

Thermal Power Dominating Power Generation in the Region



Ethiopian State Minister of Water, Irrigation and Energy Dr. Frehiwot Woldehana

Thermal power accounts for 69% of the total installed power generation capacity in the COMESA region which is currently estimated at 92,000 megawatts (MW) with hydro power, (large and small) taking 30 share.

According to the Chair of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA), Dr Fredrick Nyang, the region needs to promote production from renewable energy sources, for which the COMESA

region has expansive potential, in terms of solar, wind, geothermal, bioenergy, among others. Addressing the 9th Annual General Meeting of the RAERESA that took place on 5 – 6 March 2020, in Addis Ababa, Dr Nyang said there is need to stimulate energy efficiency in order to reduce electricity demand, especially at peak periods.

“The main challenge for many COMESA countries is that generation capacity is not enough to cover the nations own needs and allow for cross-border trade,” he said. “Even though there are

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plans underway to improve the transmission capacity across borders, there is not yet enough transmission capacity to secure an unimpeded trade across the countries and regions.”

Sixteen countries including Ethiopia, Burundi, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia, Djibouti, Eritrea, Somalia and Tunisia attended the AGM which was opened by the Ethiopian State Minister of Water, Irrigation and Energy Dr. Frehiwot Woldehana.

In his speech, Dr. Woldehana said new approaches are needed to increase generation capacity and minimize the current system losses of electricity. He noted that Africa was losing 12.5% of production time as a result of chronic power outages thus holding back the continent's potential for growth.

“High priority should be accorded to the development of regional energy infrastructure which would assist to achieve economies of scale,”

-Dr Kipyego Cheluget

Citing recent studies, the Minister said the low levels of competitiveness of countries in the local and regional markets was due lack of adequate infrastructure in energy in the COMESA region.

“Our region is a paradox of energy, richly endowed with power generating natural resources of which only few are harnessed, thus resulting in severe power shortfalls. We must tap our indigenous resources so that we are not dependent upon imports of fuel to light our cities and power our growth.” the Minister said.

As a way forward, he said there is need to move

and evacuate energy efficiently from areas of production and surpluses to areas of deficit, domestically or across borders by investing in energy trade transport through transmission interconnectors and pipelines.

Currently, the Cape to Cairo electricity corridor is on course with the ongoing implementation of the Zambia-Tanzania-Kenya (ZTK) power



Dr Kipyego Cheluget

interconnector project. This project will interconnect the Southern Africa Power Pool and East Africa Power Pool, enhance and pave the way for a competitive regional power market.

COMESA Assistant Secretary of Programmes, Dr Kipyego Cheluget said the energy challenges facing the region should be seen as an investment opportunity for power generation.

“High priority should be accorded to the development of regional energy infrastructure which would assist to achieve economies of scale,” he noted.

Dr Cheluget called on governments including energy sector players, multilateral and bilateral Institutions, private sector, academia and other stakeholders to explore modalities and innovative means of financing the energy infrastructure deficit in the COMESA region.

Tunisia to Begin Trading under the COMESA FTA



File Photo: COMESA delegation and Tunisia government team meeting in Tunis, September 2019

Tunisia can now export its products to 15 member States of the COMESA Free Trade Area without paying import duties after completing the process of developing and issuing the legal instruments for trading.

In a communication by the Tunisia Minister of Trade Hon. Mohamed Msilini to COMESA Secretary General Chileshe Kapwepwe on 3rd March 2020, Tunisia declared it was now ready to apply the COMESA FTA.

“I am pleased to inform you that the Tunisian Customs Authority and the chambers of commerce and industry, as designated issuing authorities are now completely ready to implement the COMESA Free Trade Area,” Hon. Msilini stated. At the same time, the minister forwarded the legal document published by the Tunisia Customs



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authority on the implementation of the COMESA FTA as well as the final adopted template of the COMESA Certificate of Origin to be used by the Tunisian operators when exporting to COMESA member States.

“This is excellent news and a result of great teamwork by all who were involved,” the SG said

as she congratulated the teams involved in the negotiation process.

The Secretariat will subsequently inform the rest of the member States that they can now trade with Tunisia as an FTA member and share with them the legal instrument and sample certificates.

