

## OFFICIAL GAZETTE



of the  
**COMMON MARKET FOR EASTERN  
AND SOUTHERN AFRICA**

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By Order of the Council

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

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**IT IS HEREBY NOTIFIED** that the COMESA Council of Ministers at its Twelfth Meeting held on 30<sup>th</sup> November, 2001 in Lusaka, Zambia, issued the following Legal and General Notices:

## **LEGAL NOTICES**

### **I MONETARY CO-OPERATION**

#### **(a) PTA Travellers Cheques Fund**

##### **Decisions**

8 Council decided that:

- (a) The Bureau of Governors decides on where the PTA Travellers Cheques Fund should be deposited; and
- (b) The PTA Travellers Cheques Fund be utilized for COMESA Projects. Proposals must be submitted to the Bureau of Governors for consideration and approval.

#### **(b) Payments Arrangements**

##### **Decisions**

9. Council underlined the need for more work on payments arrangements to focus on unresolved issues taking into account that markets are liberalized and decided that:

- (a) Consultations be held with key players (Central Banks, large, medium sized and small local banks, importers and exporters) to ascertain their business requirements;
- (b) A high level Statement of Business Requirements be produced and agreed with key players. The Business Requirements should include:
  - (i) statements of the responsibilities of each group of participants (Central Banks, Commercial Banks, the Clearing House);
  - (ii) guiding principles of bilateral and multilateral debit caps;
  - (iii) guiding principles for interest payments on overnight balances;
  - (iv) accounting issues;
  - (v) message flows
  - (vi) information requirements for each group of participants;
  - (vii) daily timetable;
  - (viii) an analysis of potential problems and failures and (high level) procedures for handling failures;
  - (ix) procedures for and of day netting; and

- (x) procedures for payments by 'deficit' banks.
  - (c) Upon agreement of the Statement of Business Requirements, an initial Process Design be developed to be used for producing a first estimate of costs;
  - (d) The demand projections take into account the way trade will change as a result of COMESA's Free Trade Area. The availability of a new cross-border payment system will in itself change payment volumes and patterns;
  - (e) Based on the Statement of Business Requirements, the demand survey and the initial Process Design, a statement of technical requirements be developed;
  - (f) The designing and implementation of the Scheme should be done and completed within a period of one year;
  - (g) A Project Technical Committee (PTC), comprising stakeholders and key players, be set up to oversee the direction of the work and resolve key issues, including questions of ownership, governance and funding;
  - (h) A Project Team – consisting of the COMESA Secretariat, the Clearing House, specialists from Central Banks and Commercial Banks and appropriate technical experts – be set up to oversee the project;
  - (i) Technical Working Committees (TWC) – composed of National Bankers' Associations, Chambers of Commerce/Industry, Export/Import Associations, Investment Promotion Agencies, Ministries of Finance, Trade and Industry - be set up at national level to provide advise on technical issues and structures in areas such as design, bank operations, legal, etc. The Technical Working Committee will be under the Chairmanship of the respective Central Bank. The Committees will review proposals from the Project Team and give advise to it.
- (c) Macro-economic Programming for Eastern and Southern Africa and the COMESA Fund**

#### **Decisions**

10. Council decided as follows:-
- (a) Once the COMESA Fund is established, it should aim at redistributing the gains from integration and be used to finance projects and programmes that contribute to regional integration and foreign direct investment;
  - (b) The formula for contributions to the Fund should be studied, taking into account the relative benefits from integration;
  - (c) Progression through the stages of the Monetary Harmonization Programme should not be contingent upon the completion of economic reform measures, as the latter is a continuous process;
  - (e) The stage leading up to the implementation of a monetary union, should be reassessed and recommendation made with regard to advancing the period for the implementation of the Monetary Harmonization Programme;

- (f) In order to get balance of payments support for losses that may be incurred through implementation of trade liberalization, Governments should reflect the loss in the financing gap for their Poverty Reduction and Growth Strategies for donor financing; and
- (g) The Secretariat should undertake further studies on the implications of the Free Trade Area, with a view to clarifying the nature of intervention for the proposed COMESA Fund.

**(d) Policy and Operational Issues in the Management of Foreign Exchange Market in the COMESA member countries**

**Decisions**

11. Council decided as follows:

- (a) Member States should endeavour to liberalize both the current and capital accounts by end 2004 to coincide with the creation of a COMESA Customs Union and to promote cross-border investment;
- (b) Member States should sustain economic reforms in order to maintain macro-economic convergence; and
- (c) Member States should maintain export competitiveness through, *inter-alia*, a competitive real exchange rate policy.

**(e) Establishment of a Collective Credit Guarantee**

**Decision**

12. Council decided that the issue of collective credit guarantees should be handled by the private sector and that the COMESA Secretariat is at liberty to mobilize the private sector to establish such guarantee schemes.

