on TRIPS and public health, establishing a mechanism to enable countries with no or insufficient manufacturing capacity to import medicines for public health reasons under compulsory licences. This was one of the instances of Doha already acting

²⁶ These could include regional trade-related policies as well as relevant capacities and structures.

²⁷ See: AFTER THE WTO HONG KONG MINISTERIAL MEETING: WHAT IS AT STAKE? By Ken Heydon. Organisation for Economic Co-operation and Development (OECD). Trade Policy Working Paper No. 27, 2006. Available online at <http://www.oecd.org/dataoecd/51/40/35984888.pdf>

in the interests of the NEPAD agenda but other issues regarding TRIPS of importance to NEPAD and the developing countries generally remain pending. Most key items were still awaiting attention by the time of the Hong Kong gathering in late 2005 and this did not produce the expected results so that a lot of decisions that could help NEPAD implementation in this field are still pending..

As regards the improved agricultural market access that is so important for NEPAD and has such profound implications for poverty alleviation in Africa, gains by the beginning of 2006 were mixed but some limited progress was made at Hong Kong. In addition there would seem to be agreement from many that there were gains in the NAMA negotiations that would benefit the position of the developing countries and NEPAD, including the agreement to link agricultural market access negotiations with those regarding NAMA.

With agriculture there was some success at Hong Kong in so far as key WTO members have qualified agreement to eliminate all forms of agricultural export subsidies by 2013 and also agreed to a "substantial part" being front-loaded to the initial part of the implementation period, but the EU offer of an average farm tariff cut of 46 % has been described by many as being not too substantial a cut compared, for example, the willingness of the USA to make a 53 % cut to its WTO permissible level of trade-distorting support.

As regards cotton, commitments by the developed countries to completely eliminate all forms of export subsidies on cotton in 2006 was seen as a victory for Africa. In this context the then USTR Robert Portman agreed to eliminate US cotton export subsidies in 2006 and in addition the USA agreed to support a decision to provide duty-free and quota-free access for cotton exports from LDCs from the date of implementation of the Doha. Nevertheless on some other issues including the request from West African cotton producing countries for an early harvest in the cotton negotiations, not linked directly to an outcome in the DDR agricultural negotiations, there was only agreement to continue negotiations.

There was progress in reaching a duty-free, quota-free access for LDCs by the end of 2006, something now needing to be taken forwards. In this there was much support from EU commitment to enact its Everything But Arms (EBA) initiative that will abolish tariffs on all exports from LDCs into the EU, except for arms. This is seen as an important move towards levelling the playing fields of trade and one that has opened new potentially great opportunities for African LDCs. This hope is not only in respect of increased exports of existing items but the accessing of new potential for the production of new exports, including those produced by international joint ventures through the more attractive investment climate created by the EBA initiative. Bearing in mind the exciting openings thus created for African LDC agri-exports, both primary and beneficiated, it is unfortunate that have been attempts to narrow such gains such as for example by probable restrictions on quantities of sugar from the LDCs into the EU if they should prove too successful in this sector, a pity especially given the potential benefits of sugar for development in African LDCs.

The specific concerns of the small, weak and vulnerable states has been a facet of the DDR of special relevance to NEPAD and the future treatment of the LDCs is of crucial relevance in this regard. In this context also the issue of the erosion of preferences and special needs of such small and vulnerable economies has been of special relevance to many African countries especially in the ACP context despite the positive effects of these changes seeming to offer great hope for development and poverty alleviation on a much greater basis in much of Africa, and especially Southern Africa. As also noted previously in a different context this situation would seem to offer a potentially important role for the NEPAD in helping achieve a broad-based African consensus that uses the new situation to best advantage of the all.

Many Africans were pleased therefore that as a result of Hong Kong, largely due to demands by the ACP Group, mention has been made that exports from developing countries that have been granted long-standing preferences in established markets, would receive special consideration. Commitments by the developed countries at Hong Kong regarding export subsidies on cotton in

2006 was a success for Africa but many felt that the Americans held their position somewhat in so far as payments of aid directly to the cotton producers in the USA will continue notwithstanding other export subsidies being now terminated, this illustrating the need for continuing attention to these issues inter alia through the NEPAD process. .

In retrospect there have been some successes but much still needs to be done in the near future for without a more favourable international trade regime most of the attempts by the development partners of NEPAD will not have much sustainable impact. This work will include many technically complicated issues with these even relating to decisions already made but still lacking plans for implementation. The urgency of this is considerable especially bearing in mind that certain timetables must be kept by 30 April 2006 on both agriculture and non-agricultural market access (NAMA) items. As of mid-April 2006 these appear to be unattainable already in a developing scenario where there could be serious drift among WTO stakeholders. Among the issues where NEPAD, for example, could help provide a needed leadership for African development, the issue of "aid for trade" programme to support the needs of developing countries in trading that has appeared as a feature of the DDR feature, would seem to be among those issues that can be suitably accessed to benefit NEPAD implementation and needing targeted implementation urgently.

The Way Ahead

In reflecting on what can be done to best utilise the linkages between NEPAD and the WTO in the near future for optimising results that benefit African poverty alleviation, one should perhaps first note again that the WTO context is one which:

- (i) addresses trading partnerships, intra-African and between Africa and the broader international community, but these activities in turn
- (ii) largely accords with the underlying partnerships of NEPAD and hence it is not surprising that WTO negotiations often overlap with a range of NEPAD issues.

