Agreement establishing an Economic Partnership Agreement between the Eastern and Southern Africa States and the United Kingdom of Great Britain and Northern Ireland

THE UNION OF COMOROS,

THE REPUBLIC OF MADAGASCAR,

THE REPUBLIC OF MAURITIUS,

THE REPUBLIC OF SEYCHELLES,

THE REPUBLIC OF ZAMBIA,

THE REPUBLIC OF ZIMBABWE,

hereinafter referred to as the "ESA States", on the one part, and

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, hereinafter referred to as the "United Kingdom" or the "UK",

on the other part, together hereinafter referred to as "the Parties", PREAMBLE

WE the African, Caribbean and Pacific (ACP) States of the Eastern and Southern African (ESA) region, constituted as the ESA Group and its individual member States, on the one hand, and the United Kingdom of Great Britain and Northern Ireland, on the other;

HAVING REGARD to the Common Market for Eastern and Southern Africa (COMESA) Treaty signed on 5 November 1993, the Southern Africa Development Community (SADC) Treaty signed on 17 August 1992 and its Protocol on Trade, the East African Community (EAC) Treaty signed on 30 November 1999, and the African Union Constitutive Act signed and adopted on 11 July 2002;

HAVING ALSO REGARD to the decision of the eighth Summit of the COMESA Authority of Heads of State and Government held in Khartoum, Sudan on 17 March 2003 on the establishment of the ESA configuration for the purpose of negotiation of an Economic Partnership Agreement with the European Union;

RECOGNISING the achievements made under the Interim Agreement establishing a framework for an Economic Partnership Agreement between the ESA States, on the one part, and the European Community and its Member States, on the other part;

CONSIDERING that the ESA States and the UK agree that their trade and economic cooperation shall aim at fostering the smooth and gradual integration of the ESA States into the world economy with due regard to their political choices, levels of development and development priorities, thereby promoting their sustainable development and contributing to poverty eradication in the ESA States;

REAFFIRMING their commitment to promote and expedite the economic, cultural and social development of the ESA States with a view to contributing to peace and security and to promoting a stable and democratic political environment conducive for sustainable national and regional development;

AFFIRMING also that this present Economic Partnership Agreement ("EPA") shall be consistent with the Joint Statement of the Parties on the Objectives and Essential and Fundamental Elements of this Agreement set out at Annex V;

REAFFIRMING that the EPA shall serve as an instrument for development and shall promote sustained growth, increase the production and supply-side capacity of ESA States, foster structural transformation of ESA economies and their diversification and competitiveness and lead to the development of trade, the attraction of investment and technology and the creation of employment in ESA States;

RECALLING the commitments of the international community on the achievements of the Sustainable Development Goals (SDGs) adopted in September 2015 by the UN Member States;

REAFFIRMING that advancing the development agenda requires genuine international cooperation and the full implementation of agreed commitments made at the Conferences of Rio, Beijing, Copenhagen, Cairo and Monterrey, as well as in the Programmes of Action in favour of Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) respectively;

BEARING in mind the rights and obligations of the Members of the World Trade Organisation (WTO), the importance they attach to the principles and rules governing international trade and the need for a transparent, predictable, open and fair multilateral trading system;

REITERATING the need to ensure that particular emphasis be placed on regional integration and the provision of special and differential treatment to all ESA States, maintain special treatment for ESA LDCs, and take due account of the vulnerability of small economies, landlocked, island, coastal, drought prone and ESA States emerging from conflict;

COGNISANT that substantial investments are required to uplift the standards of living of ESA States; RECALLING the commitments of the Parties within the framework of the WTO,

HAVE AGREED AS FOLLOWS:

Chapter I. GENERAL PROVISIONS

Article 1. General Objectives of this Agreement

The objectives of the Economic Partnership Agreement are:

(a) contributing to the reduction and eventual eradication of poverty through the establishment of a strengthened and strategic trade and development partnership consistent with the objective of sustainable development and the Sustainable Development Goals (SDGs);

(b) promoting regional integration, economic cooperation and good governance in the ESA States;

(c) promoting the gradual integration of the ESA States into the world economy, in conformity with their political choices and development priorities;

(d) fostering the structural adjustment of the ESA economies and diversification including value addition;

(e) improving the ESA States' capacity in trade policy and trade related issues;

(f) establishing and implementing an effective, predictable and transparent regional regulatory framework for trade and investment in the ESA States, thus supporting the conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth; and

(g) strengthening the existing relations between the Parties on the basis of solidarity and mutual interest. To this end, consistent with WTO obligations, this Agreement shall enhance commercial and economic relations, support a new trading dynamic between the Parties by means of the progressive, asymmetrical liberalisation of trade between them and reinforce, broaden and deepen cooperation in all areas relevant to trade and investment.

Article 2. Specific Objectives of this Agreement

1. The objectives of this Agreement are:

(a) to establish an agreement consistent with Article XXIV of General Agreement on Tariffs and Trade 1994 (GATT 1994);

(b) to establish the framework, scope and principles for further negotiations on trade in goods including rules of origin, trade defence instruments, customs cooperation and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, and agriculture; and

(c) to establish a framework for and scope of potential negotiation in relation to other issues including trade in services, trade related issues and any other areas of interest to both Parties.

Article 3. Principles

The principles of this Agreement on the basis of which further negotiations between the Parties shall be held are the following:

(a) strengthening regional integration in the ESA region;

(b) asymmetry in the liberalisation of trade and in the application of trade related measures and trade defence instruments;

(c) special and differential treatment for the ESA States and taking into account the vulnerability of landlocked and island countries, including in the level and pace of trade liberalisation;

(d) variable geometry to allow an ESA State in a position to do so to undertake liberalisation within an earlier timeframe and schedule;

(e) allowing ESA States to maintain regional preferences among themselves and with other African countries and regions without the obligation to extend them to the UK.

Chapter II. TRADE REGIME FOR GOODS

Title I. General Provisions

Article 4. Objectives

The objectives of cooperation in the area of trade are:

(a) the provision of full duty free and quota free market access conditions for goods originating in the ESA States into the market of the UK on a secure, long term and predictable basis;

(b) the promotion of trade between the Parties and the acceleration of export led growth to enable the integration of ESA countries into the global economy;

(c) the progressive and gradual liberalisation of the goods market in ESA in accordance with the modalities established in this Agreement; and

(d) the preservation and improvement of market access conditions to ensure that the ESA States are better and not worse off.

Article 5. Scope of Application

1. Only the Signatory ESA States listed in Annex II shall take commitments under this Chapter.

2. The UK's commitments under this Chapter shall only be applicable to goods originating in the Signatory ESA States listed in Annex II.

3. For the purposes of this Chapter and for decisions adopted under this Chapter any reference to the Signatory ESA States or to goods originating in the Signatory ESA States shall extend only to the Signatory ESA States listed in Annex II.

4. When a Signatory ESA State not listed in Annex II wants to join Chapter II, it shall notify its intention to the EPA Committee. The EPA Committee is competent to amend Annex II.

5. The EPA Committee may decide on any transitional measures or amendments that might be necessary in order to facilitate the addition of such Signatory ESA States to Annex II.

Title II. Free Movement of Goods

Article 6. Customs Duty

For the purposes of elimination of customs duties on imports, a customs duty shall include any duty or charge of any kind imposed on or in connection with the importation of goods, including any form of surtax or surcharge in connection with such importation, but does not include:

(a) charges equivalent to internal taxes levied on both imported and locally produced goods consistent with the provisions

of Article 17;

(b) anti-dumping or countervailing duties applied in accordance with the provisions of Article 18, and safeguard measures applied in accordance with Article 20; and

(c) fees or other charges levied in accordance with the provisions of Article 9.

Article 7. Classification of Goods

The classification of goods in trade covered by this Agreement shall be that set out in each Party's respective tariff nomenclature in conformity with the Harmonised Commodity Description and Coding System (HS). The Signatory ESA States will use the COMESA nomenclature.

