

# COMESA NEWS

## Energy

Experts, Communications  
Professionals Close Ranks on  
**E S R E M**

COMESA Region Can Reap

**US\$ 17.5 billion**

by Implementing e-Trade Measures

Trade Experts Propose Sanctions  
to stop new NTBs

TMEA, COMESA Opens New  
Chapter of Cooperation

Regional Trade Experts Attend  
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Research Forum

Effective AU- RECs Coordination  
Will Determine Success of FTAs

World Bank, COMESA Seeks Solution to  
Projects' Implementation Challenges

End of an Era as Ngwenya Bows Out

# Editor's say

The third quarter of the year is one active period for COMESA. A series of technical meetings usually take place whose outcomes feed into the agenda of the policy organs that follow as the year ends. The period covered by this edition was equally eventful with key events taking place with exciting outcomes. Two of them stood out: the technical committee on Trade and Customs (TC) meeting and the 5th COMESA Research Forum. Admittedly, the TC is the team that does the heavy lifting on issues that affect trade in general which is the focus area of COMESA. This time, the committee made a recommendation to the policy organs, aimed at reigning in on introduction of new barriers to trade. In the minds of TC which is made up of trade and customs experts, new trade barriers will roll back the gains strenuously made over the years. Currently, about 98 percent of non-tariff barriers in COMESA region have been sorted out. The recommendation of the trade and customs experts for reinforcement of sanctions which are provided for in the COMESA Treaty thus reflected the apprehension that new trade barriers would generate. A revisit of the Treaty on applicable remedies is not a bad idea after all. The research forum was a delightful story. Now in its fifth edition, the event has become the meeting place for seasoned researchers show their teeth while the cub researchers cut theirs. And as they do so, they come out with fascinating findings that promise transformation in regional integration by doing things differently. Most importantly, the papers presented were topical. Some pointed out some low hanging fruits that the region could harvest, such as the trade potential that exist in COMESA if States dumped the paperwork and went for digital transactions. At the forum, the idea of reviving the COMESA Innovation Award which has been in limbo for three years was embraced. The success stories of the award winners are heartwarming and will be covered in the subsequent editions.

Mwangi

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## Trade Experts Propose *Sanctions* to stop new NTBs

The next summit of the COMESA Heads of State and Governments is likely to take a firmer stand on countries that introduce non-tariff barriers without notice. But this will depend on whether the leaders will adopt a raft of recommendations made by the COMESA Trade experts.

In a meeting of the COMESA Trade and Customs Committee (TCM) in August 2018, in Kenya, the experts noted that elimination of NTBs has been a moving target. Yet Member States, upon signing the COMESA Treaty, committed themselves to the elimination of the NTBs.

Article 49 of the Treaty stipulates: 'except as may be provided for or permitted by the Treaty, each of the Member States undertakes to remove immediately upon the entry into force of this Treaty, all the then existing non-tariff barriers to the import into that Member State of goods originating in the other Member States and thereafter refrain from imposing any further restrictions or prohibitions.'

In their report, the TCM stated: "COMESA needs to adopt a preventive approach in dealing with NTBs by imposing sanctions as may be appropriate against a Member State that do not provide notifications before introduction of NTBs."

The recommendation of the TCM was presented for adoption to

the Council of Ministers meeting scheduled in October 2018. If adopted, Member States will be required to adhere to the NTB resolution time frames set out in the COMESA Regulations on Elimination of NTBs. This will ensure timely resolution of NTBs and enhance intra-regional trade.

In the tripartite region that brings together COMESA, the East African Community and the Southern Africa Development Community, a total of 612 NTBs has been reported since 2008 out of which 532 has been resolved. Of the 80 NTBs still outstanding 30 are among SADC Member States, 43 among EAC Partner States and seven among COMESA Member States.

Among countries that are affected by unresolved NTBs are Egypt, Eswatini, DR Congo, Kenya, Mauritius, Sudan, Zambia and Zimbabwe. Most of these NTBs are however, being addressed bilaterally with technical assistance of the COMESA Secretariat.

On another note, the committee urged COMESA Member States to accept Certificates of Conformity issued by local authorities regarding quality standards for export products.

"The issue of pre-shipment verification of conformity should be addressed as NTB within COMESA," the experts noted in their report. "Certificates of conformity issued by local authorities should be accepted by COMESA Member States."



TMEA Board Chairman Mr. Erastus Mwencha (L) and Secretary General Chileshe Mpundu Kapwepwe

## TMEA, COMESA Opens New Chapter of Cooperation

Trade Mark East Africa (TMEA) and COMESA have opened a new chapter of cooperation on regional integration programmes. This follows a high-level meeting between the parties, held on September 10, 2018 in Lusaka.

The TMEA team was led by its Board Chairman Mr. Erastus Mwencha, who is a former COMESA Secretary General and immediate Deputy Chair of the African Union. It comprised of the Chief Executive Officer Mr. Frank Matsaert and others.

COMESA Secretary General Chileshe Mpundu Kapwepwe led the COMESA team flanked by the Assistant Secretary General (Programmes) Dr Kipyego Cheluget and senior officials.

Mr. Mwencha said TradeMark East Africa (TMEA) works closely

with East African Community institutions, national governments as well as the private sector and civil society organizations.

“The main purpose is to increase trade by unlocking the economic potential of Member States increased physical access to markets, enhanced trade environment and improved business competitiveness,” he said.

In his briefing, Mr. Matsaert said: “TMEA has diagnosed the problems in the north and central corridors and has come up with a program, now in second phase, with an initial investment of two million dollars.”

He added that TMEAs largest programs have been in the port of Dar-es-salaam and Mombasa focusing on the infrastructure

“TMEA has diagnosed the problems in the north and central corridor and has come up with a program now in second phase with an initial investment of two million dollars.”

upgrading to raise productivity. TMEA success also has been realized in coordinating and integrating border management systems, automation, cargo tracking, reduction of non-tariff barriers and harmonizing standards at the national and regional level.

