

COMESA NEWS



COMESA, EU SIGN €48M trade facilitation programme

Double win for Malawi as leather and textile projects are launched

PSs meet to address challenges facing the organization

Member States pledge support to 50 Million African Women Speak Project

Implementation of regional integration projects in Sudan on course

Council of Ministers lauds growth in trade

Zimbabwe reaps benefits of COMESA fruit fly project

Editor's say

Innovation Awards scheme should be on its feet again



COMESA's fingerprints in the development of innovative trade facilitation tools that now drive business in Africa is distinctive. The Yellow Card, the RCTG Carnet and others have been a runaway success. So, when the Heads of State in 2013 in Kinshasa launched the COMESA Innovation Awards, it was expected that new sets of innovative products from COMESA would trailblaze the regional landscape. It did not disappoint. At the time of the launch, an array of innovative products with the potential for long-term technological or economic impact at the national and regional level were presented. There was a shoe mobile phone charger that used the body weight exerted on footwear to tackle cell phone battery charging challenge; a rice bran utilization technology – from waste material to marketable nutraceuticals and functional food; a simple pedal generator for charging rural led ultra-portable light that satisfies over 90% of a rural household's lighting needs, a remote weighing system for safety of cargo and truck that can save transit time and road maintenance cost among others. In the second year of the awards, in Addis Ababa, a robot cop that controls traffic in Kinshasa city was one of the award-winning innovations. Others were an innovative technology of extraction of fragrance from lemon grass, and a car tracking system featured in this edition that has been a runaway success. These and many other highly innovative products were submitted for the COMESA Innovation Awards but only the first three per category were picked for the prize; a modest USD 10,000. The money was meant to firstly, patent their products and secondly, to provide seed money for product development and related logistics. More than 20 of the innovations merited similar support if only the funds were sufficient. It not clear how they have fared, but one thing is certain, while some succeeded on their own, others may have faltered for lack of start-up capital. Since 2015, the innovation award has been in limbo but now, there is fresh optimism that 2019 will be the year of its revival. And being the 25th COMESA anniversary, the reinstatement of this scheme would be the best thing to happen to young innovative minds in the region, looking for exposure and just a little wind beneath their wings to fly away.

Mwangi G

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Jacob Maina Rugano (right) receives the COMESA Innovation Award from then Ethiopian Prime Minister Hailemariam Desalegn at the COMESA Summit in Addis Ababa, Ethiopia in March 2015

COMESA Innovation Award winner

runs fast growing business in Kenya

The **"Valley of Death"** is a term commonly used in the innovation ecosystem to refer to the failure of many innovations to make the transition to commercially viable products. Numerous studies have put the carnage of innovations lost in the valley of death at 90%. Only 10% make it to the level of product development and commercialization.

AfricarTrack International Limited is one of the survivors after successfully making the transition and is now among the fastest growing companies in Kenya. The company deals in motor vehicle crime and accident control system covering, among others, vehicle tracking, fleet management and fuel

monitoring.

The story of AfricarTrack began at the Chandaria Incubation and Business Centre, based at the Kenyatta University in Nairobi. The Centre provides space for young people to develop their ideas into products that can eventually be marketed. This is where Jacob Maina Rugano, a co-director of the AfricarTrack enrolled to develop his idea of an integrated car tracking and monitoring system. That was in 2014.

The system device is installed in a motor vehicle and linked to the owner's mobile phone through an application known as Intouch. The application comes with a digital cut-off. If the car is stolen, it will send an

alert to the owner immediately. The owner car can remotely immobilize it by gradually reducing its speed automatically leaving the driver with no option but to pull off the road. It can also send information on driver's behaviour such as careless driving, sharp cornering, hash braking and speeding.

In early 2015, while at the Incubation Centre, Jacob learned that COMESA had an Innovation Award. There was a call for submission of innovations with the potential for long-term technological or economic impact at national and regional level.

"I learned about the COMESA Innovation Award from a colleague who informed me to check on the

advert that was on the COMESA website,” Jacob told e-COMESA recently at a meeting at the Chandaria Business Centre where he has an office.

The COMESA Innovation Award was launched at the 17th Summit of the COMESA Heads of States and Government in February 2014 in Kinshasa, DR Congo. The objective was to recognize and celebrate individuals and institutions that have used science, technology and innovation to further the COMESA regional integration agenda.

In the call for entries, five categories were identified: youth, women, small and medium enterprises, group and institutional awards. Jacob submitted his entry under the youth category and when the adjudication was done, his innovation was ranked number one out a total of 60 entries that had been received in all the categories.

In March 2015, he and four other winners from DR Congo, Egypt, Rwanda and Kenya, were invited to the 18th COMESA Summit in Addis Ababa, Ethiopia to receive recognition and a financial award of \$10,000. The cash award was specifically aimed at helping them patent their innovations.

With the cash in hand, Jacob, and his brother and fellow co-inventor was ready to roll. With the money, they applied for a patent for their innovation, which was eventually acquired. They bought furniture, hired three staff, procured electronic equipment such as sensors and related devices for installation. They also finalized development of the software, which they launched in the market six months later.

“We got the first job in December 2016 when one client gave us 35 vehicles to fit with the tracking system and

since then we have not looked back,” Jacob told e-COMESA.

AfricarTrack now provides fleet operators with web-based solutions and a mobile application to enable visibility into vehicle location, fuel usage, speed and mileage, and other insights into their mobile workforce. This enables such clients to reduce operating and capital costs and increase revenue.

Two years down the road, AfricarTrack has opened branches in four major towns in Kenya including Nairobi, Nakuru, Eldoret and Kericho, with plans underway to expand the business to other countries in the region. Its staff portfolio of 17 includes technicians, engineers and

former Malawi President Joyce Banda, and former President of Tanzania Jakaya Kikwete.

In Kenya, Jacob has appeared in the Top 40 Under 40, an initiative of the Nation Media Group and top 25 entrepreneurs identified by the Kenya College of Accountancy. Jacobs considers the COMESA Media Innovation Award as the best thing that can happen to upcoming entrepreneurs who are bubbling with innovative ideas but lack benefactors to give them the last push to product development and commercialization.

“Only 5% to 10% of the young people that come to this Incubation Centre make it, primarily due to lack of patent capital and good mentors,”



COMESA innovation award winner Jacob Maina in his office, with background photos of the award ceremony in 2015

marketers.

Africa Achievers

Though cagey with the actual numbers, the portfolio of motor vehicles currently using the company's mobile application runs into thousands. Jacob and his brother have received many awards including the Africa Achievers Award whose list of recipients including luminaries such as Desmond Tutu,

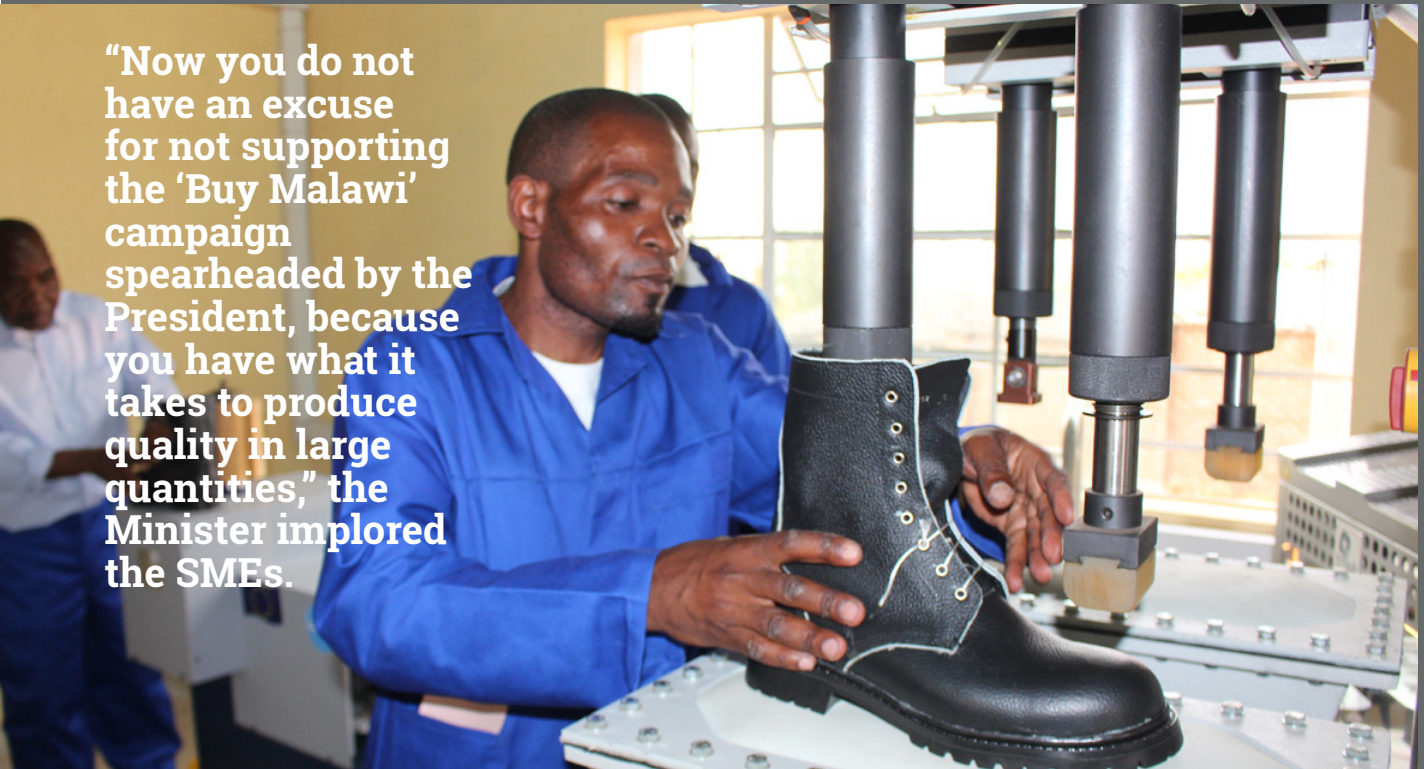
Jacob says, adding that banks are not willing to provide such money on the strength of just an idea such as dealing in software.

