

# ASSESSING THE DEVELOPMENT IMPACT OF EPA DESIGN AND IMPLEMENTATION



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- ▣ **Highly selective focus on challenges**
- ▣ **Frame of reference the SADC group**

# **SPIRIT OF EPAs EMBODIED IN COTONOU AGREEMENT**

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- ❑ **Regard for political choices, development priorities and gradual integration of the ACP states into the world economy**
- ❑ **Promoting sustainable development and poverty eradication**
- ❑ **Enabling management of the challenges of globalisation**
- ❑ **Enhancing the capacity of the ACP countries to produce and trade**
- ❑ **WTO friendly dispensation**
- ❑ **Regional integration as key instrument for the integration of the ACP countries into the world economy**
- ❑ **Account to be taken of the different needs and levels of development of the ACP countries and regions**

# DEVELOPMENT AND TRADE RELATIONSHIP

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- **Trade and Growth, Development → Direction of causality?**
- **EPA as a means of development derived from this relationship**
  - **Market access**
  - **Capacity to trade**
  - **Asymmetry in trade arrangement**
- **Asymmetry and development assistance derived from the North/South development gap**

# THE SADC GROUP

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	<b>Population mil</b>	<b>GDP US\$ mil</b>	<b>GNI per capita \$</b>	<b>Life expect at birth Yrs</b>
<b>Angola</b>	<b>16</b>	<b>32 811</b>	<b>1 410</b>	<b>41</b>
<b>Mozam</b>	<b>20</b>	<b>6 636</b>	<b>310</b>	<b>42</b>
<b>Tanzan</b>	<b>38</b>	<b>1 211</b>	<b>340</b>	<b>46</b>
<b>Botsw</b>	<b>2</b>	<b>10 317</b>	<b>5 590</b>	<b>35</b>
<b>Lesotho</b>	<b>2</b>	<b>1 450</b>	<b>950</b>	<b>35</b>
<b>Namibia</b>	<b>2</b>	<b>6 126</b>	<b>2 990</b>	<b>47</b>
<b>Swazil</b>	<b>1</b>	<b>2 731</b>	<b>2 280</b>	<b>41</b>
<b>S Africa</b>	<b>47</b>	<b>239 543</b>	<b>4 770</b>	<b>48</b>

# SELECTED EU COUNTRIES

	<b>Population mil</b>	<b>GDP US\$ mil</b>	<b>GNI per capita \$</b>	<b>Life expect at birth Yrs</b>
<b>France</b>	<b>61</b>	<b>2 126 630</b>	<b>34 600</b>	<b>80</b>
<b>Germany</b>	<b>82</b>	<b>2 794 926</b>	<b>34 870</b>	<b>79</b>
<b>Italy</b>	<b>59</b>	<b>1 762 519</b>	<b>30 250</b>	<b>80</b>
<b>Netherl</b>	<b>16</b>	<b>624 202</b>	<b>39 340</b>	<b>79</b>
<b>UK</b>	<b>60</b>	<b>2 198 789</b>	<b>37 740</b>	<b>79</b>
<b>Ireland</b>	<b>4</b>	<b>201 817</b>	<b>41 140</b>	<b>79</b>
<b>Portugal</b>	<b>11</b>	<b>183 305</b>	<b>17 190</b>	<b>78</b>
<b>Poland</b>	<b>38</b>	<b>303 229</b>	<b>7 160</b>	<b>75</b>

# **SELECTED DEVELOPMENT CHALLENGES FACING A SADC-EU EPA**

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- North-South integration in its acutest form – combined GDP of SADC group about 11% of the German GDP**
  
- Unequal partners on both sides of the divide**
  
- Complicated architecture**
  - 4 customs areas on SADC side**
  - RSA part of group but to be treated differently (TDCA)**
  - Tanzania to join new East African configuration**
  - 4 developing economies and 3 LDCs**
  
- Identifying supply and demand side constraints**

# ADDRESSING DEMAND AND SUPPLY SIDE CONSTRAINTS

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- **Supply constraints – capacity to produce tradable goods competitively, for example**
  - **Infrastructure**
  - **Labour skills & factor productivity**
  - **Entrepreneurial talent**
  - **Investment (FDI)**
  - **Institutions & governance**
  
- **Demand side**
  - **Focus on market access**
  - **NTBs (meeting standards)**

# CROSS-CUTTING CONSTRAINTS/ISSUES

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- ❑ **Impact on revenue (SACU in particular)**
- ❑ **EPA acting as an external agency of restraint**
- ❑ **Substantially all trade requirement and the identification of sensitive industries**
- ❑ **Provision to protect infant industries**



# CONCLUSION

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**If an EPA is to accept a development challenge far more than market access and the asymmetry of trade liberalisation is to be included on the negotiation agenda.**