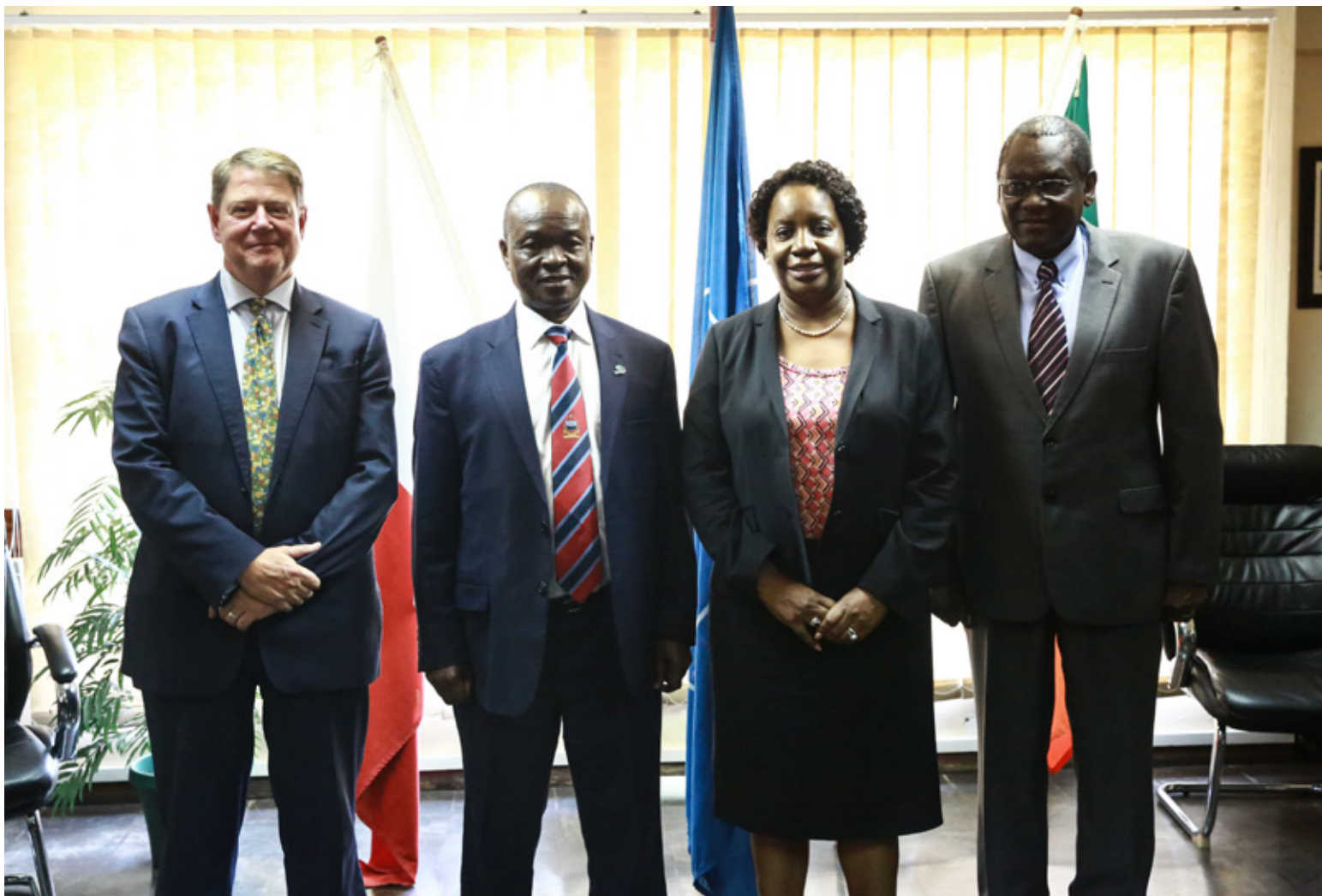
He stated that TMEA closely works with the private sector particularly the small-scale traders at each country level.

“Our main concern is supporting women traders at borders in formalizing informal trade, increasing income and value addition especially at war and conflict zone borders such as DR Congo and South Sudan,” he said.

In her remarks, the SG said the only way to solve the problem of long hours of crossing the border is getting the diagnostics and determine where to make improvements.

“Integrating borders in software and hardware has to be addressed. Automation will help in speeding up the process of linkages and integration. Border efficiency, harmonization and simplifying border procedures are the key areas where TMEA and COMESA can partner,” she said.

The two parties agreed to explore closer partnership in four key areas of trade facilitation, development of transport corridors and improvements in logistics. Others will be industrialization and promotion of small scale cross-border traders particularly women and the youth among COMESA Member States by addressing prevailing constraints.



L-R: Mr. Frank Matsaert, Mr. Erastus Mwencha, Chileshe Mpundu Kapwepwe and ASG Amb. Kipyego Cheluget

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# COMESA Region Can Reap *US\$ 17.5 billion* by Implementing e-Trade Measures

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The COMESA region would annually gain US\$ 17.5 billion in intra-COMESA exports if all the Member States fully implemented the digital trade facilitation reforms that involve the use of paperless trade facilitation measures.

According to research findings presented to the 5th COMESA Annual Research Forum in Nairobi, 6-10 August 2018, five countries have the greatest intra-COMESA export trade potential for the region. These are Eritrea, Egypt, Sudan, Libya and Ethiopia.

The researcher, Mr. Adam Willie (in picture), Principal Economist, Ministry of Commerce, Industry and Enterprise Development of Zimbabwe, said this was based on their low baseline implementation score of six digital trade facilitation measures used in the study.

“The implementation scores used in the study only captured the paperless trade facilitation measures that enable efficient coordination and exchange of data and documents among government border agencies and business community within a country,” Mr Adam explained.

Top scorers under the assessment criteria were Kenya, Madagascar, Mauritius and Rwanda. According to the researcher the top scorers have exhausted their potential to generate additional intra-COMESA exports with respect to scaling up implementation of the six e-trade facilitation measures considered in this study.

Comoros, D R Congo, Djibouti, Malawi, Swaziland, Seychelles,

Uganda, Zambia and Zimbabwe had medium implementation scores thus presenting significant potential to increase intra-COMESA trade by implementing the Digital Free Trade Area (DFTA).

The study sought to investigate intra-COMESA exports gains resulting from full implementation of e-trade by Member States. In particular, the study sought to assess the impact of the current implementation level of e-trade facilitation on intra-COMESA exports and secondly, to estimate the regional gain in intra-COMESA exports when all Member States fully implement digital trade facilitation.



Arising from these findings, the study recommended policy change by countries with low to medium baseline implementation scores. This will scale up implementation of e-trade facilitation to realise the demonstrated potential benefits for the region.

“Efforts should be made to understand country specific circumstance on why they have not been able to scale up

implementation,” Mr. Adam cautioned noting that ‘one size fit all policies’ may not work as there is greater variability in baseline implementation levels.

The five days forum reviewed the best 11 out of 88 research papers submitted. The policy implications from the papers are presented to the COMESA policy organs for consideration as a basis for policy making for Member States.



## Value of Transactions at COMESA Clearing House Rises

The value of transactions processed on the Regional Payment and Settlement System (REPSS) has now crossed US\$ 50 million with nine Central Banks in the COMESA region using the system.

REPSS enables Member States to use local currencies in their intra-COMESA trade. Hence importers and exporters deal with their local commercial banks for trade documentation. The importer's payment to the exporter is then channelled through the Central Bank of the importer to the Central Bank of the exporter using the REPSS platform.

Presently, Central Banks of the following countries are live on the system: Democratic Republic of Congo, Egypt, Kenya, Malawi, Mauritius, Rwanda, Eswatini, Uganda and Zambia. Central Banks of Burundi, Djibouti, Madagascar, Sudan and Zimbabwe are expected to go live soon after completing on-going internal processes and readiness aspects. Central Banks of Comoros, Ethiopia, Eritrea, Libya and Seychelles are also expected to start preparing for the REPSS.

### Transactions Value

By June 2018, the Central Bank of Kenya (CBK) accounted for 91% of the total value of US Dollar transactions. The Bank of Uganda (BoU) accounted for 80% of the value of Euro transactions. On volumes, CBK sent the highest number of USD payments whilst the Bank of Mauritius had the highest Euro payments, at 53% of the total. The total value of transactions was 49 million US Dollars and one million Euros.

