The International Agreement that would have its implication on federal governance with regard to the agricultural sector in Sudan is the International Agreement on Agriculture of WTO. The international Agreement on Agriculture (AoA) forms an integral part of the multinational international trading system which is referred to as World Trade Organization or globalization. Agriculture sector in Sudan enjoys the rich agro-climatic and agro-ecological diversities and natural resources which make it of high potential for higher productivity and production. Currently, the sector is facing natural and structural constraints the alleviation or minimization of which could be at a very high cost. Sudan is a federal system and the decentralized structure of government has been constituted emphasizing the existence of the ethnic, cultural, lingual and religious diversities. These diversities could be a source of conflicts and disputes between the federal government and the states in addressing issues of greater national importance like agriculture, the main source of livelihood to more than 70 per cent of the population and because of its significant role in the regional, economic and social development. Moreover, the federal system has been adopted in order to accommodate those diversities to ensure harmony, autonomy and co-operation between the federating units in working out solutions for the disputing issues. Since agriculture has been included into the framework of WTO in 1995 it would be affected by the scenarios of globalization/WTO and through the implementation of the Agreement on Agriculture which governs and regulates agricultural production and trade by certain rules and provisions which could be of economic and social impact both nation-wise and state-wise.

Historically, the roots of globalization can be traced to the Brettonwoods Conference in early 1944 after the economic devastation experienced by Western Europe in the Second World War and to Havana Conference when the General Agreement on Tariff and Trade (GATT) came into existence in 1947. In 1st
January, the Uruguay Round Agreement was signed in Marrakesh – Kingdom of Morocco giving birth to the World Trade Organization (WTO). The agreement has been included for the first time, as an integral part of WTO.

The term of WTO involves two distinct processes. First is the process of dismantling barriers in the movement of goods, services and capital across boundaries. There is assumption that WTO will maximize efficiency in the allocation of factors of production of global level and it will provide individual economic actors, including the states, with greater opportunities for acquiring wealth as well as exposure to a variety of viable investment choices and economic competition to realize the benefits of the true competitiveness. In addition there is an assumption that the multilateral trade system will lead to the intensification of economic interdependence between economic actors which would lead to economic growth and welfare. The second distinct process of globalization is related to the universal propagation and enforcement of a particular model of development across countries. The model of development propagates one ideology that is liberalism, one life style, that is individualism and consumerism and one economic style – capitalism. Recently, Good Governance has become an important notion for managing globalization and WTO properly and efficiently by limiting the role of government from one of doing to one of arranging, assisting and enabling different sectors and agencies while pursuing their economic, social and political activities. It is required by developing countries to ensure greater accountability, transparency and efficiency in public sector and to maintain “rule of law” through an independent judiciary.

The accession of eligible countries to WTO involves complicated procedure and conditions to be satisfied. Among these procedures and conditions, the compliance with WTO rules, principles and provisions and the undertaking of fiscal and structural adjustment reforms are of great importance.
Despite the propagated promises and opportunities, it is argued that globalization/WTO is highly contentious concept. On the one hand, it is viewed as a real process of rapidly increasing integration and interdependence across countries and people in the world. On the other hand, it is regarded as a normative prescription and myth. Neo-Marxists view globalization as a new phase of Western Imperialism and global capitalism that would adversely affect particularly the weaker nations, states and people. At the threshold of the new millennium, globalization is now widely accepted as development paradigm that leads global transformation through technological change in information and communication and integration of developing countries with developed countries for global prosperity.

Before 1995, agriculture was not included in the international trading system of the GATT. At some point in time, it was discovered that agriculture has long being regarded as one of the most important areas blocking the way to the strengthening of liberal trade system. It is argued that agricultural production and trade are largely distorted by large scale subsidies as the direct and indirect agricultural related subsidies manifest themselves in distorted world prices of agricultural commodities. Moreover, domestic and export subsidies coupled with protective measures such as quotas, variable tariff levels depressed and destabilized world prices. The distorted world prices, in turn, resulted in a situation of deceptive comparative advantage, preventing efficient producers around the world from realizing the benefits of their efforts and innovations and their true competitiveness. Therefore, the objective behind including agriculture in the multilateral trading system is to limit those distortions through a new set of rules apply to; a) market access; b) domestic support; and c) export subsidies through agricultural trade reforms. In addition, there are other agreements related to agriculture under WTO which could limit access to international trade of
agriculture and they are greatly of physical and technical nature. These agreements include sanitary and phytosanitary agreement, special differential treatment and anti-dumping countervailing duties and others.

Since 1995 till date, series of negotiations have been launched concerning the reforms in international agricultural trade. The negotiations aimed at substantial improvements in the three main areas of the agreement namely: Market Access, Domestic Support and Export Subsidies. In spite of the many modalities worked out by the assigned committees financial agreement on international agricultural trade has not been reached. This can be attributed to the fact that the players are not playing on the same levelled field and they are still holding different positions concerning market access, domestic support, export subsidies and differential treatment. Developing countries want substantial reduction in domestic and export subsidies from developed countries. On the other hand, developed countries want global liberalized agricultural trade system by eliminating or reducing substantially trade barriers imposed by developing countries. Developing countries while pursuing the negotiations have been much concerned with issues like food security, poverty alleviation, conservation of resources and environment as non-trade issues because of their impact on the livelihood of significant portion of their population. They also claim that, opening up their markets will result in dumping of the nearly subsidized agricultural commodities into their markets which will hurt domestic producers and discourage development of competitive agricultural sectors. Instead they ask for more access to industrialized developed markets and Differential Treatment.

