



COMESA Ministers in charge of industry and infrastructure (transport, ICT and energy) at the joint opening ceremony in Nairobi

## Implementation of COMESA Industrial Strategy is now on Course

Two weeks ago, on June 21, the Ministers responsible for industry from the 21 Member States and their representatives approved the Action Plan and Regional Guidelines on Local Content Policy during their 3rd meeting in Nairobi, Kenya.

This paved the way for the implementation of the COMESA Industrial Strategy, which is aimed at supporting structural transformation of regional economies through sustainable and inclusive industrialization.

In their decision, the ministers urged Member States to integrate activities of the Regional Action Plan into their National Industrial Development Plans for implementation. Further, they urged Member States to allocate budgets to implement their industrial development plans in synergy with the regional activities, and in line with the Third Industrial Development Decade for Africa (IDDAIII).

The two-day meeting was chaired by the Minister of Trade and Industry of Madagascar, Hon. Lantsoa Rakotomalala, who is also the Chair of the COMESA Council of Ministers. The COMESA Industrial Strategy was adopted by Ministers of Industry in September 2017 who also directed the Secretariat to develop a well-costed Action Plan with timelines and responsibilities.

At the same meeting, the ministers had directed the Secretariat to come up with Regional Policy Guidelines on Local Content as one way of the regional Industrialization agenda.

The specific targets of the COMESA Industrialization Strategy (2017-2026) are: to increase value added products and exports as a percentage of GDP from the current estimate of 9% to 29% by 2026; increase the share of manufacturing to GDP to at least 20% by 2026 and increase intra-regional manufactured exports relative to total manufactured imports to the region from the current 7% to 20% by 2026

In his statement at the opening of the ministerial meeting, Kenya's Cabinet Secretary for Trade, Industrialization and Cooperatives Hon. Peter Munya underscored the need for the region to develop and inculcate a preferential taste for its own goods and services.

"We cannot talk about industrialization and Infrastructure development without addressing Local Content policies and regulations as appropriate economic instruments which could be employed to advance regional development by harnessing locally available resources," Hon. Munya told the ministers.

He observed that the COMESA and Africa in general, were endowed with vast resources- both material and human and it was time the region came up with strategies to harness them for their own development.

"In order to reap full benefits of Local Content, there is need for goodwill and commitment of

## New SPS Project will Increase Market Access to Agricultural Exports



Delegates attending the inception meeting of the P-IMA project in Kenya.

Regional countries are set to increase market access for their agricultural products following the commencement of a new capacity building project: 'Mainstreaming SPS capacity building into the Comprehensive Africa Agriculture Development Programme (CAADP) and other National Policy Frameworks to Enhance Market Access'.

The project has a budget of US\$ 464,075 out of which US\$ 390,075 is provided by the Standards and Trade Development Facility (STDF). STDF is a Global coordination and knowledge hub of the World Trade Organization (WTO) that brings together leading trade, health and agriculture experts worldwide to address persistent and emerging SPS challenges and drive forward joined-up solutions.

The project covers five countries that are members of the Common Market for Eastern and Southern Africa (COMESA); Kenya, Uganda, Rwanda, Ethiopia and Malawi. It is being implemented under the 'Prioritizing SPS Investments for Market Access (P-IMA) framework, an initiative of the STDF.

Kenya is the second country after Uganda, to start implementing the project with the inception meeting and high-level stakeholder dialogue taking place last week, June 24

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followed by training on P-IMA on 25 – 27 June in Nairobi.

The P-IMA framework is an evidence-based approach to inform and improve SPS planning and decision-making processes. It helps to link SPS investments to public policy goals including export growth, agricultural productivity, and poverty reduction.

Principal Secretary in the Ministry of Trade Dr Chris Kiptoo opened the meeting. In his statement, presented by the Assistant Director of External Trade Mrs. Helen Kenani, he said the variation of SPS capacity across COMESA countries and the continent, undermine the region's capacity to trade with itself.

“The diversity of strengths and weaknesses on the continent demands greater collaboration

between countries that belong to the same Free Trade Area (FTA), particularly the ACFTA that just came into force,” Dr Kiptoo said. He observed that compliance with SPS measures opens tremendous export opportunities for producers and exporters, both at the intra-regional trade level and at the international level.

Currently, intra COMESA trade remains low relative to other regions, at around 11% of total COMESA exports with the majority of traded products being of low added value.

COMESA Director of Agriculture and Industry, Mr. Thierry Kalonji attributed this to lack of industrial diversification, the existence of Non-Tariff Barriers such as health standards requirements, supply side constraints and cumbersome border measures.

“Almost 70% of the reported NTBs in the region are constituted by Technical Barriers to Trade (TBTs) and SPS measures,” he said. “If they are not addressed, our countries will find it difficult to take advantage of the mega trade agreements such as the tripartite and the continental free trade area.”