**II DISTRIBUTION OF DOCUMENTS**

**Decision**

13. Council decided that:

- (a) sectoral meetings should take place one month or more before meetings of policy organs;
- (b) the Secretariat should send documents by e-mail as soon as they are ready with hard copies following thereafter; and
- (c) all communications from the secretariat to member countries should be addressed to the COMESA national focal points with copies where possible to line ministers. This shall enable co-ordinating ministers to effectively co-ordinate all COMESA programmes

### III TRANSPORT AND COMMUNICATIONS

#### Decisions

##### (a) COMESA CNS/ATM Systems Programme

14. Council decided as follows:

- (a) that a COMESA CNS/ATM Working Group be established comprising Egypt, Sudan, Kenya, Madagascar and Zambia with the following Terms of Reference:
  - (i) Conduct a detailed review of CNS/ATM Systems Programmes undertaken within COMESA, SADC, EAC, ACAC, ASECNA, ICAO IATA, WMO and AFRAA.
  - (ii) Define the COMESA CNS/ATM Systems Requirements which shall include detailed national and sub-regional requirements.
  - (iii) Undertake a study that shall clearly establish what part of the COMESA CNS/ATM Requirements has been achieved in the different member states.
  - (iv) Outline what is to be achieved under the COMESA CNS/ATM systems Requirements and elaborate a plan of action determining, *inter alia*, specific timelines for the actual implementation of the COMESA CNS/ATM Programme.
  - (v) Propose institutional scenarios for the implementation of CNS/ATM Systems.
  - (vi) Define a legal framework applicable to each of the institutional scenarios.
  - (vii) The Working Group shall also define options for funding of any of the identified institutional and operational scenarios.
  - (viii) The Working Group shall, if necessary establish its own sub groups and determine the reporting dates for submissions of its findings to the CNS/ATM Co-coordinating Committee. The first meeting of the working group shall take place not later than 12<sup>th</sup> December, 2001.
  - (ix) Each State being visited would extend traditional courtesies in the form of local transport and logistic arrangements.

##### (b) Air Transport Regulatory Interim Board (ATRB)

15. Council decided that the following action plan be implemented for the formulation and promulgation of the COMESA Air Transport Services Competition Rules:

- (a) The Secretariat in consultation with the President of the Board re-draft the Terms of Reference in respect of Competition Rules covering all legal, economic and technical aspects;

- (b) The President of the Board in consultation with other members of the Board be authorized to approve the re-drafted Terms of Reference;
- (c) The first draft of the Competition Rules should be submitted to States no later than April, 2002:
  - (i) States shall provide comments on the draft to the Secretariat in order for a second draft to be presented to the Board by the end of July, 2002; and
  - (ii) The Board is expected to submit the draft to the Council of Ministers in December, 2002 in accordance with the legislative procedure laid down in COMESA;
- (d) The proposed awareness and consultative Conferences can be achieved in the workshops already planned.

(c) Transit Transport Facilitation

Decisions

16. In order to establish and sustain a proper road network in the region, Council decided the following approaches:

- (a) Member States should open up the road sector for investment by private sector on the basis of Build Operate and Transfer (BOT) or other arrangements;
- (b) Member States should establish of comprehensive road databases and application of associated software for management and maintenance of the road networks; and
- (c) Member States should encouraged best practices in the management and regulation of the road transport sector.

(d) Road Safety

Decisions

17. Council decided that member States:

- (a) explore possibilities of increasing the frequency of updates on weather forecast; and
- (b) publicize and educate the road users on the significance of weather vis-à-vis road safety.

(e) Railways and Rail Transport

Decisions

18. Council decided that:

- (a) The railways in the sub-region could consider to dispose some of their assets such as land and buildings to raise capital to rehabilitate their infrastructure and also pay off outstanding debts to creditors and staff; and
- (b) Member States encouraged the standardization of railway networks in order to enhance the movement of goods and persons between member States and eventually between member States and non-COMESA member States.

The Secretariat should assist in the exploration of the possibilities of this standardization.

(f) Maritime Transport and Inland Waterways

Decisions

19. Council decided that:

- (a) the members States should facilitate the commercialization of ports through methods such as concessioning or sub-contracting certain functions in order to make ports more efficient by removing cross subsidization of operating units and encouraging competition among sub-contractors;
- (b) the Secretariat should monitor and assess the effects of privatization and concessioning of transport facilities and services to ensure that changes in ownership and management does not disrupt intra-COMESA trade. A detailed report should be submitted to the appropriate Committees;
- (c) the ports should be encouraged to adopt uniform formats in the presentation of standard port reports/statistics in their websites so that value added information can be provided to their customers and stakeholders;
- (d) the Secretariat in collaboration with member States establish an information database on investment opportunities and regional networking of freight forwarder/cargo brokers who are potential liner operators;
- (e) shipping divisions in governments, the association of freight forwarders and other related stakeholders should create national for a to enable potential investors in shipping who require information on opportunities available for commencing shipping ventures;
- (f) member States consider granting investment incentives to investors in shipping;
- (g) member States encourage existing shipping lines to explore joint ventures so as to create larger operations based on a wider cargo base;
- (h) member States provide inputs and participate fully in the process of preparing the safety regulations for the inland water transport sub-sector and adopt the regulations for implementation; and
- (i) that in order to provide information on land waterways to all users, the Secretariat should continue to provide links to website belonging to ports and other maritime transport actors through the COMESA website.

