

OFFICIAL GAZETTE



of the COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

Vol. 10 No. 2

Published by Order
of the Council and the Authority

December 2004

TABLE OF CONTENTS

I. LEGAL AND GENERAL NOTICES

- (1) Trade Liberalisation
- (2) COMESA Customs Union
- (3) Trade Related Issues
- (4) Transport and Communications
- (5) Industry and Energy
- (6) Monetary Affairs
- (7) Agriculture
- (8) Economic and Social Development

By Order of the Council

Mr. Erastus J.O. Mwencha, MBS
Secretary-General
COMESA

IT IS HEREBY NOTIFIED that the COMESA Council of Ministers, at its Eighteenth Meeting held on 7th December, 2004 issued the following Legal and General Notices:

I. TRADE LIBERALISATION

(a) Multilateral Trade Issues – WTO and EPAs

WTO Negotiations: the Doha Agenda

Decision

39. Council decided that a meeting of Ministers dealing with trade issues meet in April or May 2005 to start to develop regional strategies and positions in preparation for the next WTO Ministerial Meeting scheduled to be held in Hong Kong in December 2005. These positions should be fed into the Africa Group, and possibly the LDC and ACP Groups,

II. COMESA CUSTOMS UNION

(a) Common External Tariff (CET)

Decision

40. The Council decided that Member States should work towards harmonising their external tariff as a transition strategy towards realising the COMESA CET as follows:

Category	Range for tariff harmonization	CET target rate
Raw materials	0% to 5%	0%
Capital goods	0% to 5%	0%
Intermediate goods	10 to 15% (See 61 b of Doc. COM/TCM/6)	Not agreed (but see country preferences)
Final goods	20 to 40%	Not agreed (but see country preferences)

(b) COMESA Customs Union Roadmap

Decision

41. The Council adopted the following programme of action:

Action	Timetable
Completion of National studies and Consultations on CET rates	28 February 2005
National consultations on convergence timetable to CET ranges and target rates	28 February 2005
Submission of results and proposals to Secretariat for circulation to Member States	14 March 2005
Third Technical workshop on CET	April 2005
Ratification of COMESA fund	30 th June 2005
Study on alternative sources of revenue	Not given

42. The Council decided that:

- (i) the Secretariat should undertake a trade flow analysis and Member States should complete national consultations/studies by 28 February 2005;
- (ii) all countries should, if possible, respect the deadlines agreed by the Trade and Customs Committee at their last meeting but that if this was not possible, countries should have completed national studies and consultations by end February 2005, at the latest, so as to allow time to prepare for the third technical workshop on CET in April 2005; and
- (iii) A special meeting of Ministers of Finance be convened prior the next Summit to consider the CET.

III. TRADE RELATED ISSUES

(a) Competition Policy

Decision

43. Council adopted the Competition Policy and Regulations attached hereto as Regulations No. 1 of 2004.

VI. TRANSPORT AND COMMUNICATIONS

(a) Draft Regulations for Competition of Air Transport Services within COMESA, EAC and SADC

Decision

44. Council adopted Regulations for Competition of Air Transport Services within COMESA, EAC and SADC which are attached hereto as Regulations No. 2 of 2004.

(b) Funding Arrangements for Air Transport Regulatory Board

Decision

45. Council decided that Member States shall meet the cost of attending meetings for the Board Members while the Secretariat shall support the activities of the Board and cover the meeting expenses.

(c) The COMESA CNS/ATM Systems

Decisions

46. Council decided that:

- (i) The COMESA Regional CNS/ATM Systems project should be implemented in collaboration with other sub-regional groupings such as SADC, EAC, ASECNA and WMO;

- (ii) Member States shall meet the cost of attending meetings for the Working Group members while the Secretariat shall support the activities of the Working Group and cover the meeting expenses;
- (iii) Member States should respond to questionnaires sent to them by the Working group;
- (iv) Member States should establish National CNS/ATM Committees which should include meteorological experts to co-ordinate the planning and implementation of CNS/ATM systems; and
- (v) A meeting of the CNS/ATM Co-ordinating Committee and other regional CNS/ATM Systems initiatives be convened to agree on the way forward on the development of the regional CNS/ATM Systems Project in conjunction with ICAO.

