

IN THIS ISSUE!

SADC-EPA Information Seminar failed civil society <i>*Richard Kamidza</i>	Pages 1-5
Cotton Contract Farming in Southern Africa <i>*Ludwig Chizarura</i>	Pages 6 - 11
Civil Society Statement to the EU-Conference on Rural development (June 2007, Berlin)	Pages 12 - 15
Report On The 2nd EC-SADC EPA Negotiation Round, 21-23 June 2007	Pages 16-19
Editorial: ESA EPA: Approaching The Dying Minutes <i>*Aulline Mabika</i>	Pages 19-23

SADC-EPA Information Seminar Failed Civil Society
**Richard Kamidza¹*

Although the Windhoek information seminar was intended to be a consultative dialogue with Non State Actors on EPAs, it sidelined the participation and viewpoints of civil society actors. To a large extent presentations and discussions failed to articulate their concerns.

Introduction

On 20 June 2007, the Directorate General (DG) for Trade of the

¹ Richard Kamidza is the Senior Researcher at the Africa Centre for Constructive Resolution of Disputes (ACCORD).

European Commission (EC) organized a one-day non-state actors² regional consultative dialogue on the Economic Partnership Agreement (EPA) currently being negotiated between the Southern African Development Community (SADC) configuration and the European Union (EU) in Windhoek, Namibia. The SADC-EPA group comprises Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland and Tanzania. All except South Africa which until 7 March 2007 was an observer launched the EPAs negotiations in the same capital city in July 2004. Though the geographical spread of participants

² Representatives of the private sector and civil society organisations

respects Cotonou Agreement's spirit of "consulting widely and involving deeply" national and regional constituencies on this process, there were serious omissions with respect to the people's sector, which 'should no longer be ignored' by both SADC-EPA negotiators and their EC counterparts. This is discussed below.

Invitation

The invitation excluded some known representatives of civic bodies who have been engaging EPAs processes since July 2004. Some actors, thanks to strategic networking, solicited invitation from the organizers though time was too short to mobilize other networks to this meeting. This **raises the question of what was** the criterion used to identify participants. Further, this points to **possibly a** deliberate strategy aimed at excluding moderate to radical civil society voices as well as extensive networks beyond this configuration. A check with the SADC-EPA Unit desk on the eve of the seminar **surprisingly** revealed that they were ignorant about 'who was invited'.

Programme

The programme shows that the event was designed to facilitate sharing private sector concerns with the Commission. There was no item on civil society's concerns, **except** few references contained in the opening and closing remarks by the host government and the EC Delegation in Namibia. All sub-themes focused on the private sector: EC Export Helpdesk; SADC-EPA negotiations' key issues in view of the conclusion by 31 December 2007; how to take private sector interest into account; and development concerns and/or linkages with TDCA and Cotonou. The only item that relates to civil society was:

"Development component and civil society concerns" which was not only presented by EC officials, but also points to perceived developmental thrust and such financial windows as the 10th European Development Fund (EDF). However, the presentations shied away from difficulties currently inhibiting governments' access to EDF resources, which only used 20% and 28% of the total 8th and 9th EDF resources respectively. Attempt to solicit explanation to the above yielded a dismissive response: "we do not agree with Oxfam International on some of their research findings".

Unexplained Issues

The seminar raised **a number of** contentious issues which were hardly debated in the plenary. *First*, EC presenters noted that the main pillar of EPAs process is market access, hence DG Trade is firmly driving the negotiations. *Second*, development crescendo which was not only explicitly included in the Cotonou Agreement, but triggered the EPAs process in ways that split ACP countries as well as disintegrate African regional economic blocs hardly featured in ways that address the general concerns of this group, hence appears to be on exit door of the negotiating agenda. *Third*, EC officials mentioned EDF financial window, but remained silent on why countries are failing to access these resources. *Fourth*, EC officials informed participants that 'four offers' were given to this group – to (i) SACU, Mozambique, Angola and Tanzania, but no justification given since countries are negotiating as a group. *Fifth*, EC officials noted difficulties in negotiating 'new generation issues' but remained silent on the much publicized promises of improving their counterpart's institutional capacity to assist in the process. *Sixth*,

presentations lacked deep analysis of regional issues, sectoral interests and constituencies' concerns; hence no comparative assessment was inferred by participants, especially with regards to agriculture and fish sectors. *Seventh*, both the presentations and discussions focused on SACU and South Africa, but hardly factored in Mozambique, Angola and Tanzania. *Lastly*, the civil society concerns were 'totally restricted' to the periphery in ways that informed lack of common regional EPAs agenda.

Marginalization of civil society voices

To a large extent presentations and subsequent discussions failed to articulate the concerns of civil society in ways that satisfy their expectations. An attempt to show how studies included civil society's concerns was dismissed as unfortunate. For instance, there was a claim that a four-year 'rules of origin' study carried the views of civil society, yet the researcher failed to provide satisfactory explanation of the sample frame and geographic coverage of respondents as well as sufficiently link the findings to civil society's concerns. Unfortunately, this creates an impression that regional independent studies are providing sufficient insights to benefit the process in ways that satisfy the people's sector's concerns.

Materials

Uncharacteristic of EC organized meetings, no background materials, papers, PowerPoint presentations and list of participants were distributed during the seminar. Only the final programme was given upon registration.

Way Forward

The seminar brought to the fore significant flash points which require immediate attention by the EC, respective governments, regional secretariat and civic bodies. These are given below.

European Commission should:

- **Recognize the different concerns of the people's sector** with those of the profit sector;
- Call another meeting focusing on the people's sector, and in which presenters of **various viewpoints are balanced** ;
- Allow **various** views including those calling to "Stop EPAs" to such consultative processes as well as more time for discussions and engagements;
- Provide resources to civic bodies in order for them to **effectively participate in and popularize the process**, and more importantly, prepare citizens for the eventuality. The EC knows that financial windows available to governments exclude non-state actors, hence the call for assistance that should facilitate robust engagement in the process. Failure to accord such support to the non-state actors while provide the same to government-led process risk being classified as **inducement**³. Failure to seriously consider their submissions by non-state actors risk authoring underdevelopment, deep poverty and instability.
- Ensure future regional coverage of issues and presentation in ways that is **balanced** as well as circulating papers,

³ *The author was once a direct participant at Regional Negotiating Forums.*

presentations and lists of participants well in time in order to allow people to **prepare** and network.