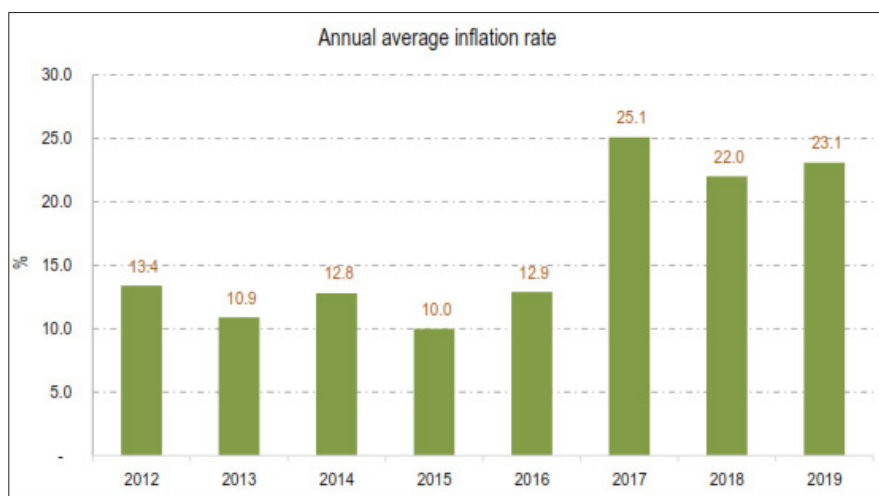
Consequently, the Secretariat will provide Tunisia with the official stamps and the signatories of each of the FTA member States issuing authorities in order to facilitate the COMESA exports entry to the Tunisian territory.

Minister Msilini said: “As for the beginning of this new era of enhanced partnership, we deeply

rely on your usual support to ensure its success for the benefit of all our countries, especially by ensuring a smooth resolution of the technical and practical challenges that may arise for the Tunisian exporters.”

Tunisia joined COMESA in July 2018, signed the COMESA Free Trade Agreement, ratified the Agreement and deposited the ratification instruments in a span one and half years. With the commencement of trading under the FTA, Tunisia products will now access the markets of the other FTA members. These are: Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Sudan, Uganda, Zambia and Zimbabwe.

COMESA Region Annual Inflation Rate at 31.6%



The year on year inflation rate in the COMESA region, as measured by the Harmonized Consumer Price Indices (HCPI-COMESA), stood at 31.6% in January 2020. It means that the prices of goods and services increased by an average of 31.6% between January 2019 and January 2020.

Using a particular or common currency, an item that cost an average of 100.00 cents in January 2019 increased to 131.60 cents in January 2020. The annual rate measures the price change between a particular month and the same month one year earlier. This measure is responsive to recent changes in price levels, but it can also be

influenced by one-off effects in either of the two end months.

According to a report released by the COMESA Statistics Unit, the rate was based on the main components of household expenditure. Housing, water, electricity, gas and other fuels recorded the highest annual inflation of +75.9% whilst the restaurants and hotels registered the least average price change of 12.5%.

HCPI-COMESA comprises of twelve divisions of expenditure which registered the following average price changes during the month of January 2020

compared with January 2019: food & non-alcoholic beverages 44.2%; alcoholic beverages and tobacco 30.9%; clothing and footwear 40.3%; housing, water, electricity, gas and other fuels 75.9%; furnishings, household equipment and routine household maintenance 24.3%; health 57.1%; transport 22.0%; communication 26.9%; recreation and culture 20.8%; education 17.9%; restaurants and hotels 12.5% and miscellaneous goods and services 40.5%.

Seychelles recorded the least annual inflation rate of 0.9%, while Zimbabwe recorded the highest year on year inflation rate of 534.8% followed by Sudan at 83.0%.

The participating Member States that contribute to HCPI-COMESA registered the following rates of total inflation in January 2020 compared to January 2019: Burundi 6.2%; Democratic Republic of Congo 4.6%; Djibouti 4.4%; Egypt 12.8%; Eswatini 3.1%; Ethiopia 16.6%; Kenya 5.2%; Madagascar 4.2%; Malawi 11.0%; Mauritius 1.1%; Rwanda 7.9%; Seychelles 0.9%; Sudan 83.0%; Tunisia 6.1%; Uganda 3.9%; Zambia 14.4%; and Zimbabwe 534.8%.

HCPIs are produced by the COMESA Secretariat

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in collaboration with the Member States with the aim of measuring inflation in similar ways and can therefore be compared directly with each other without the need for making special adjustments. The HCPIs benefit from incorporating many of the international developments in consumer price index theory and methods in recent years. The Member States HCPIs are compiled by

the respective countries, using harmonized methods laid down in COMESA Regulations. The aggregated figures are compiled by the COMESA Secretariat.

