



Overview on AUC Frameworks on Services and Implications on CFTA- Services Negotiations

Training Workshop on Trade in Services
Negotiations for AU-CFTA Negotiators

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Carolyn Tumuhimbise AUC



Outline of Presentation

- The Abuja Treaty
- Yamoussoukro Decision
- Tourism
- BIAT
- Framework for Fast-tracking the CFTA



The Abuja Treaty 1991

- Abuja Treaty establishes the African Economic Community(AEC)
- Article 6, contains the modalities of establishing the AEC
- It envisages 34 year to consolidate and strengthen the structures of the African Common Market, including the free movement of people, goods, capital and services, as well as, rights of residence and establishment and harmonized policies, plans and programmes



Stages Towards AEC

Phases	Duration	Key milestones
First stage	1994-1999 (5 years)	<ul style="list-style-type: none"> Strengthening of existing regional economic communities (RECs); establishing new RECs in regions where they did not exist previously
Second stage	1999-2007 (8years)	<ul style="list-style-type: none"> Stabilization of tariff and non-tariff barriers, customs duties and internal taxes in each REC Schedules for the removal of such barriers Harmonization of customs duties Strengthening of sector integration Coordination and harmonization of the activities of RECs Sectoral Integration at region and continental Levels in Trade, Transport, Telecommunication, Energy, Industry, Money and Finance
Third stage	2007-2017 (10years)	<ul style="list-style-type: none"> <i>FTA and then the</i> Establishment of a free trade area and customs union in each REC
Fourth stage	2017-2019 (2years)	<ul style="list-style-type: none"> Coordination and harmonization of tariffs and non-tariff systems among RECs, leading to a continental customs union
Fifth stage	2019-2023 (4years)	<ul style="list-style-type: none"> Common sector policies Harmonization of monetary, financial and fiscal policies Free movement of persons and rights of residence and establishment Constituting Proper resources for the community
Sixth and final stage	2023-2028 (5years)	<ul style="list-style-type: none"> African Common Market (Free Movement of goods, services, capital and people) Pan-African Economic and Monetary Union African Central Bank and a single currency Pan-African Parliament Development of African multinational enterprises

Transition: Article 6.4

- Determined and Pronounced and Approved by the Assembly when the specific objectives set in this Treaty for a particular stage, are implemented and all commitments fulfilled
- On the recommendation of the Council of Ministers

Transport and Telecommunication Art. 61



- Infrastructure integration
- Coordination of Transport Modes to ensure efficiency
- Harmonization of Rules and Regulations
- Standardization of networks, Equipment and Research
- Expand, modernize and maintain transport and communications infrastructures
- Promote the creation of regional industries for the production of transport and communications equipment; and
- **Organize, structure and promote, at regional and Community levels, passenger and goods transport services.**



Tourism Art. 65

- promotion of intra-African tourism;
- harmonisation and co-ordination of policies, plans and programmes; and
- Joint promotion of tourism products
- establishment of efficient tourism enterprises,
- promote investment in tourism
- develop and utilise human resources for tourism in Africa; and
- high-level tourism training institutions where necessary.



Tourism

- Tourism Action Plan 2004: The Action Plan identifies eight priority areas of intervention that can assist in fulfilling this objective, particularly through harmonisation of policies and standards at national, sub-regional and continental levels
- the African Union is expected to develop a tourism policy and strategic framework for the accelerated development of tourism in Africa
- A ministerial Working Group on Tourism was composed and had its first meeting in 2014



–Art 66 Protocol on Transport, Communication and Tourism



Integration of Air Transport

Yamoussoukro Declaration 1988 as a “New Air Transport Policy in Africa”

- 40 Africa Countries focused on airline cooperation and integration within an 8 year timeframe, through exchanging technical and capital data, joint operations in international routes, common insurance mechanism and computer reservation systems among others.
- **Yamoussoukro Decision**; Adopted in 1999 and endorsed in 2000 came into force in 2002 in line with the Abuja Treaty
- Air Transport Agreement, Focusing on internal market liberalisation and fair competition as a key development strategy while also addressing safety, security and environmental issues;
- Covering the First 5 Freedoms of Air



Status of Implementation of YD

- Executive Council Decision EX.CLDec.857(XXVI) (Paragraphs 2&3) January 2015 endorsed the outcomes of the AU Conference of African Ministers of Transport including the following Regulatory and Institutional texts of the Yamoussoukro Decision:
 - Competition Regulations
 - Dispute Settlement Regulations
 - Consumer Protection Regulations
 - Regulatory and Enforcement Powers of the Executive Agency; African Civil Aviation Commission (AFCAC) 2007