SADC-EPA Unit desk should:

- Immediately avail itself to civil society and other constituencies. Previous attempts to invite the Unit desk⁴ to civil society's organized dialogue sessions failed to yield any positive response despite being funded⁵.
- Organize similar consultative sessions (joint or separate) with both the private sector and civil society;
- Analyse and publicise emerging issues, concerns, positions and interests with the view to share with those critical views;
- Harness resources from the civil society including critical

⁴ 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.

⁵ Per diems, accommodation and ticket, just like what EC funds in all the EPA related processes.

analytical views, publications and database;

- .

Government negotiators should:

- Immediately start consultations with all the constituencies. If EC took a year⁶ to respond to the group's proposals, why should the group's negotiators rush to conclude the process by the set deadline? Why sacrifice content of the negotiations for timelines, which should only act as barometer to focus the process? After all history shows that a number of multilateral trade rounds for instance fail to respect set timelines. “It is more important to get agreements right than to meet deadlines” remarked a negotiator during the Doha Working Round.
- Not **unduly** worry about the waiver as the AGOA was implemented without recourse to a waiver, yet the scheme remains in place. Why should the waiver argument **be used to rush** to sign when all the constituencies are not satisfied? Why not solicit the right political will from the EC to extend the waiver window?
- Consult critical voices from the region and beyond by holding consultative dialogues with various constituencies.

Civil society should:

- Intensify networking and consultation on issues, concerns, positions and interests with government, private sector, EC, regional

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

EPA Unit desk, private sector and other civic bodies;

- Avoid divide and rule tactics that unnecessarily pit them against negotiators and other regional participants;
- Demand space and audience with the regional EPA desk and government negotiators.

Conclusion

The above raises critical questions including:

- Who was liaising with EC?
- Does this mean that the EC conceptualize the event, develop the programme and identify presenters and participants without consulting the regional EPA Unit desk?
- What role do respective country negotiators (governments) play in this event?
- Why the event was organized parallel to the SADC-EPA meeting in Walvis Bay, Namibia?
- Is this a 'stretch them' out strategy by the Commission?

Does this mean that all participants were shepherded to Windhoek to legitimize pre-determined outcomes?

**Richard Kamidza is a senior researcher with ACCORD*

Cotton Contract Farming in Southern Africa

**Ludwig Chizarura*

A study carried out by SACAU and SEATINI on cotton contract farming in Zimbabwe, Zambia and Malawi, reveals that unequal power between the farmer Organizations and the almost monopolistic companies trading in this sector which lead to unfair contract terms for the producers. In order to bring harmonious relations, the study

concludes that there is need to iron out differences arising out of the unequal negotiating situations through, inter alia legislation and capacity building for the commodity Association affiliates.

SACAU (Southern African Confederation of Agricultural Unions engaged the Southern and Eastern African Trade Information and Negotiations Institute (SEATINI) to carry out a study on Smallholder Cotton Contract Farming in three cotton producing and exporting countries namely, Zimbabwe, Zambia and Malawi. The objective of the study was to undertake an assessment of the scale of smallholder farmers' involvement in contract growing of cotton and the need for capacity building among farmers' organisations.

Since the early 1990s, contract farming (out-grower schemes) has emerged as an increasingly popular agribusiness concept. It is a business partnership agreement between farmers and investors (agro-businesses) for the production and supply of agricultural products under forward arrangements usually at predetermined prices. The purchaser provides production support while the farmers are obliged to produce specific commodity quantities at quality standards determined by the purchaser.

Theoretically, contract farming has the potential of on one hand, providing inputs on credit and extension services particularly to smallholder farmers for commercial production as well as an opportunity for them to get access to markets and to diversify subsistence production into more high value commodities. On the other hand, contracting is ideal for companies in keeping raw materials inflows at a steady level close to plant capacity and

those engaged in fulfilling forward export markets. Reliance on open market purchase is unlikely to achieve this objective. Therefore, theoretically, it is fundamentally a way of allocating risk between producer and contractor, in that the farmer takes the risk of production and the contractor the risk of marketing. Total risk is therefore reduced relative to a non-contract situation of that crop.

For the arrangement to succeed it must work on agreed upon terms between farmers and an investor, for example, a processing and/or marketing firm, to produce and supply agricultural products with specific characteristics at predetermined prices. Evidence shows that contract farming targets high commercial value products and operates in areas with easy access rather than remote areas.

The terms of the purchase are arranged in advance through contracts, the exact nature of which can vary considerably from case to case⁷. Contracts are generally signed at planting time and specify how much produce the company will buy and at what price. Often the company provides credit, inputs, farm machinery and technical advice. The company always retains the right to reject substandard produce. Contracts can specify planting dates (and thus delivery dates) as well as total quantities to be delivered, thus reducing the uncertainty of buying on the open market and gives the company some control over the production process. It also insists on quality control and high standards resulting in some cases a high reject rate. At harvest time the company pays growers the contract price less the advanced loan to the grower.

⁷ David Glover in Contract Farming and Commercialisation of Agriculture in Developing Countries.

However, in practice different comparative studies carried out in Africa have revealed that smallholder farmers have been short-changed and bear higher risks than the contracting companies for various reasons. The only advantages that smallholder farmers get are easy access to credit and guaranteed markets for their produce, but the terms of the trade between producer and investor remain the prerogative of the latter.

The primary grievances to the contractual obligations are that contracting firms enjoy monopolistic powers within specific sub sectors and therefore dictate terms of engagement between the two parties. The actual contracts are drawn up by these investors without negotiations with the farmers. The cost of inputs and the eventual producer price are dictated by the investor company to the producer. An analysis of the profile of the two parties reveals that the contract arrangements are between two unequal partners with disparities in bargaining power. The process of globalisation has revolutionised world agriculture. Innovations in communications technology offer processors and traders of agricultural produce instant access to market information and information about new production techniques. The contracting companies are well endowed with resources (material, human and financial), enjoy a sophisticated organisational network, have therefore superior knowledge and information on agricultural commodity trade and above all maintain regular contacts with the international markets. On the other hand, the growers are resource poor, fragmented and scattered, have scant knowledge and information on agricultural trade and absolutely no contact with end-users. The agricultural unions representing farmers are weak and are usually

bypassed in contract negotiations. Therefore investor buyers dictate terms of cotton trade to the growers.