He cited the following as some of the SPS challenges that countries faced, which the new project seeks to address; varied TBT standards and regulatory frameworks across member States, absence of good regulatory practice and, low levels of compliance in the public and private sectors.

With the majority of the 21 COMESA Member States heavily dependent on agriculture, fisheries, and livestock, Mr. Kalonji said the production and trade of agricultural and fisheries produce is of high priority, if only as a stepping stone to industrialization.



## Upgrading Diagnostic Labs and Managing Pesticides are Priority Areas for Investment

## Implementation of COMESA Industrial Strategy ...

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political leadership, professional, captains of industry and consumers in general," he said. Regarding the Regional Guidelines for Local Content Policy, the ministers noted that that these will enable the formulation of similar policies amongst member States to maximize local benefits from industrialization.

They however agreed that the Regional Guidelines are not binding but were tools to guide Member States when formulating policy, laws and regulations on local content.

When developing the local content framework, the ministers advised Member States to take into consideration the commitments made under bilateral and multilateral agreements, bilateral investment treaties, and the existing regional and continental Free Trade Agreements to avoid the breach of those commitments.

The Minister therefore urged Member States to establish mechanisms for greater collaboration in the development of sustainable value chains in order to increase intra trade in manufactured goods;

They also urged Member States to use the regional guidelines to develop/review their Local Content Policy Frameworks and to learn from each other through experience sharing on Local Content. The ministers further directed COMESA Secretariat to facilitate Member States in the formulation and implementation of local content programmes.

To ensure effective implementation, Ministers directed the COMESA Secretariat to facilitate mobilization of financial and technical resources required for implementation of the Regional Action Plan.

Secretary General of COMESA Chileshe Kapwepwe thanked the ministers for approving the local content policy and the regional guidelines, which she noted will lead to the development of a vibrant and sustainable industrial sector that will ensure equitable benefits to all the people of COMESA Member States.



Ms. Roshan Khan of the WTO/STDF conducts training on the P-IMA tool

Upgrading and accreditation of laboratories for testing agricultural products for export and managing pesticides have been identified as priority areas that could benefit through the new COMESA led project on mainstreaming Sanitary and Phytosanitary Standards (SPS) capacity building into national policy frameworks.

This is according to industry experts that attended a three-day training last week in Kenya, on a framework of identifying and prioritizing health standards issues that impeded export of agriculture commodities. The framework is known as 'Prioritizing SPS Investments for Market Access (P-IMA)' and was developed by the Standards and Trade Development Facility (STDF) a World Trade Organization (WTO) agency.

Thirty experts in agriculture, livestock, health, standards agencies and related sectors from the public and the private sector in Kenya attended the training which was conducted by COMESA and the STDF.

The training is aimed at equipping the institutions dealing with production and export of agriculture and livestock products, with the skills to apply the P-IMA tool to identify SPS priorities that can be mainstreamed into National Planning and Investment Frameworks. Similar training has been conducted in Uganda and others are lined up for Rwanda, Malawi and Ethiopia, the five participating countries

At the training, key sectors, with SPS issues that affect Kenya exports, were identified. These are horticulture and livestock sectors, and the issues mainly relate to pesticide management and laboratory diagnostics. In the livestock, sector SPS issues are mainly on meat and meat products. Unprocessed commodities such as vegetables, fruits (avocados, macadamia nuts, pineapples, peas & beans) were cited as more prone to SPS issues than processed products, sometimes leading to export rejection by importing countries.

The leading five destinations for Kenya exports are Pakistan, Uganda, USA, Netherlands, and the United Kingdom constituting 43% of total exports.

Countries participating in the programme are expected to constitute working group of experts from all key sectors. These will come up with their respective country's dossier of SPS priority issues, from various value chains, that require inventions and eventually presented to potential investors for implementation support.

Ms. Roshan Khan of the WTO/Standards and Trade Development Facility (STDF) who led the training, proposed that each country participating in the project consider having a champion, either at institutional level or a high-profile individual. This will ensure that SPS issues are firmly mainstreamed into national policies.

# COMESA at the Aid for Trade Global Review Forum



COMESA is part of the delegations participating in the World Trade Organization's Aid for Trade Global Review 2019 that opened in Geneva, Switzerland, Wednesday, July 3 under the theme *"supporting Economic Transformation and Empowerment"*.

The objective of the meeting is to review economic diversification and empowerment policies which are essential for achieving sustainable development goals, as economic diversification offers a pathway for empowerment. This will in turn allow women, youths and micro, small and medium sized enterprises to engage in trade.

Led by Secretary General Chileshe Mpundu Kapwepwe, the COMESA delegation will take part in panel discussion on the promotion of regional integration through micro, small and medium enterprises (MSME) value chains and addressing market access constraints in regional integration

The COMESA delegation includes, the Director of Investment Promotion and Private Sector Development, Mr. Thierry Kalonji, Director of Legal and Corporate Affairs, Brian Chigawa, Coordinator of the Aid for Trade Unit, Ms. Hope Situmbeko among others.