(d) The COMESA COSCAP Project

Decision

47. Council directed the Secretariat and the seven member States continue to refine the project document in collaboration with ICAO.

(e) Road Transport

Decisions

48. The Council:

- (i) Urged member States to implement the transit facilitation instruments in order for the region to derive the full benefits from the instruments; and
- (ii) Directed the Secretariat to co-ordinate with EAC, IGAD and SADC in order to adopt a harmonized set of transit facilitation instruments throughout Eastern and Southern Africa.

(f) Third Party Motor Vehicle Insurance (Yellow Card) Scheme

Decisions

49. The Council decided that:

- i) Member States that have not ratified the RCBG Agreement should do so without further delay.
- ii) Member States who have ratified the Agreement should facilitate the establishment of the National Surety on the RCBG scheme; and
- iii) The National Surety should sign the Inter-Surety on the implementation of the RCBG scheme.

(g) Road Infrastructure

Decision

50. The Council urged member States to provide the Secretariat with regular reports on the status of implementation of major road construction and rehabilitation projects.

(h) Overload Control

Decisions

51. The Council:

- (i) urged the member States to attend the Regional workshop on overload control and urged member States to facilitate the implementation of control in their countries;
- (ii) urged member States to take overload control programme as a priority; and
- (iii) requested Secretariat to co-ordinate with EAC-SADC-IGAD to harmonize axle load control limits

(i) Regulation of the transport sector

Decisions

52. The Council decided that:

- (i) The Secretariat should prepare a paper on Regional shipping policy and regulatory framework; and
- (ii) The Secretariat should co-ordinate the development of regional programmes for implementation of maritime safety, security and search and rescue.

(j) Interline Co-operation Arrangements

Decision

53. The Council:

- (i) Directed the Secretariat to prepare a paper on a regional strategy indicating the modalities of co-operation among regional shipping lines;
- (ii) Urged regional shipping lines to co-operate through alliances, route networks, acquisition and sharing vessels and equipment, and exchange of market information; and
- (iii) Urged regional shipping lines to establish an African Association of Shipping Lines to enhance regional co-operation and development of the shipping industry.

(k) Capacity building**Decisions**

54. The Council:

- (i) Directed the Secretariat to liaise with the member States and Egyptian Government on the offer;
- (ii) Directed the Secretariat to prepare a list of all training institutions and facilities in the region, detailing types of courses offered and capacities, for both categories of training and distribute to member states;
- (iii) Directed the Secretariat to prepare a regional training co-operation framework to enable the trainees to undertake their sea-time training on board the regional shipping lines;
- (iv) Directed the Secretariat to prepare a model institutional framework for industry associations detailing possible roles, organization, and institutional arrangements and funding for the Shippers' councils;
- (v) Urged member States with shipping liners to offer slots for sea-time training for seafarers; and
- (vi) Urged Member States to facilitate the establishment of industry associations and assign to industry associations a role in the training of personnel and setting up a harmonized criteria for licensing operators.

V. COMMUNICATIONS**(a) COMTEL Project****Decisions**

55. The Council:

- (i) Urged member States to support the implementation of COMTEL and facilitate the due diligence exercise;
- (ii) Urged NTOs to participate in the COMTEL project and co-operate and facilitate the due diligence exercise by the SEP; and
- (iii) Urged that NTOs to submit information on their networks including traffic and annual reports and respond to questionnaires sent to them by the SEP not later than 15th November 2004.

(b) Harmonization of ICT Policy and Regulatory Framework**Decisions**

56. The Council:

- (i) Directed the Secretariat to circulate the ICT Policy, Model Bill and Policy Guidelines to member States;
- (ii) Urged regulatory authorities that were not yet members of ARICEA to join as soon as possible;
- (iii) Urged regulators to participate in peer to peer arrangements with other regulatory authorities;
- (iv) Encouraged local universities and other academic institutions to adopt and adapt the [NetTel@Africa](#) modules to national needs and deliver the courses;
- (v) Urged member States to adopt, adapt and implement the ICT policy guidelines; and
- (vi) Urged member States to form national ICT Committees to facilitate the implementation of the ICT policy.