Results of the Regional Study (Zimbabwe, Zambia and Malawi)

Cotton is grown in the drier districts of Zimbabwe where maize production is risky due to moisture stress; while in Zambia it is grown mainly in the Eastern Province and some districts of the Central and Southern Provinces. Malawian cotton comes from the districts of the Central and Southern regions. The cotton growing regions in Zambia and Malawi are more humid and can support the viable production of maize providing growers with an alternative than their Zimbabwean counterparts who can only resort to small grains that are less lucrative than cotton or maize.

Around 220,000 smallholder farmers in both Zimbabwe and Malawi and 280,000 in Zambia grow cotton. It therefore follows that it supports significant segments of the rural populations in all the three countries. Amongst the reasons cited for growing the crop are that it is the principal source of cash income, inputs are readily available and the market is guaranteed. Portions of land allocated to the crop on average range between 2 hectares in Zimbabwe and less than a hectare in Malawi, though in some parts of Zambia where draught power is available the hectareage can be as high as 10 hectares.

Contract farming has become the major source of inputs for smallholder farmers since the three countries implemented the structural adjustment programmes at the behest of the International Monetary Fund (IMF) in the early 1990s with the states abdicating their traditional roles of providing inputs on credit and

marketing of produce and handing them over to the private sector. Prior to the economic reform programme, in Zimbabwe the Agricultural Finance Corporation supplied inputs on a credit basis to farmers with the Cotton Marketing Board buying seed cotton from them in Zimbabwe. Lint Cotton of Zambia provided loans and at the same time bought the seed cotton from growers. The same functions were undertaken by Agricultural Development and Marketing Corporation in Malawi. All these companies were parastatals (quasi-government). The number of participants under contract farming is on the increase in all the three countries. The proportions of farmers under contract farming are around 70% in Zimbabwe, 100% in Zambia and 90% in Malawi (since the 2006/7 season).

Interestingly, the roles of providing inputs on a credit basis and buying produce are dominated by two major companies in the three countries, Cotton Company and Cargill in Zimbabwe, Dunavant and Cargill in Zambia and Great Lakes and Clark Cotton in Malawi. Such a setup enables the companies to enjoy an oligopolistic position in which they dictate the terms by which the cotton business should be conducted. The companies are in certain quarters accused of collusion in setting up producer prices and determining the cost of inputs provided on credit. While there has been over the years an increase in the number of companies participating in the cotton industry, the participation of the new entrants has been limited to the buying of seed cotton without providing production support. New regulatory framework particularly in Zimbabwe is being mooted to boot out such companies because the non-investment in

production practise has irked the traditional big players. The values of inputs distributed under the input credit schemes are increasing with Zambia recording US \$15million and Zimbabwe US\$7 million.

For both Zambia and Malawi there is a legal framework, though not yet functioning, covering cotton contract farming. Both countries have Cotton Acts that regulate the cotton industry whereas Zimbabwe has none. In both countries the Acts are under review in order to bring them into conformity with the present situation. In Malawi the Act catered for the operations of ADMARC before the inclusion of the private sector activities. A Cotton Board is being proposed in Zambia that will be composed of the following representatives; 2 from the Ministry of Agriculture and Cooperatives, 1 from the Cotton Development Trust, 2 from Ginners Association, 2 from Cotton Association of Zambia and 1 from the Attorney General's Office. What exists in Zimbabwe is an industrial regulatory framework governing the buying of seed cotton from growers that was mooted by the big players to restrict competition from the new entrants.

The contracts are drafted by the investor companies without the involvement of either the growers or farmer organisations. The commodity associations affiliates are inactive due to a host of constraints therefore are bypassed in the contract arrangements. Companies view the loans as a benevolent gesture to growers as they are advancing a risky loan without the corresponding collateral. Consequently the contracts are heavily tilted against the growers in favour of the companies. The clauses are very clear on the obligations of the grower to the company but remain silent on obligations of the companies to the

grower, hence grievances inevitably arise.

However, the Zambian growers have since 2005 organised themselves into an active commodity association which from this season onwards is going to represent their interests in negotiations for fair input and producer prices. It has signed a memorandum of understanding with the buyers. The latter have come to respect the commodity association due to the threat to their business during the 2006/07 when an estimated 30-35% of growers decided to opt out of cotton production. It is being assisted by SHEMP which has developed a producer price model.

The contract clauses are crafted in such a way that they protect the interests of companies by giving them dictatorial power to determine the cost of inputs and the producer price and prescribe penalties that the grower will face should he/she breach them. The key provisions of the contract are that once signed, then the grower should;

- Not enter into contract with another party
- Deliver entire produce to the contracting company independent of the producer price offered
- Agrees that the contracting company solely determines the costs of inputs and producer price
- Agrees that weighing and grading are the prerogative of the contracting company
- Agrees that he is liable to penalties for any contamination of the produce

These key provisions represent the dictates of the contracting company to

the grower and are at the same time the latter's weaknesses.

Growers try to beat the contract arrangements by delivering to the contract company quantities equivalent to the value of the loan advanced, and then market the remainder to the highest bidder, the new companies. Contracting companies view this as side marketing. It is punishable by denial of inputs or in extreme cases in Zimbabwe, seizure of assets of the culprit. Enforcement is less stringent in Zambia though there are also defaulters. The growers complain about the low producer prices and the relatively high costs of inputs. Due to inflation in Zimbabwe, the grower is charged the replacement value of the inputs. Nonetheless the recovery rate is high, approximately 95% in both countries.

Zambia operates a dual lending system. Dunavant works through a network of distributors who are the contracted party. The latter in turn select trusted growers organised into groups and extends to them individual loans. Cargill Zambia follows the same system as in Zimbabwe where individuals farmers structured within a group are contracted. The purpose of the group organisation is to put peer pressure on errand growers.

National Ginners Associations determine the producer prices. The formula takes into account the global price (Liverpool index), the exchange rate, the ginning costs, and average production per unit area. Overall the cotton global price has been on a downward trend for the last 5 years due to the subsidisation policies of the EU and US that spur production without a corresponding increase in global demand thereby resulting in the realisation of surpluses and

simultaneously a depression of prices. Central Banks determine the exchange rates. Both factors are outside the control of buyers and growers.