As a way of giving back to COMESA for providing a bridge across the valley of death, Jacob says, he is ready to mentor upcoming entrepreneurs that COMESA may be working with whenever he will be needed.

Double win for Malawi as **leather and textile** projects are launched

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“Now you do not have an excuse for not supporting the ‘Buy Malawi’ campaign spearheaded by the President, because you have what it takes to produce quality in large quantities,” the Minister implored the SMEs.



A trainee shoe maker works on a shoe using the newly installed leather design equipment in Blantyre, Malawi

Malawi is the latest beneficiary of two regional integration projects expected to spur the leather and textile industry in the country. These are: a state of the art leather design studio and a garments and textiles incubation center.

Both projects have been funded by the European Union under the COMESA Regional Integration Support Mechanism (RISM) at a total cost of \$465,000. The studio took \$375,000 and the incubation center \$90,000.

The projects were launched on Friday, November 19, 2018 in Blantyre. Malawian Minister of Industry, Trade and Tourism, Mr. Henry Mussa, Assistant Secretary General of COMESA, Dr Kipyego Cheluget and

EU representative Mr. Jose-Maria Medina Navarro led the launching ceremony. It was attended by senior government officials, members of the diplomatic corps and the public.

The leather design studio managed by Malawi Enterprise Productivity Enhancement project (MEPE) is in Chileka area while the incubation centre is located at the Chichiri Trade Fair Grounds in Blantyre is managed by the Malawi Chambers of Commerce and Industry (MCCI).

Speaking during the launch, Minister Mussa said the leather and garment and textile sectors have the potential to grow exponentially as Malawi is well endowed with the much-needed raw materials for the sectors. He called on the SMEs in Malawi to take

advantage of the modern equipment provided under the project.

“Now you do not have an excuse for not supporting the ‘Buy Malawi’ campaign spearheaded by the President, because you have what it takes to produce quality in large quantities,” the Minister implored the SMEs.

In his remarks, Dr Cheluget appreciated the EU for its continued support and described the launch of the facilities as a game changer, which should spearhead a revolution in the leather and garment sectors in Malawi and the region at large.

He said the incubation process is an integral package of technical assistance, facilities, and

Zambia, Zimbabwe take lead in joint industrialization project



Ambassador of Zimbabwe to Zambia and Permanent Representative to COMESA (L), Her Excellency Gertrude Takawira paid a courtesy call on SG Chileshe Kapwepwe

Zimbabwe and Zambia have started the implementation of the concept of joint industrialization enshrined under the COMESA Industrial Strategy. According to Zimbabwe's Ambassador to Zambia and Permanent Representative to COMESA, Her Excellency Gertrude Takawira, the two states have established a joint Permanent Trade Commission which shall help spearhead the implementation of the trade and industrialization projects.

Ambassador Takawira said this when she paid a courtesy call on the COMESA Secretary General, Chileshe Kapwepwe, October 4, 2018. She said it was necessary for the Secretariat to provide technical support during the preparation and implementation of the project.

"Zambia and Zimbabwe have successful joint projects such as the Kariba power generation plant and the Chirundu One Stop Border Post and I am positive that with your support even this new project shall be a success," she said.

The COMESA Industrialization Strategy is for a ten-year period from 2017 to 2026. It aims at structural economic transformation for the

creation of jobs and wealth in the region.

She observed that the implementation of the joint industrialization project will result in massive job creation amongst youths leading to poverty reduction in the two states.

Secretary General assured the envoy of technical support and sourcing of funds to support the implementation.

"As COMESA this is very good news to know that two Member States are taking the lead in implementation of joint projects because working together is better for integration," Ms. Kapwepwe said.

She said COMESA shall support Member States following the decision of the Council of Ministers, which directed the Secretariat to develop an implementation strategy for the COMESA Industrial Policy, which was adopted by the same Council in March 2015. The regional industrialization strategy defines key interventions at both regional and national levels to speed up industrial development in the region.

Double win for Malawi's leather and textile firms

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mechanisms of support, counseling and training which are provided to a group of entrepreneurs who wish to set up their small enterprises with the purpose of minimizing the burden of start-up stage.

"Today, we see a classic example of such success of this incubation process and this should kick start the revolution in the sector," Dr Cheluget said.

"It is in this context that we are soon going to leverage this support under the 11 EDF through a sub envelop of 85 million euros to support trade facilitation, cross border trade as well as enhancing capacity of the SMEs and private sector. Indeed, we appreciate your partnership and collaboration with our Member States."

Meanwhile, the European Union Commission has proposed the total financial envelope for Africa to be raised from the current 32.5 billion euros for the budgetary framework of 2014–2020 to 40 billion euros for the next budgetary framework of 2021–2027.

Mr. Jose-Maria Medina Navarro who represented the EU Ambassador to Malawi Her Excellency Sandra Paesen, indicated that the EU has further proposed to mobilize an additional grant for blending instruments of about €4.1 billion and private sector investments in Africa to €44 billion by 2020.



Sudanese delegate at the 37th COMESA Council of Ministers meeting in Lusaka

Implementation of regional integration projects in **Sudan** on course

Execution of regional integration projects in Sudan is on course, according to a COMESA project monitoring team which visited the country last year to assess the status of implementation of the Sudan Institutional and Productive Capacity Building (SIPCB) Project.

The Government of Sudan and COMESA signed the project on May 11, 2018 following the approval of its Progress Monitoring Report by the 11th and 12th Ministerial Committee of the COMESA Fund. This facilitated the release of 2.2 million euros for implementation of its activities. The activities included development of the leather and livestock value chains, accession to the World Trade Organization; institutional strengthening; improvement in investment climate; and production of Harmonized Statistics (Industrial, Foreign Direct Investments) and import and export statistics).

The SIPBC project brings the total financing provided to Sudan under the COMESA Adjustment Facility to over 3.4 million euros since 2015.

The objectives of the COMESA mission were to support the finalization of preparatory activities by the beneficiary institutions under the 6th and 7th Call project. It was also aimed at reviewing project expenditures in order to facilitate further disbursement; and to assess progress on the implementation of activities to enhance absorption levels.

In a series of meetings with a cross section of stakeholders, the mission team appreciated the efforts being made by Sudan to enhance its exports and the progress made on implementation of old activities, initiation of new project activities and challenges that were being faced.

In a meeting at the Ministry of Trade, the Undersecretary, Mr. Osama Hashim, told the COMESA team that Sudan was expanding its export market under the "Made in Sudan" initiative in the region. He recommended bar-coding to be included in next phase of the project as it was a vital component for export goods to the international market.

The Secretary General of the National Council for Free Zones and Markets Mr. Ibrahim Musa Dirara, said the successful implementation of Free Trade Zones (FTZs) has the potential to enhance Sudan's export of goods to the region and beyond. He said this would be accomplished by increasing the export of value added products.

Zimbabwe reaps benefits of **COMESA fruit fly project** as exports rise

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Zimbabwe's Exports of fruits to international markets, mostly the European Union, have gone up by 65% from \$18 million in 2016 to \$30 million in 2018. This improvement is attributed to the implementation of the fruit fly surveillance programmes that began in Zimbabwe in July 2012 with the assistance of a project grant from COMESA.

The programme was meant to improve on the dwindling exports of horticultural products with major focus on fruits hence affecting the country's revenue collection. The project received funds from the European Union under the COMESA Regional Integration Support Mechanism (RISM).

The funds assisted the Government of Zimbabwe as well as individual commercial farmers set up a fruit fly trapping network for early warning against fruit fly with particular focus on *B. dorsalis*. The pest causes extensive damage to fruits and vegetables resulting in restrictions to marketing in international markets like the European Union.

Zimbabwe is one of the COMESA States with a high-risk potential for different fruit fly species as it produces a wide host range of fruits. These include apples, avocado, citrus, banana, coffee, guava, mango, peach as well as vegetables such as cucurbits, bell peppers, eggplant and tomatoes.

According to Eurostat, in 2017, Zimbabwe's fruits exports to the EU amounted to €36 million, with its main export markets being the Netherlands (€26 million), the United Kingdom (€ 4 million), Portugal (€1.0 million), France (€1.0 m) and Italy (€604 thousand), among others. In the same year, the major export produce to the EU were oranges, avocados, grapefruit, passion fruit, cashew nuts, blueberries, peaches and blackberries, among others.

It is estimated that out of the 1.9 million tonnes of mangoes produced annually in Africa, 30-35% (up to 760,000 tonnes) are destroyed by fruit flies. The estimated cost of fruit fly eradication programmes is on average US\$ 12 million, with

large programmes costing over US\$ 100 million. Additionally, indirect costs are met through quarantine restrictions imposed on the trade of host fruit and vegetables from affected countries.