(c) High Level ICT Policy Forum Report

Decision

57. Council endorsed the recommendations of the High Level ICT Policy Forum and directed the Secretariat to expedite their implementation through the Work Programme

V. DEVELOPMENT OF PHYSICAL INFRASTRUCTURE

(a) COMESA Five Year Priority Projects

Decision

58. Council urged member States to provide regular updates of their national projects to the Secretariat.

VI. INDUSTRY AND ENERGY

(A) INDUSTRY

(a) Status of AGOA in COMESA

Decision

59. In view of the above achievements and the current need for ALINC to go regional and due to the current funding constraints, Council decided that the AGOA ALINC programme be mainstreamed in general COMESA programmes.

(b) The COMESA Common Investment Area (CCIA)

Decisions

60. Council decided that:

- (i) The Secretariat in liaison with UNCTAD should distribute CD-ROMs containing information on BITs to those Member States who need them; and
 - (ii) The Secretariat should circulate the CCIA Roadmap as approved by Council in Kampala in June 2004.
- (c) Status Reports by Member States on the national studies on coherence of CCIA and commitments of Member States made under other Agreements**

Decisions

61. Council decided that:

- (i) Member States that have not submitted their progress report should forward to the Secretariat their progress report by 15th December 2004;
- (ii) The matrix should be revised to add columns showing Agreements that have been ratified, signed and not ratified and those under negotiations;
- (iii) The Secretariat should assist the remaining countries undertake the Distant Learning Course; and
- (iv) All outstanding Technical Working Group work in preparation for the first round of negotiations should be completed by 31st January 2005.

(c) Draft Negotiations of the Investment Framework Agreement

Decisions

62. Council decided that:

- (i) The proposed date of the first round of negotiations should be moved to March 2005;
- (ii) The timetable should be flexible and should be changed based on the findings of the coherence studies by Member States;
- (iii) Secretariat should request UNCTAD to work with member States to assist them to attain best practices, especially in the investment environment ;
- (iv) Member States should conclude the required coherence study by end-January 2005;
- (v) Countries should determine the numbers of people to send to negotiations but there is need for consistency in the attendance; and;
- (vi) The Draft Negotiation Guidelines and Mandate be adopted subject to comments and be submitted to Council.

Decisions

63. Council decided that:

- (i) Member States should send written comments on the Agreement to the Secretariat by 14th January 2005;
- (ii) The Secretariat should circulate these comments to member States by 31st January 2005; and
- (iii) All the comments from Member States will form part of the documentation for negotiation.

(d) Regional Investment Agency (RIA)**Decisions**

64. Council decided that:

- (i) Member States should submit their comments to the Secretariat on the Draft Charter by 31 January 2005;
- (ii) The draft budget for the RIA is recommended for approval; and
- (iii) The Draft Agreement on the CCIA.; and
- (iv) The Draft Agreement on the CCIA should make reference to the RIA since the Agency would implement some of the provisions of the Agreement.

(e) Firm Strategies under Trade Liberalisation**Decision**

65. Council decided that the COMESA Secretariat should further develop this concept of export-led strategy into a detailed project proposal for consideration at its next meeting.

VIII. MONETARY AFFAIRS**(a) Regional Payment and Settlement System (REPSS)****Decisions**

66. Council decided that:

- (i) The resources from the PTA Travellers Cheques Fund be deposited into an account held by the Committee of Central Bank Governors;
- (ii) Further work according to the Action Plan be carried out to make REPSS Operational in the year 2005;

- (iii) The Bureau of Governors should oversee the above process and guide REPSS through to its operational stage; and
- (iv) The UAPTA Travellers Cheques Fund be used with the approval of the Committee of Central Bank Governors.