Experience in Zimbabwe reveals that farmers are heavily short-changed. There is a wide disparity between the official and parallel market exchange rates due to the hyper-inflationary environment. At the time of writing the parallel market rate was 60 times lower than the official rate, which is the one used to determine the producer price. On the other hand, input prices in Zimbabwe tend to follow the parallel market exchange rate. Therefore the grower finds himself/herself squeezed from both sides, exorbitant inputs prices and low producer prices. Both parties do not agree on the average production per hectare, with the buyers using 1,500kg per hectare that farmers claim cannot be achieved under rain-fed conditions subject to droughts that reduce yields to around 800kg per hectare. To make matters worse input costs and producer prices are only announced at the beginning of the marketing season.

The Zambian situation is relatively better. The economic situation is stable and inflation below 10% and therefore very little parallel market money exchanges. Unlike their Zimbabwean counterparts they know the cost of inputs and producer prices prior to planting; therefore they have the discretion to make a decision to grow or not to grow cotton. What they cannot control is the exchange rate that caused the producer price decline from K1200 to K850 per kg prompting some of them to reduce production of cotton during the 2006/07 season.

A comparison of the international domestic prices reveals that the worst hit farmers are Malawian growers who

according to a NASFAM official receive less than 10% of international price, followed by Zimbabwe with 10-15% and then Zambia with 40-60%. Thus Zambian growers are far better off than both their neighbours. Thus the major contentious issues on the contract arrangements that determine net returns to growers are the producer price paid and the costs of inputs. In Zimbabwe it creates uncertainty since these are known at the marketing stage. Other areas of grievances are the late delivery of inputs, provision of wrong and expired inputs, under-weighting of produce and the downgrading of cotton.

Besides, side marketing the companies cite quality control, low producer productivity and defaulting after receiving input loans as the grievances that they have against growers.

Conclusion

To bring harmonious relations between contracting companies and growers, there is a strong need to iron out differences that have arisen out of unequal negotiating powers, ignorance in some cases and the poor or non-representation of the growers.

Recommendations

The first port of call is to advocate for legislation covering contract farming in all the three countries. At the moment such legislation does not exist in Zimbabwe and the growers remain exposed to the desires of contracting companies. Had such legislation been put in place, then aggrieved growers would have something to fall back on which is not the case at the moment. Such legislation would limit the powers that investor companies have on fragmented and scattered growers. It is encouraging to note that such legislation exists but is under review in Zambia and Malawi.

The second point is revamp commodity associations in Malawi and Zimbabwe, which at present make them, look like spectators in a game that they should be playing. They are rather dormant when there are critical issues that they should be addressing affecting their members. Resuscitating them enables the mother body to tap the grievances that the growers are encountering in contract farming and present them to the investor companies or seek legal recourse. Not all of the grievances may be genuine, but the arrangement would enable the mother body to analyse each and every case to determine its authenticity. Unfortunately in sympathy with Zimbabwe Farmers Union and the Farmers Union of Malawi they do not have the resources as it is, to activate their affiliate structures

The third issue is building the capacity of commodity association affiliates to engage in negotiations. Such a task entails embarking on a comprehensive training programme of the officers to acquire the requisite negotiating skills and technical capacity to represent their members effectively. In order to do so they should be having information at their fingertips on current global trends in cotton trade as well as the domestic production conditions of their farmers. In this regard the national farmers' unions must seek legal advice on the contents of the proposed contracts and also submit their own proposal for negotiations. Through this process, the obligations of the contracting firms will be ironed out and penalised if they breach the clauses of the agreed contract.

The fourth issue is effective representation in the negotiations of producer prices that appear to be the preserve of the contracting companies.

What is happening at the moment is that the investor companies are determining both the input and the producer prices without the active participation of the farmers' organisations.

The fifth is monitoring the implementation of contract farming on the ground. Such an endeavour would ensure that growers are also abiding by the clauses of the contract and that simultaneously they are not being abused or short-changed.

The Zimbabwe farmers should make representations on the exchange rate that appear to be penalising export commodity producers to the government. The national export commodity structure is dominated by agricultural products that make it imperative for ZFU to have an interest on the exchange rate.

Finally farmer organisations from Malawi and Zimbabwe are encouraged to learn from their Zambian counterparts on the progress made in organising and representing farmers for the betterment of their lives. This could take the form of exchange visits or workshops geared towards capacity building and its expected results.

**Ludwig Chizarura is a Senior Programme Officer for Agriculture with SEATINI*

Civil Society Statement to the EU-Conference on Rural development (June 2007, Berlin)

Rural Life is Key- Don't trade it away to a corporate agenda.

The Civil Society statement emphasized that there should be a

comprehensive vision for rural development.

Rural development should try to foster the creation of non-agricultural jobs by supporting the local processing of raw materials. Successful rural development has also to integrate important basic social services such as education, sanitation, health as well as infrastructure. Fostering a vibrant rural based economy will constitute the single most effective way of supporting the overall economic development of poorer countries.

1. The rediscovery of rural development – is it an opportunity or a cause for alarm?

1. *Civil society groups have been demanding for decades that rural development receives new emphasis in national and international development policies. More than 75 percent of the hungry and malnourished live in rural areas. Half of them are marginalized smallholder farmers and more than two thirds are women. They are hardly able to survive under the present circumstances. National agricultural policies both in the North and in the South are marginalising them without directing any meaningful support to their needs. They have been forgotten in international agricultural policies – not only have their local markets been traded away, but corporately controlled input and output groups are now dominating and controlling their markets. These policies force food producers either to be competitive in the face of subsidised imports or quit. How can rural development policy be called “pro-poor”, if the poor are glossed over and policies that are biased against their own development are put in place? They are confronted with an international development*

agenda that is strongly biased toward the privatisation of natural resources and basic services as a guarantee for the so-called efficient use of such resources. These national and international trends are threatening the economic and cultural survival of many rural producers.