There would seem to be an urgent need that the NEPAD dimension can help mobilise these partnerships to create conditions in the WTO that are beneficial to Africa and allow Africa's own interests to be heard, and that the international goodwill for Africa and NEPAD, together with understanding for many of the challenges of Africa's international economic position that often hinder rapid progress from the African side, will lead to meaningful results in the WTO context and now in the DDR.

The need for a swift conclusion of a DDR that brings to Africa the hope of an international trading system that is more equitable and supportive of African developmental needs is of the utmost importance to Africa and NEPAD. Its achievement will be a key support to NEPAD by its developmental partners.

In all of this the relevance for poverty alleviation in Southern Africa is considerable. It is hoped that the DDR process can help inter alia facilitate the creation of a spectrum of circumstances that not only result in poverty alleviation but will have a knock-on effect for further results both in Southern Africa and further afield in Africa. This will eventually lead to an improved African ability to take better advantage of WTO related opportunities in the future. All of this should be seen in the overall goals of NEPAD and the sustainability of these objectives.

In the current hiatus on progress in the DDR the role of some of the foremost supporters of NEPAD are of crucial relevance, this situation again stressing the potential for improved mobilization of the linkages that exist between NEPAD and the WTO stakeholders. One of the key players in the WTO context, for example, is the EU and whereas the EU and most of the constituent member countries of the EU are of central relevance as NEPAD development partners it is the WTO context where they can take some actions that the Africans think will be the most meaningful in advancing NEPAD implementation. Of special relevance is the perceived continual hesitation by the EU to lift agricultural subsidies within its territory, abolish forms of subsidised agri-exports and hamper African agri-exports from entering the EU market. The EU is often thought by many to be a key ringleader of the developed members of the WTO that are

trying to get the developing countries to open their markets for goods (and especially services) of interest to the EU before being more cooperative on issues of agricultural market access. The USA has made new promises on liberalising its agricultural sector but the fact that these promises are usually dependant on EU action would seem to move the spotlight back onto the EU as a chief stumbling block for the developing countries and perhaps the Africans especially.

After the Hong Kong WTO Ministerial in December 2006 the EU Trade Commissioner, Mr Peter Mandelson of the UK, made a statement in which he argued that the EU was unlikely to make further concessions in the current Doha Round negotiations unless there were more concessions of interest forthcoming (from the developing countries especially). He went on to state that there was no possibility of him using the WTO to push through further, or early, reforms of the EU Common Agricultural Policy (CAP) something that the developing countries have been demanding of the EU to do in whatever context and seen as being a key goal in furthering the CAADP directly and indirectly.

Mr Mandelson also said that given real incentives in the Doha Round on industrial goods and services negotiations, the EU could provide "more predictability and transparency for agricultural exporters"²⁸ and show more flexibility in the range of products that the EU has deemed to be "sensitive" for its economies. He said that the EU will not be "pushed into an agreement that is not there".²⁹ One can note that the current EU offer on Market Access made on 28th October 2005 will result in no further real market opening or acceleration of CAP reform.³⁰

Mr Mandelson makes reference to "other WTO members" and especially the so-called "advanced developing countries" needing to make real concessions in industrialised goods and services before the EU will make additional concessions.³¹ By doing this he inter alia puts the onus for movement in the WTO context on the "advanced developing countries", not the average developing country, and this in turn inter alia puts a special focus on South Africa, usually taken to be an important leader of this group. Bearing in mind that South Africa has a special place in both NEPAD and Southern Africa, the linkages between NEPAD, Southern African development and the WTO context are thus again underlined.

The views of Mr Mandelson are interesting in giving insights into key problems causing a lack of progress in the DDR, but they also illustrate the workings of the WTO generally especially in with regard to the interests of NEPAD implementation. In addition they perhaps well illustrate the challenges that the NEPAD context could try to use to mobilise some form of action and deliverables, even if these are far from the original intended results at this point in time.

The linkages between NEPAD and the WTO would seem well illustrated in the context of all the above considerations, and in this context a wide range of relevant issues also appear. In all there is extensive relevance for poverty alleviation moves in Southern Africa. While the DDR is of central relevance at the moment these comments are relevant in the broader WTO relationship with questions of African development taking place in terms of NEPAD parameters.

An increased regional capacity in a variety of ways that are related to an improved ability to access poverty alleviating gains from trade related activities should be one of the objectives that the current DDR can supply to Southern Africa. The region certainly needs to mobilise this to try to utilise the present opportunities. In this situation the NEPAD context with its concomitant emphasis on REC strengthening should be exploited as much as possible. The nexus between NEPAD and the WTO for poverty alleviation is very much dependant on improving such relevant regional capacity and improved mechanisms for co-ordinating it with broader NEPAD-

²⁸ This was in response to calls coming from the CAIRNS Group (that includes South Africa), G20 (of special relevance to South Africa where it has a central role) and the USA.

²⁹ See article "Trade chief says EU united on farm stance", Financial Times, 21 December 2005. p2.

³⁰ Views of South African trade representative to WTO, Ambassador Faizel Ismail, inter alia based on telephone conversation with author., February 2005.

³¹ See article "Trade chief...", op cit.

led activities.

In any event the ongoing NEPAD-WTO relationship is one that could and should provide much spin-off of relevance to poverty alleviation in Southern Africa. As such it is a process that deserves better consideration and related action than now seems to be the case.

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