Briefing the 34th COMESA Trade and Customs Committee that met in Kenya in August 2018, Executive Secretary of COMESA Clearing House Mr. Mahmood Mansoor said guaranteed and prompt payment for exports was one of the key benefits of the REPSS as

it eliminates mistrust among traders owing to the involvement of Central Banks.

"This in turn increases trade within the region, reduces foreign funding as the amount to be paid at the end of the day by a participant is on a net basis and reduces collateral requirements as Central Banks are directly involved in the system and trade is mainly amongst members," Mansoor told the delegates.

He indicated that the approximate totality of transactions carried out so far on REPSS have been without Letters of Credit.

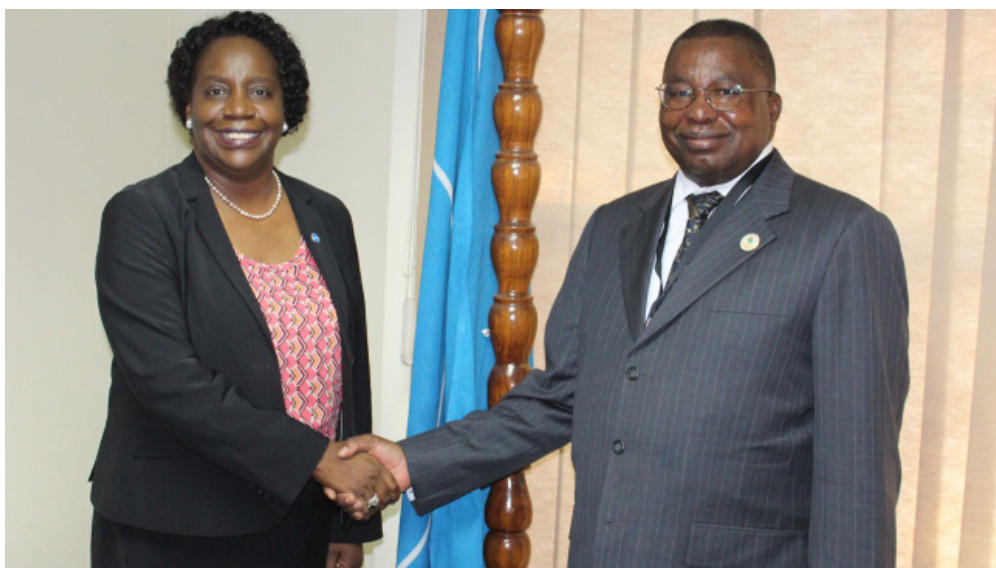
"Based on an estimated amount of \$49 million transacted and at an average cost of 5% of the value of these transactions which would have gone through Letters of Credit, the importers have already saved an estimated amount of over US\$ 2.45 Million by channelling their payments through REPSS," Mr. Mansoor explained.

Noting the successful operations of the REPSS, COMESA Heads of State and Governments, in their July 2018 Summit in Zambia urged all Member States to have their Intra-COMESA trade settled through REPSS. Further, they urged Central Banks that have not yet met the prerequisites for joining REPSS to do so in earnest.

The use of the REPSS is expected to generate resources for the COMESA which will be used to leverage funding from cooperating partners for sustainable financing of regional integration programmes.

REPSS is currently transacting and settling in seven international currencies including the USD, Euro, Japanese Yen, British Pound, Swiss Franc, Chinese Renminbi and the Indian Rupee.

# Effective AU- RECs Coordination Will Determine Success of FTAs



*Amb. Albert Muchanga (R) and COMESA Secretary General Chileshe Mpundu Kapwepwe*

Closer coordination between the African Union and the Regional Economic Communities (RECs) underpins the successful implementation of both the Continental and the Tripartite Free Trade Area Agreements.

Africa Union Commissioner of Trade and Industry Amb. Albert Muchanga and Secretary General of COMESA Ms. Chileshe Kapwepwe noted there were many overlapping activities between the COMESA-EAC and SADC Tripartite FTA and the ACFTA that needed to be harmonized.

They were speaking at the COMESA Secretariat in Lusaka, September 10, 2018 when Commissioner Muchanga paid a courtesy call on the Secretary General.

“The narrative of the regional economic communities being the building blocs of the ACFTA, should be promoted to ensure complementarity,” Ms. Kapwepwe said.

“Such as forum would help in identifying areas of complementarity and overlaps that can be avoided to ensure the activities of the RECs feed into the achievement of their goals and that of the continent,” she said.

She noted that the AU, as the continental body, was best placed to bring together all the regional economic communities to coordinate activities related to the implementation of the Africa Continental Free Trade Area.

They observed that the ACFTA had benefitted immensely from the work done under the Tripartite framework and achieved faster progress.

Currently, seven countries have ratified the ACFTA while three have ratified the tripartite FTA. A minimum of 22 ratifications is needed for the ACFTA to enter into force while 14 are required for the TFTA. The seven are Kenya, Rwanda, Eswatini, Chad, Niger, Guinea and Ghana. Under the tripartite FTA, Kenya, Uganda and Egypt have ratified.

The AU Commissioner stressed the importance of having a champion at the head of State level to provide impetus to the ratification of the FTA adding that this had served the AU well and could be replicated at the RECs level.

He said the AU has launched an advocacy campaign to bring more countries to ratify the ACFTA to attain the requisite 22 ratifications. This includes launching a business guide, developed in collaboration with the International Trade Centre, to mobilize the business community to participate in the ACFTA.

“We are confident of getting the 15 remaining Member States to ratify the ACFTA by December 2018 and start implementation one month after,” Amb. Muchanga assured. “We have set January 31, 2019 as the commencement date of the implementation of the ACFTA.”

The SG pledged to mobilize COMESA Member States to ratify both the ACFTA and the Tripartite FTA.

Amb. Muchanga informed that an AU-RECs summit will take place in July 2019 where issues of coordination will be high on the agenda.

The two cautioned on the existential threat to the ACFTA if African countries entered bilateral trade negotiations with global economic powers. This will undermine the successful implementation of the FTAs.



# Energy Experts, Communications Professionals close ranks on ESREM



*Regional energy experts, communication experts and journalists visit Ngong Wind Farm, a renewable energy project in the outskirts of Kenya Capital, Nairobi*

The third meeting of the Technical Steering Committee of the Project on Enhancement of a Sustainable Regional Energy Market in the Eastern Africa Southern Africa-Indian Ocean region (ESREM/EA-SA-IO) took place in Nairobi, Kenya from 30 July to 2 August 2018.

Members of the Project Steering Committee comprised of energy experts from five participating Regional Economic Communities (RECs): The Common Market for Eastern and Southern Africa (COMESA) the East African Community (EAC), Intergovernmental Authority on Development (IGAD), the Southern Africa Development Community (SADC) and the Indian Ocean Commission (IOC).

Others were from the Regional Associations of Energy Regulators, the Regional Power Pools, Renewable Energy and Energy Efficiency Centers and the European Union Delegations to the three sub-regions.