Article 8. Basic Duty

For each product, the basic customs duty to which the successive reductions are to be applied shall be that specified in each Party's Tariff Schedules.

Article 9. Fees and other Charges

Fees and other charges referred to in Article 6(c), shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection for domestic products or a taxation of imports for fiscal purposes. They shall be based on specific rates. Trade related fees and charges shall not be imposed for consular services.

Article 10. Customs Duties on Products Originating In the ESa States

Products originating in the ESA States shall be imported into the UK free of customs duties under the conditions defined in Annex I.

Article 11. Customs Duties on Products Originating In the UK

1. Customs duties on imports of products originating in the UK shall be reduced or eliminated in accordance with the schedules of tariff liberalisation in Annex I, which shall contain the schedules of each Signatory ESA State or group of Signatory ESA States.

2. The Parties may review the schedules of tariff liberalisation in Annex II with a view to harmonising them taking into account regional integration processes.

3. Any new schedule of tariff liberalisation for customs duties on imports of products originating in the UK submitted after the ratification process of this Agreement has commenced may be annexed to this Agreement in Annex II by decision of the EPA Committee.

Article 12. Rules of Origin

For the purposes of this Chapter, "originating" means qualifying under the rules of origin set out in Protocol 1 to this Agreement. The Parties shall review the provisions of this Protocol with a view to their further simplification. In such review the Parties shall take into account the development needs of the ESA States and development of technologies, production processes and all other factors, including on-going reforms of rules of origin, which may require modifications to the provisions of this Protocol. Any such modifications shall be effected by a decision of the EPA Committee.

Article 13. Standstill

Subject to Article 11, the Parties agree not to increase their applied customs duties on products imported from the other Party.

Article 14. Duties, Taxes on Exports

1. Except as otherwise provided in Annex III and for the duration of this Agreement, the Parties shall not institute any new duties or taxes on or in connection with the exportation of goods to the other Party in excess of those imposed on like

products destined for internal sale.

2. The EPA Committee may examine a request from any Signatory ESA State for a review of the goods listed in Annex III.

Article 15. More Favourable Treatment Resulting from Free Trade Agreements

1. With respect to the subject matter covered by this Chapter, the UK shall accord to the Signatory ESA States any more favourable treatment applicable as a result of the UK becoming party to a free trade agreement with third parties after the signature of this Agreement.

2. With respect to the subject matter covered by this Chapter, the Signatory ESA States shall accord to the UK any more favourable treatment applicable as a result of the Signatory ESA States becoming party to a free trade agreement with any major trading economy after the signature of this Agreement.

3. The provisions of this Chapter shall not be so construed as to oblige the Parties to extend reciprocally any preferential treatment applicable as a result of one of them being party to a free trade agreement with third parties on the date of signature of this Agreement.

4. The provisions of paragraph 2 shall not apply in respect of trade agreements between Signatory ESA States with other African countries and regions.

5. For the purposes of this Article, "free trade agreement" means an agreement substantially liberalising trade and providing for the absence or elimination of substantially all discrimination between or among parties thereto through the elimination of existing discriminatory measures and/or the prohibition of new or more discriminatory measures, either at the entry into force of that agreement or on the basis of a reasonable time frame.

6. For the purposes of this Article, "major trading economy" means any developed country, or any country accounting for a share of world merchandise exports above 1 percent in the year before the entry into force of the free trade agreement referred to in paragraph 2, or any group of countries acting individually, collectively or through a free trade agreement accounting collectively for a share of world merchandise exports above 1,5 percent in the year before the entry into force of the free trade agreement referred to in paragraph 2 (1).

(1) For this calculation official data by the WTO on leading exporters in world merchandise trade (excluding intra-EU trade) shall be used.

Title III. Non-tariff Measures

Article 16. Prohibition of Quantitative Restrictions

Except as otherwise specified in Annexes I and II of this Agreement, all prohibitions or restrictions in trade on the importation, exportation or sale for export between the Parties, other than customs duties, taxes, fees and other charges provided for under Article 6, whether made effective through quotas, import or export licences or other measures, shall be eliminated upon the entry into force of this Agreement. No new such measures shall be introduced.

Article 17. National Treatment on Internal Taxation and Regulation

1. Imported products originating in the other Party shall not be subject, either directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like national products. Moreover, the Parties shall not otherwise apply internal taxes or other internal charges so as to afford protection to national production.

2. Imported products originating in the other Party shall be accorded treatment no less favourable than that accorded to like national products in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use. The provisions of this paragraph shall not prevent the application of differential internal transportation charges which are based exclusively on the economic operation of the means of transport and not on the nationality of the product.

3. No Party shall establish or maintain any internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions which requires, directly or indirectly, that any specified amount or proportion of any product which is the subject of the regulation must be supplied from domestic sources. Moreover, no Party shall otherwise apply internal quantitative regulations so as to afford protection to national production.

4. The provisions of this Article shall not prevent the payment of subsidies exclusively to national producers, including

payments to national producers derived from the proceeds of internal taxes or charges applied consistently with the provisions of this Article and subsidies effected through governmental purchases of national products.

5. The provisions of this Article shall not apply to laws, regulations, procedures or practices governing public procurement.

6. The EPA Committee may decide to authorise a Signatory ESA State to depart from the provisions of this Article to promote the establishment of domestic production and protect infant industry. In this respect the development needs of Signatory ESA States and, in particular, the special needs and concerns of ESA LDCs will be taken into account.

7. A list of provisional derogations is attached as Annex III. Such derogations are granted to the interested Signatory ESA States for the periods of time which are set out in the same Annex.

Title IV. Trade Defence Measures

Article 18. Anti-dumping and Countervailing Measures

1. Subject to the provisions of this Article, nothing in this Agreement shall prevent the UK or Signatory ESA States, whether individually or collectively, from adopting anti-dumping or countervailing measures in accordance with the relevant WTO agreements. For the purpose of this Article, origin shall be determined in accordance with the non-preferential rules of origin of the Parties.

2. Before imposing definitive anti-dumping or countervailing duties in respect of products imported from ESA States, the UK shall consider the possibility of constructive remedies as provided for in the relevant WTO agreements.

3. Where anti-dumping or countervailing measures have been imposed on behalf of two or more Signatory ESA States by a regional authority, there shall be one single forum of judicial review, including at the stage of appeals.

4. Where anti-dumping or countervailing measures can be imposed on a regional or sub- regional basis and on a national basis the Parties shall ensure that such measures are not applied simultaneously in respect of the same product by regional or sub-regional authorities on the one hand, and national authorities on the other.

5. The UK shall notify the exporting Signatory ESA States of the receipt of a properly documented complaint before initiating any investigation.

6. The provisions of this Article shall be applicable in all investigations initiated after this Agreement enters into force.

7. The provisions of this Article shall not be subject to the Dispute Settlement provisions of this Agreement.

Article 19. Multilateral Safeguards

1. Subject to the provisions of this Article, nothing in this Agreement shall prevent the Signatory ESA States and the UK from adopting measures in accordance with Article XIX of GATT 1994, the WTO Agreement on Safeguards, and Article 5 of the WTO Agreement on Agriculture. For the purpose of this Article, origin shall be determined in accordance with the non-preferential rules of origin of the Parties.

2. Not later than 120 days after the entry into force or provisional application of this Agreement, the EPA Committee shall meet to determine whether, notwithstanding paragraph 1, the UK, taking into account the development needs of the ESA States, shall, for such period as the EPA Committee shall determine, exclude imports from any ESA State from any measures taken pursuant to Article XIX of GATT 1994, the WTO Agreement on Safeguards and Article 5 of the WTO Agreement on Agriculture.

3. The provisions of paragraph 1 shall not be subject to the Dispute Settlement provisions of this Agreement.

Article 20. Bilateral Safeguards

1. After having examined alternative solutions, a Party may apply safeguard measures of limited duration which derogate from the provisions of Articles 10, 11 and 16, under the conditions and in accordance with the procedures laid down in this Agreement.