(b) Macro-economic Convergence Criteria and Exchange Rate Mechanism for COMESA

Decision

67. Council endorsed the decisions of Finance Ministers on the following revised macro-economic convergence criteria:

Stage 1 (Year 2005-2010)

Primary Criteria

- (i) Overall budget deficit/GDP ratio (excluding grants) of not more than 5%;
- (ii) Annual average inflation rate not exceeding 5%;
- (iii) Minimise the central bank financing of the budget towards 0%;
- (iv) target;
- (v) External reserves of equal to or more than 4 months of imports of; and
- (vi) goods and non-factor services.

Secondary Criteria

- (i) Achievement and maintenance of stable real exchange rates;
- (ii) Achievement and maintenance of market based positive real interest rates;
- (iii) Achievement of sustainable real growth rate of real GDP of not less than 7.0%;
- (iv) Sustained pursuit of debt reduction initiative on domestic and foreign debt. i.e. reduction of total debt as a ratio of GDP to a sustainable level;
- (v) Total domestic revenue to GDP ratio of not less than 20%;
- (vi) Reduction of current account deficit (excluding grants) as a % of GDP to sustainable level;
- (vii) Achievement and maintenance of domestic investment rate of at least 20%;

- (viii) Implementation of the 25 Core Principles of Bank Supervision and Regulation based on agreed Action Plan for Harmonization of Bank Supervision for the COMESA region; and
- (ix) Adherence to the Core Principles for Systematically Important Payments Systems, by modernizing the payment and settlements system.

Stage Two (2011-2015)

Primary Criteria

- (i) Overall budget deficit/GDP ratio (excluding grants) not exceeding 4%;
- (ii) Annual average inflation rate of not more than 3%;
- (iii) Elimination of the central bank financing of the budget deficit; and
- (iv) External reserves of equal to or more than 5 months of imports of goods and services.

Secondary Criteria

- (i) Achievement and maintenance of stable real exchange rates;
- (ii) Achievement and maintenance of market based positive real interest rates;
- (iii) Achievement of sustainable real growth rate of real GDP of not less than 7.0%;
- (iv) Sustained pursuit of debt reduction initiative on domestic and foreign debt. i.e. reduction of total debt as a ratio of GDP to a sustainable level;
- (v) Total domestic revenue of government to GDP ratio of at least 20%;
- (vi) Maintenance of sustainable level of current account deficit (excluding grants) as % of GDP;
- (vii) Maintenance of domestic investment rate of at least 20%; and
- (viii) Gradual liberalization of the capital account.

Stage III. (2016-2018)

Primary Criteria

- (i) Overall budget deficit/GDP ratio (excluding grants) not exceeding 3%;
- (ii) Annual average inflation rate not exceeding 3%;
- (iii) Elimination of central bank financing of the budget deficit; and

- (iv) External reserves of equal to or more than 6 months of imports of goods and services.

Secondary Criteria

- (i) Maintenance of a stable real exchange rates;
- (ii) Maintenance of market based positive real interest rates;
- (iii) Maintenance of high and sustainable real rate of growth of GDP of not less than 7.0%;
- (iv) Sustained pursuit of debt reduction initiative on domestic and
- (v) foreign debt i.e. reduction of total public debt as a ratio of GDP to a sustainable levels;
- (vi) Total domestic government revenue to GDP ratio of at least 20%;
- (vii) Maintenance of sustainable level of current account deficit
- (viii) (excluding grants) as % of GDP;
- (ix) Maintenance of domestic investment rate of at least 20%; and
- (x) Full liberalization of the capital account.

