

## COMESA maintains high confidence from development partners as it turns 25 this year



Zambia's Vice President Her Honor Inonge Wina arrives at the 7th Extraordinary Council of Ministers meeting flanked by Secretary General Chileshe Kapwepwe (right) and Zambia Minister of Commerce and Industry Hon. Christopher Yaluma

COMESA Secretariat has received a combined development aid amounting USD 299 million from the development partners to support different COMESA programmes as it marks 25 years of its existence this year.

According to the Secretary General Chileshe Kapwepwe, the trust was earned after the Secretariat passed the 4 and 7 Pillars Assessment of the European Union (EU) in 2005 and 2015 respectively. Qualification under the pillar assessment allows the organization to use its own financial and procurement procedures in the utilization of funds received from development partners.

Speaking during the opening of the 7th Extraordinary Council of Ministers meeting that took place in Lusaka, Zambia, today, Ms. Kapwepwe explained that COMESA has since 1994 strived to improve its procedures and processes on a continuous basis to comply with international norms, standards and practices. It is the first regional economic community to qualify for this status.

The leading financier to COMESA is the European Union. Others are the USAID, African Development Bank, World Bank and DFID and others.

The EU alone has disbursed around USD

277 million to assist in the implementation of Regional Integration Support Mechanism (RISM), Regional Integration Support programme (RISP), Climate Change Initiative, African Peace and Security Architecture Programme (APSA) and Maritime Security (MASE).

Under the RISM Programme, a total of USD104.2m out of the USD140 million has been disbursed to Member States. The balance is being disbursed under the 8th Call, from the beginning of this year.

"These financial resources have greatly assisted Member States to implement the

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Zambia's Vice President Her Honor Inonge Wina with Heads of delegation who are attending the extra ordinary council

COMESA Regional Integration Agenda and specifically support value chains in cotton, leather and edible oils," Ms Kapwepwe added.

She revealed that from 2018 onwards, COMESA is focusing on Trade facilitation programmes which include border management, Non-tariff Barriers, facilitating small scale cross borders, increasing private sector participation and enhancing programmes in value chains. Efforts have also been implemented to further enhance operations and governance of the COMESA Secretariat. A capacity building programme is being designed to undertake a through business process reengineering of the policies, procedures and processes to better deliver on its mandate.

Speaking when officially opening the Meeting, Zambia's Vice President Her Honor Inonge Wina commended the cooperating partners for the support but urged the Member States to strive to mobilise resources from within the region.

"...In this way, COMESA activities will be more sustainable while the goodwill of our partners goes to supplement our efforts," she urged.

Mrs Wina called on the countries to fully

support COMESA's efforts in having digital economic integration by harmonising cross border activities, systems and transactions which will lead to a digital Free Trade Area. She urged the Member States to quickly

ratify the Tripartite Free Trade Area whose deadline falls this month of April.

Further, she commended COMESA for implementing the 50 Million African Women Speak Project which will further enhance access to finance, markets and related services to women in business.

The extraordinary meeting brought together Ministers of Trade and Industry from the region to address audit and financial matters and take stock of the progress regarding implementation of some regional integration programmes such as the COMESA-EAC-SADC Tripartite Free Trade Area.

Permanent and Principal Secretaries, Ambassadors and High Commissioners, Special Representatives to COMESA and Directors of Trade attended the meeting. Others present were the heads of COMESA institutions namely the Court of Justice, the COMESA Competition Commission and the Federation of Women in Business (FEMCOM).

COMESA marks 25 years on 8th December 2019 since it was establishment as a successor to the Preferential Trade Area (PTA).



Zambia's Vice President Her Honor Inonge Wina

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been concluded and adopted.

The minister noted that most of the member/partners states of the tripartite were already using the existing COMESA or SADC free trade area agreements meaning they were ready. He called on member States to the ratify the agreement within the period remaining before the tripartite ministers' deadline.

The extra ordinary IC meeting was convened to deal mainly with pressing administration and financial management issues while at same time receive updates on regional integration programme matters.

It was attended by Permanent/Principal Secretariats from the ministries that coordinate COMESA activities in Member States whose recommendations will be tabled before the Extraordinary Council of Ministers meeting on Friday this week.

In her statement, Secretary General Chileshe Kapwepwe said, since she assumed office last year, she has identified areas for immediate change at COMESA Secretariat aimed at strengthening service delivery to stakeholders.

"The need to have fast and better responsiveness to the needs of Member States, addressing inadequate resourcing through the development of a strategic resource mobilization plan, addressing the organizational structure of the Secretariat for enhanced performance," she said.

"My goal is to shift focus of COMESA Policy Organs engagement from administrative to programme implementation issues. It is only through programme implementation that we shall be able to create jobs and improve the standard of living and quality of life of our people."

The IC observed a moment of silence for one of their departed member, Ambassador Julius Onen, Permanent Secretary in the Ministry of Trade in Uganda who passed away last month as well as the victims of the fatal Ethiopian Airlines Flight and to those who died after Cyclone Idai hit Mozambique and parts of Malawi and Zimbabwe.