(g) Study on the Southern Africa Transport Network

Decision

20. Council decided that:

(a) COMESA should disseminate the findings of the study to all stakeholders; and

(b) the COMESA Secretariat should convene joint seminars/workshops with SADC on the findings of the study on the Southern Africa Transport network.

(h) Infrastructure Maps

Decision

21. Member States were urged to provide information on priority projects in road, ports, civil aviation and telecommunications sub-sectors to enable the Secretariat formulate proposals for investment in infrastructure maps.

(i) Performance Benchmarks

Decision

22. Council decided that:

(a) Accessibility be included in the performance benchmarks on telecommunications; and

(b) Member States could submit the same data to the Secretariat as they submit to institutions such as ICAO, IATA, SADC, etc to avoid duplication of efforts.

(j) Oil Pipelines

Decision

23. Council decided that a sub-committee be established to look at other transport infrastructure such as pipelines and dams.

(k) Postal Services

Decision

24. Council decided that the COMESA Secretariat explore possibilities of formulating a programme on co-operation in postal services.

(l) ACIS Progress report

Decision

25. Council decided that the ministries responsible for transport and communications should follow-up, facilitate and publicize the changeover to the Harmonized Commodity Coding and Description in the ACIS Beneficiaries organizations.

(m) Utilization of the equipment for CNS/ATM for the COMESA Regional Tracking



## System

### Decision

26. Council decided that:

- (a) The COMESA Secretariat to find out from SADC whether railways and other transport operators in the Southern part of Africa could use the VSAT installed for the CNS/ATM for the telecommunications requirements of the COMESA regional tracking system; and
- (b) COMESA Secretariat should also find out how the VSAT planned to be installed in the northern region could be used for ACIS.

(n) Consultations with Stakeholders

### Decision

27. Council decided that:

- (a) a working group made up of stakeholders from member States be established to prepare the successor project; and
- (b) ministries responsible for Transport and Communications should assist in mobilizing/coordinating stakeholders to participate fully in the preparation of the successor project by providing their views, needs and other inputs in order to make the successor project as inclusive as possible.

(o) COMTEL Project

### Decisions

28. Council decided as follows:-

- (a) National Telecommunications Operators (NTOs) who have not yet signed the Shareholders Agreement should do so as soon as possible; and
- (b) NTOs who have signed the Shareholders Agreement should pay their share capital subscriptions to COMTEL Investment Limited as soon as possible.

(p) Formulation of the Telecoms Regulatory Harmonization

### Decision

29. Council decided that:

- (a) the COMESA Secretariat should liaise with SADC which has established an independent regional Telecom Regulatory Association (TRASA) in the formulation of the Harmonized Regulatory Framework in the COMESA region; and
- (b) ITU and the World Bank be requested to support the programme on Telecoms Regulatory Harmonization.

(q) Participation of National Telecommunications Regulatory Authorities

Decision

30. Council decided

- (a) the COMESA Secretariat should convene a meeting of National Telecommunications Regulatory Authorities to consider the study report on the Telecommunications Harmonization of Regulatory Framework and the report of the Workshop held in Djibouti; and
- (b) the COMESA Secretariat should closely monitor implementation of the work to ensure completion within the shortest time possible.

(r) Meteorology Programme

Decisions

31. Council noted that progress on the implementation of meteorology programmes and decided as follows:

- (a) that COMESA should play a collaborative role particularly in resource mobilization to support the activities of the centres for Drought Monitoring in Harare and Nairobi which are recognized as centres for SADC and IGAD respectively;
- (b) that COMESA should collaborate with the WMO in the development of project proposals to address specifically identified strategy requirements for the World Weather Watch;
- (c) COMESA member States support the proposal on the procurement of the new ground receiving equipment in view of the launching of the METEOSAT Second Generation Satellite (MSG2), was prepared and submitted to the European Union;
- (d) COMESA supports the WMO programme on hydrology and water resources since adequate information is essential for the management of water resources, and many developing countries are unable to maintain water monitoring systems;
- (e) COMESA and National Meteorological services should collaborate and develop new initiatives for enhancing the Meteorological Services;
- (f) COMESA should explore ways of a developing comprehensive meteorological programme; and

- (g) A meeting of Directors of Meteorological Services in COMESA countries and the associated working groups be convened in order to contribute in the development of the COMESA Meteorology programme and address other meteorological related issues aimed at arising the standard of meteorological services in the region.

#### IV AGRICULTURAL CO-OPERATION

##### (a) COMESA Common Agricultural Policy and Agricultural Strategy

###### Decision

32. Council decided that during the implementation phase of the programme on Agricultural Policy and Agricultural Strategy, training of relevant policy officers from COMESA member States is of critical importance in enhancing the capacity building of Common Agricultural Policy and Agricultural Strategy at member States level.