2. *Normally, civil society groups and social movements would welcome the new interest in rural development. But after a careful analysis of the background documents to this conference we have become alarmed about where this renewed interest will lead us to.* After decades of failed support to rural development, there is a serious risk that intensifying the same recipes that have maintained poverty would lead to a further neglect of those who should be in the focus of any new strategy for rural development. Any new rural development interest that is not directed at serving the interest of small-scale family farmers will fail, since they form the economic basis of these countries. An agenda focusing only on high potential areas and on so called “viable competitive producers” will increase hunger and will destroy sustainable rural development.

3. *We fear that the current mainstream agenda on rural development is dominated by commercial private interests.* A new green revolution is now being promoted, which neglects the inherited knowledge seeds and plant breeds of farmers and indigenous communities – especially women. We are concerned about the privatization of rural resources, such as land, water, genetic resources and minerals and the concentration of ownership in those who can afford these resources. This will compel the production of goods to fit into the logic dictated by globalised supermarkets and those who do not subscribe to this logic and sport

different skills, knowledge and values that can nourish vibrant local markets will be condemned as “non-viable” producers.

4. *We call for genuinely new thinking on rural development, a thinking that will put people first.* The current collapse of rural communities is the most important cause of distress migration. More aid does not necessarily equate to more assistance to such communities. We would accept more aid only if it is a better aid. More important than “more aid” is the development of national and international development policies that do not harm those living their lives autonomously as peasant food producers.

II. The mainstream vision that will not help to combat hunger and to foster rural development

Green Revolution – old and new

5. We believe that the new Green Revolution held as a talisman for African development is a sure recipe for disaster. On the one hand, it is a sheer travesty of truth that the first Green Revolution which was based on high cost, high technology and high risk, and therefore was pro-rich in its approach bypassed Africa as is being made out by its proponents. On the other hand it is a historical fact that it simply failed in Africa despite the USD 200 million invested annually in it for the past 20 years. Therefore we are convinced that the proposed second Green Revolution advocating the same approach is bound to meet with similar failure. Agricultural research in Africa has been allowed to be taken over by the private sector with its priorities of profit and intellectual property rights. This runs counter to the interests of smallholder farmers. GMOs, which are

a cornerstone of this research agenda, have failed to deliver benefits to smallholder farmers everywhere in the world. They also pose a threat to biodiversity, the environment and health and therefore should not be promoted, but banned.

Agrarian Reform and access to resources

6. International Development Agencies treat land exclusively as an economic factor in the broader defense of neoliberalism - including free trade, land privatization and formalization of inequality, whereas we treat land as a territory which includes seeds, water, forests, ocean, mineral and fauna. Therefore we demand rights-based approach to land policies linking land to right to adequate food and a genuine agrarian reform based on food sovereignty. Market-led agrarian reforms have failed to deliver pro-poor reform. Land markets and land rental markets can only benefit the rich and criminalise land struggles. In its extreme form it has also led to the assassination of people fighting for their land.

Trade and markets

7. We are of the strong view that the world market is not the solution to feeding people. On the contrary, local production systems and local markets play a key role in rural development and can meet the majority of the needs of the local communities.

8. Countries should protect their agricultural markets. Protection, regulation and state intervention are needed to ensure community food sovereignty. By promoting high market concentration in agri-business, free trade agreements such as EPAs spell destruction for small-scale family farmers all over the world. EPAs in

their current form are worse than the WTO agreements. Negotiations must stop immediately. Such international trade policies jeopardise smallholder farmers globally and therefore must be stopped. In addition, all subsidies that lead to dumping must end. However, we recognize the legitimate need for support to domestic peasant producers.

Biofuels and climate change

9. It is our conviction that agro-fuels are not the solution to climate change and to the global environmental crisis. Sustainable ecological agriculture, however, can minimize energy consumption and promote the use of renewable energy. Therefore the use of agrarian resources must prioritise food production over energy production. It will be a crime to endanger community access to natural resources in the name of biofuels. We reiterate the fact that the main cause of climate change is the unsustainable production and consumption patterns in industrialized and industrializing countries.

Rural development aid

10. Recognising that badly focused development aid can do more harm than good, we demand priority is given to good aid, which is defined by communities and national governments and without macroeconomic conditionalities enforced by the World Bank and IMF. Aid must respect and promote human rights and prioritise support to autonomous small-scale farmers, pastoralists, artisanal fishers. Such aid needs close monitoring and evaluation from civil society organisations and international bodies such as FAO and IFAD. More resources need to be allocated to this. This also brings us to the fact that to make the Global Donor Platform to function in a democratic and participatory manner it would be

necessary to move it into the UN system. Funding flows from the European Union and other donors should not be used as a means to corrupt national policies.

III. Our vision of rural development

11. There is a need to have a comprehensive vision for rural development. Rural development policies need to be socially and environmentally sustainable. We need systems of production that keep soils fertile, respect available quantities of water and accept local varieties of seed. Rural development should try to foster the creation of non-agricultural jobs by supporting the local processing of raw materials. Successful rural development has also to integrate important basic social services such as education, sanitation, health as well as infrastructure. Fostering a vibrant rural based economy will constitute the single most effective way of supporting the overall economic development of poorer countries.

12. We also emphasise the need to recognize and foster the multifunctional role of agriculture in the Global South. The EU, which champions multi-functionality to defend its system of subsidies to European agriculture, has failed to apply the same yardstick to African farming. This anomaly should go and the Global Donor Platform should clearly recognize this multi-functionality as the pivot on which African agriculture rests and not repeat the sterile argument about productivity. It is time to recognise that rural areas in Africa are the repositories of African culture. African farming and food production systems are integral to the cultural process. Therefore it is mandatory that the EU, alongside African governments, acknowledge,

respect and protect the cultural nature of rural areas in their development plans.

13. Our vision is based on the human dignity of people living in rural areas. It is based on the recognition of their right to adequate food which includes the ability to access productive resources with dignity. Governments must respect, protect and guarantee the right to adequate food to all people living in their territory and use the maximum resources available to them in that respect. They must also provide food to people who are unable to earn their living from their own resources or labour, giving priority to local and regional procurement. National and international policies must provide positive livelihood support to people in rural areas, who have been neglected in many countries by their own governments. Governments must respect and protect existing access to productive resources especially that of vulnerable groups, and monitor the impact of their action. They must also guarantee access to effective judicial or extrajudicial remedies. People should not be forcibly evicted to make space for mining sites, large scale plantations, dams, protected areas, conversion of agricultural land for industrial use, capital intensive agriculture, and so on.