Prior to the energy experts meeting, awareness training for regional journalists and communication experts from the participating organizations was conducted on July 30, 2018 as part of the project's communication and visibility strategy.

The energy experts reviewed progress on the implementation of the project's first-year work programme (2017- 2018) and adopted the work plan and budget for the second year 2018-2019.

Among the key activities carried out in the first year of the project

were: the development of a framework for regulatory oversight of the regional energy market. The other is the implementation of a program to develop a regionally harmonized energy regulatory framework and support for the establishment of a regional autonomous regulator for the South African Power Pool.

## **ESREM Project**

ESREM is a seven million euros project funded by the European Union to address market governance and regulatory related challenges affecting the implementation of energy development projects in the region. It will run for four years since the signing of the grant delegation agreement with COMESA in May 2017.

The training of communications professionals and regional journalists was intended to raise public awareness on ESREM project and energy development programmes in the three sub regions of Africa.

The Secretary for Electrical Power Development, Ministry of Energy, Kenya, Eng. Julius Mwathani opened the meeting. Chief Executive Officer of the COMESA, Regional Association of Regulatory Authorities in the Eastern and Southern Africa (RAERESA) Dr Mohamedain Seif Elnasr, the representative of the European Union Delegation to Kenya Mr. Jean-Noel Gangloff and Mr. Graham Ching'ambu, Programme Manager Infrastructure EU Delegation to Zambia/COMESA addressed the delegates.



*Delegates at the 5th COMESA Annual Research Forum*

## Regional Trade Experts Attend the 5th COMESA Annual Research Forum

The Fifth COMESA Annual Research Forum took place from 3rd to 10th August 2018 in Nairobi with over 60 leading policy think tanks, the academia, and the private sector representatives from the 21 COMESA Member States participating.

The one-week Forum was anchored on the theme: “Harnessing the Demographic Dividend for Social Economic Transformation and Deep Regional Integration in COMESA through Academia-Industry Linkages.”

The experts reviewed and discussed 11 papers that were developed by researchers on key regional integration issues focusing on the digital economy in the context of the tripartite and African Continental Free Trade Areas.

The Principal Secretary, State Department of Trade in Kenya, Dr. Chris Kiptoo opened the Forum which he described as an opportunity to contribute to policy development and interventions on regional integration and trade development.

“Our coming together today is purposely to share knowledge and deliberate on empirical issues on how to harness the youth demographic dividends for the socio-economic transformation of

our region,” he said.

The UN estimates that Africa will make up a quarter of the world population by 2050 with an average 60% of the population being under 24 years. With almost 200 million people aged 15–24, Africa has the youngest population in the world and that number will double by 2045.

In his speech presented by the Secretary of Trade Ms. Joyce

**“The golden rule is to think of posterity instead of being guided by short-term challenges and short-term gains”.**

Ogundo, the PS urged the delegates to focus on evidence-based issues that would enable COMESA and the African region at large to enjoy the demographic dividends associated with the youth bulge to attain economic growth and development.

“This youth bulge presents a fantastic opportunity for social

# Key Issues in Regional Integration Take Centre Stage at Experts Meeting



*Dr Chris Kiptoo, PS Trade, Kenya addressing the 3rd Meeting of Heads of Custom meeting in Nairobi, Kenya, August 13, 2018*

The 34th COMESA Trade and Customs Committee meeting (TCM) took place in Nairobi Kenya 11- 18 August 2018. High on the agenda was the implementation of the COMESA Digital Free Trade Area (DFTA) which is being rolled out in Member States.

Other key issues that engaged the trade and customs experts were: Trade developments in COMESA region, non-tariff barriers, trade negotiations covering the tripartite and the continental free trade areas, review of the Rules of Origin and implementation of the COMESA Electronic Certificate of Origin.

Regarding the DFTA, the meeting noted that by providing necessary resources and fast tracking its implementation, specifically online market, will facilitate ease of doing business and enhance intra-COMESA trade within the region.

The DFTA has three aspects: e-trade, e-logistics and e-legislation. e-trade will promote online commerce by providing a platform for traders in COMESA region to do business online. E-logistics targets improvement in transportation of goods from suppliers to customers, while e-legislation address the readiness of laws in Member States to cater for digital transactions.

On NTBs, the meeting was informed that a total of 199 out of 204

Non-Tariff Barriers (NTBs) reported among COMESA Member States since the establishment of the Tripartite NTB Online Reporting Mechanism in 2008, have been resolved. This represents a success rate of 97.5%.

“That notwithstanding, a disturbing phenomenon is that reports of NTBs keep coming to the COMESA Secretariat and this frustrates the efforts to enhance intra-COMESA Trade,” said the Secretary General (SG) of COMESA, Ms Chileshe Kapwepwe.

In her speech at the opening of the 34th COMESA Trade and Customs Committee (TCM) meeting in Nairobi, August 17- 18, 2018, the SG observed that though Member States had, upon signing the COMESA Treaty, agreed to abolish all non-tariff barriers to trade among themselves, new ones kept cropping up thus affecting intraregional trade.

“Most Member States have taken long to remove certain NTBs and to operationalize the COMESA Customs Union and the launch of the Common Market,” she said in the statement delivered by the Assistant Secretary General, Dr Kipyego Cheluget.

The SG appreciated the progress made in implementing regional

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World Bank Country Manager for Zambia, Ms. Ina-Marlene Ruthenberg meets executive management of COMESA.

## World Bank, COMESA Seeks Solution to Projects' Implementation Challenges

Several World Bank funded projects were experiencing implementation challenges which have slowed down progress. As a result, the absorption of funds provided by the Bank to some COMESA Member States is currently low. This has compelled the Bank to classify some of the programmes as "under-performing projects".

This was disclosed during a visit by the World Bank Country Manager for Zambia, Ms. Ina-Marlene Ruthenberg to the COMESA Secretariat on September 24, 2018. Ms. Ruthenberg who is the WB Special Representative to COMESA was at the Secretariat to discuss the status of on-going and upcoming World Bank funded regional integration programmes.

Secretary General of COMESA, Chileshe Kapwepwe received the World Bank team that included Senior Operation Officers Mr. Deo Ndikumana and Ms. Hellen Mbaoc.

During the discussions, the WB cited lengthy procurements for infrastructure projects and policy reforms as the main problems experienced in the implementation of World Bank funded projects.

"Not more than 15% of a \$10 billion portfolio for Africa region, available under the World Bank International Development Assistance, has been disbursed," Mr. Ndikumana informed the meeting.

The COMESA SG assured WB team that the organization will work with the Bank's Special representative to discuss the matter further, in

consultation with the affected Member States and come up with a joint solution.

Among the key highlights in the discussions was the need to consider establishing Special Purpose Vehicles to assist Member States that face capacity challenges in implementing large projects such as those on infrastructure.

Noting that the WB strategy on regional integration was country - driven, the parties observed the need for COMESA to engage its Member States at the national level through the ministries of finance. This will ensure that regional programmes are integrated in their National Strategic Plans for such programmes to benefit from the Bank's support.