COMESA has put in place policies, systems, regulations and procedures which are harmonized across the region to create a conducive, transparent and facilitative environment for conducting regional agricultural trade with forward and backward linkages across the region from the farmer to the market.

Four major commercial citrus estates producers have now been declared Fruit Fly Free Zones. These are Clare Mount Orchard in Nyanga District, Churchill Rollex Farm in Marondera, Nottingham Estates and Bishopstone Estate in Beitbridge.

Following the successful intervention by COMESA programmes in addressing the fruit fly menace, similar initiatives will be extended to other parts of the country to ensure a 100 percent management of the pest.

PSs meet to address **challenges** facing the organization

Permanent Secretaries and their representatives from the 21 COMESA Member States held a one-day retreat on November 22, 2018 in Lusaka to consider some of the urgent challenges that impede the effectiveness and timely delivery of the mandate of the Secretariat's and semi-autonomous institutions.

Among these are: the current financing model, the implementation of the approved organizational structure; the need to enhance the new external audit framework, the modalities of building and establishing a new COMESA headquarters and the implementation of the proposed resource mobilization framework, strategy and plans.

In her opening statement, Secretary General Chileshe Mpundu Kapwepwe observed that the current funding model needed review to make it fully responsive to the challenges faced by the Secretariat such as enhancing timely payments of contributions by Member States and innovative methods of resource mobilization.

"The COMESA Secretariat has over time experienced increased dependency on Co-operating Partners resulting in the current scenario where funding from Co-operating Partners constitutes approximately 70% of the COMESA total annual budget," she said.

This is mainly attributed to the fact that the current funding from Members States is not adequate to meet both the recurrent and programme related expenditure of

the organization.

"With the rapid changes taking place at regional, continental and global levels, there is need to be more proactive than ever and to continuously improve on these processes and systems," she said.

In his address, Zambia's Deputy Secretary for Cabinet, Mr Patrick Kangwa observed that COMESA cannot afford to sit back and conduct its business as usual.

"To remain relevant in this dynamic environment," he said, "It is imperative that we reflect on both the efficiencies of our organization and its contribution to regional integration and the welfare of its

Member States."

"We need to continue building on our collective strengths and deal decisively with matters that seem to weaken our capacity to remain visible and a force to reckon with on the African continent," Mr Kangwa said.

Since its establishment, COMESA has grown from a nine-member organization to 21 Member States with over 10 autonomous institutions, some of which have expanded beyond the regional economic bloc to become continental. These include the Trade and Development Bank, the African Trade Insurance Company, the Zep-Re Reinsurance Company and the Africa Leather and Leather Products Institute.



File Photo: Ambassadors, Permanent Secretaries and their representatives at the COMESA Secretariat



Delegates at the COMESA Council of Ministers meeting

Council of Ministers lauds growth in trade

The COMESA Council of Ministers conducted its 39th meeting in Lusaka, Zambia, on November 25, 2018 to take stock of achievements recorded over the past year, address challenges that affect regional integration and plan the way forward.

Opening the meeting, Zambia's Vice President Mrs. Inonge Wina cited the Free Trade Area as one of the main achievements of COMESA with 15 out of 21 Member States currently participating in the FTA. This number is expected to rise to 17 when Tunisia and Somalia ratify the Treaty to complete their membership to COMESA.

"We are happy to welcome Somalia and Tunisia....and this addition introduces new dynamism into the COMESA integration agenda and further expands the markets and co-operation," Mrs. Wina said.

The FTA is responsible for the growth recorded in COMESA's global total exports, which rose by 16.1% from US\$ 87 billion in 2016 to US\$ 101 billion

in 2017 while intra-COMESA exports rose by 3.7% from US\$ 8.8 billion in 2016 to US\$ 9.2 billion in 2017 respectively.

Further, the meeting was informed that the Secretariat is due to conduct a mid-term review of the Medium-Term Strategic Plan, which was adopted in 2016 to assess the region's performance concerning the strategic objectives.

Member States were urged to focus on industrialization by ratifying and domesticating the COMESA Industrial Policy Implementation Plan, which has nine key priority areas.

For infrastructure development and maintenance, the region was encouraged to come up with innovative ways of raising resources such as Public-Private Partnerships for infrastructural development and not rely on resources from the public sector alone.

In order to enhance knowledge

on regional integration, COMESA will establish a virtual university on regional integration hosted by Kenyatta University, which will offer postgraduate level master's degrees.

Mrs. Wina however pointed out that in as much as COMESA developed excellent instruments and policies all aimed at improving integration and boosting intra-COMESA trade, the level of implementation and participation by the Member States has continued to be low.

Addressing the Council of Ministers meeting for the first time since her appointment as Secretary General, Chileshe Mpundu Kapwepwe renewed her commitment to the organization, which is led by a woman for the first time since its creation 37 years ago.

Ms. Kapwepwe said COMESA is positioned to have meaningful influence in Africa and committed to strive for an organization that is well managed, well-resourced, owned and appreciated by its stakeholders.



PSs and Heads of Diplomatic missions retreat in Lusaka.

Steps to cut donor dependency

Mobilization of funds to support the implementation of the regional integration programmes was one of the key highlights of the 39th meeting of the COMESA Intergovernmental Committee meeting that was held in Zambia from November 23-24, 2018.

The meeting, which brought together Permanent/ Principal Secretaries from ministries that coordinate COMESA activities in the Member States, considered a new strategy to make COMESA financially sustainable.

COMESA Secretary General (SG), Chileshe Mpundu Kapwepwe told the delegates at the opening ceremony that Development Partners supported 65% of the current budgets for programmes.

"It is even more challenging to note that Member States contributions are not only inadequate but also, only a few of the Member States have been consistently able to pay the assessed contributions on time," she said.

The SG called on Member States to review the current funding modalities of COMESA given that there was a steady reduction, by development partners, of non-programme budget for the Secretariat.

The Secretariat has subsequently developed a comprehensive Resource Mobilization Strategy, to be considered and adopted by the

PSs. It is intended to ensure a clear and well-coordinated approach to mobilize resources required to support the implementation of COMESA programmes.

The Secretary General also indicated that COMESA was rolling out digital trade facilitation to promote investments and industrialization especially focusing on agro-based industries and agribusiness.

"The use of technology will underpin our commitment to finding innovative ways of facilitating trade through e-commerce, e-logistics and e-legislation," she said. "It is time to ensure that COMESA becomes the regional hub in developing and implementing of innovative ways of trade facilitation and maximize the use of the digital technology in regional integration."

To speed up the integration agenda, the SG identified the following initiatives: rolling out COMESA video conferencing; developing an online market; eliminating inefficiencies in the existing one stop border posts through use of digital technology; ensuring simultaneous information sharing at the border points and harmonization of the transit cargo regulations and customs documentation and procedures.

The Permanent Secretary in the Ministry of Commerce, Trade and Industry Mrs. Kayula Siame, who was the chief guest supported the call for renewed commitment by member

States towards their financial obligation to COMESA.

"A review of our performance in implementing COMESA programmes indicates different commitment levels amongst our Member States," she said. "I urge all Member States to remain committed to achieving COMESA's vision by allocating enough resources to the implementation of COMESA programmes.

"Our collective resolve to make COMESA an effective organization must be measured by the support we give to the funding of COMESA. We need to come up with a financing model that will help the region achieve prosperity for its people and a much wider integrated region."

Also present were heads of delegation representing development and co-operating partners. These included Ambassador Allesandro Mariani (European Union) Ambassador Daniel Forte (USAID), the World Bank, the International Trade Centre and the International Organization for Migration.

Ambassador Mariani said the EU will launch two additional programmes in 2019: one worth 10 million euros to support private sector and regional value chains; and another worth seven million euros to strengthen the institutional capacities of the COMESA Secretariat.

COMESA at 25th Egmont Group of Financial Intelligence Units meeting

COMESA was part of the participants at the 25th Egmont Group of Financial Intelligence Units meeting which was held in Sydney, Australia, September 24-28, 2018. Egmont Group is a network of more than 150 financial intelligent units (FIUs). COMESA has been an Observer of the Group since 2016 because of the role the bloc's Maritime Security (MASE) programme plays in strengthening capacities of FIUs, including supporting them to join the Group.

The COMESA delegation also took the opportunity to hold bilateral meetings with key partners including representatives of the South Africa and the Mauritius FIUs, which are supporting FIUs in some of the MASE countries to join the Egmont Group.

During the same meeting, two FIUs from COMESA Member States (Democratic Republic of Congo and Zambia) were admitted as Egmont Group members bringing the total



Head of Governance Peace and Security
Ms. Elizabeth Mutunga

FIUs in the Group to 160 whilst increasing the number of FIUs in the Eastern and Southern Africa region to eight.

The Head of Governance Peace and Security Elizabeth Mutunga led COMESA's delegation to the meeting, and the participation in the Group enabled the regional bloc to take advantage of the global forum to report on its capacity building progress, which also helps MASE programme visibility motives. Further, it also enables COMESA to be aware of activities carried out by other players so that it avoids unnecessary overlaps whilst identifying areas for possible synergies.

Currently, COMESA is supporting FIUs from Ethiopia, Kenya and Madagascar to join the Egmont Group. This is considered a key outcome of the COMESA Component of the MASE programme.