14. In order to implement the right to adequate food states have to recognize that for the majority of the rural population access to productive resources is key to earning a living. Securing their right to produce is the single most important action required from governments, while implementing the right to adequate food. The ability to feed oneself requires that states, along with social movements, have the right to regulate at the same time international

framework conditions, such as trade policies, investment policies, food standards, and so on. Without community sovereignty over food, seeds, pastures and fishing, smallholder farmers, pastoralists and artisanal fishers cannot be protected adequately. States should not privatise or trade land, water, biodiversity, genetical resources, or traditional knowledge. Food sovereignty implies that those living in rural areas must have a say in the development of all policies directed to rural development. Organisations of those living in rural areas, such as organisations representing women, farmers, fisherfolks, pastoralists, indigenous communities, and rural youth have to be the key players that must be involved in all policies directed to rural development. Their right to organise needs to be protected and actively promoted.

15. Rural development must be based on local food and artisanal production and those who sustain their lives from such activities. National agricultural policies should fully support small-scale agriculture and make sure that producers – particularly women – have secure access to their productive resources and appropriate production credits that are controlled and managed by the communities. Governments have to invest in the foundation of sustainable and farmer-controlled transaction channels for agricultural commercialisation and for rural credits and savings to enhance social cohesion. Agricultural research that is built on local knowledge with participatory methods and whose results are available and accessible to local producers has to be fostered.

IV. No donor driven agenda

16. It is still surprising to see that donors meet in order to harmonize

their policy approaches to rural development in the name of creating ownership, but that most of the concepts discussed here are developed without substantive dialogue or involvement from those living in rural areas, particularly representatives from farmers, fisherfolk and pastoralist organisations as well as rural trade unions. The new rural development concept is being delivered to the targeted beneficiaries with a waiving flag and with the slogan “ownership”. We do not see that NEPAD or the process that led to the adoption of the “Comprehensive African Agricultural Development Programme” are built around any meaningful process of involving people in rural areas. They are not developed in a participatory manner. The claim by the African governments and the donors that they have secured ownership for these processes from the rural population in African countries is false.

17. There is a need a new agenda for fostering rural development. This agenda should be different, not based on neo-liberal simplifications but one that is complex enough to foster a vivid sustainable rural development in harmony with those living and earning their livelihood in rural areas. It must be complex enough to understand the values and principles of biodiversity alive there. We are strongly convinced that only such a sustainable rural livelihoods strategy that is in tune with strong or strengthened rural populations will be able to stand up to the problems of climate change. Industrialized agriculture on

the other hand, is already missing the diversity, the water and the people to manage such a change.

Report On The 2nd EC-SADC EPA Negotiation Round, 21-23 June 2007

The Second round of European Commission (EC) and SADC Economic Partnership (EPA) Group took place in Walvis Bay, Namibia from 21 to 23 June 2007. The meeting was preceded by SADC preparatory meetings from 17 to 20 June 2007.

1. Market Access Issues

On 4 April 2007 in its letter, the Commission offered duty-free and quota-free market access other than sugar to all the SADC-EPA countries except South Africa. This offer was subsequently reaffirmed during the 1st Round of the EPA in Brussels in May 2007. The EC proposed a transitional arrangement for the incorporation of the Sugar Protocol into the EPA and a separate offer to South Africa which were to be discussed the next Round.

During the 2nd Round in Walvis Bay, the EC presented its offer for the treatment of South Africa's goods in the EU market meaning an improvement of the Trade, Development and Cooperation Agreement (TDCA) between South Africa and the EU. At the same time the EC made further requests for concession by South Africa. On the other hand South Africa made an offer to the EC based on the sensitive list of products from Botswana, Lesotho, Namibia and Swaziland (BLNS) and a promise to make another offer fisheries and fishery products during the 3rd Round.

South Africa expressed her concern that the EC's offer was by and large a request for more concessions from South Africa than to the contrary, whilst on the other hand, the EU was of the view that South Africa's offer was nothing but a serious backtrack from the current TDCA commitments in the light of the long list of sensitive products (BLNS List). Looking at it in the context of SACU, the long list of BLNS products in which these countries are seeking a freeze or upward revision of tariffs under the TDCA commitment is interpreted as a stumbling block to meaningful concession to South Africa by the EC. To this end, the BLNS might have to review their long list of sensitivities in the event of an impasse. Swaziland will have to link her review of her sensitive list with the request for further consideration by the EC on the transitional period for sugar that would maintain current actual market access for Swaziland.

The Ministry is consulting with the sugar industry in this regard and a proposal will soon be sent to the EC as agreed by the EU in Walvis Bay.

Angola, Mozambique and Tanzania being not part of SACU, are still preparing their individual offers to the EC. Otherwise, the EC offered these countries duty-free and quota-free market access in the EU Market.

Rules of Origin was another issue on Market Access which was discussed at length. These are conditions to be fulfilled if the manufacture or processed product

is to be regarded as made in a specific member country in order to enjoy the benefits of reduced customs duties in the market of the other party. Both sides have made proposals and text for discussion during the next Round.

There is a serious issue for Swaziland regarding Market Access. The spirit of negotiating a Free Trade Agreement (FTA) whether called EPA or not is to remove customs duties and other charges with an equivalent effect such as levies and quantity restrictions. NAMBOARD is currently levying additional border charges and restriction of quantities of almost all fresh produce, fruits, poultry and poultry products. The NAMBOARD border charges and import quantity restrictions substantially weakens Swaziland's negotiation position especially because there is no time frame for their elimination under an infant industry protection provision. This is being challenged at SADC level and by South Africa and the EU.

Other Issues

Investment

The SADC EPA agreed on the importance of establishing a climate which favours and promotes mutually beneficial domestic, regional and foreign investment. It also emphasized the need to support the growth and development of small and medium enterprises and to promote joint venture operations. It indicated that further reflection was needed internally on the recently signed SADC Finance and Investment Protocol

Services

SADC EPA agreed on the importance of services to improve national and

regional competitiveness. The SADC EPA side indicated that due to the diverse interests amongst the group, further internal consultations were to be undertaken to develop an approach to services. An internal technical regional working group would be established to take this issue forward. The SADC EPA group would clarify this approach at the next round.