On the COMESA - EAC and SADC Tripartite Free Trade Area negotiations, which the World Bank supports, the meeting acknowledged the existence of overlaps in the activities of the organizations. The SG, who is the current Chair of the Tripartite Task Force, said she would engage with her counterparts to ensure harmonization and complementarity in project implementation. A meeting of the three CEOs was already planned and this matter would be discussed, and solution communicated to the WB.

On regular interaction and information, the SG stressed the importance of information sharing between stakeholders involved in regional integration programmes. This was especially important in raising



the red flag where things were not going well in order to make timely interventions.

The parties agreed to hold quarterly consultative meetings where key issues could be discussed, and joint solutions agreed on.

They reaffirmed their commitment to continue working together and strengthening the current partnerships. To this effect, the two jointly prepared to host the Regional Forum on Climate Risks and Food Security Resilience, in October 2018 in Lusaka, Zambia.

The Forum would bring together high-level policy makers and technocrats in the fields of climate change, agriculture, food security and resilience building.

The Bank said will use the Forum to disseminate the results of the work it has been doing in Member States. To COMESA, it is an opportunity to define new agriculture development programmes in response to the pressing needs and challenges faced by Member States individually and collectively.

## Key Issues in Regional Integration...

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programmes with substantial support from International Cooperating Partners. However, she noted that little progress has been achieved in domesticating trade facilitation instruments at national level as Member States took their time to ratify and implement them.

"Since the establishment of the Free Trade Area in 2000, intra-COMESA exports have increased from US\$ 1.5 billion to US\$ 7.9 billion in 2017. The global COMESA exports stand at US\$ 86, 912.7 million while the share of intra-COMESA exports to COMESA global exports remains low at 9.1%," she said.

Speaking at the same forum, the Principal Secretary, State Department of Trade in Kenya, Dr Chris Kiptoo, called for scaling up and sustaining awareness campaigns of the COMESA protocols and the intended benefit of regional integration.

"Ultimately trade and investment are spearheaded by the private sector and this is the audience we need to sensitize for them to have the utmost confidence in the opportunities created by regional integration," Dr Kiptoo said in a speech delivered by the Director of Administration Mr. Samson Wangusi.

Dr Kiptoo cited the COMESA Yellow Card, the COMESA Customs Document, the Simplified Trade Regime, Non-Tariff Barriers Regulations, the COMESA Fund, and the Regional Customs Transit Guarantee, as some of the most successful trade facilitation instruments which stakeholders need to know about.

# Regional Trade Experts attend 5<sup>th</sup> Research Forum

► continued from page 8

economic transformation of the African region through tapping into the vigour and idealism of youth and commercializing ideas into industries in the context of innovation and the fourth industrial revolution," he said. "The golden rule is to think of posterity instead of being guided by short-term challenges and short-term gains".

The Director, Capacity Development Division of the United Nations Economic Commission for Africa (UNECA), Mr. Stephen Karingi noted that Africa has healthy and qualified young people hence policy makers should develop policies to harness their full potential.

"Deepened integration includes building capacity, connectivity through better infrastructure and harnessing innovation," Mr. Karingi said. "Policy research should be precise and provide credible and robustly interrogated policy options."

The COMESA Competition Commission and the United Nations Conference for Trade and Development (UNCTAD) supported the Forum.

In his statement, the Director of the COMESA Competition Commission Mr. George Lipimile said his Commission would benefit from the work of the Forum.

"It will contribute to the development of best practices in the formulation and effective enforcement of competition and consumer protection laws and policies so as to promote development," he said.

Others that addressed the Forum were Dr. Alessandro Nicita, Economist at the (UNCTAD), the Regional Director at the Trade and Development Bank, Mr. James Kabuga and Director of Trade and Customs, COMESA, Dr. Francis Mangeni.

Since 2014 COMESA has been organizing Annual Research Forums under the Africa Capacity Building (ACBF) funded project on "Enhancing Capacity of the COMESA Secretariat to Support Economic and Trade Policy Analysis and Research.

# Design of a Digital Networking Platform for Women Entrepreneurs Underway

The design of the 50 Million African Women Speak (50MWS) Digital Platform for women entrepreneurs commenced from 31 July - 10 August 2018 during a kickoff workshop at the COMESA Secretariat in Lusaka, Zambia.

Representatives from COMESA, East African Community (EAC), Economic Commission for West African States (ECOWAS), African Development Bank (AfDB) attended the workshop. Others were stakeholders representing policy makers, women in business and service providers.

A Spanish-based technology consultancy company, Izertis Society Limited / P&L Global Joint Venture, won the bid to develop the software and to design the platform. The company facilitated the kick-off workshop.

The 50MWS is a three-year project funded by the AfDB and jointly implemented by three Regional Economic Communities (RECs) COMESA, EAC and ECOWAS in 38 countries. Its objective is to contribute to the economic empowerment of women through the provision of a networking platform to enable women access information on financial and non-financial services.

Specifically, the platform will improve the ability of women entrepreneurs to network and share information and to access financial services.

"The aim is to have a platform that is responsive and fit for purpose. We want a digital platform that will make it easier and convenient for women entrepreneurs to navigate and access the relevant information they need to develop and grow their business," Ambassador Kipyego Cheluget (in picture), Assistant Secretary General of COMESA said.

Noting that the project was being implemented when COMESA

was rolling out Digital Free Trade Area (DFTA) instruments, he said this will complement the ongoing efforts on enhancing the regional economic integration agenda by minimize physical barriers.

The Head of the EAC delegation, Ms. Mary Makoffu described the 50MWS initiative as an exciting project, which all EAC Partner States were looking forward to its successful implementation in the region.

Mrs. Salimata Thiam, Principal Programme Officer (PPO) at the ECOWAS Gender Development Centre, commended the African Development Bank for bringing the three RECs together to implement the 50 MWS project.

"As ECOWAS, we envisage this project as an enabler of women entrepreneurs in the three sub-regions to interconnect, share their experiences and to have access to useful information which will help them to improve their turnover," she said.

The Platform would be operational at the beginning of 2019.

Meanwhile, the three RECS will continue to engage their respective Member States to introduce the project and set up country coordinating teams to oversee the implementation of the project at national level.

Ultimately, it will create a dynamic and networking platform for women entrepreneurs to connect with one another in ways that will foster peer-to-peer learning, mentoring and the sharing of information and knowledge within communities, and access to trade finance and market opportunities between urban and rural areas, and across borders and between countries.

Since April 2018, COMESA has been engaging Member States to introduce the project and gathering feedback on what the stakeholders expects from the platform.





# Seychelles to Upgrade its Trade Data System

Seychelles is set to migrate to a new platform that will improve its management of customs trade datasets, with support from the COMESA Secretariat. The support covers staff training and technical assistance which will enable Seychelles migrate its EUROTRACE System from MS Access to MS SQL Server.

EUROTRACE system, is a software for collection, compilation and dissemination of external trade data at national and regional level.

The staff from Seychelles National Bureau of Statistics, the Revenue Commission and the Department of Information Communication Technology were trained on how to compile and disseminate comprehensive international trade merchandise statistics that are aligned to international recommendations. The training was conducted on 6 – 14 September 2018.