File photo: Madagascar delegates at the 2018 Summit

Structural vulnerability assessments conducted in Madagascar

Stakeholders from the government and civil society in Madagascar met in Antananarivo from October 22-26, 2018 to review the COMESA Peace and Prosperity Index forecasted drivers for the country. The index drivers are depicted under different clusters of the COMESA Early Warning System (COMWARN) Structural Vulnerability Assessments (SVAs) model.

The COMWARN SVA model is theory-informed, data-driven and evidence-based assessment of structural vulnerability. It uses the COMESA Peace and Prosperity Index (CPPI) to track both regional and country-specific structural factors to peace and prosperity. The CPPI consists of four indicators namely Peace, Health, Wealth and Trade Openness derived from Article 3 of the COMESA Treaty. The index offers a timely diagnosis of forecasted structural drivers associated with future peace and prosperity.

Multi-stakeholder consultation
In 2016 the COMESA Council of Ministers directed COMESA to conduct multi-stakeholder consultation workshops at the country level to raise awareness on the CPPI. Since then, COMESA Secretariat through the Governance, Peace and Security Unit has been holding SVA consultations in Member States, with Madagascar becoming the fourth host after Uganda, Zambia and Zimbabwe.

Participants in the Madagascar forum were drawn from government agencies representing Foreign Affairs, Health, Interior and Decentralization, Justice, Finance and Budget, Education, Office of the Prime Minister, National Reconciliation Commission, Defense as well as the Anti-Corruption Commission and Civil Society Organizations.

The forum recommended the

establishment of a response mechanism to be coordinated by the Ministry of Foreign Affairs.

A Steering and Technical Committee will also be formed to oversee implementation and help disseminate the CPPI forecasted drivers to the grassroots. In addition, the participants recommended that Madagascar accede to the AU conflict prevention and mitigation process, which will lead to the establishment of a Situation Room.

To support the process, the African Union Continental Early Warning System (AU CEWS) participated in this consultative workshop and presented the Continental Structural Conflict Prevention Framework (CSCPF).



50 Million Women project team during a national workshop

Member States pledge support to 50 Million African Women Speak Project

The 50 Million African Women Speak Project, an initiative which aims to empower women entrepreneurs by providing access to financial and non-financial information to help them develop and grow their businesses, has earned a stamp of approval in the Member States of Seychelles, Mauritius and the Democratic Republic of Congo.

The launch ceremonies for the 50 MAWS Project in the three COMESA Member States might have taken place at different times and in cities thousands of miles apart, but the outcome was the same for all, with the project getting overwhelming backing from authorities in each of the Member States.

The launch workshops which doubled as stakeholder engagements took place October 4, 2018 in Seychelles and Mauritius and on October 11-12 in the DR Congo, with the project hailed for its potential to transform

the economic fortunes of women entrepreneurs in these countries.

The project will create a networking platform to connect women entrepreneurs and encourage peer-to-peer learning, mentoring as well as information and knowledge sharing. The platform, which will be accessible via a web portal or as a mobile phone app, will enable women to access business training, financial services and locally relevant business information. It will also provide a platform for mentorship, among other services, to support the overall goal of enhanced financial inclusion of women, leading ultimately to increased economic activity in Africa.

The three-year project is funded by the African Development Bank, and jointly implemented by three regional economic communities (RECs) i.e. COMESA, East African Community (EAC) and the Economic Community for Western African States (ECOWAS)

in 36 member countries of the three regional bodies.

Seychelles backs 50 MAWS initiative

COMESA launched the 50 Million Africa Women Speak Project in Seychelles on October 4, 2018 during a two-day stakeholder engagement. The meeting successfully established a country team, headed by the Ministry of Family Affairs.

The country team comprised of representatives from the public sector (departments of Foreign Affairs, Youth, Trade and Entrepreneurship), private sector (Chamber of Commerce and Industry) and associations (Citizens Engagement Platform). It is responsible for the collection and development of content relevant to women entrepreneurs.

Prior to the launch, the COMESA delegation paid a courtesy call on the Minister of Family Affairs Mrs. Mitcy Larue who underscored government

.....
"Although Seychelles has made progress by implementing policies that create an environment of equal opportunity, there is still room to ensuring that the entrepreneurial landscape in our country is one that enables women to be more independent and enterprising."

commitment towards the successful implementation of the project.

Speaking during the official opening, the Principal Secretary of Family Affairs, Mrs. Marie-Josée Bonne highlighted the need to do more to empower women.

"Although Seychelles has made progress by implementing policies that create an environment of equal opportunity, there is still room to ensuring that the entrepreneurial landscape in our country is one that enables women to be more independent and enterprising."

She added that empowering women to create their own networks as well as providing them with the much-needed information has the potential to result in a multiplier effect. "The returns have the capacity to alter the way business is conducted as well as how governments create policies and the shape of employment on the continent," said Mrs. Bonne.

Speaking at the same meeting, the COMESA Director of Gender and Social Affairs, and Head of Delegation Mrs. Beatrice Hamusonde underscored the fact that studies conducted separately by COMESA and African Development Bank (AfDB) revealed gender specific challenges, which negatively affect women entrepreneurs' efforts to develop or grow their businesses.

Some of these challenges include: inadequate skills on business and export management, costing, pricing and packaging; limited access to trade information and markets; lack of linkages to lending institutions; limited knowledge and capacity to comply with standards and regulations; lack of opportunities for mentorship and sharing of experiences; lack of a platform dedicated to the information needs of women entrepreneurs; and limited access to information on investment opportunities.

Mauritius assures project of full support

Women entrepreneurs in Mauritius are set to enjoy more business opportunities once the digital

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"Our government is fully committed to support women to stand on their feet by setting up their own business given the fact that empowering women makes sense from an economic point of view. It is also the right thing to do if we want to erase inequality, decrease poverty, create greater social justice and ensure sustainable development."

networking platform is completed. The platform is expected to enhance interactions between African women entrepreneurs and potential buyers, financiers as well as mentors. The ultimate outcome is to directly impact 50 million women and create fair waged jobs for young people from the increased business activities, and capital flow.

Addressing participants during a two-day stakeholder engagement in Bagatelle, Mauritius, the Vice-Prime Minister and Minister for Local Government and Outer Islands, Minister of Gender Equality, Child Development and Family Welfare, Mrs. Fazila Jeewa-Daureeawoo reaffirmed the government's commitment to support women empowerment initiatives.

"Our government is fully committed to support women to stand on their feet by setting up their own business given the fact that empowering women makes sense from an economic point of view. It is also the right thing to do if we want to erase inequality, decrease poverty, create greater social justice and ensure sustainable development."

DRC welcomes women empowerment project

In Kinshasa, the 50 Million African Women Speak project was launched during a two-day workshop held on October 11-12, 2018.

Senior government officials including Minister of Justice, Alexis Mwamba, Minister of Gender, Child and Family, Chantal Safou Lopus, Secretary General for the Ministry of Regional Integration, Zacharie Tshimbinda

Bilolo as well as the Secretary General for the Ministry of Gender, Adrienne Binuana engaged with the event. They expressed the government's commitment to ensure the successful implementation of this women empowerment project.

COMESA Senior Gender Mainstreaming Officer, Mekia Mohamed Redi, explained that the platform is unique and will build a community of existing and potential women entrepreneurs who will act as peers, mentors and advisors to each other. "It will enable women entrepreneurs to network with one another and support the overall goal of enhanced financial inclusion of women, leading ultimately to increased economic activity in the region," she said.

The 50 MAWS Project is in line with provisions for women empowerment in the COMESA Treaty and Gender Policy; African Union Agenda 2063 and the Sustainable Development Goals (SDGs), especially Goal 5: Achieve gender equality and empower all women and girls. It is expected that this platform will impact millions of African women and create jobs for youth from the increased business activities and capital flow.

Similar stakeholder engagements have been conducted in Eswatini, Ethiopia, Djibouti, Madagascar, Malawi, Sudan, Zambia and Zimbabwe.



Director of Gender and Social Affairs
Mrs. Beatrice Hamusonde

Stakeholders in Comoros sensitized on the **TFTA opportunities**



A team from the COMESA Secretariat was in Comoros in November 2018 to sensitize the stakeholders on the opportunities that the Tripartite Free Trade Area provides and the importance of its ratification by Member States. The high-level interaction was opened by the General Secretary, Ministry of Economy and Trade Mr. Djaanfar Abdouroihmane and attended by representatives from the public and private sector.

Comoros has already begun preparations for the ratification of the TFTA Agreement by establishing sub-committees on Sanitary and Phytosanitary measures, facilitation of exchange and SMS based reporting on NTBs. In addition, it has also established a bureau on Rules of Origin and is in the process of finalizing its market access offers for the Tripartite countries.

Officials of the Ministry of External Trade in Comoros made presentations on the market opportunities under the TFTA and challenges currently faced by the

business community. The National Statistics Office presented on the import and export flows for Comoros while the National Assembly briefed the participants on the process of ratification of international agreements in the island country.

Other presentations covered the status of the TFTA negotiations, TFTA Rules of Origin that apply for export products, the Movement of Business Persons as well the three pillars of the TFTA namely: market integration; industrial development and infrastructure development

The workshop considered the impact assessment studies earlier undertaken by the University of Nottingham and the University of Sussex, and there was unanimity that implementation of the TFTA by Comoros, will lead to significant positive net real income and welfare gains. The meeting requested the Tripartite Task Force to ensure the studies were translated in all official languages of COMESA for circulation to all stakeholders.