EC noted the importance of continuing dialogue on service liberalization. The EC also noted that progress was envisaged through a joint roadmap identifying regulatory reforms and negotiating binding of commitments.

It was agreed that progress from the above mentioned working group would be communicated at the next Round and serve as a basis for establishing a joint roadmap.

Public Procurement

SADC EPA indicated that it is developing provisions that seek a cooperative engagement on Public Procurement. This cooperation would include exchanging experiences and information about best practices; developing national and regional policy and regulatory framework.

EC recalled its proposal which was submitted at last round in Brussels, which included a set of rules and procedures based on transparency and non-discrimination principles, with a view to creating a regional market for Government Procurement. EC reiterated that these rules will allow the SADC contracting authorities to get the best value for money and at the same time will make SADC suppliers **progressively** more competitive.

Competition Policy

Both sides agree on the importance of competition policies and regulations that would effectively address anti-

competitive behavior and help improve and secure and investment friendly climate.

It was noted that some SADC EPA countries already have the necessary policy and legal framework while others did not.

The EC reiterated the importance of establishing a regional competition authority in order to address cross border negative impacts on individual markets.

Intellectual Property Rights (IPR)

SADC indicated that this was a complex area and experts would still be drawn into the process to facilitate drafting of the EPA text.

The EC indicated that the main objective of its proposed chapter on IPR is to ensure that non-IPR compatible products are not allowed in the market and the WTO Principles on IPR are recognized.

Labour

Both sides agreed that the objective of this chapter would be to establish cooperation between the parties aimed at the recognition of core labour standards. Such cooperation may take the form of information exchange and support towards enforcement of national legislation and work regulation.

Environment

Both sides agreed, as in the labour discussion, that the objective would be to establish cooperation in the relevant environmental standards.

Trade Remedies

The SADC EPA side indicated that the main objective is to ensure that the application of trade remedies in the context of the EPA is based on the

principles of asymmetry and differentiated treatment for the SADC EPA Member States. It also indicated the importance of preserving the rights and benefits already enjoyed under the relevant WTO Agreement.

Development Issues

The EC introduced their proposed provisions on Development in Part 1 of the draft EC EPA text and other chapters, which are based on Articles 34 and 54 of the Cotonou Agreement. This part should be seen in the context of an EPA that is entirely focused on development.

The SADC side indicated that this area could only be finally agreed when all other chapters of EPA are completed, as development cooperation shall cover the full scope of the agreement.

Replying to questions from the SADC EPA side, the EC explained the instruments and amounts available for EPA support under EDF national and regional indicative programmes and further indicated interest expressed by other donors, including several EU Member States, to support the EPA process, if the SADC EPA group can identify and justify its priorities in this field.

The EC confirmed that if SADC set up a development fund, financial resources can in principle be channelled via this instrument. Firm commitments had been given by the EC including at the highest political level since the beginning of the process, in 2006.

Editorial: ESA EPA: Approaching the dying minutes

**Aulline Mabika*

The Economic Partnership Agreement (EPA) negotiations between the

European Union (EU) and six regional groupings within the African, Caribbean and Pacific (ACP) bloc, the East and Southern Africa (ESA) being one of the configurations are due to conclude at the end of 2007. Under the terms of the Cotonou Agreement, the EPAs will replace current EU-ACP trade arrangements from 2008. The Agreements are linked closely to the World Trade Organisation (WTO) Doha Round, as they must be WTO compatible.

The December 2007 deadline for concluding the EPA negotiations is fast approaching. At a meeting in Khartoum in December 2006, ACP ministers noted that many groupings were behind schedule in the negotiations and their declaration called for an urgent high-level meeting to "take stock" of progress. Subsequently, when African Union Trade Ministers met in January, they issued a declaration noting that more time may be needed to conclude the EPAs and some Ministers made speeches seeking assurance that existing preferences would remain in place until there was a successful conclusion.

The major challenge is that the EPAs will be very detailed agreements and will bind the parties for many years to come. Yet discussions of important details and provisions on the EPA have barely begun with major divergent views still prevailing. This was evident at the negotiating meeting between Eastern and Southern African (ESA) and the EU held in Brussels from the 12th to the 19th of June 2007. The EU and ESA have divergent views on many material issues as shall be discussed below.

The EU has suddenly become increasingly rigorous in their

negotiations, they now want ESA to liberalise more. At the beginning of the EPA negotiations EU did not seem interested in market access but now they want more. One European Commission (EC) negotiator actually stated that an EPA without market access for EC would be useless. ESA should be really worried at these developments that are coming up at the 11th hour.

There are a lot of issues that are of importance to ESA that are still hanging. On transitional period for liberalisation ESA wants 25 years whilst the EU wants not more than 12 years. The 25-year period being requested by ESA takes into account the LDC status of the region, ensuring that the COMESA customs Union is well developed and also the fact that other FTAs have long transitional periods. The ESA region prefers a phased approach to liberalisation whilst the EC prefers otherwise.

The EC wants the EPA to include elimination of export taxes whilst ESA wants export taxes to be excluded from the scope of the EPA since the region needs them to promote value addition, industrialisation as well as incomes for employment. The EU being economically and politically stronger than their ESA counterparts and have stronger bargaining power which, if not properly checked could lead to a very unequal outcome to the detriment of a lot of Africa's poor.

On the issue of development benchmarks and linkage with the review clause the EC agreed to review but only on condition that it aims at expanding the scope of liberalisation. ESA on the other hand insists on linking liberalisation to achievement of benchmarks and the possibility to take corrective measures including

derogations to tariff liberalisation. The reason behind ESA's insistence on the inclusion of development benchmarks in the EPA text being that if the ESA fails to deliver on development then these poor countries should be able to go back on their commitments without the threat of sanctions.

The two parties are yet to agree on how the issue of revenue losses due to the implementation of the EPA will be resolved. They both agree its important but have not agreed the context in which it has to be negotiated. EC Wants it moved and is negotiated under the development cluster whilst ESA maintains that moving it to development may mean losing it. The technical teams from both sides will have to continue working on this issue.