## Fresh Push for States to Ratify the Tripartite FTA as Deadline Draws Near

The deadline set by the Tripartite Council of Ministers for Member States of three regional economic blocs to sign and ratify the Tripartite Free Trade Area lapses this month. So far only four countries in COMESA, East Africa Community and Southern Africa Development Community tripartite bloc have signed and ratified the agreement. These are Kenya, Egypt, South Africa and Uganda.

A total of 22 out of 26 countries in the tripartite bloc comprising COMESA East Africa Community and Southern Africa Development Community have signed the agreement.

Delegates attending the seventh Extraordinary meeting of the COMESA Intergovernmental Committee that opened in Lusaka today, were informed that eight of the 19 countries that had ratified the Africa Free Trade Area Agreement (AfCFTA) were Tripartite Member/ Partner States.

The AfCFTA attained the requisite ratifications on Monday this week when The Gambia signed, bringing the number the number of ratifications to 22 which is the threshold for the agreement to enter into force.

Zambia's Minister of Commerce, Trade and

Industry Hon. Christopher Yaluma who opened the meeting said it was time for the remaining countries to sign the tripartite given that it was supposed to be the building bloc to the continental FTA.

"I cannot overemphasize the absolute importance of all of us ratifying the Tripartite Agreement so that it enters into force immediately," he said. "After years of negotiation, the Tripartite FTA is ready for implementation. It is very much a low hanging fruit."

Currently, 93% of the work on Rules of Origin has been completed, providing the basis for trade to begin. In addition, the legal texts have



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## Malawi Enterprise Productivity Enhancement project records 90% absorption rate

Malawi Enterprise Productivity Enhancement (MEPE) Project PIU, has reported a 90% absorption rate with only two activities left in the second phase to be implemented before the closure period, scheduled to commence from 1st April 2019.

This is according to the project Implementation Unit during a Mission undertaken to Malawi, in support of the MEPE project which is under the Ministry of Industry, Trade and Tourism. The Malawi has qualified for € 2,906,308 to implement the first, second and third phases of the MEPE.

MEPE I successfully ended in June 2018, while MEPE II will end in May 2019. MEPE III is set to commence once the formulation is finalized by April 2019. This phase will focus on activities that would support the mitigation of the identified gaps from MEPE I and II and less on procurements. However, the mission noted that, a structural change should be made regarding the management of the center to allow the intended widespread use by the locals.

The cooperatives, through MEPE, have undergone various capacity building activities, but even with the equipment procured, they are not able to reach their full productive capacities due to several challenges that include; lack of reliable electricity to run the machines, lack of MBS certification, as well as the lack of strong governance structures in the cooperatives for smooth operation.

During the same meeting, it was reported that regardless of the challenges, membership numbers had increased, and numerous supply contracts had been achieved by the

cooperatives through the business linkages created by MEPE, and more were in the pipeline.

To ensure the continued progress, it is vital to continue supporting the cooperatives to enable them to reach 100% productive capacity. The cooperatives will also need to be trained in marketing (including labelling), governance and operational management.

The RISM and the project implementation Unit led by Operations officer Vanessa Ungapembe, from 19th to 22nd March 2019 visited various project areas in Malawi. Among them were Kamwendo and Phalombe Cooperatives which are also centers of excellence. The two centres have been renovated and rehabilitated and installed with various equipment including refinery and expelling machines at a total cost of the rehabilitation was close to €220,000.

The team also undertook site visits to Blantyre textiles at MACOHA and Leather Design Studio (LDS). The state-of-the-art LDS was launched in October 2018, with equipment procured in 2017, worth € 320,710 while the Blantyre textiles cooperative with its base at MACOHA has been supported with equipment worth close to €91,000. The sewing machines are utilized frequently including servicing and the cooperative has had revenues of close to € 15,500 in the past three years.

MEPE has supported SMEs and cooperatives in the clothing, edible oils and leather products sectors with equipment and provision of services aiming to enhance and strengthen their participation in domestic and international trade.

## Six States benefit from training on interdependencies among key financial and macroeconomic variables

Delegates representing Central Banks of six COMESA Member States completed one-week training organized by the COMESA Monetary Institute on "Transmission Mechanism of Macro Prudential Shocks to the Financial System: Application of Vector Auto Regressions (VAR), Structural VAR (SVAR) And Vector Error Correction Models (VECM)" The training was conducted on 18 – 22 March 2018 in Nairobi, Kenya with participants drawn from Sudan, Egypt, Democratic Republic of Congo, Uganda, Zimbabwe and Zambia.

"The training was motivated by the fact that macro prudential shocks have potential to disrupt the normal credit intermediation channel and may result in a widespread curtailment of credit to bank dependent borrowers, thereby disrupting the entire financial system," the Director of the COMESA Monetary Institute Mr. Ibrahim Zeidy said. He underscored the importance of understanding the transmission mechanism of macro prudential shocks, in order to safeguard the financial system against the build-up of systemic risk.