##### (b) Project on Rice Production Development

###### Decision

33. Council decided that a technical mission be sent to Madagascar to undertake further consultations with various stakeholders and assess the potential of establishing a pilot project on rice production in Madagascar. The results from the pilot project would contribute to effective implementation of the project proposals already submitted to CFC by the Secretariat.

##### c. Harmonization of Sanitary and Phytosanitary measures (SPS)

###### Decision

34. Council decided that the Secretariat should represent member States in international meetings on SPS issues and work closely with them. COMESA should further link up with the Geneva based African group dealing with these issues.

##### (d) Food Security in the COMESA region

###### Decision

35. Council decided that the Secretariat should:

- (a) obtain information from the FAO reports, and other sources of information in order to update the food situation paper in the COMESA region regularly and annually; and
  - (b) COMESA member States should make further consultations in their own respective countries on food supply situation and crop prospects, and make recommendations to the Secretariat on how to improve the situation.
- (e) Project Proposal on the Strategies to enhance Pigeonpea Productivity and Profitability in Eastern and Southern Africa (COMESA)

#### Decision

36. Council endorsed the project proposal and recommends that the profitability indicators and seed producer associations be included in the project proposal. Council also recommends that the implementation of the market information component should use the existing National Market Information System to ensure sustainability.

- (f) Progress Report on the Implementation of a Project on Upgrading Quality and Safety of Fish and Fishery Products

#### Decisions

37. In order to develop fish inspection, quality assurance system and attain full utilization of fisheries resources in COMESA, Council decided as follows:

- (a) Member States should provide information to the COMESA Secretariat on their national fish standards as a step towards regional harmonization of fish standards;
  - (b) Member States support the information of a regional fish inspection association by encouraging their national fish inspectors to be members and to attend meetings of the association;
  - (c) Member States include in their annual programme and budget the training of government and industry personnel in Hazard Analysis Critical Control Points (HACCP) based quality-assurance system using their National Trainers already trained and materials provided by the project;
  - (d) Member States implement the retention of fisheries levies as a means of mobilizing funds from fish processors to maintain the standards already achieved and for future expansion of the fish export industry. This will involve taxing a small percentage of the total value of each consignment for export as government revenue. However, the level of taxation can be decided by member States. This is beneficial to the fish export industry in complying to EU and other overseas markets as experienced in Tanzania and Morocco;
  - (e) There be established a COMESA regional referral laboratory and Upgrading national analytical laboratories so that competent Authorities in the region have functional laboratories. In addition, the Secretariat should make arrangements for the utilization by member States on the Kenya Bureau of Standards (KBS) that has been accredited as a reference laboratory; and
  - (f) That the Secretariat mobilize resources, with assistance of FAO, to implement outstanding project activities that would be outstanding when the project is officially closed in December 2001.
- (g) Progress Report on the Implementation of the Project on Production and Marketing of Value Added Fishery Products in Eastern and Southern Africa

#### Decision

38. Council decided as follows:

(a) participating COMESA member States be requested to support the implementation of the project, especially in the dissemination of project results to the processing industry in other COMESA countries; and

(b) production manuals be produced for each product for dissemination in the COMESA region and that Kenya, Tanzania and Uganda as participating countries be requested to contribute US\$21,000 towards the cost of disseminating project results. Participating fish processors who have already signed letters of Understanding will make this contribution to the project.

(h) WTO Agriculture and Trade Agreement

#### Decisions

39. Council decided that the Secretariat should identify and facilitate mobilization of resources for training on WTO Agreement on Agriculture regarding in the following:

- (a) better understanding of the WTO Agreement on Agriculture;
- (b) analytical expertise and skills;
- (c) negotiating skills; and
- (d) all member States should be invited to all COMESA workshops irrespective of the source of extra-budgetary funding. The Secretariat and member States should decide on the modalities of participation.

#### V. TRADE AND CUSTOMS

(a) Progress made on the COMESA FTA membership

#### Decisions

40. Council decided that:

- (a) The deadline of 31<sup>st</sup> October, 2001 for all member States to join the Free Trade Area be extended to 30<sup>th</sup> April, 2002 to enable member States not yet in the FTA to undertake the necessary internal consultations and for the Secretariat to finalize outstanding issues with member States;
- (b) The Secretariat should send a technical mission to Comoros to address the issues of concern to them regarding their joining of the Free Trade Area;
- (c) The Secretariat should report on the progress being made on the coordination and harmonization work it was undertaking with the SADC Secretariat;
- (d) The Secretariat should examine Burundi's study and hold discussions with Burundi concerning her joining the FTA.

- (b) Progress Report on the Elimination of Non-Tariff Barriers (NTBs), other Obstacles and other Restrictions to Intra-COMESA Trade

#### Decision

41. Council decided that progress reports on the implementation of measures for the relaxation and elimination of non-tariff barriers and other obstacles and restrictions to intra-COMESA trade, including plans to remove obstacles and non-tariff barriers, be submitted to the Secretariat by 31<sup>st</sup> January, 2002.