Earlier, the SG Secretary General addressed the 53rd Session of the Joint Advisory Group hosted by the International Trade Center at the World Trade Organization in Geneva. She spoke about the COMESA's structural transformation as a prerequisite to industrialization.

The other activities and events for COMESA team was a courtesy call on the Director General of the World Intellectual Property Organisation, Francis Hurry at his office in Geneva. The two principals discussed possible areas of cooperation in Intellectual Property and how these rights can be protected in the COMESA region, given that plenty of innovations have been identified.

They agreed to develop a Memorandum of Understanding to be signed soon covering, among others, innovations in the ICT, Garment and textile, and the leather sectors.

While in Geneva, COMESA SG and the Executive Director of International Trade Centre (ITC) Ms. Arancha Gonzalez signed an MoU to boost intra-African trade.



SG for COMESA and ITC Executive Director Arancha González after signing the MoU at the ITC HQ



COMESA SG and World Intellectual Property Organisation Director General Francis Hurry at the WIPO HQ in Geneva



# 15 COMESA Countries have Established Road Development Funds



Chair of COMESA Council of Ministers Hon. Rakotomalala Lantsoa speaking at the opening of the Ministerial meeting

Fifteen out of 21 countries in the Common market for Eastern and Southern Africa, (COMESA) have established dedicated Road Funds and Road Development Agencies to undertake maintenance, and development of roads for both the regional and national road networks. These are: Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

For most of these countries, funding for road maintenance has been derived from fuel levy while funding for new construction and rehabilitation has been through borrowing from development banks and support from cooperating partners.

Experts in transport, ICT and energy that attended the 11th COMESA Joint Technical Committee meeting on infrastructure, in Nairobi, Kenya, June 17 – 19, called on the remaining countries

to establish such funds. The experts included Permanent Secretaries, Directors and other technical staff from Member States governments and specialized agencies.

The meeting observed that roads command a bigger market share for surface transport. Hence, COMESA countries have undertaken road sector management reforms to address financing of routine maintenance, rehabilitation and construction of new roads by establishing road funds administration.

The expert's report and recommendations was tabled before the joint meeting of ministers of infrastructure responsible for transport, ICT and energy and adopted on Thursday 20 June 2019. Meanwhile, COMESA Secretariat has conducted awareness workshops on the Tripartite Transport and Transit Facilitation (TTTF) Programme in six Member States. This is part of a 710,000 Euros provided by the European Union to support the

awareness activities.

As a result, the countries have started submitting requests for technical support to start implementing the TTTF programme. The programme was designed to assist Member States domesticate and implement the agreed harmonized regional road transport regulations, standards and systems in a coordinated and synchronized manner.

The overall strategic objective is to facilitate the development of a more competitive, integrated and liberalized regional road transport market in the Eastern and Southern African region. A sub-programme for COMESA specific activities was formulated which focused on operationalization the COMESA Carrier License, support enhancement of the One Stop Border Posts and its performance, supporting establishment of Corridor Management Institutions and road safety Management among others.

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## COMESA Moves Towards Establishment of a Regional Online Market



Digital Free Trade Area workshop in Malawi

The development of COMESA Regional Customs Automation Support Center (CARSC) is underway following a successful Digital Free Trade Area workshop conducted in Malawi, last month.

The workshop which brought together delegates from 17 Member States: Burundi, Comoros, Djibouti, DR Congo, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Zambia and Zimbabwe focused on the following: the development of Trade Information Portal, the COMESA electronic Certificate of Origin

(eCO) System (business and technical) and implementation framework of the eCO System.

Delegates noted that the online market will assist especially Small and medium Enterprises to exhibit and sell their products to consumers on the regional and global markets; and will assist to increase intra-regional trade.

The meeting recommended that Member States facilitate the integration of the various online markets onto the regional COMESA

Online Market to the extent possible, in order to facilitate the use of the regional bloc's regimes and instruments.

The COMESA DFTA instruments cover Online NTB Monitoring, Reporting and Resolution system comprising coordinated Border Management (CBM) and Trade and Trade Facilitation; Trade and Transport Corridor Monitoring System (TTCMS); Development of Electronic Single Window System; Electronic Sanitary and Phytosanitary System (eSPS); and Development of COMESA Regional Online Market.

Dates	Event	Venue
15 – 21 July 2019	COMESA Source 21 Business Summit	Nairobi Kenya
23-24 July 2019	Meeting on Climate Change Resilience Building - with delegates from 17 Member States	Lusaka Zambia
23 - 24th July, 2019	Private Seed Companies meeting with National Seed Authorities on the use of COMESA Regional Seed Certificates and Labels	Lusaka Zambia
30-31 July 2019	Meeting on Nationally Determined Contributions Target Indicator Tracking - Climate Change	Harare Zimbabwe
1-2 August 2019	Green Climate Finance Training co- organized with the African Union and UNDP	Harare Zimbabwe