The meeting further noted that Comoros is a member of the Indian Ocean Commission, COMESA and SADC and that it has already liberalized under both SADC and COMESA.

"The meeting agreed that in view of the low levels of intra-tripartite trade in general, and the higher volumes of trade with Europe and Asia in comparison to trade with Tripartite Member States, only a small portion of Comoros' tax revenues arise from trade in the tripartite hence, the tax revenue losses are bound to be minimal," said Dr Seth Gor, the COMESA Trade Expert who facilitated the event.

The meeting further noted that any such losses would be recovered from the increase in internal tax revenues arising from expanded trade. Comoros reiterated its commitment to ratifying the TFTA Agreement and undertook to fast-track the on-going internal consultative processes with a view to meeting the ratification deadline of April 2019.



Delegates at a tripartite publicity workshop in Mauritius, September 2017

COMESA welcomes South Africa's ratification of Tripartite FTA

Early October 2018, South Africa became the first country in the South African Development Community (SADC) to ratify the Tripartite Free Trade Agreement and the fourth Tripartite Member State to do so after Egypt, Uganda and Kenya.

Shortly after signing, the South African Government issued a notification to the Chair of the Tripartite Task Force and COMESA Secretary General, Chileshe Kapwepwe on October 9, 2018. This development was expected to trigger a fresh round of ratification by the remaining Member States and move the tripartite process to near operationalization.

"This is excellent news," said the Secretary General, upon receiving news of the ratification.

Ten more ratifications were needed to reach the threshold of 14 for the Agreement to enter into force. At present, the process of ratification is underway in several Member States. It is expected that this target will be reached by end of April 2019, which is the deadline that the Tripartite Member States set for themselves.

"This development also adds to the aura of expectations around the Tripartite Free Trade Area Agreement which groups 29 of the

55 countries negotiating the African Continental Free Trade Area," the COMESA Director of Trade and Customs, Dr Francis Mangeni, who is also a member of the technical negotiating team said, adding that all the annexes to the TFTA had been concluded.

He explained that once the threshold for minimum number of ratifications is achieved, then implementation of the Agreement commences immediately, on the basis of the principle of variable geometry. This is aided further by the fact that exchange of tariff offers is near complete.

All the Member States, save for Southern Africa Customs Union (SACU) countries, EAC countries and Egypt chose to offer their respective Regional Economic Communities' preferential arrangements and were therefore not negotiating tariff offers.

"The negotiations between EAC and Egypt are complete," Dr Mangeni said. "Those between SACU/ Egypt and SACU/EAC are nearing completion. In the latter case, divergence has narrowed down to just one product line. All the negotiating parties have agreed to a deadline of December 2018."

Similarly, negotiations on the

Tripartite Rules of Origin are highly advanced. Rules of Origin have now been developed for 3267 tariff lines from a total of 5,387, representing 60.8% of all the tariff lines. In addition, a draft manual on application of the Rules of Origin has been developed and is ready for use. "Trade can therefore commence on all the aforesaid tariff lines," Dr Mangeni added.

A number of Tripartite instruments have also been developed and are now ready for use, including Tripartite guidelines on implementation of Trade Remedies; Certificates of Origin; as well as Export Declaration and Import Declaration forms, among others.

In addition, the Tripartite Agreement on the Movement of Business Persons has been finalized and will be ready for use once it undergoes legal scrubbing.

"This latest ratification, moves the Tripartite process one step closer to the implementation stage, and it is likely to present more scope for early harvest and by extension, prospects for fast tracking the continental integration agenda," Dr Mangeni said.

COMESA, EU sign €48m trade facilitation programme

The European Union and COMESA in November 2018 signed a 48.3 million euros trade facilitation programme. The COMESA Trade Facilitation Programme (CTFP) aims at deepening regional integration, improving inclusive regional economic growth and enhancing competitiveness of the COMESA region.

The COMESA Secretary General, Chileshe Kapwepwe, and the Head of the European Union Delegation to Zambia, Ambassador Alessandro Mariani signed the agreement in Lusaka November 20, 2018. This paves the way for the implementation of the planned activities in the COMESA/Tripartite region as well as at the targeted corridors and border areas in the region.

The programme is financed under the 11th European Development Fund (EDF) and aims at increasing intra-regional trade flows of goods, persons and services by reducing the costs/delays of imports/exports at specific border posts.

This will be achieved through the reduction of non-tariff barriers (NTBs) across the borders, the implementation of the COMESA Digital Free Trade Agreements (FTA), the WTO Trade Facilitation Agreements (TFA), improvement of the Coordinated Management and the liberalization of trade in services and movements of persons.

Zambian Permanent Secretary in the Ministry of Commerce, Trade and Industry Mrs. Kayula Siame, who was the chief guest at the event said with this trade facilitation

programme, COMESA will have a more prioritized trade facilitation programme which will ensure simple and flexible rules of origin as well as dynamic systems for elimination of non-tariff barriers.

exploit the economic potential of the COMESA region," she said.

The final beneficiaries of the programme are the Member States and citizens of COMESA and the United Republic of Tanzania, either



EU Head of Delegation Amb Allesandro Mariani (R) and COMESA Secretary General, Chileshe Kapwepwe

Ms. Kapwepwe in her address cited the lack of coordinated border controls, seamless exchange of information as well as Trade and Transport Corridor Monitoring System as some of the major causes of high freight costs in the COMESA region compared with other regions.

"This programme will ensure trade policy liberalization and infrastructure improvements, accompanied by improved border management and logistics are supported to reduce freight costs, increase competitiveness and fully

directly or indirectly through their central and regional and local administrations or public or semi-public institutions.

In his statement, Ambassador Mariani said: "This EU-COMESA Trade Facilitation Programme is of utmost importance and will greatly contribute to the implementation of the New Africa-Europe Alliance for Sustainable Investment and Jobs recently launched by the EU."

Co-operating partners pledge to support regional trade

International organizations and the United States Government attending the 39th Intergovernmental Committee Meeting have pledged to work closely with COMESA to support the introduction of instruments that will further facilitate intra-regional trade in the 21-member regional economic bloc.

The representatives of the organizations revealed this in Lusaka during the opening of the policy organs' meeting, which is made up of Permanent and Principal Secretaries from coordinating ministries in Member States.

Head of the European Union Delegation in Zambia Ambassador Alessandro Mariani who was first to deliver his statement, said inclusive growth and economic development of the African continent are strategic priorities for the European Union.

In May 2018, the EU-funded COMESA Cross Border Trade Programme was officially launched at the Mwami/Mchinji border between Zambia and Malawi. The 15 million euros project focuses on facilitating the informal small-scale cross-border trade.

On November 20, 2018, another flagship regional programme worth 53 million euros was signed with COMESA. The programme will provide financial and technical support to a wide range of trade related activities including non-tariff barriers, support the implementation of the WTO Trade Facilitation Agreement, upgrade cross border management, harmonize SPS measures and support various trade negotiations and trade promotion activities.

"With these two new trade programmes now operational, focus should be on ensuring an efficient,

timely and effective implementation of the agreed actions so to achieve tangible results and make a difference in the life of people in the COMESA region," Ambassador Mariani said.

US Ambassador Daniel Foote reiterated his government's commitment to work with COMESA to bring greater economic and social development to the more than 500 million people of this region.

The US government has collaborated with COMESA on food security and economic integration initiatives that have strengthened regional seed systems, improved animal, plant and food safety systems and supported private sector linkages.



US Ambassador Daniel Foote

"Harmonized seed regulations, for example, has enabled better access to quality varieties with increased crop resistance and higher yields," Ambassador Forte said.

The COMESA-US partnership began 20 years ago when the first funded development activities were launched. So far, 12 Funded Agreements have been signed with the most recent being signed in September this year. The US\$ 2 million four-year new agreement is a Fixed Amount Award approach under which payments to COMESA are based on achievement of mutually agreed upon milestones.

The International Organisation for Migration (IOM) Regional Director for Southern Africa Mr Charles Kwenin commended COMESA for having adopted two protocols focusing on the gradual relaxation and eventual elimination of visas and the free movement of persons, labour, services, right of establishment and residence.

In a statement delivered by IOM Chief of Mission Ms. Marianne Lane, the Director added:

"The effective implementation of these instruments by Member States, including through 'variable geometry' such as having bilateral agreements, will certainly reinforce the realization of COMESA's aspirations."

IOM is currently supporting COMESA through the African Caribbean Pacific-EU Migration Action in the development of recommendations for the design and setting up of an online monitoring and reporting system for the implementation of the COMESA visa protocol.



Ambassador Allesandro Mariani

New programme to deepen COMESA-EU partnership

COMESA will be the key partner in the implementation of a new European Union programme known as 'Africa-Europe Alliance for Sustainable Investment and Jobs', which promises to deepen economic relations and boost investment on the continent.

The Head of the EU Delegation to Zambia and Special Representative to COMESA, Ambassador Allesandro Mariani said the existing cordial relations between the two organizations will further deepen as the implementation of the new programme takes effect.

On 12 September 2018, the president of the European Union Commission Mr Jean-Claude Juncker launched the programme noting that Africa does not need charity, but true and fair partnership adding that the Europeans need this partnership just as much.

"This Alliance as we envision it would help create 10 million jobs in Africa in the next five years alone. I believe we should develop the numerous EU-AFRICA trade agreements into a continent-to-continent free trade agreement, as an economic partnership between equals," President Juncker said.