The training would help to understand the interdependencies among key financial and macroeconomic variables and the feedback effects thereof hence an important step towards designing appropriate macro prudential policies.

Further, it will enhance the capacity of analyzing the most important features of transmission channels of macro prudential shocks on the financial system, especially during periods of extreme widespread financial distress.

Other benefits of the training are in deepening understanding of the interdependencies among key financial and macroeconomic variables and the feedback effects thereof, and sharing experiences and networking.



Retreat of the COMESA Court of Justice

## Close ties between regional and national courts will fortify regional integration

There is need for Courts of Justice of the various Regional Economic Communities to have regular interactions with national courts and tribunals to come up with ways in which they can harmonise interpretation of treaties from within their regions.

This is informed not only by the overlapping membership of states to the Regional Economic Communities (RECs) and similarities in the treaties, but more importantly, the need of the judiciary at both levels to complement each other in providing a pillar of confidence to investors and other actors in the theatre of regional integration.

This emerged during a retreat by Judges of the COMESA Court of Justice (CCJ), that took place in Naivasha, Kenya from 15 - 18 March 2019. It was intended to deepen the judges understanding of the recently adopted and implemented Electronic Evidence Management System known as CaseLines as the COMESA Treaty.

The Judge President, Hon. Lady Justice Lombe Chibesakunda delivered the opening remarks at the retreat whose theme was: "The contribution of COMESA Court of Justice in

ensuring the achievement of the aims and objectives of the COMESA Treaty".

Several eminent legal minds and scholars delivered lectures to the judges. They included Hon. Dr. Justice Emmanuel Ugirashebuja, the President of the East African Court of Justice (EACJ). He expounded on several decisions of the Court, including those that reinforce the mandate of the Court in interpreting the EAC Treaty whose equivalence is Article 30 of the COMESA Treaty.

Former Judge of the CCJ Appellate Division who is also an arbitrator of wide experience Hon. Dr. Justice Borhan Amrallah provided insights on the arbitral jurisdiction of the court on Article 28 of the COMESA Treaty which provides the court jurisdiction for arbitration clause and special agreements.

Dr. Francis Mangeni, Director of Trade and Customs at COMESA, addressed the Judges on some of the barriers to trade within COMESA and the nature of disputes that could find their way into the CCJ. Among these is the levying of customs duty for goods exported from one COMESA Member State

to another where the exporter has complied with the requirements of Rules of Origin (RoO). He explained the requirements for issuance of a Certificate of Origin and pointed out that the landmark Polytol case whose judgement was anchored on this issue.

Polytol, an Egyptian Company won a case against Mauritius on the latter's levy of custom duties on products originating in a Member States of COMESA under the Free Trade Area.

Mr. Lindsay Walsh took the Judges through the CaseLines System which uses a software that eliminates the need for paper in court. The system provides a digital platform with tools which allow the creation and presentation of a fully digital bundle including multi-media evidence; collaboration tools for enhanced pre-trial preparation and secure role validated videoconferencing for virtual hearings.

# Trade Policy and Export Strategy for Zambia launched



Delegates attending the launch of the national Trade Policy and Export Strategy for Zambia

The Zambian government has launched the National Trade Policy and Export Strategy. The main objective of the Policy is to turn Zambia into a net exporter and improve competitiveness. The Policy covers trade in goods and services and has various interventions and is aligned to the Seventh National Development Plan and aims to achieve sustainable development.

The development of the national Trade Policy and Export Strategy was developed with funding from the COMESA's Regional Integration Support Mechanism (RISM) with support from the European Union Commission.

The Export Strategy aims for a structurally transformed economy, by addressing export competitiveness and value addition as well as inclusive and sustainable development. It covers trade in goods and services, with clear indicators that aim to increase services exports by 15 percent annually.

The Minister of Commerce Trade and Industry of Zambia, Mr Christopher Yaluma MP, launched the policy and strategy in Lusaka, on April 2, 2019. In his keynote address, the Minister appreciated all partners that assisted in the preparation of the Policy and the Strategy.

"Following the 2014 review, a recommendation

was made to separate trade from industrial policy, in line with international best practices," the Minister recalled. "This was the mandate for preparing this Trade Policy and Export Strategy."

He called for collective effort in implementing the Trade Policy and the Export Strategy. The trade policy which is currently being offered as a course at the University of Zambia shall pivot Zambia towards becoming a net exporter and a competitive economy to take full advantage of various trade Agreements. Director of Trade, Customs and Monetary Affairs Dr Francis Mangeni represented COMESA at the launch.



## FEMCOM to Support the Cassava Cluster

The Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM) has pledged to continue to support Cassava cluster for a women's group based in Kanakantapa area of Chongwe district in Lusaka, Zambia with Cassava processing equipment.

FEMCOM Executive Director Katherine Ichoya said when her organization together with the Zambia Federation of Associations for Women in Business (ZAFAWIB) signed a hand over tenancy agreement with the Cassava cluster women of Kanakantapa in Chongwe district on 4th April 2019.