COMESA EUROTRACE Expert, Mr. Wilson Chizebuka facilitated the two-week training which was financially supported by the Pan

African Statistics Programme (PAS) based at the African Union.

The training was in line with the 2017 – 2020 COMESA Statistics Strategy's objective of ensuring the availability of quality, timely and harmonized statistics in the region. It seeks to support strengthening of market integration thus contributing to the overall objective of the PAS through availability of quality statistical information. Ultimately, it will improve the production and dissemination of good quality statistics in Africa by facilitating decision-making and policy monitoring.

To improve the quality of statistics produced in the region, the COMESA Statistics Unit has over the years been building the capacity of staff of National Statistical offices in Member States through similar trainings.

So far, 18 out of the 21 countries have been covered.



Acting Chief Executive Officer of the Kenya Association of Manufacturers Mr. Thomas Alando receives the Secretary General

## Kenyan Manufacturers **Seek** COMESA Support to Stop Counterfeits

The Kenya Association of Manufacturers (KAM) would like COMESA to consider establishing an institution to deal with counterfeits and dumping in the regional market.

At a meeting on August 15, 2018, Nairobi between COMESA Secretary General Chileshe Kapwepwe and the KAM team led by Acting CEO Mr Tobias Alando, they expressed concern that counterfeits, and dumping constituted a large segment of goods traded in the region.

"About 40% of manufactured goods in the market in Kenya are counterfeits," Mr Job Wanjohi, Head of Policy. Research and Advocacy at KAM said.

The KAM team requested COMESA to consider coming up with an institution to deal with counterfeits and dumping as these were likely to distort the regional market if not addressed. They cited the establishment of the COMESA Competition Commission as a successful initiative that could be emulated in the fight against counterfeits and dumping.

The resolution of a longstanding non-tariff barrier whereby Kenya milk and edible oils are barred from entering the Zambian market was also discussed. They agreed that in addition to the ongoing initiatives to address the matter at technical level, there was need to bring on a round-table, the private sector players from both countries to discuss the matter as well.

Other issues of concern raised by KAM was the need for a solution on double taxation and gaps in the COMESA Rules of Origin . KAM observed that the Rules of Origin left room for misuse, especially on what constitutes value addition for products not originating from the region to meet the criteria of a locally produced product.

Meanwhile, the COMESA team paid a courtesy call on the Executive Director, Kenya Institute of Public Policy Research and Analysis (KIPPRA,) Dr Rose Ngugi. The two agreed to explore how COMESA and KIPPRA could collaborate, at institutional level, in capacity building and advocating for local think-tanks.

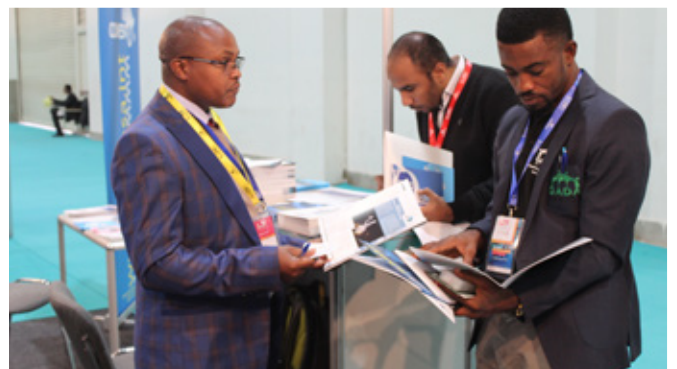
Dr. Ngugi noted that regional economic communities were not adequately utilizing local policy think-tanks in addressing some of the pertinent issues in regional integration.

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About 40% of manufactured goods in the market in Kenya are counterfeits," Mr Job Wanjohi, Head of Policy. Research and Advocacy at KAM said.

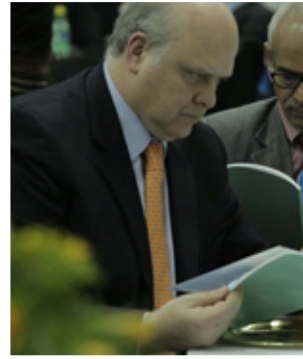
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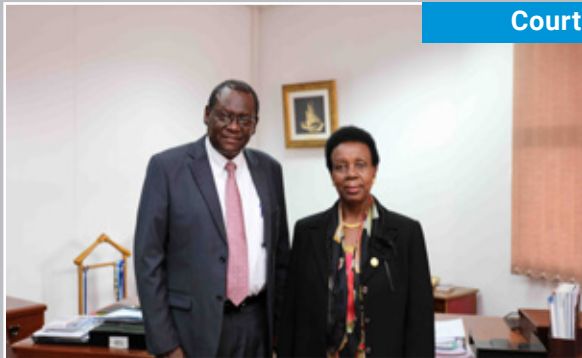




Blue Economy Conference









## EU/Egyptian Envoys Meet New Secretary General

Ambassadors from the European Union Delegation and the Embassy of Egypt based in Zambia held separate bilateral talks with the Secretary General Madam Chileshe Mpundu Kapwepwe shortly after she took office in August 2018.

The Ambassador of Egypt who is also Permanent Representative to COMESA H.E. Ahmed Mostafa was the first to call on the SG on 8 August 2018. He reassured the SG of his country's support to the implementation of COMESA programmes and projects in Member States.

Ambassador Mostafa, expressed the need for enhancing public awareness of the regional bloc and its activities amongst the

Member States. Once COMESA and its programmes and projects are known, he said, people would have a sense of ownership of the programmes being implemented.

Madam Kapwepwe assured that COMESA would heighten its presence and visibility in Member States through creation of strategic partnerships and direct stakeholder engagement. She said this will build stakeholder confidence and buy-in to the COMESA programmes.

"The first thing I need to do is ensure that I get to understand all the various programmes and projects being implemented in the Member States then see how we can ensure that visibility is made



Secretary General Madam Chileshe Mpundu Kapwepwe with H.E. Ahmed Mostafa (above) and with European Union Head of Delegation Alessandro Mariani (below)

“

The first thing I need to do is ensure that I get to understand all the various programmes and projects being implemented in the Member States then see how we can ensure that visibility is made to make these programmes known by the public in the

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to make these programmes known by the public in the Member States,” she said.

Further, COMESA will look at the comparative advantage of various Member States to support regional integration programmes and projects.

In a courtesy call on the Secretary General, the EU Head of delegation and Special representative to COMESA Ambassador



Alessandro Mariani said the EU's focus is on tangible results which entails making a difference to the COMESA region and its Member States.

Under the current 11 European Development Fund COMESA envelop, key border posts and corridors in the region have been selected. He said the corridors remain critical to the COMESA region and it's the vision of the EU to see that COMESA has a key role in facilitating and ensure the countries implementation the regional integration programmes.



ITC Executive Director Ms. Arancha Gonzalez (L) and COMESA Secretary General Ms. Chileshe Kapwepwe

# Cross-Border Initiative Set to Roll

*as COMESA, ITC Launch Implementation Programme*

COMESA and the International Trade Center (ITC) have launched a Co-delegation Agreement for the implementation of the Cross-Border Trade Initiative Programme funded under the European Union Development Fund (EDF 11).