In view of this, the EU Delegation hosted a media event to launch the

new EU-Africa Alliance in Zambia and explained in detail about their operations in the country and COMESA region.

The new EU proposal shows commitment to reinforce the Africa-EU Partnership and outlines a series of key actions that include boosting strategic investment and strengthening the role of the private sector, investing in people by investing in education and skills, strengthening business environment and investment climate, tapping the full potential of economic integration and trade and mobilizing an important package of financial resources.

The EU is COMESA's largest trading partner and has so far provided funding amount to the tune of 68 million euros mainly for trade facilitation and support to enhance small scale cross border trading.

Ambassador Mariani encouraged the media in Zambia and the region to report more on COMESA activities so that ordinary people can be aware and appreciate the role of the organization.

COMESA was represented by Assistant Secretary General Dr Dev Haman who commended the EU for its support to regional integration as spearheaded by COMESA.



Economic growth and development of many COMESA countries remain constrained due to inadequate energy infrastructure. Currently, the total installed capacity for electric power in the 21 COMESA countries is estimated at 70,000 megawatts.

Speaking during the opening of the 8th Hydropower for Today Forum in Lusaka, Zambia, November 6-7, 2018, COMESA Secretary General Chileshe Kapwepwe said higher economic growth could be attained, if the region developed adequate economic infrastructure including energy infrastructure.

The International Centre for Small Hydro Power, based in China, COMESA and the Government of Zambia organized the Forum. Over 150 delegates from African countries and China participated in the forum under the theme: 'Hydropower promotes industrial development in Africa.'

The Secretary General observed that the COMESA region lagged in energy in contrast to China, which has a total installed capacity of one million megawatts.

"Our energy statistics show that the average percentage of population

Quest for increased hydropower production

8th Hydropower for Today Forum takes place in Zambia



with access to electricity in the whole COMESA region is around 45 per cent while in China it is 100 per cent."

Zambia's Minister of Energy, Mathew Nkhuwa who was represented by Permanent Secretary Brigadier General Emeldah Chola opened the forum.

In his statement, the Minister bemoaned the underdeveloped energy infrastructure adding that the continent was well endowed in various forms of energy resources ranging from hydro, solar, biomass, wind and nuclear.

"Energy is and will always be one of the key ingredients for production," the Minister stressed.

Africa has the lowest electricity access rates in the world with an estimated 600 million people or 50% of the population, majority of whom reside in the rural areas, not having access to electricity.

The per capital energy consumption of the African countries is also the lowest in the world, with an estimated 80% of the African population relying on traditional biomass, which is the bottom rung of

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"Energy is and will always be one of the key ingredients for production," the Minister stressed.

the so-called energy ladder.

Chief Planner of the Ministry of Water Resources of the People's Republic of China, Wang Annan, said the meeting was meant to share experiences, ideas and technologies in the energy sector.

The Chief Planner said energy is an important material basis for the development of human society and a powerful driving force for the advancement of modernization.

"In recent years, global resource crises, environmental degradation and climate change have become increasingly prominent, and the relationship between energy supply and demand has undergone profound changes.

"Vigorously developing green energy has become a common consensus of the international community," Mr Annan said.



(L-R) Permanent Secretary Brigadier General Emeldah Chola, SG Chileshe kapwepwe and Wang Annan



Small hydro power plant

SG now chair of International Small Hydro Power Network

COMESA Secretary General, Chileshe Kapwepwe was elected Honorary Chairperson of the Co-ordinating Committee (CC) of the International Network on Small Hydro Power (INSHP) from November 7, 2018.

In her capacity as Honorary Chairperson, Ms. Kapwepwe will provide leadership and oversight on small hydro and renewable energy to 85 countries globally. The membership includes countries in Africa, Asia, Australia, Europe, North America and Latin America.

The International Network on Small Hydro Power is a member-driven international organization

dedicated to the promotion of small hydropower as a clean and environment sound renewable energy source. Currently, it serves 480 members from 85 countries, including government ministries, hydro development companies, equipment manufacturers, research institutes and development organizations.

Dr. Mohamedain Seif Elnasr, Chief Executive Officer (CEO) of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) remains the Vice Chairperson of the Coordinating Committee of the International Network on Small Hydro Power.

2018 PIDA Week Held in Zimbabwe

The fourth edition of the Programme for Infrastructure Development in Africa (PIDA) Week ran from November 26 to 29, 2018 in Victoria Falls, Zimbabwe.

Under the theme "PIDA Implementation through Good Governance – Realizing Smart Infrastructure for Africa's Integration", the 2018 PIDA Week aimed to showcase progress made in implementation of selected PIDA projects and provide a marketing platform to accelerate their

implementation.

The 2018 PIDA Week was organized by the African Union Commission (AUC), the NEPAD Planning and Coordinating Agency (NPCA), the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA) in collaboration with the Government of Zimbabwe under the auspices of the COMESA. The event aims to build on the momentum created in the previous three events to continue to

engage stakeholders on the effective delivery of infrastructure on the continent.

During the 2014 Dakar Summit for Financing Africa's Infrastructure Development, 16 priority projects drawn from the PIDA portfolio were identified for implementation by 2020. Six of the projects are in COMESA Member States among them, the Zambia-Tanzania-Kenya (ZTK) Power Interconnector which is on course.

Russia to set up nuclear energy plant in COMESA region

The Government of Russia plans to build a nuclear plant in the COMESA region to help address some of the energy challenges the region is facing.

Russian Ambassador to Zambia and Special Representative to COMESA His Excellency Konstantin Kozhanov said this when he paid a courtesy call on Secretary General Chileshe Kapwepwe at the Secretariat, October 4, 2018.

"Some of the areas of cooperation we want include nuclear energy, hydrocarbon and metallurgy industries," he said. "I am positive that the establishment of the

nuclear plant shall help to transfer our technology to African economic sectors such as agriculture, health and manufacturing."

Other areas are mining and Infrastructure projects such as telecommunications, energy, road, transport, and railway.

Russia's Ministry of Foreign Affairs is set to sign a memorandum of understanding with COMESA to spearhead the implementation of the cooperation.

The ambassador said the nuclear plant to be set up in Zambia shall also help boost agro-processing

industries as well as assist in the production of medicines to support the health sector.

He said his country is committed to assist the regional bloc towards achieving the outlined objectives of the integration agenda.

Secretary General Kapwepwe indicated that COMESA's priority areas are to increase intra-COMESA trade, have the free and fast flowing of goods and services across the region and beyond by embracing innovation and use of new technologies



Delegates from Central Banks of COMESA at the CMI offices

CMI equips central banks with financial management skills

The COMESA Monetary Institute in 2018 carried out three capacity building initiatives for central banks in several COMESA Member States on various aspects of financial management.

The activities included: Training on "Domestication of Basel III with Particular Emphasis on Post Crisis Regulatory Framework" for COMESA central banks from October 22-26, 2018 and a workshop on the manual on "Macro and Micro Stress Testing", October 29 to November 1, 2018.

The third was the validation workshop on Estimating and Forecasting Time Varying Volatility in Consumer Prices: and, Risk Taking Channel of Monetary Policy Transmission Mechanism (November 5-7, 2018).

The workshops were conducted in Kenya and drew participants from Burundi, Djibouti, DR Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Sudan, Uganda, Zambia and Zimbabwe.

The overall objective of the Domestication of Basel III training

was to equip the participants with knowledge on the prescribed standards and principles, and how these can be domesticated, considering individual country's current economic and financial sector conditions.

Basel III standards ensure stability in the financial sector by among others: raising the quality of capital to ensure banks are better able to absorb losses and increasing the risk coverage of the capital framework among others.

The workshop on the manual was aimed at equipping the users with practical understanding of Macro and Micro stress testing tools. The manual will be published by CMI as a knowledge product to provide Member States' central banks with a practical guide on the different

methodologies and techniques currently used for macro and micro stress testing, and advices on some of the best practices to follow in applying these techniques.

The third workshop was necessitated by the need to understand the causes of price volatility and to forecast volatility, to achieve optimal resource allocations. This would ultimately enhance effectiveness of monetary policy and to improve the overall performance of an economy.

"Achieving this requires robust forecasts to guide policy formulation by COMESA member central banks most of which are now intending to gradually shift from monetary targeting to inflation targeting," CMI Director Mr. Ibrahim Zeidy said.

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"Achieving this requires robust forecasts to guide policy formulation by COMESA member central banks most of which are now intending to gradually shift from monetary targeting to inflation targeting," CMI Director Mr. Ibrahim Zeidy said.

Central bankers get tips on identifying financial institutions at risk of failure

Most central banks in the COMESA region rely on a combination of off-site monitoring procedures and on-site examinations to identify risks in banking institutions. These approaches have been supplemented by new statistical models to predict banks in early stages of capital distress.

Aware that early detection of distressed financial institutions helps to manage timely supervisory interventions and allow these institutions to avoid failure, the COMESA Committee of Governors of Central Banks, in March 2018, directed the COMESA Monetary Institute (CMI) to build the capacity of their staff in this respect.

Subsequently, from October 1-5, 2018, the CMI conducted a training programme on "Early Warning Models to Avoid Financial Distress in Banks: An Application of Multinomial Panel Data Analysis" for COMESA central banks in Nairobi, Kenya.

The objective of the training was to equip participants with econometric skills (the use of statistical techniques to understand economic issues) to build Early Warning Models to avoid financial distress in banks. Delegates from 11 COMESA Member States namely: DR Congo, Djibouti, Egypt, Eswatini, Madagascar, Malawi, Mauritius, Sudan, Uganda, Zambia and Zimbabwe attended the training.

