



Annex 2

**MODALITIES FOR THE TRIPARTITE  
TRADE IN SERVICES NEGOTIATIONS**

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## MODALITIES FOR TRIPARTITE FREE TRADE AREA (TFTA) TRADE IN SERVICES NEGOTIATIONS

### A. Background

1. The negotiations for the establishment of Tripartite Free Trade Area (TFTA) started with the Tripartite Summit of Heads of state and government of the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Southern Africa Development Community (SADC) in October 2008 in Kampala, Uganda under the umbrella of Cape to Cairo initiative. The summit identified modalities on how the three Regional Economic Communities (RECs) could move towards deeper cooperation in their efforts towards trade and economic liberalization, including implementing joint programmes to facilitate, among other things, intra - regional trade, free movement of persons, and infrastructure development. The Summit agreed on the establishment of the TFTA within a 5-year period, the adoption of a roadmap for its achievement, and design a coordination mechanism between the three RECs.

2. The second Summit held in 2011 adopted a three-pillar development approach comprising: market integration, infrastructure development, and industrial development. Three key steps were achieved at this summit: i) a declaration launching the negotiations for the establishment of COMESA-EAC-SADC Tripartite FTA, ii) adoption of the post signature implementation roadmap for the establishment of the TFTA and iii) the adoption of the negotiating principles, processes, and institutional framework. The negotiations are being conducted in two phases. The first phase focused on trade in goods, covering issues such as tariff cuts, rules of origin, dispute resolution, customs procedures and simplification of customs documentation, non-tariff barriers, and other trade related issues. The negotiations on agreement on movement of business persons were conducted parallel to those on trade in goods. The second phase covers trade in services, cooperation in trade and development, competition policy, intellectual property rights and cross border investment.

3. The 3<sup>rd</sup> Tripartite Summit held on 10 June 2015 in Sharm-El-Sheikh, signed the Tripartite Free Trade Agreement, launched the Tripartite Free Trade Area and adopted the Tripartite FTA post signature implementation roadmap. Among others, second phase negotiations are envisaged to be completed within twenty-four (24) months of the start of the negotiations.

4. The modalities outline the objectives, existing regimes for trade in services by Tripartite Member/Partner States, principles of negotiation, negotiating parties, scope and coverage, approaches and methods of negotiation, basis of negotiation, process of liberalization, role of the Tripartite Secretariat/Task Force, technical assistance and capacity building.