2. Safeguard measures referred to in paragraph 1 may be taken where a product originating in one Party is being imported into the territory of the other Party in such increased quantities and under such conditions as to cause or threaten to cause:

(a) serious injury to the domestic industry producing like or directly competitive products in the territory of the importing

Party, or;

(b) disturbances in a sector of the economy, particularly where these disturbances produce major social problems, or difficulties which could bring about serious deterioration in the economic situation of the importing Party, or;

(c) disturbances in the markets of agricultural like or directly competitive products (1) or mechanisms regulating those markets.

3. Safeguard measures referred to in this Article shall not exceed what is necessary to remedy or prevent the serious injury or disturbances, as defined in paragraph 2 and 4(b). Those safeguard measures of the importing Party may only consist of one or more of the following:

(a) suspension of the further reduction of the rate of import duty for the product concerned, as provided for under this Agreement;

(b) increase in the customs duty on the product concerned up to a level which does not exceed the customs duty applied to other WTO Members, and

(c) introduction of tariff quotas on the product concerned.

4. (a) Without prejudice to paragraphs 1, 2 and 3, where any product originating in the UK is being imported in such increased quantities and under such conditions as to cause or threaten to cause one of the situations referred to under paragraph 2 to a Signatory ESA State, the Signatory ESA State concerned may take surveillance or safeguard measures limited to its territory in accordance with the procedures laid down in paragraphs 5 to 8.

(b) A Signatory ESA State may take safeguard measures where a product originating in the UK as a result of the reduction of duties is being imported into its territory in such increased quantities and under such conditions as to cause or threaten to cause disturbances to an infant industry producing like or directly competitive products. Such provision is only applicable until 14 May 2022 for non- LDCs and 14 May 2027 for LDCs. Measures must be taken in accordance with the procedures laid down in paragraphs 5 to 8.

5. (a) Safeguard measures referred to in this Article shall only be maintained for such a time as may be necessary to prevent or remedy serious injury or disturbances as defined in paragraphs 2 and 4.

(b) Safeguard measures referred to in this Article shall not be applied for a period exceeding two years. Where the circumstances warranting imposition of safeguard measures continue to exist, such measures may be extended for a further period of no more than two years. Where the Signatory ESA States or a Signatory ESA State apply a safeguard measure, such measure may however be applied for a period not exceeding four years and, where the circumstances warranting imposition of safeguard measures continue to exist, extended for a further period of four years.

(c) Safeguard measures referred to in this Article that exceed one year shall contain clear elements progressively leading to their elimination at the end of the set period, at the latest.

(d) No safeguard measure referred to in this Article shall be applied to the imports of a product that has previously been subject to such a measure, for a period of at least one year since the expiry of the measure.

6. For the implementation of the above paragraphs, the following provisions shall apply:

(a) where a Party takes the view that one of the circumstances set out in paragraphs 2 and 4 exists, it shall immediately refer the matter to the EPA Committee for examination;

(b) the EPA Committee may make any recommendation needed to remedy the circumstances which have arisen. If no recommendation has been made by the EPA Committee aimed at remedying the circumstances, or no other satisfactory solution has been reached within 30 days of the matter being referred to the EPA Committee, the importing Party may adopt the appropriate measures to remedy the circumstances in accordance with this Article;

(c) before taking any measure provided for in this Article or, in the cases to which paragraph 7 of this Article applies, as soon as possible, the UK or the Signatory ESA State concerned shall supply the EPA Committee with all relevant information required for a thorough examination of the situation, with a view to seeking a solution acceptable to the Parties concerned;

(d) in the selection of safeguard measures pursuant to this Article, priority must be given to those which least disturb the operation of this Agreement;

(e) any safeguard measure taken pursuant to this Article shall be notified immediately to the EPA Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their abolition

as soon as circumstances permit.

7. Where exceptional circumstances require immediate action, the importing Party concerned, whether the UK, the ESA States or a Signatory ESA State as the case may be, may take the measures provided for in paragraph 3 and/or 4 on a provisional basis without complying with the requirements of paragraph 6. Such action may be taken for a maximum period of 180 days where measures are taken by the UK and 200 days where measures are taken by the ESA States or a Signatory ESA State. The duration of any such provisional measure shall be counted as a part of the initial period and any extension referred to in paragraph 5. In the taking of such provisional measures, the interest of all Parties involved shall be taken into account. The importing Party concerned shall inform the other Party concerned and shall immediately refer the matter to the EPA Committee for examination.

8. If an importing Party subjects imports of a product to an administrative procedure having as its purpose the rapid provision of information on the trend of trade flows liable to give rise to the problems referred to in this Article, it shall inform the EPA Committee without delay.

9. The WTO Agreement shall not be invoked to preclude a Party from adopting safeguard measures in conformity with this Article.

(1) For the purpose of this Article agricultural products are those covered by Annex I of the WTO Agreement on Agriculture.

Title V. Administrative Provisions

Article 21. Special Provision on Administrative Cooperation

1. The Parties agree that administrative cooperation is essential for the implementation and control of the preferential treatment granted under this Chapter and underline their commitment to combat irregularities and fraud in customs and related matters.

2. Where a Party has made a finding, on the basis of objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned in accordance with this Article.

3. For the purpose of this Article, a failure to provide administrative cooperation shall mean, inter alia:

(a) a repeated failure to respect the obligations to verify the originating status of the product(s) concerned;

(b) a repeated refusal or undue delay in carrying out and/or communicating the results of subsequent verification of the proof of origin;

(c) a repeated refusal or undue delay in obtaining authorisation to conduct administrative cooperation missions to verify the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

4. For the purpose of this Article a finding of irregularities or fraud may be made, inter alia, where there is a rapid increase, without satisfactory explanation, in imports of goods exceeding the usual level of production and export capacity of the other Party that is linked to objective information concerning irregularities or fraud.

5. The application of a temporary suspension shall be subject to the following conditions:

(a) the Party which has made a finding, on the basis of objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud shall without undue delay notify the EPA Committee of its finding together with the objective information and enter into consultations within the EPA Committee, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both Parties.

(b) where the Parties have entered into consultations within the EPA Committee as above and have failed to agree on an acceptable solution within three months following the notification, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned. A temporary suspension shall be notified to the EPA Committee without undue delay.

(c) temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months, which may be renewed. Temporary suspensions shall be notified immediately after their adoption to the EPA Committee. They shall be subject to periodic consultations within the EPA Committee in particular with a view to their termination as soon as the conditions for their application are no longer

satisfied.

6. At the same time as the notification to the EPA Committee under paragraph 5(a) of this Article, the Party concerned should publish a notice to importers in its Official Journal. The notice to importers should indicate for the product concerned that there is a finding, on the basis of objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud.

Article 22. Management of Administrative Errors

In case of error by the competent authorities in the proper management of the preferential system of export, and in particular in the application of the provisions of Protocol 1 concerning the definition of the concept of "originating products" and methods of administrative cooperation, where this error leads to consequences in terms of import duties, the Party facing such consequences may request the EPA Committee to examine the possibilities of adopting all appropriate measures with a view to resolving the situation.

Article 23. Custom Valuation

1. Article VII of GATT 1994 and the Agreement on the implementation of Article VII of GATT 1994 shall govern customs valuation rules applied to reciprocal trade between the Parties.

2. The Parties shall cooperate with a view to reaching a common approach to issues relating to customs valuation.

Chapter III. FISHERIES

Title I. General Provisions

Article 24.

1. The Parties recognise that fisheries constitute a key economic resource of the ESA region, contribute significantly to the economies of the Signatory ESA States and have great potential for future regional economic development and poverty reduction. They are also an important source of food and foreign exchange.

2. The Parties further recognise that fisheries resources are also of considerable interest to both the UK and the Signatory ESA States, and agree to cooperate for the sustainable development and management of the fisheries sector in their mutual interests taking into account the economic, environmental and social impacts.