Another thorny issue in the ESA EPA negotiations is the one on elimination of EU export subsidies. The ESA region finds the EC proposal to eliminate export subsidies only on products ESA eliminates duties unacceptable. ESA justifiably finds this conditionality totally unacceptable. The EC is now changing goal posts because its offer on made in February 2006 in Mauritius to eliminate export subsidies on products of export interest to ESA did not contain that conditionality. Agriculture is one area where ESA has competitive advantage yet EC subsidies are trade distortive. This important issue is yet to be resolved and a common position is yet to be established.

On the issue of domestic support the EC is of the view that this issue falls out of the EPA ambit and is under WTO. Whereas the ESA is concerned about unfair impact of domestic support on trade competition and wants to be able to adopt appropriate corrective measures. This issue affects

a critical area in the ESA region, which, is agriculture and rural development. If the EC is unwilling to resolve the issue of domestic support under EPAs it will be grossly unfair for the poor ESA economies.

The ESA configuration, which is predominantly an LDC region, acknowledges that reverse preference is a reality but there is need to maintain balance of benefits obligation. Thus ESA is proposing programme of support measures to address preference erosion e.g.

- Support to enhance its competitiveness
- Adequate transitional measures
- Adjustment support under ESA-EPA fund

The EC is yet to respond to this proposal but indications are that they will not be able to do much to help the situation.

The other important issue being deliberated on under EPA is on additionally of resources. While the EC accepts commitment to mobilize resources, it insists that it cannot commit EC member states on their mobilization. They are of the opinion that the EPA is not the place to make financial commitments but rather finances can be negotiated elsewhere at a later date. The EC technical team was clear that the EC doesn't want to make any commitments with financial implications. ESA considers that additional resources to EDF will be critical to implementation of EPA since the latter will include areas of cooperation that are not included under Economic Development Fund. ESA can make Reference to the Bonn ACP/EU meeting that EPAs shall be truly development oriented and that "appropriate development provisions must be incorporated in the text of the

EPA". There is still a lot of work to be done for the parties to reach a common position with regards to this important issue in the EPA.

The issues raised above clearly illustrates that the EPA negotiations are way behind schedule and yet a lot of important issues have not been agreed upon. It is clear that its now too late for an agreement that is credible, negotiated and detailed to be in place by 31 December 2007. The deadline relates to the expiry of a waiver in the World Trade Organization (WTO) that legitimises the preferential trade regime under which the ESA and all other ACP countries export to the EU. The expiration of the waiver will have economic as well as social consequences for ESA countries. For instance the Kenyan horticulture industry, which employs around 135,000 people, will find it hard to continue exporting to the EU under GSP since its major competitors face zero tariffs. Its collapse would not only have severe social consequences, but would also undermine EU development aid programmes such as those of the UK and Denmark, which are supporting the horticultural Business Service Market Development Programme (Overseas Development Institute, 2006).

In the event that the EPA is not concluded by December, which is very likely, a number of options have been proposed to cushion ESA countries from the effects the removal of the waiver. *'The available options are (in declining order of the problems they would cause):*

- *to replace Cotonou in January 2008 with the EU's 'next best' trade regime whilst negotiations continue;*

- *to agree without negotiation detailed schedules prepared by one party to the EPA talks;*
- *to seek an extension of the WTO waiver;*
- *to create a better 'fallback, interim regime' for the ACP than exists at present;*
- *to agree EPA agreements that establish the key principles but leave the details to further negotiation.'* (Overseas Development Institute, Briefing Paper 2006)

The above listed options are not without their challenges. Looking at the fallback interim regime namely the General System of Preferences+ (GSP+) that is a new deal for vulnerable countries. The EU's Generalised System of Preferences is the system of preferential trading arrangements through which the European Union extends preferential access to its markets to developing countries and economies in transition.

Mainly because all the other options are highly problematic especially considering that the Everything But Arms (EBA) is meant exclusively for LDCs. Other commentator's have stated that 'EC's failure to provide the other ACP countries with a viable fallback option forces least-developed countries to make a difficult choice... forcing least-developed countries to choose either to renounce regional integration or to accept a reciprocal trade agreement with the EU.' (TWN Africa and Oxfam International, April 2007)

Admitting ESA countries into GSP+ in 2007 would provide exporters and investors in these key export sectors the certainty they need to continue exports. This would take the excessive and undue time pressure off the EPA

negotiations and enable ACP countries to continue negotiations beyond 2007 with no or negligible interruption of current trade. GSP+ would provide duty-free access to the EU market to a degree that is very similar to Cotonou.

The only challenge GSP+ is the criteria for eligibility. There are two sets of criteria for GSP+ eligibility: on 'vulnerability,' and on human/labour rights and environmental/governance principles. The first is unproblematic: all the ESA appear to be eligible. On the second, the 2005 EU Regulation required countries initially to have ratified and implemented at least 23 out of 27 relevant Conventions and, by end 2008, to have ratified and implemented all. There are countries such as Zimbabwe, which, have not ratified any one of the relevant conventions, which might not qualify for the GSP+ scheme. This presents problems hence the EU might have to introduce flexibilities so as to ensure that no country is left worse off come December 2007.

By using the GSP+ the EU could readily provide all ESA countries with good market access for their exports into 2008 at levels very similar to access under the Cotonou Agreement, in ways that are compatible with World Trade Organisation rules.

Conclusion

It is clear on all fronts that fundamental differences exists between ESA and the EU mainly due to the differences in approach of the two parties to the development aspect of the EPA. If the EPA is going to be a true instrument for development and for integrating ESA countries into the world economy then it is important for the negotiating parties to take their time. The bottom line being that no ESA country should be left worse off than it was after negotiating an EPA.

** Mabika is a programmes officer with SEATINI.*

Editor: Ambassador Nathan Irumba

Assistant Editor: Percy Makombe

Editorial Board: Chandrakant Patel, Jane Nalunga, Rangarirari Machedze, Percy Makombe and Helene Bank, Nathan Irumba, Yash Tandon

For more information and subscriptions, contact SEATINI, 20 Victoria Drive, Newlands, Harare, Zimbabwe, Tel: + Fax: +263 4 788078/9, Email: seatini.zw@undp.org, Website: www.seatini.org

Material from this bulletin may be freely cited, subject to proper attribution.