68. Council decided that implementation of the monetary integration programme should be accelerated to achieve monetary union by 2018, in order to be consistent with the target date of the African Monetary Union;

69. In order to enhance implementation of the convergence criteria, Council also decided that:

- (i) In view of the varying degrees of macro-economic performance and external exposures of Member States, escape clauses should be allowed in the form of bands to enable countries to adjust to external shocks;
- (ii) Harmonization of the concepts and methodologies as well as statistical frameworks would be critical to the success of the COMESA Monetary Harmonization Programme. In this regard, COMESA member countries should participate in seminars and workshop that would be organized by the African Union in collaboration with the Association of African Central Banks (AACB);
- (iii) Member countries should continue to prepare detailed reports annually on their macro-economic performance and present them to the Monetary Cooperation meetings of COMESA every year. The reports should include reasons for not achieving some of the convergence criteria and the measures they will put in place to achieve them;
- (iv) COMESA Secretariat should present a comprehensive progress report at the end of each stage assessing the achievement of macro-economic convergence; and

- (v) COMESA should organize seminars on monetary policy, in order to enable member countries to implement appropriate monetary policy mix that minimizes interest rate and exchange rates volatilities.

70. With regard to the successful implementation of currency convertibility arrangement, Council decided that:

- (i) Intra-regional trade should be significant and not highly skewed in favour of a few countries. This promotes equitable demand for all currencies;
- (ii) Measures to promote intra-regional trade should be enhanced;
- (iii) In order to give trust to the arrangement of currency convertibility, all authorised foreign exchange dealers, except for foreign exchange bureaux, should be encouraged to have sufficient correspondent relationships;
- (iv) Market determined exchange rates and relatively open capital accounts should be put in place in all member States since they are critical to the success of currency convertibility;
- (v) Sufficient level of public awareness in the region regarding the need for the public to appreciate and understand the underlying advantages of having their currencies to be convertible;
- (vi) Member states should take necessary measures to ensure stability of their exchange rates;
- (vii) The payment and settlement systems should be modernised and made efficient; and
- (viii) Member countries with geographic proximity and significant level of trade should be encouraged to introduce currency convertibility between their currencies.

71. With regard to the Exchange Rate Union, Council decided that the Secretariat should request the European Central Bank for technical assistance to undertake the study on the Exchange Rate union which would be submitted to the Task Force for review.

(c) COMESA Export-Led Strategy

Decision

72. Council decided that the COMESA Secretariat should further develop this concept of export-led strategy into a detailed project proposal for consideration at its next meeting.

(d) Study on Poverty Reduction Strategies in Eastern and Southern Africa

Decision

73. Council agreed that a final paper incorporating the views expressed in the above paragraph be prepared and the Secretariat should thereafter convene a seminar on poverty reduction in accordance with the decision of the Sixth Meeting of Ministers of Finance held in Nairobi, Kenya in November 2003.

IX. AGRICULTURE

(a) Food Security and Poverty Eradication

Decisions

74. Council decided that:

- (i) COMESA should enhance food security through promotion of trade between surplus and deficit areas of the region without any non-tariff barriers and development of a sustainable Market Information System. This should include taking measures to improve the efficiency of the region's transport system so as to reduce the cost of moving agricultural produce in the region;
- (ii) COMESA should set up a revolving fund which will enable member States finance the purchasing of main food crops from farmers and thereby prevent the commodities from going to waste due to lack of markets. In administering the fund, the economic realities of individual countries should be taken into account;
- (iii) Member States should set up national strategic food reserves and should share intelligence on their food reserve positions, so as to facilitate advance planning to better manage deficits and food emergencies, with the full involvement and participation of the private sector;
- (iv) Governments should give priority to agriculture and put in place sound agricultural policies such as appropriate land tenure systems, an efficient transport system, timely provision of inputs, accessible and affordable financing, promoting irrigation with the aim of up-scaling production and marketing of agricultural commodities so as to increase the food supply, avert hunger and reduce poverty in the short, medium and long term. This should be done in an integrated manner;
- (v) The COMESA region should improve and harmonize Food Quality and Safety Standards including common certification; and
- (vi) COMESA member States should also pay particular attention to traditional food crops, such as cassava, sorghum and millet.