Based on the foresaid complications of international agricultural trade reforms, the Agreement on Agriculture is most likely to have its implications on the performance of the agriculture sector in most countries. Such implications might cause discontents with regard to the agreement. In addition, there are the
challenges that are facing agriculture in the millennium which will have their implication on access to land, production resources, production and productivity.

The discontents of globalization/WTO in general and of the Agreement on Agriculture specifically may cast their shadow on the whole nations and the federal states of most developing countries as well. This, in turn, most likely to lead to some disputes and conflicts between the central government and the states specially when there are well defined laws and rules vested in the national and state constitution, assigning responsibilities and obligation to each party. These disputes and conflicts may stem from resource-base potential and development disparities among the states, national fiscal policies and the pace, sequence and timing of the implementation of WTO and AoA conditions.

This is why an attempt is being made in this study to examine the existing and potential implications of Agreement on Agriculture for federal governance in Sudan with reference to the agricultural sector. This is because of the evidence asserted by the reviewed literature on globalization/WTO which affirms that policy makers rarely consider the nature of governance while outlining and finally shaping the agreements. Rather, they assume that the agreements will be binding and applied smoothly within the territories of the sovereign signing states irrespective of the nature and working of country’s governance. Besides, they undermine, the multi-diversities that prevail in many countries with which the assumed co-ordination, co-operation and harmony are difficult to maintain. This study could be one of the earliest efforts in this direction at a time the economic, political and social scenarios are changing fast due to the new communication technologies and the growing in numbers and power of the organizations of civil society and the specialized institutions and fora which continually debate on globalization and WTO issues.
The study is organized in six chapters. The chapter I, examines Federal Governance as a system of government where federal government and states exist simultaneously. Thence after, the meaning, attributes and theories of the states are inserted followed by nation, nationality and nation-building. What constitutes nation, nationality, nation-building is also referred to. This is followed by a brief account on federalism as a concept and as a system of government. The powers and functions of the federating units and the mechanism of exercising these powers are examined. Afterwards, the working of the federal system in the thematic context of federal nation-building is dealt with.

The Chapter II, gives a general background on globalization and World Trade Organization (WTO). The chapter also highlights the objectives, meaning of globalization/WTO and what they entail. Afterward, Good Governance as an important notion for managing globalization and WTO properly and efficiently is referred to. This is followed by the accession to WTO by eligible member countries and Awareness on WTO in Sudan and India. The chapter ends with an overview on globalization and WTO.

Chapter III, focuses on the Agreement on Agriculture. The principles, rules and provisions of the agreement are given in more details. The chapter also investigates the development of the successive negotiations concerning the reforms on agricultural trade at various ministerial conferences since 1996 and their outcome. Similar investigation is made on the experience of some selected developing countries of the agreement. The investigation looks into the extent of the compliance of developing countries with the committed reforms in the areas of market access, domestic support and export subsidies and other related agreements. The investigation is followed by an overview on the agreement and its implications on agricultural sector.
Chapter IV, considers the existing and potential challenges in the millennium. Brief details are given in the major challenges which include climatic changes, global warming, land degradation, scarcity of water resources, etc.

Chapter V, is devoted to the title of this study “International Agreements and the Implication for Federal Governance - Study of Agriculture Sector in Sudan”. The chapter starts with the objective behind the study and the basic information about Sudan. Sequence wise, agricultural sector and the federal system in Sudan as well as the status of WTO are examined and investigated. The objective behind the study is to find out the likely implications of the Agreement on Agriculture on federal/states relations in Sudan. Guided by the objective of the study, agricultural sector, Sudan commitment under the AoA of WTO, and the federal system in Sudan are fairly examined.

Chapter VI, is concerned with the Implication of the International Agreement on Agriculture on Federal-State Relation in Sudan. An attempt is made to diagnose and investigate the existing and the potential implications of AoA in agriculture sector in Sudan. The diagnoses of AoA, agriculture sector and federal system in Sudan helped greatly in pin-pointing the general and specific implications of the Agreement on Agriculture on Sudan agricultural sector. The conclusion that can be drawn from the study is that the existing and potential implications of Agreement on Agriculture for Federal Governance in Sudan can be resolved through compromises or consensus and the development of sustainable competitive agricultural sector which would promote and strengthened the regional and state economies. This is because of the fairly coherent nation-building and conducive federal system in Sudan for fruitful co-ordination and cooperation between the federating units of the federal system. In relation to this, proper consultation with the concerned federating units, awareness campaigns and capacity building on WTO and AOA issues could be effective Safe Guard
Measures against conflicts on disputing issues. The establishment of the Constitutional Court which looks into such matters is a key factor for resolving the disputes and conflicts between federal government and the states.