3. The Parties agree that the appropriate strategy to promote the economic growth of the fisheries sector and to enhance its contribution to the ESA economy, while taking into consideration its long term sustainability, is through increasing value adding activities within the sector.

Article 25. Objectives

The objectives of cooperation in fisheries are to:

(a) promote sustainable development and management of fisheries;

(b) promote and develop regional and international trade based on best practices;

(c) create an enabling environment, including infrastructure and capacity building, for the ESA States to cope with the stringent market requirements for both industrial and small scale fisheries;

(d) support national and regional policies aimed at increasing productivity and competitiveness of the fisheries sector; and

(e) build links with other economic sectors.

Article 26. Scope

Cooperation in fisheries trade and development shall cover marine, inland fisheries and aquaculture.

Article 27. Principles

1. The principles of cooperation in fisheries include:

1. (a) support for the development and strengthening of regional integration; provision of special and differential treatment;

2. (b) the need to take into account the best available scientific information for resource assessment and management;

3. (c) a functioning monitoring system of the environmental, economic and social impacts in the Parties;

4. (d) conformity with existing national laws and relevant inter-national instruments including the United Nations Convention on the Law Of the Sea (UNCLOS),

5. (e) regional and sub-regional agreements; and

6. (f) preservation and priority of particular needs of the artisanal/ subsistence fishery.

2. These guiding principles should contribute to sustainable and responsible development of the living inland and marine resources, aquaculture, and to optimising the benefits of this sector for present and future generations, through increased investment, capacity building and improved market access.

Article 28. Preferential Access

The Parties shall cooperate to ensure that financial and other support will be provided to improve the competitiveness and production capacity of the processing factories, the diversification of the fishing industry and the improvement of port facilities.

Title II. Marine Fisheries

Article 29. Scope

The scope of this Title is the utilisation, conservation and management of marine fisheries resources to optimise the benefits from fisheries for the ESA region through investment capacity building and improved market access.

Article 30. Objectives

The objectives of cooperation are to:

(a) strengthen cooperation in order to ensure the sustainable exploitation and management of fisheries resources as a strong basis for regional integration, given the straddling and migratory species which are shared among island and coastal States and as no individual ESA State has the capacity to ensure sustainability of the resource;

(b) ensure a more equitable share of the benefits derived from the fisheries sector;

(c) ensure effective monitoring control and surveillance (MCS) necessary for combating illegal, unreported and unregulated ([UU) fishing; and

(d) promote effective exploitation, conservation and management of the living marine resources in the exclusive economic zone (EEZ) and waters in which ESA States have jurisdiction based on international instruments, including UNCLOS, for the mutual social and economic benefit of the ESA States and the UK.

Article 31. Areas of Cooperation

1. To achieve the objectives of cooperation in marine fisheries within the described principles, cooperation will include fisheries management and conservation issues, vessel management and post-harvest arrangements and financial and trade measures and development of fisheries and fishery products and marine aquaculture.

2. The UK will contribute to the mobilisation of the resources for the implementation of the identified areas of cooperation at national and regional levels, which will also include support for regional capacity building. Furthermore, the UK shall contribute to the measures as described in the section concerning financial and trade measures, and on infrastructure development specific for fisheries and marine aquaculture.

(a) Fisheries Management and Conservation Issues

1. The precautionary approach shall be applied in determining levels of sustainable catch, fishing capacity and other

management strategies to avoid or reverse undesirable outcomes such as over-capacity and over-fishing, as well as undesirable impacts on the ecosystems and artisanal fisheries.

2. Each ESA State may take appropriate measures, including seasonal and gear restrictions in order to further protect its territorial waters and ensure the sustainability of the artisanal and coastal fishery.

3. The Parties will promote the membership of all the concerned ESA States to the Indian Ocean Tuna Commission (IOTC) and other relevant fisheries organisations. These coun-tries, with the UK, should coordinate action to ensure the management and conservation of all fish species, including tuna and tuna-like resources and facilitate relevant scientific research.

4. Where there is insufficient scientific evidence for the competent national management authority to determine limits and target levels of sustainable catch in an ESA EEZ, both Parties in consultation with the competent national authority and together with IOTC and where relevant, other regional fisheries organisations, shall support such scientific analysis.

5. The Parties agree to take appropriate measures where an increase in effort results in catch levels above the target sustainable level established by the competent national authority.

6. In order to conserve and manage straddling stocks and highly migratory fish stocks, the UK and the ESA States shall ensure compliance by vessels flying their flags with relevant national, regional and sub-regional fisheries management measures and related national laws and regulations.

b) Vessel Management and Post-Harvest Arrangements

1. Vessel Management and post-harvest arrangements emerging from IOTC and any other relevant regional fisheries organisations will be observed. ESA States and the UK shall set out minimum terms and conditions with respect to MCS of UK fishing vessels operating in the waters of ESA States, which should include the following:

(i) a Vessel Monitoring System (VMS) will be set up for all ESA States, and all ESA States will use a compatible VMS. Those ESA States which do not have a VMS will be assisted by the UK to set up a compatible VMS;

(ii) in addition to a compulsory compatible VMS system, all ESA States, in conjunction with the UK, will develop other mechanisms to ensure effective MCS and the UK will support ESA States to put such an agreed system in place and assist in implementation;

(iii) the Parties shall have the right to place observers, whether in national or international waters, with the procedures concerning the deployment of observers being well stipulated. Observers are to be paid by the national governments but all costs on board are to be met by the ship-owner. The UK will support the costs of training observers;

(iv) common systems of reporting of fishing will be developed and be used throughout the region, with minimum terms set for reporting;

(v) all vessels that land or tranship their catches within the ESA State shall do it in ports or outer-port areas. No transhipment shall be allowed at sea, except on particular conditions foreseen by the relevant Regional Fisheries Management Organisations (RFMO). Both Parties shall cooperate to modernise landing or transhipment infrastructure in ports of ESA States, including development capacity of fish products;

(vi) all vessels should endeavour to use the facilities of the ESA States and undertake to make use of local supplies;

(vii) discards reporting shall be compulsory. Priority should be given to avoid discards through the use of selective fishing methods in line with the principles of the IOTC and relevant regional fisheries organisations. As far as possible, by-catch shall be brought ashore.

2. The Parties agree to cooperate in developing and imple- menting national/regional training programmes for ESA nationals in order to facilitate their effective participation in the fishing industry. If the UK negotiates bilateral fisheries agreements, employment of ESA nationals shall be encouraged. The International Labour Organisation (ILO) Declaration on fundamental principles and rights at work shall apply as of right to seamen signed on UK vessels.

3. Both Parties shall undertake coordinated efforts to improve the means for preventing, deterring, and eliminating TUU fishing and to this end take appropriate measures. Fishing vessels involved in IUU fishing should be prosecuted and should not be allowed to fish again in ESA waters, unless prior authorisation has been obtained from both the flag State and the concerned ESA States as well as, where relevant, the concerned RFMO.

(c) Financial and Trade Measures and Development issues

The Parties undertake to cooperate in promoting the setting up of joint ventures in fishing operations, fish processing and port services; to enhance production capacity; to improve competitiveness of fishing and related industries and services, to down- stream processing, development and improvement of port facilities, and to diversify the fishery to include non-tuna species which are under-exploited or not exploited.

Title III. Inland Fisheries and Aquaculture Development

Article 32. Scope

The scope of this Title shall cover inland fisheries, coastal and aquaculture development in the ESA region with respect to capacity building, technology transfer, Sanitary and Phytosanitary (SPS) standards, investment, and investment finance, environmental protection as well as legal and regulatory frameworks.

Article 33. Objectives

The objectives of cooperation in inland fisheries and aquaculture development will be to promote sustainable exploitation of inland fisheries resources, enhance aquaculture production, remove supply side constraints, improve fish and fish product quality to meet SPS standards in the UK market, improveaccess to the UK market, address intra-regional trade barriers, attract capital inflows and investment into the sector, build capacity and enhance access to financial support for the private investors for inland fisheries and aquaculture development.

