



STATEMENT BY MR. SINDISO NGWENYA , SECRETARY GENERAL OF COMESA AND CHAIRMAN OF THE COMESA,EAC AND SADC TRIPARTITE TASK FORCE AT THE SEVENTH MEETING OF THE TRIPARTITE SECTORAL MINISTERIAL COMMITTEE ON TRADE, CUSTOMS, FINANCE, ECONOMIC MATTERS AND HOME/INTERNAL AFFAIRS

18 JUNE, 2018, CAPE TOWN, SOUTH AFRICA

Honourable Mrs Amelia Kyambadde, MP, Chairperson of the Meeting and members of your Bureau

Our Host, Honourable Dr Rob Davies

Honourable Ministers

Distinguished Permanent/Principal Secretaries

My Colleague, Ms Vera Songwe, Under Secretary General of the UN and Executive Secretary of the United Nations Economic Commission for Africa

My Colleagues, Representatives of the Chief Executive Officers of EAC and SADC

Representatives of regional and international Organizations

Senior Government Officials,
Ladies and Gentlemen,

On my own behalf and on behalf of the Tripartite Task Force, I am happy to welcome each and every one of you and your respective delegations to the Seventh Meeting of the Tripartite Sectoral Ministerial Committee.

This meeting comes at a critical point in time in the history of Regional Integration in Africa, following the launch of the African Continental Free Trade Area in March this year, in Kigali – Rwanda.

Honourable Ministers
Ladies and Gentlemen

The launch and the pace of the on-going negotiations for the AfCFTA highlights the significance of the TFTA as a building block for the AfCFTA and underscores the urgency of concluding the TFTA negotiations with a view to consolidating and preserving the gains made, for the benefit of Member/Partner States.

Honourable Ministers
My Colleagues, Representatives of EAC and SADC
Ms . Vera Songwe, the Under Secretary General of the United Nations and Executive Secretary of UNECA
Distinguished Permanent Secretaries
Ladies and Gentlemen

Allow me to preface my address of the state of play of the long drawn out negotiations of the Tripartite FTA by taking you down the memory lane by recalling the decisions that have been made by the highest policy organ of the Tripartite, our Heads of State and Government. I would be remiss in my presentation if I did not give some statistics that point to the fact that fatigue has set in and replaced the original enthusiasm and single mindedness of purpose that characterized the Tripartite project at the beginning. The first Tripartite Summit was attended by fifteen Heads of State and Government and the second one by Twelfth Heads of State and Government, three Vice Presidents and Plenipotentiaries. In contrast, the third Summit had in attendance six Heads of State ,seven Vice Presidents and Plenipotentiaries. The same pattern applies to Ministerial meetings in the fewer and fewer Ministers are attending the Tripartite Ministerial Meetings.

Honourable Minsters

The First Tripartite Summit that was held in Kampala, Uganda on 30 th October, 2008 agreed on the establishment of the COMESA, EAC and SADC Tripartite Free Trade Area. However, before recalling the decision of the Summit it is instructive to note that the Tripartite Ministerial Meeting had recommended to the Summit that the then existing Free Trade Areas of COMESA, EAC and SADC be harmonized. In reviewing this recommendation, the Tripartite Summit was of the view that the level of ambition was modest and did not take into account that the three RECs already had operational FTA's . It was against this background that the Tripartite Summit made the following decisions:
First , that the Free Trade Areas of the three REC's be merged into the Tripartite FTA ;
Secondly, that after the merger of the three FTA's , the three RECs should form one customs union ; and

Third, that COMESA, EAC and SADC should be merged into one regional economic organization.

It is worth noting that in the run up to the 2nd Tripartite Summit that was held in Johannesburg, South Africa the Chairpersons of COMESA, EAC and SADC had signed the MOU on Inter Regional Cooperation amongst COMESA, EAC and SADC and that the MOU came into force on 19 th January, 2011.

Honourable Ministers
Ladies and Gentlemen

The Second Tripartite Summit held in Johannesburg on 12 th June, 2011 launched the Tripartite Negotiations for the Establishment of the TFTA by :

- i) SIGNED the Declaration Launching the negotiations for the establishment of the COMESA-EAC-SADC Tripartite FTA;
- ii) ADOPTED the Roadmap for Establishing the Tripartite FTA;
- iii) ADOPTED the Tripartite FTA Negotiating Principles, Processes and Institutional Framework; and
- iv) DIRECTED that a programme of work and roadmap be developed on the industrialisation pillar.