- (c) Report of the First Meeting of Legal and trade Experts on Trade Remedies

#### Decisions

42. Council decided:

- (a) that Article 61 of the Treaty be amended to address trade remedies;
- (b) that the Working Group should develop Guidelines for the application of the Regulations on Remedies and that they should also take into account confidentiality issues;
- (c) that confidentiality treatment should also be observed by non-governmental experts when undertaking on-the-spot investigations;
- (d) that the Secretary General should appoint the third expert for the dispute panel, if the parties fail to agree;
- (e) to adopt the Regulations on Trade Remedies attached as Annex II on the following:
  - (i) Safeguard Measures;
  - (ii) Anti-dumping;
  - (iii) Subsidies and in countervailing measures; and
  - (iv) Dispute Settlement.
- (d) Report of the Fourth Meeting of the Working group on the Rules of Origin

#### Decision

43. Council decided that member States should not attach any national conditions for accepting the COMESA Certificate of Origin and they should strictly comply with the Treaty provisions and Council decisions on the Rules of Origin.

- (e) Report of the Third Meeting of Directors of Customs and National Statistical Officers

## Decisions

44. Council decided as follows:

- (a) Member States that had not signed the SLAs were urged to expedite their signing by 31<sup>st</sup> January, 2002;
- (b) Countries that have not yet formalized Standing Committees on external trade statistics were urged to do so by 31<sup>st</sup> January, 2002;
- (c) National action plans, based on project objectives and country specific situations be formulated by 31<sup>st</sup> January, 2002;
- (d) EUROTRACE be installed at customs offices by March 2002, with a caveat that country specific issues determine the modalities of this installation;
- (e) Member States should identify potential trainers who will be capable of imparting the acquired knowledge and skills to others;
- (f) Training in COMEXT in preparation for the new Eurotrace should complement training in RDBMS;
- (g) COMESA should collaborate with EU so that the new Eurotrace can be available to member States by 31<sup>st</sup> December, 2002;
- (h) The Secretariat should contact Seychelles and Angola to ascertain the constraints faced by these countries and agree on a technical assistance programme that would enable them to migrate to HS96 by December, 31<sup>st</sup> 2001;
- (i) The Secretariat should draw up an implementation plan for HS2002 in conjunction with the COMESA member States. The Secretariat should also liaise with WCO to do the necessary preparatory work on training;
- (j) Member States which have fears on the implications of adopting the WTO Valuation Agreement on Customs revenue should be encouraged to conduct field visits to other member States that had experience in applying the Agreement with financial assistance from the Secretariat;
- (k) The Secretariat should arrange for technical assistance for the member States to adopt the WTO Valuation Agreement as soon as possible;
- (l) The procedures for simplification and harmonization be covered by the provisions in the General Annex of the Revised Kyoto Convention;
- (m) Member States who have signed the Revised Kyoto Convention should be urged to expedite the ratification process. Member States who were in the process of preparing instruments of accession to the Convention should be urged to continue with the process and other member States should be encouraged to review their legislation and procedures in preparation for eventual accession to the Revised Kyoto Convention;

- (n) The Secretariat should conduct country specific assessments of financial assistance required for effective implementation of the Convention;
  - (o) Customs administrations of COMESA member States should exchange information on a regular basis on enforcement and smuggling in accordance with the provisions of the COMESA Treaty on customs co-operation;
  - (p) A sub-committee on Customs Co-operation composed of Directors of Customs be formed;
  - (q) National Working Groups on the COMESA Customs Union be formed and Technical Working Group Secretariats under the RIFF programme be used as the Secretariat of NWG's and in countries without RIFF programme, the Secretariat should establish a coordinating mechanism for the NWG's;
  - (r) COMESA Secretariat should elaborate on mechanisms of remuneration, sensitization and establishment of Code of Ethics for customs officers and a Tax Payer Charter to improve integrity in customs;
  - (s) Pre-shipment inspection to establish customs values should be dispensed with, especially for trade amongst COMESA members;
  - (t) The Secretariat should develop a programme to strengthen the capacity of customs administrations in countries applying pre-shipment inspection to administer the WTO Valuation Agreement with a view to reducing the justification for pre-shipment inspection;
  - (u) The following priority areas for regional training programmes be adopted:
    - (i) WTO Valuation, HS96 and HS2002;
    - (ii) Post-clearance auditing and risk analysis techniques as a means of building the enforcement capacity of customs administrations;
    - (iii) Senior management training for building capacity for the reform and modernization of customs operations; and
  - (v) The Secretariat should arrange for training in the areas identified above in collaboration with Uganda who is the WCO regional co-coordinator on training matters.
- (f) ASYCUDA

#### Decisions

45. Council decided as follows on ASYCUDA:

- (a) The COMESA Secretariat, member States and UNCTAD be urged to draw up a technical support structure that addresses the issue of long-term sustainability of national projects in the member States by 31<sup>st</sup> December, 2001;