(b) The Agricultural Marketing Promotion and Regional Integration Project (AfDB funded)

Decisions

75. Council decided as that:

- (i) Member States should cooperate with the COMESA Secretariat to implement the AfDB financed project on Agricultural Marketing and Regional Integration and fulfill their obligations as provided for in the Financing Agreement with the ADB; and
- (ii) Member States should harmonize their SPS regulations and learn from other countries' experiences and should seek to develop well-functioning SPS measures that are not prohibitive to free trade in agricultural commodities and build capacity on Pest Risk Analysis.

(c) Irrigation Development

Decision

76. Council decided that member States who require assistance to harness their irrigation potential and who had not yet done so should submit their requests to the COMESA Secretariat.

(d) Rice Production Development

Decisions

77. Council decided as follows:

- (i) Member States which possess comparative advantage in rice production should up scale the production of the commodity; and
- (ii) Countries that are rice producing or that have the potential to produce rice are urged to take into account the approaches proposed in the study as they devise their own strategies to enhance rice production in their respective countries and that the COMESA Secretariat should avail the study to all member States.

(e) Livestock Promotion and Disease Control

Decisions

78. Council decided that:

- (i) member States should improve feeding and breeding strategies to increase the performance of local livestock breeds;
- (ii) member States should support livestock production based on local resources, fodder conservation and integrated farming systems and increase access to appropriate quality community based animal health services and simple preventive measures such as vaccinations and improved hygiene;
- (iii) COMESA should adopt a regional approach to combating livestock diseases such as anthrax and food and mouth; and
- (iv) member States are encouraged to promote value addition in meat, milk and hides and skins.

(f) Fisheries Development

Decisions

79. Council decided that:

- (i) Member States should take measures to implement the Action Plan for sustainable development of fisheries in the COMESA region as outlined above;
- (ii) Member States should play their role effectively in boosting fish production, alleviation of malnutrition and promoting food self-sufficiency; and
- (iii) A regional approach should be adopted in mobilising resources, and in initiating and implementing activities that are beneficial to the region's fishing industry.

(g) Biotechnology and Biosafety Issues in Agricultural Development

Decisions

80. Council decided that:

- (i) Member States are requested to take note of the on-going collaboration between COMESA and ASARECA to develop a regionally harmonised policy on biotechnology and biosafety;
- (ii) Member States are urged to support the work COMESA is undertaking with ASARECA by providing the necessary inputs and materials to ensure that the proposed regional policy being developed by COMESA takes into account the positions of individual countries; and
- (iii) Member States are urged to consult widely with industry leaders, civic leaders, and the general population as they seek to come up with their own national positions on GMOs and the whole question of biotechnology and biosafety, including effective dissemination of quality and balanced information.

(h) Financing Agriculture and Rural Development

Decisions

81. Council decided that:

- (i) Member States should implement the African Union (AU) commitment by Heads of States and Governments to allocate at least 10% of the public budget to agriculture within five years;
- (ii) Member States should, in partnership with the private sector, establish specialised agricultural financial institutions and banks as well as lower the cost of capital through constant and

continuous review of agricultural policies in order to increase productivity; and

- (iii) Member States should promote establishment of sustainable agricultural revolving funds as well as build capacity in the management of agricultural finance.

(i) Report of the Regional Workshop on Strengthening Agricultural Marketing Information Systems

Decisions

82. Council decided that:

- (i) A Regional MIS to be based at the COMESA Secretariat should be set up. Its implementation should be guided by a Business Plan and clear Road Map, taking into account National MIS and existing regional systems as well as the need to ensure long-term viability and sustainability; and
- (ii) COMESA member States are urged to make, the provision of information a statutory requirement, i.e. put in place regulations which ensure information is put at the disposal of the proposed COMESA wide Food Security and Agricultural Marketing Information System.

(j) Expanding Market Opportunities for Trade in Agricultural Commodities

Maize

Decisions

83. Council decided that:

- (i) Member States should adopt and endorse the “Maize without Borders’ Strategy;
- (ii) In times of deficits, Member States should endeavour to source maize from the region first, before resorting to importation from outside the region;
- (iii) Member States should set up a Public/Private sector Task Force to initiate the establishment of the regional maize balance sheet as a matter of urgency. This Task Force should also introduce a regionally co-ordinated “trigger mechanism” to facilitate effective management of import/export bans in the short-term with a view to their complete elimination in the long-term; and
- (iv) In times of deficits, Member States should endeavour to source maize from the region first, before resorting to importation from outside the region.