Article 34. Areas of Cooperation

1. The areas of cooperation shall include UK contributions to the following:

(a) capacity building and export market development through:

(i) building capacity in industrial and artisanal production, processing and product diversification that strengthen the competitiveness of the region's inland fisheries and aquaculture. This could, for example, be achieved by the creation of Research and development (R&D) centres including the development of aquaculture for commercial fishing farms;

(ii) building capacity for managing export market chains, including the introduction and management of certification schemes for specific product lines; and imple- mentation of market promotion, value addition and reduction in post-harvest losses in fishery products;

(iii) increasing capacity in the region through, for example, improving competent authorities, traders' associations and fishermen's associations in order to participate in fisheries trade with the UK and training programs in product development and branding.

(b) Infrastructure

(i) developing and improving infrastructure for inland fisheries and aquaculture;

(ii) facilitating access to funding for infrastructure, including all types of equipment.

(c) Technology

(i) contributing to the development of technical capabilities, including value adding technology promotion, for example, through fisheries technology transfer from the UK to the ESA countries;

(ii) enhancing fisheries management capacity in the region, for example through research and data collection systems and contribution towards appropriate technologies on harvesting and post-harvest management.

(d) Legal and regulatory

(i) supporting the development of inland fisheries and aquaculture regulations and monitoring control and surveillance systems;

(ii) supporting ESA States in developing appropriate legal and regulatory instruments on intellectual property rights IPR) and building capacity for their implementation in international trade;

(iii) eco-labelling and intellectual property protection.

(e) Investment and finance

(i) promoting joint ventures and other forms of mixed investments between stakeholders in ESA States and the UK, for example for the setting up of modalities for identifying investors for joint venture operations in inland fisheries and aquaculture;

(ii) contributing to providing access to credit facilities for the development of small to medium scale enterprises as well as industrial scale inland fisheries.

(f) Socio-economic and poverty alleviation measures

(i) contributing to the promotion of small and medium scale fisheries, processors, and fish traders by building the capacity of ESA States to participate in trade with the UK;

(ii) encouraging participation of marginal groups in the fishing industry, for example, through the promotion of gender equality in fisheries by developing the capacity of women engaged in fisheries, as well as other disadvantaged groups with the potential to engage in fisheries for sustainable social economic development.

2 Both Parties shall contribute to measures to ensure that fish trade supports environmental conservation and safeguards against stocks depletion, and to the maintenance of biodiversity and the cautious introduction of exotic species for aquaculture (to be introduced only in managed/closed spaces in consultation with all concerned neighbouring countries).

Chapter IV. ECONOMIC AND DEVELOPMENT COOPERATION

Title I. General Provisions

Article 35. General Provisions

1. The Parties agree to address the developmental needs of the ESA States in order to promote sustained growth in the ESA region, increase production and supply capacity of the States concerned, foster structural transformation and competitiveness of their economies and their diversification and value addition and support regional integration.

2. The Parties commit themselves to cooperating in order to facilitate the implementation of this Agreement and to support regional integration and development strategies. The Parties agree that cooperation will be based on the ESA Development Cooperation Strategy and the jointly agreed Development Matrix. The matrix is attached as Annex IV to this Agreement. The ESA Development Cooperation Strategy and the Development Matrix will be regularly reviewed subject to the provisions of Chapter VI on Dispute Avoidance, Settlement, Institutional, General and Final Provisions. This cooperation will be measured against jointly agreed development benchmarks to be developed and adopted and annexed to this Agreement. The cooperation shall be in the form of financial and non-financial support to the ESA region.

3. In this regard, the financing pertaining to development cooperation between the ESA Region and the UK for the implementation of this Agreement shall be carried out within the framework for development cooperation as reaffirmed in Annex V. In this context, taking into account the new challenges deriving from enhanced regional integration and competition on the global markets, the Parties agree that supporting the implementation of the EPA shall be one of the priorities.

4. Both Parties shall cooperate to mobilise resources including from other donors, in particular Aid for Trade commitments, relating specifically to EPA support requirements and adjustment costs. The programmes/projects proposed for financing will be worked out jointly based on a detailed costed development matrix.

5. Sufficient resources should be mobilised on a predictable, timely and sustainable basis including through grants and concessional loans based on the Development Matrix. The UK shall contribute to these efforts under its international commitment on Official Development Aid. The Parties agree to monitor and coordinate the use of these resources.

6. Consistent with the Paris Declaration on Aid Effectiveness, the Parties agree to use and support as appropriate nationally and/or regionally owned delivery mechanisms, funds or facilities for channelling and coordinating resources for implementing the EPA. The Parties, in that regard, support the establishment of an EPA Fund to channel EPA related resources. In any case the UK shall support implementation of this Agreement through appropriate and effective UK funding mechanisms in consultation with ESA partners. The Parties also agree that all forms of aid delivery pertaining to their cooperation under this Agreement shall be guided by the Paris Declaration on Aid Effectiveness.

7. The Parties agree that EPA monitoring, on the basis of agreed indicators, will need to address all aspects of the EPA, including achievements at the national level and at the level of regional integration and development strategies, as well as the effectiveness of the institutional arrangements and their achievements in meeting Aid effectiveness objectives, including ensuring predictability of the resources.

Article 36. Objectives

1. Economic and development cooperation shall aim at enhancing the competitiveness of ESA economies, building up supply capacity and enabling Signatory ESA States in implementing the EPA smoothly.

2. Economic and development cooperation shall aim at the structural transformation of ESA economies by establishing a strong, competitive and diversified economic base in the ESA States through enhancing production, distribution, transport, marketing, developing trade capacity of ESA States as well as capacity to attract investment, strengthening the ESA Statesâ trade and investment policies and regulations and deepening regional integration.

Article 37. Scope

1. The Parties shall set out the development objectives related to the EPA that are specific to the ESA region and needed for the success of regional integration within the areas and sectors highlighted in this Article.

2. The areas that will be addressed by the cooperation are:

(a) regional cooperation and integration to ensure trans-regional coordination in all sectors;

(b) trade policy and regulations in order to assist the ESA States in participating more effectively in trade negotiations, in implementing international trade related conventions, trade related legislation and regulatory reforms amongst others;

(c) trade development, which covers namely business devel- opment and activities aimed at improving information management systems, partnerships, linkages, joint ventures and exchange of information and experiences, access to credit and investment finance, trade promotion and market development, institutional support as well as support to trade in services, including financial services;

(d) trade related infrastructure, including transport, energy and water;

(e) building productive capacities in relevant sectors of ESA economies;

(f) research and development, innovation and technology transfer;

(g) trade related adjustment costs, which include restructuring and social costs arising from the reduction of production by firms in import competing sectors and the loss of fiscal revenues dues to the tariff reductions;

(h) gender mainstreaming;

(i) empowerment of local communities, which includes social and cultural development; and

(j) mainstreaming of environmental issues into trade and development.

3. The cooperation shall, in particular, cover the following sectors:

(a) Private Sector Development, particularly Industrial Development, micro- enterprises, small and medium-sized enterprises (MSME), Mining and Minerals as well as Tourism.

(b) Infrastructure Development, namely in the Transport, Energy, Information and Communication Technology (ICT) sectors.

(c) Natural Resources and Environment, including Water Resources and Biodiversity.

(d) Agriculture.

(e) Fisheries.

(f) Services including Tourism; and

(g) Trade related issues, namely Investment, Competition, Intellectual Property Rights, Standards, Trade Facilitation and Statistics.

Title II. Private Sector Development

Article 38. Scope and Objectives

1. The Parties recognise the importance of cooperation to develop the ESA region's private sector as the main engine of

wealth creation in view to set up an appropriate enabling environment which is conducive to investment and growth. UK support and cooperation shall take account of the economic structure of the ESA States and their priorities in strengthening productive capacities and value addition, and the application of Production, Marketing, Distribution, and Transportation (PMDT) functions to improve supply capacities and competitiveness.