- (b) COMESA Regional Centre should draw up a short-term plan dealing with technical support issues and a medium to long-term plan related to migration to ASYCUDA++ in line with the WCO and UNCTAD guidelines by 31<sup>st</sup> December, 2001;
- (c) The contract to be signed between the COMESA and UNCTAD should have a provision for the COMESA Regional Centre to be given the responsibility for receiving, testing and distributing new release of ASYCUDA++ software;
- (d) The COMESA regional centre should have full access to technical documentation in order to provide swift and timely support to member States;
- (e) Member States be requested to copy for information of the COMESA Secretariat on their interaction with UNCTAD with a view to building a regional record on technical problems encountered by member States;
- (f) Member States be requested to ensure that their sustainability and long term maintenance needs are provided for when entering into contracts with UNCTAD for ASYCUDA++ migration projects;
- (g) The level of skills available at the COMESA Regional Centre should be upgraded through the expediting of the signing of a Service Contract between UNCTAD and COMESA;
- (h) COMESA Secretariat and UNCTAD should conduct a training needs analysis regularly within the region and draw up a regional training program, including a plan of action and time frame, in line with the strategic plan to be formulated;
- (i) The role of the COMESA Secretariat in the formulation and implementation of ASYCUDA++ software which includes information on the functionalities, architecture and cost structures for distribution to the member States;
- (j) Terms of reference for the enhancement of the transit, warehousing and manifest modules be developed by Zambia, Uganda and Tanzania respectively, after evaluation of the ASYCUDA++ functionalities. Input from other member States interacting on the COMESA Bulletin Board be encouraged. An extraordinary meeting of the ASYCUDA User Group Meeting be convened by 31<sup>st</sup> March, 2002 to consider and adopt the terms of reference for submission to UNCTAD;
- (k) COMESA Secretariat should develop a regional intelligence database after reviewing the World Customs Organization's Customs Enforcement Network (CEN) and the Regional Intelligence Liaison Office (RILO) systems in Kenya;
- (l) Clear procedures for modification of functionalities of modules need to be drawn up so that regional requirements can be implemented timely and efficiently by 31<sup>st</sup> December, 2001;
- (m) COMESA Secretariat should draw up a regional information technology policy and strategy in consultation with Member States by 31<sup>st</sup> December, 2001;
- (n) COMESA Secretariat should draw up the COMESA I.T. standards for computerization of Customs to be incorporated in the Regional Policy for their computerization projects;

- (o) The COMESA Secretariat in consultation with member States should develop regional guidelines on Direct Trade Input, Electronic Data Interchange and Electronic Commerce by 31<sup>st</sup> December, 2001; and

- (p) Customs Administrations in the region be urged to be International Standards Organization Open System Interconnection (ISO-OSI) compliant and be aligned with the WCO IT guidelines (Chapter VII of the Revised KYOTO Convention) for computerization of Customs. COMESA Secretariat should distribute comprehensive information on International Standards and Open Systems to all customs administrations by 31<sup>st</sup> November, 2001.

- (f) Report of the Workshop on Trade in Services

Decisions

46. Council decided that:

- (a) that the Secretariat should expedite the preparation of a framework strategy paper on trade in services; and
- (b) the trade in services be an item for consideration by the Trade and Customs Committee.

- (g) Review of developments in intra-COMESA Trade and macro-economic aggregates

Decision

47. Council decided that those member countries that have not returned the verified macro – economic data to the COMESA Secretariat should do so at the latest by end December, 2001.

- (i) Customs Procedures in COMESA Trade Fairs and Exhibitions

Decisions

48. Council decided:

- (a) that the document on customs procedures in COMESA trade fairs and exhibitions which has been circulated to member States for comments to be submitted to the Secretariat before December, 2001; and
- (b) that agreement on harmonized treatment of goods brought for exhibition at trade fairs be concluded before the holding of the Eighth All Africa Trade Fair.

- (j) Eighth All Africa Trade Fair

Decisions

49. Council decided that:

- (a) all member States should constitute National Organizing Committees for the Fair;
- (b) such Committees composed of representatives of the Ministries of Trade, Chambers of Commerce and Export Promotion; Councils as well as Investment Promotion Centres shall coordinate and mobilize potential exhibitors to participate in the Fairs;
- (c) the Committees should organize periodic press conferences on the Fair;
- (d) Business organizations such as the COMESA Business Council should promote and facilitate the participation of their members in the Fair;
- (e) Financial assistance for participation of exhibitors of member States be sought from EU under the EDF Funds and be channeled through the Secretariat;
- (f) Egypt be requested to provide adequate space for member States wishing to participate in the Fair; and
- (g) the Secretariat should notify the member States in good time to enable them to prepare for the Fair.

(k) Trade Information and Dissemination Programme

#### Decisions

50. Council decided as follows:

- (a) the Secretariat should accord trade information first priority in view of the Free Trade Area;
- (b) the Secretariat should compile information on the existing trade promotion agencies in the member States and network with them;
- (c) the Secretariat should approach the Government of Egypt by early 2002 for technical assistance in the formation of an association of trade points;
- (d) the Secretariat should organize a workshop of trade points in the COMESA region with the assistance of the Egyptian Government;
- (e) the Secretariat should compile statistics on investment in the region for circulation to all member States; and
- (f) the Secretariat should speed up conclusion on the study on factor costs.