Cotton/Textiles

Decisions

84. Council decided that:
- (i) Member States should participate in the development of a regional framework and strategy on cotton/textiles leading to the definition of a Regional Trade Policy Platform and Value Chain for Cotton and Textiles;
 - (ii) Member States should participate in the forthcoming regional stakeholder workshop planned for early 2005 and ensure adequate participation of public and private sector stakeholders from respective countries;
 - (iii) Member States should support the establishment of private sector-led national level industry associations which would form the basis of a regional level industry linkages and networks; and
 - (iv) Member States should put in place institutional and regulatory frameworks which should be characterised by public-private sector partnerships.

Dairy

Decisions

85. Council urged member States to:
- (i) support the establishment of private sector-led national level industry associations in their individual countries which would form the basis of regional level industry linkages and networks and to note the establishment of the proposed Regional Dairy Trade Association and give it the necessary support; and
 - (ii) to put in place viable institutional and regulatory frameworks to promote the dairy industry, which should be characterised by public-private sector partnerships.

Coffee

Decision

86. Council noted as follows:
- (i) Council further noted the progress in the promotion of the region's speciality coffee on the international market particularly the US;
 - (ii) Council urged member States to attend and participate in the forthcoming 2nd African Fine Coffee Conference and Exhibition to be held in Livingstone, Zambia, on March 3-6, 2005.

Seed Sector

Decision

87. Council urged Member States to facilitate the rationalisation and harmonisation of seed policies, laws, rules and procedures.

- (iii) Agricultural Subsidies and Domestic Support Issues under the WTO Agreement and the Economic Partnership Agreement (EPA)

Decisions

88. Council decided that:

- (i) ESA countries need to adopt sector-specific strategic positions as both during the WTO and EU negotiation they negotiate agricultural issues within the WTO and the EU. The Cotton Initiative approach is a good lead which may be extended to other commodities. Producers of coffee should be encouraged to take a similar approach;
- (ii) ESA countries should come up with concrete proposals regarding the cotton sector, especially with regard to financing mechanisms, administration and disbursing modalities;
- (iii) The proposed fund should not only examine fluctuations in export earnings but more importantly should seek to make commodity production more competitive and sustainable;
- (iv) COMESA countries need to explore the supply and value chain to come up with alternative end uses, and they should also work towards enhancing intra-African trade and value addition in commodities as this may be more sustainable than relying on developed markets alone;
- (v) Member States should endeavour to preserve the benefits provided by the ACP-EU Sugar Protocol given its strong developmental component and
- (vi) A Task Force should be set up within the Agricultural Committee to provide an interface between the Committee on Agriculture and Committee of Ministers and the existing teams in the WTO and EPA negotiations.

(e) Agricultural Exports under the African Growth and Opportunity Act (AGOA)

89. Council decided that:

- (i) Member States should welcome the stationing of APHIS experts at both the South African Trade Hub (Gaborone) and the East Africa Trade Hub (Kampala) as this is expected to fast-track the PRA process. Member States are urged to make use of the two APHIS offices;
- (ii) In order to make the work of APHIS offices easy, there is need for all AGOA eligible COMESA member States to come up with National Pest Lists; and

- (iii) COMESA should set up a Regional testing laboratory and upgrade of national laboratories to enhance agro-exports under AGOA.

X. CO-OPERATION WITH CO-OPERATING PARTNERS

Decisions

90. Council decided that:
- (i) That a group of agricultural experts and scientists be constituted from COMESA member States, to map up the way forward on the development of the agricultural sector in the COMESA region in collaboration with co-operating partners, such as FAO, NEPAD and USAID; and
 - (ii) That the Secretariat begin addressing the potential role that could be played by the youth in agricultural development.