Honourable Ministers

The Third Tripartite Summit which was held in Sharma El Sheik, Egypt on 10 th June, 2015 Launched the COMESA-EAC-SADC Tripartite Free Trade Area ;

(b) SIGNED and opened for signature the Agreement establishing the COMESA-EAC- SADC Tripartite FTA;

(c) ADOPTED the Post-signature Implementation Plan detailing activities that will be implemented at national and regional levels in fulfilment of provisions of the Tripartite FTA Agreement;

(d) DIRECTED that negotiations on outstanding issues from Phase I to operationalise the Tripartite FTA be concluded expeditiously;

(e) DIRECTED the commencement of Phase II negotiations covering trade in services, cooperation in trade and development, competition policy, intellectual property rights and cross border investment; and

(f) DIRECTED that programmes of work and roadmaps developed on the Industrialization and Infrastructure Pillars be well resourced and prioritized.

Honourable Ministers

Ladies and Gentlemen

The question each member and partner state should ask itself, and indeed the collective in the form of the Tripartite, is why has the dream been deferred of creating what was at one point considered to be Africa's largest FTA which was to be the basis for the establishment of the African Continental Free Trade Area? Analysts and commentators have attributed the lack of progress to a variety of factors. Among these factors are: lack of political will; the absence of a robust institutional arrangement in the form of a dedicated Secretariat with a clear mandate of interlocutor and coordinator of the Tripartite negotiations; the negotiating principles that gave pride of place to national sovereignty which is the antithesis of regional cooperation and integration as articulated by the Scholar Ernest Hans in his seminal article which I quote in full as "The process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new centre, whose institutions possess or demand jurisdiction over pre-existing national states. The end result of a process of political integration is a new political community, superimposed over the pre-existing ones." (Haas, 1961).

Honourable Ministers

Ladies and Gentlemen

Allow me at the outset to make some mundane observations before I reflect and share with you the factors that may have contributed to the stalemate in concluding negotiations and implementing the Tripartite FTA which at the beginning consumed the imagination of Policy makers, the private sector and the citizenry in the member and partner states.

The first observation concerns the seasons when the three Tripartite Summits were held. The first was in October and the second was in June. The month of October in most of the Member/Partner States is a season of hope and rejuvenation of the natural elements; whilst in the month of June the cold elements buffet not only the human beings but also the flora and fauna. In other words, if I were to borrow a famous phrase - we should be aware of the "ides of March". My point here is that of all decisions taken by the previous Summits in the month of June, none have seen the light at the end of the day. Please forgive me for prefacing my remarks by making some mystical remarks which are intended to set the scene for my no holds barred conversation with this august gathering of distinguished policy makers and practitioners.

The second observation I would like to make concerns the issue of public policy. In my humble opinion the primary objective of public policy is to design and implement programs and projects that maximize the economic and spiritual welfare of citizens. It is against this background that I am at a loss why the member/partner states have not invested intellectual capital and emotional intelligence in leaving no stone unturned to realize the Tripartite FTA based on the agreed developmental approach that would create jobs for the youth who are currently hopeless and run the risk of being a lost generation and yet they are our greatest resource and assets.

The third observation I would like to make is that it has taken almost ten years since October 2008 to be where we are today. An honest and objective assessment is required to answer the question of whether in the ten years of negotiations we have to borrow the Chinese saying made the first step in our journey of one thousand miles? My humble assessment is that we have perhaps covered only twenty percent of the journey of one thousand miles. We appear to be suffering from paralysis by analysis instead of being pragmatic the way the water is when it comes across obstacles it navigates its way around the obstacle. In simple language what I am saying is that the enemy of human progress is perfection. It would be advisable for Tripartite Member/Partner States to fast track the Implementation of those functional cooperation projects and programs and neo classical regional integration market integration programs on which there is consensus. This is necessary to build mutual trust and confidence. Of course this is unlikely to happen because one of the principles of the negotiations was a single undertaking, which means that nothing is agreed until everything is agreed.