2. The scope of cooperation of private sector development will cover, inter alia, investment, industrial development and competitiveness enhancement, micro-enterprises, small and medium sized enterprises development, mining and minerals and tourism development as well as other productive sectors which are directly and indirectly covered by this Agreement.

Article 39. Investment

1. The Parties recognise the importance of investment. The objectives in this area are to:

(a) create an environment for sustainable and equitable economic development of ESA through investment, including foreign direct investment (green field or portfolio), technology transfer, capacity building and institutional support from the UK;

(b) provide deeper cooperation with institutions and intermediary organisations dealing with investment promotion in the UK and ESA through, inter alia, business dialogue, cooperation and partnership;

(c) support, through appropriate instruments, the promotion and encouragement of investment in the ESA region, including establishing a framework for funding and assistance to support economic development programmes in ESA;

(d) strengthen and build the capacity of private development institutions such as investment promotion agencies, chambers of commerce, associations and indigenous development organisations in individual ESA States and the region as a whole so as to enable the emergence of a dynamic and vibrant private sector; and

(e) develop a legal framework that promotes investment by both Parties, with a view to promoting and protecting investment and work towards harmonised and simplified procedures and administrative practices.

Areas of cooperation

2. Subject to the provisions of Article 35 the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) support to policies and strategies for investment to help creating and maintaining a predictable and secure investment climate;

(b) support policy reforms and advocacy, human resource development, institutional capacity-building or other forms of institutional support to strengthen the capacities of the private financial and non-financial intermediaries, investment facilitation and promotion and competitiveness enhancement activities;

(c) encourage UK-ESA private sector partnership and joint ventures to promote investment, venture capital financing for greenfield investment and technology transfer;

(d) support efforts of the ESA States to attract financing, with particular emphasis on private financing, for infrastructure investments and revenue generating infrastructure critical for the private sector, including small and medium-sized enterprises (SMEs);

(e) support to develop regulatory capacity;

(f) improve access of ESA enterprises to investment finance instruments in the UK ;

(g) establish financial instruments adapted to SMEs of the ESA region;

(h) ensure the increasing availability and use of risk insurance as a risk-mitigating mechanism in order to boost investor confidence in the ESA States; and

(i) offer guarantees and assist with guarantee funds covering risks for qualified investment.

Article 40. Industrial Development and Competitiveness

1. The Parties recognise the importance of cooperation in industrial development and competitiveness. The objectives in this area are to:

(a) facilitate the establishment, development, restructuring and modernisation of the Signatory ESA States' industry while fostering its competitiveness and self- sustainable and balanced growth taking into account environmental protection, sustainable development and economic empowerment; and

(b) establish an environment favourable to the development of private enterprise in order to stimulate the growth and diversification of industrial production.

Areas of cooperation

2 Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) promote the development of activities in the areas of processing, marketing, distribution and transportation of products;

(b) transfer of technology, knowledge and research and development;

(c) support ESA States' financial institutions and the development of the capital market for the purpose of enhancing the private sector access to both short term and long- term capital;

(d) capacity building for public and private sector;

(e) encourage UK-ESA partnerships, linkages and joint ventures between economic operators; and

(f) promote and strengthen innovation, diversification and value addition product development and quality.

Article 41. Micro, Small and Medium-sized Enterprises

1. The Parties recognise the importance of cooperation in MSME. The objectives in this area are to:

(a) promote a favourable environment for the development of MSME and for attracting investment therein; and

(b) support MSMEs to adjust to trade liberalisation.

Areas of cooperation

2. Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) capacity building and institutional support;

(b) technology development and transfer,innovation, information exchange and networks and marketing;

(c) development of MSME databases;

(d) access to finance;

(e) encourage UK-ESA partnerships, linkages and joint ventures between economic operators;

(f) trade and investment promotion;

(g) strengthen value chains;

(h) promote diversification and value addition.

Article 42. Mining and Minerals

1. The Parties recognise the importance of cooperation in the development and management of the mining and minerals sector. The objectives in this area are to:

(a) establish a conducive environment for attracting investment in the sector;

(b) promote value addition and environmentally friendly technologies in the mining productive processes; and

(c) ensure participation of local communities.

Areas of cooperation

2. Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) (a) capacity building and institutional support for the exploration, exploitation and marketing of minerals;

(b) (b) information exchange;

(c) (c) encourage UK-ESA partnerships, linkages and joint ventures between economic operators;

(d) (d) improve health and safety standards in the mining industry;

(e) (e) transfer of technology, knowledge, innovation and Research and Development; and

(f) address vulnerability of mineral export dependency.

Article 43. Tourism Development

1. The Parties recognise the importance of cooperation in the development of tourism. The objectives in this area are to:

(a) develop and strengthen a competitive tourism industry as a generator of economic growth and empowerment, employment and foreign exchange;

(b) strengthen the linkages between tourism and other sectors of the economy; and

(c) preserve, safeguard and promote natural, historical and cultural tourist attractions, while respecting the integrity and interests of local communities, particularly in rural areas.

Areas of cooperation

2 Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) establish strategic alliances involving public, private and local community interests in order to ensure the sustainable development of tourism;

(b) promote partnerships, exchange of know-how and joint operations in areas such as development of products, markets and eco-tourism;

(c) capacity building in human resources, improvement in service standards, and institutional structures; and

(d) regional cooperation in tourism promotion.

Title III. Infrastructure

Article 44. Scope and Objectives

1. The Parties recognise the importance of cooperation in the development and management of infrastructure, as a means to overcome the supply-side constraints and strengthen regional integration.

2. UK support and cooperation for infrastructural development shall take account of priority development areas as articulated in the respective ESA States' national and regional development programmes.

3. The scope of cooperation in infrastructure will cover the development of physical infrastructure, namely transport, energy, information and communication technology.

Article 45. Transport

1. The Parties recognise the importance of cooperation in the development and management of transport. The objectives in this area are to:

(a) Develop, restructure, rehabilitate upgrade and modernise the ESA region's transport systems on a sustainable basis.

(b) Improve the movement of people and flow of goods and provide better access to markets through road, air, maritime, inland water and rail transport.

Areas of cooperation

2. Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) improve management of transport systems;

(b) improve and develop the state of infrastructure at all levels, including the development of inter-modal infrastructure networks;

(c) capacity building in human resources, improvement in service standards, and institutional structures;

(d) technology development and transfer, innovation, information exchange and networks, and marketing;

(e) encourage UK-ESA partnerships, linkages and joint ventures between economic operators;

(f) improve safety and reliability of the transport sector, including the management of hazardous goods and emergency response; and

(g) support to the development of regional transport policies.

Article 46. Energy

1. The Parties recognise the importance of cooperation in the energy sector as a vehicle for supporting the ESA economies' competitiveness at the regional and global levels. The objectives in this area are to:

(a) improve the access of ESA States to modern, efficient, reliable, diversified and sustainable and renewable sources of clean energy at competitive prices;

(b) enhance the production, distribution and management capacity of energy nationally and regionally; and

(c) promote regional energy cooperation.

Areas of cooperation

2 Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) enhance the production and distribution capacity of existing energy sources, in particular hydro, petroleum and biomass;

(b) expand and diversify the energy mix to include other potential sources of energy that are socially and environ- mentally acceptable and that reduce dependency on oil;

(c) support the development of energy infrastructure, including for rural areas;

(d) support the development of appropriate energy regulatory and policy reforms, including commercialisation and privatisation;

(e) promote regional interconnectivity and cooperation in the production and distribution of energy;

(f) capacity building in human resources, improvement in management, service standards, and institutional structures;

(g) support the creation of a conducive environment for attracting investment in the sector;

(h) technology development and transfer, research and devel-opment (R&D), innovation, information exchange, devel-opment of databases and networks;

(i) encourage UK-ESA partnerships, linkages and joint ventures between economic operators.

Article 47. Information and Communications Technology (ICT)

1. The Parties recognise the importance of cooperation in the development of ICT as a key sector in the modern society to foster competitiveness and innovation, as well as for the smooth transition towards the information society. The objective in this area is to develop the ICT sector and promote its contribution to other socio-economic sectors.