Status of Implementation of YD

- January 2015; eleven (11) Member States declared their solemn commitment to the full implementation of the Yamoussoukro Decision towards the establishment of a Single African Air Transport Market by 2017 [Assembly/AU/Commitment(XXIV)]. These are **Benin, Cape Verde, Congo Republic, Cote d'Ivoire, Egypt, Ethiopia, Kenya, Nigeria, Republic of South Africa, Rwanda and Zimbabwe.**

Action Plan to Boost Intra-African Trade(BIAT)

- The Action Plan was Endorsed by Heads of State and Government in January 2012. It has 7 Programme Clusters:
- Trade Policy
- Trade Facilitation
- Productive Capacity
- Trade related Infrastructure
- Trade finance
- Trade Information
- Factor Market Integration
- Clusters on Trade policy and Factor Market Integration are the most relevant.



Trade Policy Cluster (BIAT)

- Undertake commitments to liberalize trade-related service sectors: Transport, professional, financial and ICT
- Unilateral liberalization in services is undertaken by MS
Commitments made in RECs or between RECs
- Regulatory framework put in place

Factor Market Integration Cluster

- removal of impediments to free movement of people, labor and capital is important.
- removal restrictions on travel and right of establishment.
- adoption common sub-regional citizenship including sub-regional passports (as in the case of ECOWAS) as a stepping stone to a common African citizenship and African passport.
- Abolition visa requirements for Africans traveling within the continent.

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- harmonisation of labour, business and investment laws specifically; ratifying and fully implementing Protocols by MS , Establishment of African Regional Labour Exchange and harmonization of Labour and Social protection frameworks.
 - policies that Increase the freedom of movement for business people ; **by putting in place simplified entry procedures for business visitors in MS including visas**
 - Harmonize rules on cross border establishment



CFTA Negotiations

- Framework for Fast-tracking the CFTA was adopted in January 2012, with an Indicative Date of 2017
- The AU Assembly launched the CFTA negotiations during the 25th Ordinary Summit on **15 June 2015** in Johannesburg, South Africa by a decision adopting:
 1. The objectives and principles of Negotiating the CFTA;
 2. The indicative Roadmap for the Negotiation and establishment of the CFTA;
 3. The Terms of Reference for the CFTA Negotiating Forum (CFTA-NF);
 4. The institutional arrangements for the CFTA negotiations;
 5. The Declaration on the Launch of the negotiations for the establishment of the CFTA.



Scope of CFTA Negotiations

- The scope of the CFTA negotiations shall cover Trade in Goods, Trade in Services, Investment, Intellectual Property Rights and Competition Policy .
- The first phase shall cover negotiations on trade in goods and trade in services with separate legal instruments for Trade in Goods and Trade in dedicated structures



How will the CFTA Services Agreement look like?

The Abuja Treaty Approach



- Abuja Treaty Provides for a Protocol on Transport, Telecommunications and Tourism Services
- This entails various sector Specific Protocols as envisaged there in other sectors
- The nature of the services Agreement will it be anchored or not?
- ADV: The Treaty gives timelines hence will prevent endless negotiations (CFTA means to fast track the Abuja Treaty Implementation
- Disad: The Dispute Settlement established in the Treaty not ideal for enforcement of Trade obligations



The YD Approach

- **Adv: The** Experience of the Air Transport Liberalization where only 11 countries are committed to a Single African Air Space but none the less the few who are willing to integrate are not held back
- **Disad:** Credibility of the Agreements

Lock-in Existing Liberalization



- Standstill on existing levels of Liberalization
- Negotiations would entail timeframes for removing existing prohibitions before 2028
- Dis: Policy Space argument
- Adv: Ideal since the overall outcome is a common market as contained in the AEC, scheduling ideal for FTA whose intention isn't to achieve single market
- Has Worked for the CARICOM Single Market and Economy

CARICOM Approach

The Revised Treaty of Chaguaramas Establishing the Caribbean Community including the CARICOM Single Market and Economy

- Article 36. 1; Prohibits MS from not introducing any new restrictions on the provision of services
- Article 37.1; Member States shall abolish discriminatory restrictions on the provision of services
- Art.37.2 Approval of COTED, in consultation with other competent Organs, shall, within one year from the entry into force, establish a programme for the removal of restrictions on the provision of such services

Other Issues to be Considered



- WTO Compatibility
- Relationship between the Services Agreement and the Goods Agreement Vis-à-vis the CFTA Dispute Settlement
- Best Models of Movement of Persons in light of the Proposed AU Protocol of Free Movement of People
- Converging ongoing work on various Sectors in the CFTA Process

- Email: Tumuhimbise@Africa-union.org
ctumuhimbise@yahoo.com