(l) Harmonization of Procedures for the Issuance of the COMESA Certificate of Origin

#### Decision

51. Council decided that the issue of harmonization of procedures for the issuance of the COMESA Certificate of origin be submitted to the Working group of Experts on the Rules of Origin for consideration.

(m) Preparation for WTO Negotiations

Decisions

52. Council decided that:

- (a) the Secretariat should take an inventory of resources and expertise in the region for the position of technical assistance in WTO and other trade agreements; and
- (b) the Secretariat should seek technical and financial assistance for capacity building in WTO and other trade negotiations.

(n) Report on Preparations for ACP-EU Preparations

Decisions

53. Council decided that:

- (a) the Secretariat should prepare a regional orientation paper on the nature of the ACP-EU Partnership Agreement to be negotiated with EU;
- (b) the Secretariat should set up a group of experts for the negotiations with the EU;
- (c) member States should nominate experts to be trained by the Secretariat for the ACP-EU Partnership Agreements negotiations and other trade negotiations; and
- (d) on geographical configuration, member States should negotiate with the EU on EPAS as part of ACP and not as part of any regional grouping.

(o) Report on AGOA

Decisions

54. Council decided that a regional strategy be prepared by the Secretariat to take full advantages of AGOA.

(p) Accession Procedure

Decision

55. Council decided that in accordance with the accession procedures adopted by the Eleventh Meeting of the Council of Ministers, an economic analysis of the possible negative effects of acceding new members should be undertaken before consideration of the application of such State.

VI. INVESTMENT PROMOTION

Decision

56. Council decided that the report of the Fourth Meeting of the Chief Executive of Investment Promotions be reviewed by member States at national level before re-consideration at the next meeting of the Council to be held in May, 2002.

## VII. YELLOW CARD SCHEME

### Decision

57. Council decided that the initiative undertaken by the Secretariat to develop the programme on the Co-operation and Integration of the Insurance and Re-insurance Services in the COMESA region be adopted.

## VIII. LEGAL AFFAIRS

### Decisions

58. Council decided that:

- (a) the Secretariat should mobilize funding to convene awareness seminars on ATI, particularly for member States that have not joined; and
- (b) with the exception of Kenya who have ratified all the legal instruments required to be ratified for the ATI to issue policies in Kenya, other member States of ATI should ratify the Development Credit Agreement as soon as possible.

## IX. INFORMATION AND NETWORKING

### Decisions

59. Council decided that:

- (a) the Secretariat be commended for the initiative and agreed that the computers would contribute towards the improvement of communication between member States and the Secretariat;
- (b) the distribution of computers to the remaining member States be expedited; and
- (c) in order to provide improved services the Secretariat should upgrade the networking infrastructure within the organization.

## X. TECHNICAL CO-OPERATION AND RESOURCE MOBILISATION

### Decisions

60. Council decided that:

- (a) the Secretariat should in conjunction with the ACP Secretariat, the member States and other regional groupings should reach a common position on what should be included in the Economic Partnership Agreements (EPAs) negotiations;
- (b) the Secretariat should together with EAC, IGAD and IOC finalize the Regional Support Strategy document and to reach a common position on the future of the Regional Programme under the Cotonou Agreement; and

- (c) COMESA should continue to strengthen its ties with its co-operation partners and other regional groupings.

## XI. WOMEN IN BUSINESS PROGRAMME

### (a) COMESA Gender Policy

61. Council decided that:

- (a) member States are requested to provide the Secretariat with names of their gender coordinating officers;
- (b) a task force comprising of gender experts from respective Ministries and relevant national gender machinery be constituted, in each member State to discuss the draft regional gender policy before March, 2002; and
- (c) member States to report on progress made with regard to mobilization of resources for implementation of the gender policy.

### (b) Partnership with the Private Sector

Decision

62. Council decided that the Secretariat and member States should engage other private sector companies to explore whether programmes such as the one with BP should be replicated in all member States.

### (c) Activities undertaken in Collaboration with Co-operating Partners

Decisions

63. Council decided that:

- (a) member States provide resources to FEMCOM Chapters in order for them to hold national and sensitization workshops for the women in business community on the benefits of the COMESA FTA and other programmes; and
- (b) it was recommended that the Financial Institutions such as the COMESA PTA Bank to review their credit policies and procedures to ensure that more women benefit from the programmes.

### (d) Policy Advocacy at International and Regional Level

Decision

64. Member States should encourage the participation of women from the COMESA region at international fora on policy advocacy. This will highlight gender concerns in international trade and investment issues on the international agenda.

**(e) Trade Fairs and Exhibition**

**Decision**

65. Council decided that member States support and encourage their FEMCOM National Chapters to organize Regional Trade Fairs and Exhibitions in their National Capitals. This would promote regional trading practices and provide an opportunity to the rural women to sell their products. It would also enhance partnerships between the rural and urban women in business.