ITC Executive Director Ms. Arancha Gonzalez and COMESA Secretary General (SG) Ms. Chileshe Kapwepwe launched the Agreement in Lusaka, September 10, 2018 on the sidelines of the World Export Development Forum (WEDF).

In May 2018, COMESA and the European Union signed an Agreement for implementation of the Cross-Border Trade Initiative Programme worth 13.4 Million Euros. The four-year programme has five key result areas, two of which have been delegated to the ITC for implementation. These are Result Areas 2 and 3 with an allocation of EUR 2.1 million.

Result 2 addresses the extent of corruption, bribery and harassment experienced by small-scale traders while Result 3 focuses on capacity re-enforcement for Cross-Border Traders Associations (CBTAs) and similar business associations.

"We are committed to ensuring that we implement our assigned tasks that of reducing bribery and corrupt activities at border points and build capacity for the cross-border traders," Ms. Gonzalez said.

The SG said the cross border programme aims at increasing the formalization of informal cross-border trade and enhancing trade flows leading to higher incomes for small-scale cross border traders.

"The programme will support the construction of border markets, cross border trader's associations and address the challenges that small-scale traders face at the borders," she said. "It will also help in collecting trade data pertaining to small scale cross border trade."

The beneficiaries of the programme are small-scale traders, particularly women traders, who regularly cross the borders in the COMESA-EAC-SADC region to sell and buy goods, as well as the associations which represent them and defend their interests.



File: COMESA- Western Australia Technical working group meeting in September 2016

## Implementation of the COMESA- Western Australia Pact on Course

The implementation of the memorandum of understanding between COMESA Government of Western Australia (GWA) is now in its fourth year with the two parties engaged on mining, agriculture and energy initiatives.

The COMESA – GWA MoU was first signed in January 2014, and further extended in February 2018 during the Mining Indaba held in South Africa. COMESA also participated in the 2018 Africa Down Under (ADU) Mining Conference in Perth, Western Australia from 29 August to 1 September 2018.

The ADU is an annual event hosted by GWA to increase business-to-business linkages between Australia and the African continent in mining, agriculture and energy.

At the side-lines of the ADU Conference in Perth, COMESA Senior

Private Sector Development Officer Mr. Innocent Makwiramiti participated in joint working group meeting to review progress on the implementation of the MoU particularly on the business case developed by Western Australia. This involves longer-term training and capacity building of government employees involved in the administration of the mining and petroleum industries.

In addition to participation in the mining conferences, COMESA also provides space at the conference expos for stakeholders to obtain information on mining policies, taxation regimes and related information on its Member States.

This year, COMESA Member States that participated in the ADU conference were Ethiopia, Kenya, Madagascar, Mauritius, Sudan, Zambia and Zimbabwe.



Secretary General Chileshe Kapwepwe (R) with Ambassador Sebnem Incesu

## Revisiting the Turkey, COMESA Pact

Turkey and COMESA will begin implementing a cooperation agreement aimed at boosting business links between their entrepreneurs focusing on joint ventures and technology transfer. The Agreement was signed in April 28, 2017 between the Foreign Economic Relations Board of Turkey (DEIK) and COMESA but has since not been implemented.

On 20 September 2018, during a courtesy call by the Special Representative of Turkey to COMESA, Ambassador Sebnem Incesu, to the Secretary General Chileshe Kapwepwe, it was agreed that the MoU should now be actualized to realize the envisaged mutual benefits.

“Turkey looks forward to COMESA’s participation in the Turkey – Africa Summit in 2019 to promote trade and invest relations,” Ambassador Incesu said.

Under the MOU, the parties had agreed to strengthen their relationship on the basis of cooperation and mutual benefits and encourage industrial and technical cooperation. This was to be realized through joint production, joint ventures, and the transfer of technology, contacts and activities to promote exchanges between the business communities.

“COMESA has a huge mandate covering a wide spectrum of trade

“

Turkey looks forward to COMESA’s participation in the Turkey – Africa Summit in 2019 to promote trade and invest relations,” Amb. Incesu said.

and investment opportunities for Turkish investors and business people,” the Secretary General said. “We will, therefore, seek to leverage on Turkey’s comparative advantages to support our industrialization agenda.”

Turkey’s bilateral trade volume with Africa has increased over the years. Turkish contractors have so far undertaken projects worth over \$55 billion. Turkey has also opened Commercial Consulates in 26 African capitals.

The COMESA – Turkey MoU was signed by COMESA Assistant Secretary General, Ambassador Kipyego Cheluget and Mr. Ömert Cihad Vardan, the President of DEIK during the First Turkey-Africa Agriculture Ministers’ Meeting and Agribusiness Forum in Antalya, Turkey from 27 to 28 April 2017.



# Zambia Enlists in the COMESA Peace and Prosperity Index



*SVA workshop participants in Lusaka*

Zambia is the second country after Uganda to host a consultative stakeholders' workshop on 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 structural factors to peace and prosperity, both at the COMESA region and at the Member State level.

The CPPI is a composite index that 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.

The workshop took place in Lusaka on 3 – 7 September 2018 bringing together policy makers and technical officials to review the top priority drivers for Zambia under the model.

At the workshop, stakeholders, drawn from the government and civil society in Zambia, pledged to establish a mechanism to address forecasted drivers for the CPPI.

In its endeavor to strengthen the dissemination of early warning reports and response from Member States, COMESA Secretariat through the Governance, Peace and Security Unit is conducting consultations on the SVAs in Member States.

The Zambia SVA workshop was attended by participants from various Government Ministries including Foreign Affairs, Planning and Development, Finance, Education, Labour, the Anti-Corruption Commission, the Human Rights Commission and Civil Society organizations.

The participants recommended to the government of Zambia to accede to the AU conflict prevention and mitigation process which will result in the establishment of a Situation Room for Zambia.

It was further resolved at the workshop that a response mechanism to be coordinated by the Ministry of Foreign Affairs should be established. A steering and technical committee will also be formed to oversee its implementation and help disseminate the CPPI forecasted drivers to the grassroots.

Representatives of the African Union Continental Early Warning System participated in the event and presented the Continental Structural Conflict Prevention Framework.



*Cabinet Secretary Hon Dr Monica Juma hosts Secretary General Chileshe Kapwepwe*

## Maiden Mission: SG Meets Stakeholders in Kenya

“

Kenya has comparative advantages in many aspects of regional integration including the application of innovative technologies to drive trade, which could be replicated in the region instead of re-inventing wheel,” Kapwepwe

In her first official mission since taking office, the Secretary General of COMESA Madam Chileshe Kapwepwe visited Kenya between 13 - 16 August 2018. During the visit, the SG paid courtesy calls on two Cabinet Secretaries: Hon Dr Monica Juma (Ministry of Foreign Affairs) and Hon Peter Munya (Trade, Industry and Cooperatives).

She also made familiarization tours of four COMESA institutions based in the country namely, the Zep-Re PTA Reinsurance, the African Trade Insurance Agency, the COMESA Monetary Institute and the Trade and Development Bank.