CMI Director Mr. Ibrahim Zeidy said the training was timely and an important tool to predict banks with an early stage of distress.

"These tools will supplement the techniques which central banks are currently using to assess the robustness of the financial sector, its exposure to risks and its vulnerabilities to shocks," he said. "The training will enable the participants to become good advisors to their policy makers on issues related with financial system stability."



Link statistical systems to national development planning

Statisticians in the Common Market for Eastern and Southern Africa (COMESA) have been urged to align statistical systems to the needs of the users to make them more relevant and applicable to national development planning.

The Permanent Secretary for Development Planning and Administration in Zambia, Mr. Chola Chabala said this during the official opening of the Ninth COMESA Committee on Statistical Matters, in Lusaka, November 7, 2018.

"This policy and other statistical activities underscore the importance of statistics in shaping, not only our policy direction but also the development trajectory of our countries," Mr. Chabala said. "This should give us a critical reflection of the vital role statistics play in development planning and monitoring and evaluating our development interventions."

He informed the delegates that Zambia was about to rebase its Gross Domestic Product (GDP), and this will have far reaching implications on socio-economic policies.

"The challenge for your committee and the Secretariat is really on how

to draft programs that are clearly responsive to the Medium-Term Strategic Plan and ensure delivery of results within reasonable time lines," Mr Chabala said.

Mr Chabala further commended the cooperation between COMESA and the European Union. He said the agreements under the EDF 11 programme have unlocked assistance towards statistics specifically on small scale cross border trade.

Another trade facilitation agreement will be signed between COMESA and the EU, which will also unlock assistance towards statistics of international trade in services.

Addressing participants at the same meeting, Secretary General Chileshe Kapwepwe said the Secretariat would get guidance on issues related to the implementation to ensure that programs have a stamp of ownership by Member States.

She added that the admission of Somalia and Tunisia would change COMESA's statistical narrative and create new opportunities for collaboration.

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“COMESA values the co-operation with your organization and we look forward to widening the current collaboration to other areas of common interest especially in research and policy harmonization,” SG said.

MEFMI, COMESA

to co-operate in capacity building initiatives

The Chief Executive Officer for the Macroeconomic and Financial Management Institute of Eastern and Southern Africa MEFMI, Mr. Michael Ating-Ego paid a courtesy call on Secretary General Chileshe Kapwepwe and asked for support in areas of capacity building on macroeconomic stability and technical support.

During the meeting at the Secretariat on November 5, 2018, Mr. Ating-Ego indicated that his organization has been working with COMESA for over 10 years.

Currently, discussions are ongoing between MEFMI and the COMESA Monetary Institute to undertake joint capacity building activities at the Member States level in the harmonization of macroeconomic statistics in collaboration with the IMF through the Africa Regional Technical Assistance Centres, (AFRITACs).

Ms Kapwepwe said statistics of

international trade in services are critical as they support the market integration pillar of COMESA's 2017-2020 Medium Term Strategic Plan. The collaboration is in line with the Statistics Strategy's sub objective of strengthening strategic partnerships with organizations that share a common vision.

She indicated that COMESA will proceed to target national capacity building in drawing up roadmaps for implementation of international recommendations.

“COMESA values the co-operation with your organization and we look forward to widening the current collaboration to other areas of common interest especially in research and policy harmonization,” she said.

The COMESA statistics unit and MEFMI collaborated in the drafting of regional guidelines on compilation of statistics on international trade in services.



Michael Atingi-Ego the MEFMI Executive Director



Minister of Tourism and Environmental Affairs, Moses Vilakati (in traditional attire) opened the Climate Change dialogue

Eswatini hosts regional policy dialogue
A Regional Climate Change Policy Dialogue and training was conducted in Eswatini, from November 12-16, 2018 to take stock of the status of the implementation of the Nationally Determined Contributions (NDCs) by COMESA Member States and build their capacities in project development and investment mobilization.

The two activities brought together State and Non-State Actors from nine COMESA Member States: Comoros, Kenya, Madagascar, Rwanda, Seychelles, Kingdom of Eswatini, Uganda, Zambia and Zimbabwe and representatives of international organizations and institutions involved in the implementation of the Nationally Determined Contributions (NDCs) in the Member States.

The NDCs are commitments made by States that are signatories to the Paris Agreement, which reflects their targets and ambitions to reduce Green House Gas emissions blamed for causing climate change. Upon signing of the Paris Agreement, NDCs became legally binding commitments and parties agreed to, among other things, combat climate warming, keep global temperatures below 2 degrees Celsius while making more effort to reduce them to 1.5 degrees Celsius.

Eswatini Minister of Tourism and Environmental Affairs Mr. Moses Vilakati described climate change as the biggest threat to development which disproportionately impacts the poorest and most vulnerable. Thus, he called for the adoption of the Ubuntu spirit among COMESA Member States to bring about

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"Africa has shown leadership, through submission of very ambitious NDCs," he observed. "It is important that significant and adequate support including finance, capacities and technologies are secured."

low emissions in which the environment, health and development gains are protected.

"Africa has shown leadership, through submission of very ambitious NDCs," he observed. "It is important that significant and adequate support including finance, capacities and technologies are secured." The dialogue and training workshop were organized by COMESA in collaboration with the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), the Coordinating Assembly of Non-Governmental Organizations (CANGO), and the Government of the Kingdom of Eswatini.

The COMESA Programme on Climate Change seeks to ensure that strategic dialogue between COMESA Member States is strengthened, and negotiation capacity built, to share information and knowledge about climate action to promote cooperation among Member States. Currently, COMESA is supporting a Climate Smart Agriculture Pilot Project in Eswatini through a project titled: "Increasing Farmer Resilience to Climate Change - Upscaling Market Oriented Climate Smart Agriculture". It has a duration of three years (2018-2020) and a budget of 636,364 euros.

Animal Health Strategy validated

COMESA was among Regional Economic Communities (RECs) and African States that participated in the validation of the Animal Health Strategy for Africa. Once implemented, the strategy will help bring a more coordinated approach to enhance the efficiency and effectiveness of animal health interventions in Africa.

The workshop was organized in Kigali, November 5-7, 2018, by the African Union Inter-African Bureau for Animal Resources (AU-IBAR) a specialized technical office of Africa Union Commission (AUC).

A total of 104 delegates comprising key stakeholders in animal health, participated in the workshop representing 47 African Union Member States. In addition to COMESA, the other RECs present were ECOWAS, SADC, UMA, EAC and IGAD. Dr. Yoseph Mamo, Senior Livestock Officer, represented COMESA.

AU-IBAR has been working in close collaboration with key stakeholders in animal health to develop the Animal Health Strategy for Africa (AHSA). Its engagement with key animal health players is intended to increase effectiveness of the implementation of animal health interventions at country, regional and continental levels.



(L-R) Assistant Secretary General, Dr. Dev Haman, Vice President of Zambia, Mrs. Inonge Wina, World Bank representative and Dr Mclay Kanyangarara

Building resilience on climate change is top priority

The Regional Forum on Climate Adaptation and Food Systems Resilience in Eastern and Southern Africa took place on 25 – 26 October 2018 in Lusaka, Zambia. The forum provided a platform for COMESA Member States to share experiences and lessons learned in preparing for and responding to adverse climate change phenomena.

Decision-makers drawn from across the COMESA region and representatives from other regional groupings (EAC, IGAD, IOC, SADC) were invited to facilitate knowledge sharing and exchange in developing shared policies, programming and systems. COMESA Secretary General Chileshe Kapwepwe used the occasion to reaffirm the fact that building climate change resilience was a top priority for the regional bloc, given the high dependency on agriculture for majority of its Member States.

In her speech delivered by Assistant Secretary General, Mr. Dev Haman, the SG noted that regional integration entails interconnecting physical and non-physical national systems into regional systems.

“For these interventions to succeed,” she observed, “there was need for high level of awareness especially at the leadership, an enabling national and regional policy environment with human and institutional capacity to effectively deal with the issues.”

The gathering also provided an opportunity for COMESA and its Member States to highlight their development priorities, with anticipated outcomes which include: stronger awareness among regional policy makers of good practice, and stronger appreciation for the supportive role that COMESA, the World Bank and other partners can play in helping the region to confront and better manage growing climate risks and uncertainty.

“This is a platform for high-level policy makers in the region, technical experts, and development partners to exchange knowledge and insights into how to reverse the region’s growing climate vulnerability,” Dr Mclay Kanyangarara, the COMESA Climate Change Coordinator said. “It will achieve this objective

by facilitating the sharing of experiences and lessons learned among countries from across Eastern and Southern Africa in preparing for and responding to the impacts of the 2015-16 El Nino event.”

During 2015-16, record-high temperatures, droughts and floods fueled by one of the strongest El Niño events in recent decades crippled agricultural production across Eastern and Southern Africa. By early 2016, millions of households faced food insecurity as crops failed, incomes dropped, and food stocks tightened. Several countries in the region were hit particularly hard.

The central theme of the forum was to explore the role of regionalism and collective, supra-national pathways towards resilience. Among intermediate outcomes expected from the forum are a stronger awareness among regional policy makers of good practice policy options and approaches and a stronger appreciation for the supportive role that COMESA and the World Bank can play in helping the region confront growing climate risks.