Areas of cooperation

2 Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) facilitate connectivity at the national, regional and global levels;

(b) disseminate new information and communication technologies;

(c) support the development of the legal and regulatory frameworks on ICT;

(d) technology development, transfer and applications, R&D, innovation, information exchange and networks, and marketing;

(e) capacity building in human resources, improvement in service standards, and institutional structures;

(f) encourage and facilitate UK-ESA partnerships, linkages and joint ventures between economic operators;

(g) promote and support the development of niche markets for ICT-enabled services.

Title IV. Natural Resources and Environment

Article 48. Scope and Objectives

1. The Parties recognise the importance of cooperation in the sustainable management of natural resources and environment. Cooperation in this area shall take account of differentiated and trans-boundary needs of ESA States.

2 The scope of cooperation in natural resources and environment will cover natural assets, including water resources, and environment, including biodiversity, as well as enhancing the linkages between trade and environment. It will also cover support for the implementation of international environmental agreements, conventions and treaties.

Article 49. Water Resources

1. The Parties recognise the importance of cooperation in the development of water resources (including irrigation, hydropower and water supply) for the improvement of the livelihoods of the populations. The objectives in this area are:

(a) the sustainable development and management of water resources in the region;

(b) regional cooperation for the sustainable utilisation of trans- boundary water resources.

Areas of cooperation

2. Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) development of infrastructure of water resources in the region;

(b) development of the legal and regulatory frameworks;

(c) promotion of integrated water management;

(d) capacity building in human resources, improvement in service standards, water management and institutional structures;

(e) encourage and facilitate UK-ESA partnerships, linkages, regional water partnerships and joint ventures between economic operators;

(f) technology development, transfer and applications, R&D, innovation, information exchange and networks;

(g) water pollution control, purification and conservation, wastewater treatment and sanitation; and

(h) promotion of sustainable irrigation schemes.

Article 50. Environment

1. The Parties recognise the importance of cooperation in the protection and sustainable management of the environment and implementation of trade-related environmental policies. The objectives in this area are to:

(a) protect, restore and conserve the environment and biodiversity: flora, fauna and microbial genetic resources, including their ecosystems;

(b) develop new ESA industries related to the environment; and

(c) reduce environmental degradation, including clean air and desertification.

Areas of cooperation

2. Subject to the provisions of Article 35, the Parties agree to cooperate, including by facilitating support, in the following areas:

(a) support the implementation of international environmental agreements, conventions and treaties;

(b) strengthen and promote sustainable environmental management systems;

(c) sustainable utilisation of biodiversity, forestry and wildlife resources;

(d) reinforcing institutional and legal frameworks and the capacity to develop, implement, administer and enforce environmental laws, regulations, standards and policies;

(e) capacity building in human resources and institutional structures to comply with environmental and biodiversity requirements;

(f) encourage and facilitate UK-ESA partnerships, linkages and joint ventures between economic operators;

(g) mitigation of natural disasters, prevention of environmental disasters and the loss of biodiversity;

(h) technology development and adaptation, transfer and applications, R&D and innovation;

(i) protection and management of coastal and marine resources and domestic and wild indigenous biological resources;

(j) support the development of alternative environmentally friendly activities and livelihoods;

(k) support the production and facilitate trade of goods and services for which eco-labelling is important;

(l) exchange of information and networking on products and their requirements in terms of production process, transport, marketing and labelling;

(m) support the development of infrastructure facilities on environmentally-friendly products;

(n) integration of local communities in the management of biodiversity, forestry and wildlife resources;

(o) waste management and disposal of industrial and toxic wastes; and

(p) sustainable management of forests and similar mechanisms.

Article 51. Financial Undertakings

1. Subject to the provisions of Article 35, the UK shall support implementation of this Agreement through appropriate and effective UK funding mechanisms in consultation with ESA partners to contribute to implementing the programmes and projects to be developed under the areas of cooperation identified in this Agreement and relevant chapters and under the detailed Development Matrix.

2. The Parties agree to establish adequate joint institutional arrangements to effectively monitor the implementation of the development cooperation of this Agreement. Such arrangements shall include the establishment of a Joint Development Committee.

3. The Parties agree that the institutional arrangements shall remain flexible to adapt to the evolving national and regional needs.

Chapter V. AREAS FOR FUTURE NEGOTIATIONS

Article 52. Built-in Agenda

The Parties agree to pursue negotiations in the future in accordance with Article 3 with a view to extending their partnership

to cover the following areas:

(a) customs and trade facilitation;

(b) outstanding trade and market access issues, including rules of origin and other related issues and trade defence measures;

(c) technical barriers to trade and sanitary and phytosanitary measures;

(d) trade in services;

(e) trade related issues namely:

(i) competition policy;

(ii) investment and private sector development;

(ii) trade, environment and sustainable development;

(iv) intellectual property rights;

(v) transparency in public procurement;

(f) agriculture;

(g) current payments and capital payments;

(h) development issues;

(i) cooperation and dialogue on good governance in the tax and judicial area; an elaborated dispute settlement mechanism, institutional arrangements; and

(j) any other areas that the Parties find necessary.

(k) The EPA Committee will agree, not later than 6 months from the entry into force of the Agreement, on the timetable of negotiations.

Chapter VI. DISPUTE AVOIDANCE, SETTLEMENT, INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Title I. Dispute Avoidance and Settlement

Article 53. Consultations

1. The Parties shall endeavour to resolve any dispute concerning the interpretation and application of this Agreement by entering into consultations in good faith with the aim of reaching an agreed solution.

2. A Party shall seek consultations by means of a written request to the other Party, identifying the measure at issue and the provisions of the Agreement that it considers the measure not to be in conformity with.

3. Consultations shall be held within 40 days of the date of the submission of the request. The consultations shall be deemed concluded within 60 days of the date of the submission of the request, unless both Parties agree to continue consultations. The consultations shall remain confidential.

4. Consultations on matters of urgency, including those regarding perishable or seasonal goods shall be held within 15 days of the date of the submission of the request, and shall be deemed concluded within 30 days of the date of the submission of the request.

Article 54. Dispute Settlement

1. If consultations do not succeed in settling the dispute within the 60 days or 30 days referred to in Article 53, either Party may request settlement of the dispute by arbitration. To this end, each Party shall appoint an arbitrator within 30 days of the request for arbitration by notifying the other Party and the EPA Committee. The request for arbitration shall identify the measure at issue and the provisions of the Agreement that the complaining Party considers the measure not to be in conformity with. In the event of failure to do so, either Party may ask the Secretary General of the Permanent Court of

Arbitration to appoint the second arbitrator.

2. The two arbitrators shall in turn appoint a third arbitrator within thirty days. In the event of failure to do so, either Party may ask the Secretary General of the Permanent Court of Arbitration to appoint the third arbitrator.

3. Unless the arbitrators decide otherwise, the procedure applied shall be as laid down in the Permanent Court of Arbitration Rules 2012. The arbitrators shall take a decision by majority vote within 90 days and in matters of urgency should endeavour to take a decision within 60 days.

4. Each Party to the dispute shall be bound to take the measures necessary to carry out the decision of the arbitrators.

Title II. General Exceptions

Article 55. General Exception Clause

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the Parties where like conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by the UK, the ESA States or a Signatory ESA State of measures which:

(a) are necessary to protect public morals or to maintain public order and public security;

(b) are necessary to protect human, animal or plant life or health;

(c) are necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement, including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;

(iii) safety;

(iv) customs enforcement; or

(v) protection of intellectual property rights;

(d) relate to the importation or exportation of gold or silver;

(e) are necessary to the protection of national treasures of artistic, historic or archaeological value;

(f) relate to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption of goods, domestic supply or consumption of services and on domestic investors;

(g) relate to the products of prison labour; or

(h) are essential to the acquisition or distribution of products in general or local short supply, provided that any such measures shall be consistent with the principle that all parties are entitled to an equitable share of the international supply of such products, and that any such measures, which are inconsistent with the other provisions of this Agreement, shall be discontinued as soon as the conditions giving rise to them have ceased to exist.