The visit also covered the Central Bank of Kenya (CBK), the Kenya Association of Manufacturers (KAM) and the Kenya Institute of Public Policy and Analysis (KIPPRA). The CBK Governor Dr Patrick Njoroge, Acting Chief Executive of KAM Mr. Tobias



Zep-Re with the Managing Director Mrs. Hope Murera

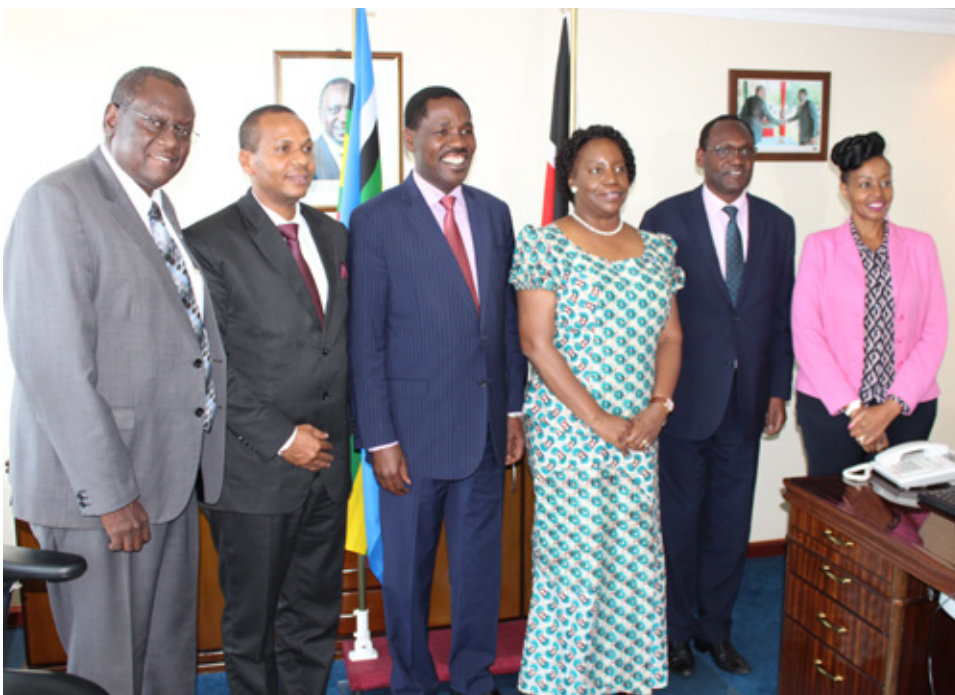


Central Bank of Kenya with Governor Dr Patrick Njoroge

Alando and Dr Rose Ngugi of KIPPRA hosted the SG and explored areas of cooperation in deepening regional integration.

In her meetings, the SG acknowledged the leadership that Kenya has provided in regional integration citing the signing and ratification of regional and continental trade agreements: The Tripartite FTA and the AfCTA.

“Kenya has comparative advantages in many aspects of regional integration including the application of innovative technologies to drive trade, which could be replicated in the region instead of re-inventing wheel,” she said.



Ministry of Trade, Kenya, with Minister Hon Peter Munya (3rd left)



COMESA Monetary Institute with Chief Executive Officer Mr. Ibrahim Zeidy (2nd left)



At the African Trade Insurance Agency



## End of an Era as Ngwenya Bows Out



**A** new chapter in the stewardship of COMESA opened on Friday August 3, 2018 as Mr. Sindiso Ngwenya, exited the stage to usher in the new Secretary General Madam Chileshe Mpundu Kapwepwe. Mr Ngwenya left after a 34-year career at the COMESA Centre, 10 of them at the helm.

The handing over ceremony took place on the sidelines of a colorful send-off party

# Maintaining Aggregate Fiscal Discipline and Sustainability

COMESA Monetary Institute (CMI) in collaboration with the IMF Regional Technical Assistance Centers for Eastern and Southern Africa (AFRITACs East and South), organized a workshop on “Medium –Term Fiscal Frameworks and Fiscal Risks” in Johannesburg South Africa, 10 – 14 September 2018.

The objectives of Medium Term Fiscal Frameworks (MTFFs) are to ensure that the target path for a country's of fiscal aggregates is consistent with fiscal sustainability and macroeconomic stability the same applies to Medium-Term Budget Frameworks (MTBFs).

The designing of MTFF and MTBF are key elements of the COMESA Multilateral Macroeconomic Surveillance Framework.


Several COMESA countries have been undertaking budgetary reforms aimed at enhanced fiscal discipline and achieving better alignment of resource allocation with national priorities. The reforms are also aimed at improving the certainty of funding, both within a country and externally in the medium term, as well as achieving wider economic and social progress including poverty reduction and more efficient public investment.

In his address, CMI Director Mr. Ibrahim Zeidy stated that most countries in the region face skills constraint and require building their capacity in macro-fiscal forecasting and analysis in order to have credible Medium Term Fiscal Frameworks that creates the base for credible Medium-Term Budget Framework.

The workshop focused on sharing experiences in preparation of MTFFs and reforms which need to be undertaken to strengthen their implementation. It also examined fiscal risks, which entails, the effects of factors outside government control such as excessive exchange rate depreciation or excessive debt to GDP ratio. Such factors cause fiscal outturns to deviate from their initial forecast creating potential threat to fiscal and debt sustainability. It also discussed best practices of how to manage fiscal risks.

The decision to host the capacity building workshop arose from a decision made at the 23rd Meeting of the COMESA Committee of Governors of Central Banks held in Djibouti in March 2018.

The workshop was attended by participants from Angola, Botswana, Comoros, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.



held at the COMESA Secretariat in honour of the former Secretary General. Ngwenya thanked the management team, Member States and members of staff for the support rendered to him during his tenure as Secretary General..

“I would like to take this opportunity to thank all colleagues and members of staff for the support that you gave to me and for the touching send off and words that were said about my leadership which will be eternally etched in my memory,” Mr Ngwenya said.

He wished the organization the best of success as the bloc pushes the economic and social integration agenda for the region and the continent at large.



COMESA Committee of Elders Amb. Ashraf Rashed (L) and Ms. Hope Kivengere (R) meets with the Zimbabwe Commissioner General of Police Tandabantu Godwin Matanga prior to the General Elections.

The COMESA Election Observation mission participated in the 2018 elections in Zimbabwe and identified three main best practices, which other countries can emulate. These are the establishment of the Inter-Party Dialogue forum for engagement among political parties with a view of building consensus on key issues; the use of biometric voter registration and the use of the Short Messaging Services (SMS) to verify voter registration status and identification of polling stations for the voters.

The Mission was led by Ambassador Ashraf Rashed, a member of the COMESA Committee of Elders from Egypt.

While in Zimbabwe, the COMESA Mission together with the African Union, SADC and Commonwealth issued a joint statement calling on all parties to refrain from violence and challenge any electoral disputes through the courts of law.

President Emmerson Mnangagwa of the ZANU PF party was declared the winner in the tightly contested election.

## COMESA Lauds the Conduct of Zimbabwe Elections





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