My fourth observation is that the Achilles Heel of the Tripartite negotiations is to be found in the negotiating principles and modalities that are contradictory. Without being exhaustive, the following are the contradictions inherent in the institutional architecture of the Tripartite.

The first is that the negotiations are member State and REC driven . Yes indeed any negotiations are member State driven but perhaps not REC driven as evidenced by the fact that the Secretariat's of the three REC's have no clearly defined roles in assisting and

coordinating the negotiations. For example, the Report before you cites cases whereby it is reported that negotiations have been completed and yet the details are not available to the Tripartite Task Force. This negates the principle of transparency which was agreed upon. Further, it has become clear over the years that the principle of REC driven negotiations have become a contest between the trade regimes of REC. The example, is the issue of Rules of Origin which have turned out to be a silent ideological contest between the REC's with the List Rules and Product Specific Rules occupying the centre stage. It is trite for me to state that our countries have negotiated and accepted liberal Rules of Origin with countries and economic blocks outside the region whilst advocating for stringent rules of Origin within the Tripartite.

The second principle is that of the *acquis*. Although one would have thought that this principle is simply in that it refers to what in simple language is obtaining, the fact that the report before you is requesting for a definition of the meaning of *acquis* is evidence if any was needed of the Tripartite being paralyzed by analysis at the expense of the public policy objectives I referred to earlier on.

Honourable Ministers
Ladies and Gentlemen

The other observation I have is that the different committees have developed the knack of kicking the ball either "down" or "up" depending on the Committee. In this regard, when Senior Officials cannot agree they either refer the matter to Ministers or lower committees. In the same vein the lower committees have developed a tendency of referring matters to Technical Working Groups. One would have expected that these committees should comprise technical advisers for purposes of efficiency and knowledge management. Alas this is not the case, hence the lack of progress that have become a defining feature of the Tripartite negotiations.

Honourable Ministers
Ladies and Gentlemen

Another disturbing trend that is emerging which is being Institutionalized is that of coming up with Tripartite positions that are less favourable than either bilateral or regional practices. The case of the Agreement on the free movement of business persons is a case in point. This raises legitimate concerns that the outcome of Tripartite negotiations is tantamount to policy reversals. The legitimate expectations of stakeholders and I dare say some member/partner States is that the Tripartite should make the region better off and not worse off.

Honourable Ministers
Ladies and Gentlemen

The experience of the Tripartite in Trade Negotiations is not fundamentally different from that of the Infrastructure and industrial development pillars, albeit the Infrastructure pillar has achieved mixed results whilst the industrial pillar is still at the stage of discussions and design as there are no practical projects one can lay his or her hand on.

My unsolicited advice is that political leadership is urgently required to turn the tide of despair to the tide of hope. Regional integration is essentially a political economy project and cannot be left to technocrats who are not subject to penalties as they have unlimited “shelf life” , hence as our political leaders who are subject to penalties from voters and the markets I urge you to take up the mantle to rally all and sundry to traverse the one thousand mile . The time is now, otherwise posterity will judge us harshly for having failed to realize the dream of prosperity for the citizens of the Tripartite region in particular and the African continent in general .

Honourable Ministers

Ladies and Gentlemen

I have no doubt that given our collective ingenuity we shall rise to the occasion. The battle is too important to be left to colonels as Generals, our Honourable Ministers and our Heads of State and Government should lead from the front.

On a personal note I would like to take this opportunity to thank all of you for having supported me as Chairman of the Tripartite Task Force for a record three times. As I stand down in the coming weeks as Secretary General of the Common Market for Eastern and Southern Africa I wish the Tripartite success .And for those who have endured, what consider to be a frank assessment of issues , with mixed feelings please accept my sincere apology as this has been done in good faith because some of us have to say in public things are whispered in our comfort zones. I would like to end by quoting the verse in the Bible from Luke which paraphrased says “ If you speak the truth the truth shall set you free”
I thank you for your kind attention

Long Live the COMESA, EAC and SADC Tripartite Free Trade Area

Long Live the Africa Continental Free Trade Area

Long Live the African Union Agenda 2063

Long Live the Africa of One People, One Destiny and Common prosperity.