Article 56. Security Exceptions

1. Nothing In this Agreement shall be construed:

(a) to require the UK or a Signatory ESA State to furnish any information the disclosure of which it considers contrary to its essential security interests;

(b) to prevent the UK or a Signatory ESA State from taking any action which it considers necessary for the protection of its essential security interests:

(i) relating to fissionable and fusionable materials or the materials from which they are derived;

(ii) relating to economic activities carried out directly or indirectly for the purpose of supplying or provisioning a military establishment;

(iii) connected with the production of or trade in arms, munitions and war materials;

(iv) relating to government procurement indispensable for national security or for national defence purposes; or

(v) taken in time of war or other emergency in inter- national relations;

(c) to prevent the UK or a Signatory ESA State from taking any action in order to carry out obligations it has accepted for the purpose of maintaining international peace and security.

2. The Parties shall inform each other to the fullest extent possible of measures taken under paragraphs 1(b) and (c) andof their termination.

Article 57. Taxation

1. Nothing in this Agreement or in any arrangement adopted under this Agreement shall be construed to prevent the UK or a Signatory ESA State from distinguishing, in the application of the relevant provisions of their fiscal legislation, between taxpayers who are not in the same situation, in particular with regard to their place of residence or with regard to the place where their capital is invested.

2. Nothing in this Agreement or in any arrangement adopted under this Agreement shall be construed to prevent the adoption or enforcement of any measure aimed at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements to avoid double taxation or other tax arrangements or domestic fiscal legislation.

3. Nothing in this Agreement shall affect the rights and obligations of the UK or a Signatory ESA State under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.

Title III. Institutional, General and Final Provisions

Article 58. Definition of the Parties and Fulfilment of Obligations

1. The Contracting Parties of this Agreement shall be the Union of Comoros, the Republic of Madagascar, the Republic of Mauritius, the Republic of Seychelles, the Republic of Zambia and the Republic of Zimbabwe hereinafter referred to as the "ESA States", on the one part, and the United Kingdom of Great Britain and Northern Ireland, on the other part for which this Agreement has entered into force or is provisionally applied.

2. For the purposes of this Agreement, unless otherwise expressly provided, the ESA States agree to act collectively. In cases where individual action is provided for or required to exercise the rights and/or comply with obligations under this Agreement, reference is made to "Signatory ESA State".

3. The Parties or the Signatory ESA State(s) as the case may be shall adopt any general or specific measures required for them to fulfil their obligations under this Agreement and shall ensure that they comply with the objectives laid down in this Agreement.

4. A Signatory ESA State which is not subject to the rights and obligations set out in Chapter II shall nevertheless be subject to and enjoy the rights and obligations arising from other Chapters of this Agreement.

Article 59. Entry Into Force, Denunciation and Duration

1. This Agreement shall be signed, ratified or approved in accordance with the applicable constitutional or internal rules and procedures of the respective Parties.

2. This Agreement shall enter into force as between the UK and a Signatory ESA State either on the first day of the first month, or on such other date as the UK and that Signatory ESA State agree, following the deposit of the later of their respective instruments of ratification, acceptance or approval.

3. Notifications of ratification, acceptance or approval shall be sent to:

(a) the Authority designated by a Signatory ESA State; or

(b) the Secretary General of the Common Market of Eastern and Southern Africa,

who shall be the depositories of this Agreement.

4. Pending entry into force of the Agreement, the UK and the Signatory ESA States agree to apply the provisions of this Agreement which fall within their respective competences ("provisional application"). This may be effected either by provisional application where possible or by ratification of this Agreement.

5. Provisional application shall be notified to the depositories. This Agreement shall be applied provisionally between the UK and a Signatory ESA State ten (10) days, or on such other date as the UK and that Signatory ESA State agree, after the later of either the receipt of notification of provisional application from the UK or of ratification or provisional application from the Signatory ESA State.

6. Notwithstanding paragraphs 2 and 4, the UK and Signatory ESA States may unilaterally take steps to apply the Agreement, before provisional application, to the extent feasible.

7. The UK or a Signatory ESA State(s) may give written notice to the other of its intention to denounce this Agreement.

8. Denunciation shall take effect one month after notification to the other Party.

Article 60. Territorial Application

This Agreement shall apply, on the one hand, to the United Kingdom of Great Britain and Northern Ireland and the territories for whose international relations the UK is responsible to which the Interim Agreement establishing a framework for an Economic Partnership Agreement between the ESA States, on the one part, and the European Community and its Member States, on the other part applied to the extent and under the conditions that it applied and, on the other hand, to the territories of Signatory ESA States. References in this Agreement to "territory" shall be understood in this sense.

Article 61. EPa Committee

1. An EPA Committee is hereby established.

2. Except as otherwise provided for in paragraph 3 of this Article, the EPA Committee shall be responsible for the administration of all matters under this Agreement, including development cooperation as provided for under Article 35 and for the fulfilment of any of the tasks mentioned in this Agreement.

3. The EPA Committee shall not be responsible for the administration of matters set out in Annex V.

4. The EPA Committee shall be composed of representatives of the Parties. Each Party determines the organisation of its representation.

5. The EPA Committee shall adopt its rules of procedure within three months of entry into force of the Agreement.

Article 62. Relationships with other Agreements

1. The Parties acknowledge that some Signatory ESA States are not members of the WTO. Accordingly, references in this Agreement to WTO agreements (including the definitions provided therein) and WTO bodies or Committees shall not be construed as imposing on a Signatory ESA State that is not a member of the WTO any obligations arising from such WTO agreements or decisions of such bodies or Committees beyond the obligations expressly taken by such Signatory ESA State under this Agreement. Consequently, in the event of inconsistency between provisions of WTO agreements or decisions of WTO bodies or Committees on the one part and provisions of this Agreement, the latter shall always prevail in respect of Signatory ESA States who are not members of the WTO.

2. The Parties agree that nothing in this Agreement requires them or the Signatory ESA States to act in a manner inconsistent with their WTO obligations.

Article 63. Accession

1. Any of the following ESA states namely, the Republic of Djibouti, the State of Eritrea, the Federal Democratic Republic of Ethiopia, the Republic of Malawi, the Republic of Sudan, may accede to this Agreement with the agreement of the Parties. This Agreement shall enter into force with respect to the acceding state in accordance with the applicable legal procedures of the UK and the ESA States and the acceding country. The UK shall endeavour to apply this Agreement to the acceding

country as soon as possible.

2. (a) Any request for accession to this Agreement made by a state in the ESA region not listed in paragraph 1 shall be presented to the EPA Committee for determination.

(b) The EPA Committee may lay down the conditions and specific arrangements applicable to the state referred to in paragraph 2(a) for its accession.

3. All ESA states acceding to the Agreement shall submit a tariff offer to the EPA Committee prior to signature of this Agreement.

4. This Agreement shall enter into force in relation to an acceding state on the date its instrument of accession is deposited or on such other date as the Parties agree.

Article 64. Amendments

1. Any amendments to this Agreement shall be adopted by the EPA Committee and shall enter into force when ratified.

2. The EPA Committee shall adopt any transitional measures that may be required in respect of the amended provisions until they come into force.

Article 65. Authentic Texts

This Agreement is drawn up in duplicate in the English and French, languages, each of these texts being equally authentic.

Article 66. Annexes

The Annexes and Protocols to this Agreement shall form an integral part thereof and may be reviewed and or amended by the EPA Committee.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed this Agreement.

Done in two original languages at London this 31st day of January 2019 in the English language.

The Union of Comoros,

The Republic of Madagascar,

The Republic of Mauritius,

The Republic of Seychelles,

The Republic of Zambia,

The Republic of Zimbabwe

The United Kingdom of Great Britain and Northern Ireland