**XII. COMESA Fund**

**Decisions**

66. Council decided that:

- (a) member countries should take the study home and prepare their comments and send them to the Secretariat; and
- (b) the Secretariat should convene a meeting of experts to discuss the paper in early 2002.

**XIII. IMPLEMENTATION OF COMESA PROGRAMMES**

**Decision**

67. Member States that had not yet completed their reports are urged to complete them before the next Policy Organs Meetings.

**XIV COMESA INSTITUTIONS**

**(a) PTA Bank**

**Decisions**

68. Council decided that:

- (a) the report on the Bank's operational performance be noted;
- (b) member States which are in arrears on the capital stock of the Bank should clear those arrears; and

- (c) in accordance with past Council decisions all member States should support the Bank's efforts to convince the COMESA countries which have not yet joined the Bank to become members. This will give impetus to the Bank's efforts to attract non-COMESA countries from within and outside Africa to join its membership.

**(b) COMESA Clearing House**

**Decisions**

69. Council decided:

- (a) to express its appreciation to the Bank of Mauritius for its assistance to REPSS, through an extension of its RTGS, to accommodate the facility; and
- (b) that the COMESA Clearing House should continue implementing the Action Plan that spells out the way forward and the major work that would be undertaken during 2002;
- (c) that following the successful implementation of ACE services at Akiba Bank in Nairobi a number of banks went live in ACE services in Kenya. The Kenya Bankers Association and the National Payment Systems Committee have underpinned the requirement of the Banking Sector of Kenya to be automated. As a result, a further nine banks are now preparing for the March 2002 cut over;
- (d) that the Tanzania Bankers Association is also considering following the strategy of the Kenya Bankers Association in getting all its members on the SWIFT network through ACE;
- (e) Invested Bank (Botswana) Limited successfully went live in June, 2001;
- (f) A recent visit to Kampala enable ACE to promote its SWIFT Bureau Service to Bank of Baroda (U) Limited, Cairo International Bank, Tropical Africa Bank and Orient Bank;
- (g) COMESA Clearing House should continue its assistance to ACE in its efforts to introduce its services in other member States; and
- (h) COMESA Clearing House should work closely with ACE to ensure that all member Central Banks and commercial banks that will be on REPSS are connected to the SWIFT Network through the services provided by ACE.

**(c) Regional Trade Facilitation Project (RTFP)**

**Decisions**

70. Council decided as follows:



- (a) all COMESA countries should take advantage of the financial resources made available by the World Bank through IDA credit so that the facility can widen its membership; and
- (b) the Chairman should communicate appreciation of the Council to all institutions that contributed to the success of ATI, namely World Bank, EU, Japanese Government, ECA and OAU/PASU.

**(d) COMESA Bankers' Association**

**Decisions**

71. Council decided that:

- (a) each Central Bank should encourage all banks operating in its territory to join the COMESA Bankers Association in order to accelerate the process of regional integration;
- (b) each Central Bank should encourage banks in its respective country to actively participate in the initiatives of the Association; and
- (c) each COMESA Co-coordinating Minister to nominate a focal point for the activities of COMESA Bankers' Association.

**(e) PTA Re-Insurance Company (ZEP-RE)**

**Decisions**

72. Council agreed that all member States support the Company in full by:

- (a) removing or refraining from imposing any trade impediments that hinder or slow down the growth of the company, in accordance with the decision of the Summit Meeting in Mauritius;
- (b) member States who are neither members nor participating in the activities of the Company should do so in accordance with the past Council decisions;
- (c) member States take up more shares to strengthen the Company (each member State is allowed up to 5000 shares);
- (d) all member States who have not yet paid up their share capital contributions should do so without delay; and
- (e) Non-participating member States should positively consider to participate in ZEP-RE by acquiring shares.

**(f) COMESA Metallurgical Industries Association (COMESAMIA)**

**Decision**

73. Council decided that the Secretariat should continue supporting COMESAMIA.

**(g) Leather and Leather Products Institute (LLPI)**

**Decision**

74. Council decided as follows:

- (a) member States of LLPI be urged to pay their contributions and arrears to LLPI;
- (b) to endorse the detailed work programme of LLPI for the year 2002 as contained in their document;
- (c) member States are requested to recommit themselves in supporting and participating in LLPI programmes; and
- (d) the COMESA Secretariat is requested to re-examine all the Resolutions of the COMESA Council of Ministers with regard to LLPI and implement them accordingly. Particular attention should be given to the Resolutions with regard to mobilization of domestic and external resources, and conducting of a study to refocus LLPI activities.

**XV. COOPERATION WITH PARTNERS**

**Decisions**

75. Council decided:

- (a) to express gratitude to all the co-operating partners who have supported COMESA over the past one year;
- (b) that the Bureau should continue consultations with all existing and potential co-operating partners;
- (c) to mandate the Secretariat to prepare a proposal on the relations to co-exist between COMESA (and other Regional Economic Communities) and the African Union for tabling at the next OAU Summit in South Africa; and
- (d) to mandate the Secretariat to complete work on articulating member States positions with respect to all aspects in the ACP-EU relations in collaboration with the other regional institutions..