CBC appoints new Board of Directors

The COMESA Business Council (CBC) ushered in a new Board of Directors to be headed by Mr Marday Venketasamy from the Mauritius Chamber of Commerce and Industry to serve for two-years, 2018 to 2020. The election of the new board was held during the 8th CBC Annual General Meeting held on November 28, 2018 in Lusaka, Zambia.

The 1st Vice Chairperson is Dr Khaled Magboul from the Sudan Union of Chambers of Commerce while Mr Sanchen Gudka from the Kenya Association of Manufacturers is the 2nd Vice Chairperson. Other board members are Eng. Melaku Ezezew from the Ethiopia Chambers of Commerce and Sectoral Associations, Mr. Prince Kapondamgaga from the Malawi Confederation of Chambers of Commerce and Industry, Mr. Tamuka Mucheka from the Zimbabwe National Chambers of Commerce, Mr. Robert Bafakulera from the Rwanda Chamber of Commerce and Industry and Mr. Oliver Bastienne from the Seychelles Chamber of Commerce and Industry.

Dr Asfour and Dr Sherif Mostafa El Gabaly from the Egypt Business Women's Association and the Federation of Egyptian Industries join the board as honorary members respectively.

Outgoing CBC Chairperson Dr Amany Asfour handed over the mantle to Mr Venketasamy who is the immediate past 1st Vice Chairperson of the CBC.

Dr Asfour revealed that during her tenure, the CBC had adopted a strategy that looked beyond



CBC BOARD OF DIRECTORS 2018-2020



Dr. Khalid Magboul
1st Vice Chairperson



Mr. Marday Venketasamy -
Chairperson



Mr. Sanchen Gudka -
2nd Vice Chairperson



Mr. Tamuka Mucheka -
Board Member



Eng. Melaku Ezezew -
Board Member



Mr. Oliver Bastienne -
Board Member



Mr. Robert Bafakulera -
Board Member



Mr. Prince Kapondamgaga -
Board Member



Dr. Amany Asfour
Immediate Past Chairperson



Ms. Sandra Uwera -
Secretary to the Board

advocacy to consider the development of policy models that ensure more structured and practical interventions to improve the business environment in COMESA countries.

Dr Asfour's board served for four years and has improved CBC's consolidated funding from US\$ 1.4 million in 2017 to US\$ 2.2 million in 2018.

COMESA launches Green Pass Scheme and fish inspection certification facility



Zambia Bureau of Standards (ZABS) Officers testing equipment at the Luangwa Harbour

COMESA in collaboration with WorldFish launched the Green Pass Scheme at Feira in Luangwa District bordering Zimbabwe and Mozambique at the confluence of the Luangwa and Zambezi rivers. The launch of the scheme also marked the official handover of the fish inspection and certification facility with funds from the European Union. The facility shall provide the fish traders with laboratory facilities to ensure that fish traded out of the country is of high quality and safe. This is as a result of limited value addition in fisheries and aquaculture coupled with the high level of post-harvest losses especially in small scales fisheries, and the absence of specific financial mechanism to support SMEs.

The project is aimed at simplifying and harmonizing border inspection procedures to support development of the regional fish value chain which will enhance the quality and safety of fish traded in the region. The main objective of the project is to integrate simplified, risk based SPS/TBT conformity assessment checks in border management to enhance intra-regional fish trade, especially for women, and thus realize the potential for trade to improve food and nutrition security as well as incomes.

Officially launching the facility, Minister of Agriculture and Livestock Kampamba Mulenga in a speech read for her by Luangwa District Commissioner, Ngoni Moyo said the government takes fish trade as a serious economic booster especially that the country boasts of over 40 percent of the water body on the Zambezi Basin.

"The launch of this facility shall help many people's lives who live nearby these water bodies and will help uplift their living standards. We know that COMESA is doing so much in many sectors to help lift the living standards of the people in the region and as government we are committed to support the organisation," Minister Mulenga said.

WorldFish Zambia Country Director Dr Sloans Chimatiro indicated that the collaborative efforts by his organization and COMESA shall result in having quality and safe fish to be traded across the region and beyond. The Director added that the facility shall also help reduce the time spent at the borders as inspection of the fish shall be done at the harbour in Luangwa for fish coming from Mozambique.

On her part, the COMESA Secretary General Chileshe Kapwepwe

bemoaned the various charges that the fish traders incur as they cross the border adding that this defeats the purpose of the simplified trade regime STR. She promised that the COMESA Secretariat shall table the matter at the relevant forum to revisit some of the issues raised by the small scale cross border traders.

She said one of the reasons intra-regional trade is lower than it could be is because of the costs of non-tariff measures (NTMs), including excessive documentation such as health certificates, import and export documentation and associated fees that are sometimes higher than they should be.

The launch was preceded by a three-day training workshop from December 3-5 on the COMESA Fish Inspection & Certification Programme (MINI-LABS) and Green Pass Scheme for fish traders and regulatory authorities from DR Congo, Malawi, Mozambique, Zambia and Zimbabwe.

Participants from the Mwami/Mchinji, Kasumbalesa, Chirundu, and Luangwa border points were specifically targeted. The objective of the training was to equip the traders with best practices that will help increase the quality of fish and boost the fish trade within and beyond the region.

COMESA at the Blue Economy Conference



COMESA information booth at the Blue Economy Conference

COMESA was among the participants at the first global Blue Economy Conference held on November 26-28, 2018 in Nairobi, Kenya. The main interest of the regional bloc in the conference was to promote a safe and secure maritime domain for its Member States to exploit and reap the full benefits of the blue economy.

Given its mandate of promoting trade and investments in the region, COMESA is jointly implementing the Maritime Security Programme (MASE) to ensure that its maritime domain is safe for meaningful economic activities.

In addition to COMESA, three regional organizations including the Inter-Governmental Authority on Development (IGAD), East Africa Community (EAC) and the Indian Ocean Commission (IOC) are working together in the European Union-funded MASE programme. The four RECs jointly participated at the blue economy conference and expo.

Assistant Secretary General in charge of Programmes Dr Kipyego Cheluget led the COMESA team, which included the Head of Governance, Peace and Security Unit Ms. Elizabeth Mutunga and the Coordinator of the COMESA MASE programme Ms. Dalisto Bonongwe.

In a presentation titled, 'Illicit Flows and Maritime Insecurity, Obstacles to Economic and Blue Economy Development' made on the sidelines of the conference, Ms. Mutunga said over 70% trade to the region is done through the Indian Ocean hence the importance of maritime security to the realization of the COMESA regional integration agenda.

"COMESA Island countries and

countries bordering the Indian Ocean have a strong reliance on the blue economy for their gross domestic product including fishing, tourism and potential for oil and gas exploitation," she said. "COMESA support is to strengthen Member States capacity to address illicit financial flows in maritime insecurity."

In enhancing analytical capacity of financial intelligence units in Member States COMESA has trained over 40 analysts in tactic and strategic analysis, and over 800 officials from various reporting entities including Designated Non-Financial Businesses and Professions.

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USAID mission director visits COMESA Secretariat

United States Agency for International Development (USAID) Mission Director for Kenya and East Africa Mark Meassick and his Deputy Heather Schildge visited COMESA Secretariat in Lusaka on November 27, 2018.

The delegation held discussions with the Secretary General, Chileshe Kapwepwe on the USAID-COMESA Partnership and the existing programme under the Regional Development Objective Grant Agreement (RDOAG).

Recently, COMESA and USAID signed the RDOAG which will direct US\$ 19.6 million to COMESA programmes for a period of four years supporting sanitary and phytosanitary issues, value chain proposals in seed and livestock and business linkages through the COMESA Business Council.

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COMESA's outreach to stakeholders in three sub-regions



COMESA at the Nairobi International Trade Fair 2018

As part of its outreach programme to stakeholders in its Member States, COMESA and its institutions, participated at the largest international trade and agriculture expo in the eastern Africa region.

The Nairobi International Trade Fair, October 1-7, 2018 attracted business people, investment seekers, government institutions, learning institutions, researchers, students, and other stakeholders from Africa and beyond.

Four COMESA institutions namely: COMESA Competition Commission, COMESA Court of Justice, COMESA Monetary Institute and the Federation of National Associations of Women in Business participated in the event. COMESA Secretariat coordinated and participated in the event.

COMESA's participation in the

trade fair is part of a fresh initiative to raise its visibility in Member States and engage face to face with stakeholders on issues relating to regional integration.

"It provides COMESA and its institutions, a good forum for strategic sharing of information and knowledge to targeted stakeholders, on a wide range of issues on regional integration," Head of COMESA Corporate Communication, Mwangi Gakunga said.

Among the key issues raised with COMESA were on taxation of exports to other Member States, cheap imports that distorted prices, lack of market information for locally produced goods and the need for a one-stop shop for all trade-related information.

Public awareness on specialized

COMESA institutions and their mandate emerged as one area that requires more publicity.

In July, COMESA participated at the Ndola International Trade Fair in Zambia, in the southern sub region, where stakeholders expressed the need for COMESA institutions to have presence hence the participation in the Nairobi International Trade Fair.

On December 8-9, 2018, COMESA through its Regional Investment Agency (RIA) and the Government of Egypt organized the Africa 2018 Forum at Sharm el Sheikh.

Between December 7 -11 COMESA set up an information hub at the Intra Africa Trade Fair in Cairo. The trade fair was the biggest business and investment forum on the continent designed to boost intra-Africa trade.



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