XII. ECONOMIC AND SOCIAL DEVELOPMENT

(a) COMESA Fund

Decisions

91. Council decided that:
- (i) The Fund should have an Adjustment Facility Window for budgetary support to member States undertaking trade liberalisation in the context of the Free Trade Area and Customs Union;
 - (ii) Member States which have not yet signed or ratified the Protocol for the establishment of the COMESA Fund should do so without any further delay and certainly before June 2005;
 - (iii) Upon ratification, member States should pay their contributions to the Fund;
 - (iv) The COMESA Secretariat should seek additional support for the Adjustment Facility of the COMESA Fund to ensure the availability of adequate resources to meet the requirements of the member States;
 - (v) the COMESA Secretariat should seek additional support for the Adjustment Facility of the COMESA Fund to ensure that the Fund is not divisive; and
 - (vi) the Ministers of Finance should consider endorsing the proposal for member States to contribute to the Fund through IDA funds.

(b) Nomination of Judges to the COMESA Court of Justice

Decision

92. Council urged Member States that have not submitted nominations to the Secretary General should do so as soon as possible since the meeting of the Ministers of Justice and Attorneys-General, which will elect the Judges, will be held in mid-March 2005.

(c) Gender and Women in Business Programmes

Decision

93. Council decided that the Secretariat should develop a programme on mainstreaming gender in trade and business with special emphasis on addressing the disadvantages faced by women in business.

(d) Reports by member States on Status on Implementation of COMESA Programmes

Decision

94. Council granted two months extension of the safeguard measures on wheat by Kenya which expires in March 2005 to the next Council Meeting.

(e) Draft Consolidated Implementation Action Plan for 2005 (based on decisions of COMESA Policy Organs)

Decision

95. The Council approved the Draft Consolidated Implementation Action Plan for 2005 (Document No. COM/IC/XVIII/5).

(f) COMESA Leather and Leather Products

Decisions

96. Council decided that:

- (i) Member States of COMESA/LLPI which have not responded to the previous decisions once again be urged to pay their contributions and settle their arrears.
- (ii) Member States be requested to recommit themselves in supporting LLPI programmes.
- (iii) COMESA/LLPI has continued preparing projects so that member countries benefit from them and it has also started implementing some of these projects in member countries. Member states are requested to participate in these projects and support the Institutes activities.

(g) PTA Bank**Decision**

97. Council decided that COMESA States that have not yet taken up their membership of the Bank should be called upon to take their membership as soon as possible.

(h) PTA Re-insurance Company (ZEP-Re)**Decisions**

98. Council urged that all member States who are either partial participants or non-participants in the activities of ZEP-Re activities consider joining and or fully embracing ZEP-Re's operations in line with the various decisions of the Council of Ministers and Heads of State and Governments in order that the Company may fulfil its objectives.

(i) COMESA Clearing House**Decisions**

99. Council endorsed the Governors' decisions that:

- (i) Work on REPSS should proceed in accordance with recommendations contained under "Progress Report on the Establishment of a Regional Payment and Settlement System (REPSS);
- (ii) The Clearing House continues its assistance to ACE in its efforts to introduce its services in other member States; and
- (iii) Ongoing collaboration between the Clearing House and ACE in setting up the "Regional Payment and settlement System - REPSS" should be further strengthened.

(j) African Trade Insurance Agency (ATI)**Decisions**

100. Council decided that:

- (i) The member States, through the Liaison Offices and by direct contact, continue to support the activities of ATI in their countries by referring business enquiries to it, especially where transactions involving parastatals; and
- (ii) COMESA member States which have not joined the Agency should consider doing so, in order to bring the benefits of ATI's products to the business communities in their respective countries.

Editorials Notes:

1. **Regulations, Directives, Decisions, Recommendations and Opinions of Council are issued pursuant to Article 10 of the COMESA Treaty.**
2. **Example for citation: to refer to the Decisions, reference will be made to “Decision No. 39 in Notice No. 2 of 2004, COMESA Gazette Vol. 9 No. 2”**