An aggregated HCPI is known as an "HCPI-COMESA". The aggregates are calculated as weighted averages of the national HCPIs, using

as weights each country's total household expenditure in the national accounts converted to a common currency using purchasing power parities supplied by the African Development Bank and the World Bank.

Bracing for Change at the Secretariat



Senior staff at the COMESA Secretariat went through a two-day change management and training on 5-6 March 2020 in Lusaka. Its key objectives were to share knowledge, challenges and trends on change management and to develop change management plans. The training will facilitate development and implementation of the COMESA Medium Term Strategic Plan, organizational structure, business processes and re-engineering processes. It is also intended to help the Secretariat to align itself to continental and global changes, which are impacting on COMESA.



Regional Energy Experts Conducting Peer Review on Member States



Energy experts representing energy regulatory authorities at the 9th RAERESA AGM in Addis Ababa

Energy regulatory authorities in countries that are members of the COMESA Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) will be going through peer review to ensure their operations are benchmarked against regional best practices.

The first peer review was conducted last week, from 4 – 6 March 2010 on the Ethiopia Energy Authority (EEA). The preliminary findings were presented to the RAERESA Annual General Meeting (AGM) which will take place on Thursday and Friday last week in Addis Ababa.

A select team of energy experts from 13 countries that are members of RAERESA will be conducting peer reviews on the regulatory authority of the Member State that will be hosting the AGM of the

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-Dr Mohamedain Elnasr

regional association of regulators.

Member countries of RAERESA are those that have established energy regulatory authorities. These are Ethiopia, Burundi, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

Chief Executive Officer of RAERESA, Dr Mohamedain Elnasr said the peer reviews of energy regulatory authorities will enhance knowledge in regional best practice in regulating regional energy markets and strengthen co-



Dr Mohamedain Elnasr

operation with the other regulators within the region.

"It is envisaged that a sustained peer review process will result in significant benefits for the region such as capacity building, information and experience exchange relating to promotion of renewable energy, regional power projects implementation and regulation, integration of gender perspectives, and management of the energy sector," he said during the start of the peer review in Ethiopia

The peer review will support the capacity building and information sharing through exposure to national, regional and international best practices; identify best practices to improve effectiveness of the energy sector; and take stock of tools developed and used by RAERESA in influencing the practices of national regulatory institutions in carrying out their oversight role.

In Ethiopia, a team of five energy experts from the Member States was constituted to carry out the review over a period of three days. The final report will be published and circulated to all the relevant stakeholders as part of information and knowledge sharing of regulatory matters in the eastern, southern and the Indian Ocean region.

RAERESA is a COMESA institution whose role is to support Member States energy regulators build their capacity and information sharing; facilitate energy supply policy, legislation and regulations; inter-regional cooperation; and regional energy regulatory co-operation.

Presently, six COMESA countries are in advanced stages of establishing their national energy regulators. These are Democratic Republic of Congo, Comoros, Djibouti, Eritrea, Libya and Somalia. The six are currently associate members of RAERESA.

RAERESA's New Logo

The new logo for the Regional Association of Energy Regulators for Eastern and Southern Africa – RAERESA). The logo was adopted for use at the 9th Annual General Meeting of the RAERESA on 6 March 2020. RAERESA did not have its own visual identification and was using the COMESA logo.



Monetary Policy Formulation Guide Developed



Experts from COMESA Central Banks at the validation workshop on DSGE modeling

COMESA Monetary Institute has developed a User's Guide on the Basic Dynamic Stochastic General Equilibrium (DSGE) Modelling and Forecasting for Monetary Policy Formulation. DSGE is an economic tool kit or method used by economists to explain the working of the economy from micro-economic principles (foundations). The tool kit models interactions of household, firms, government and external sector behaviour, such as agents that constitute the economy, to inform economic policy.

Finance experts from COMESA Central Banks validated the User's Guide during a workshop conducted in Nairobi, Kenya on 2 – 6 March 2020.

This was part of the CMI's workplan for 2020. Participants were drawn from 10 countries including D R Congo, Egypt, Eswatini, Kenya, Malawi, Rwanda, Sudan, Tunisia, Zambia, and Zimbabwe.

Knowledge Product

The Guide will serve as a knowledge product to enhance analytical capacity and also to develop the skills of staff in Central Banks in COMESA, to build small to medium scale DSGE models for their respective countries. Ultimately, it will contribute to improved monetary policy formulation and enhance the implementation of the COMESA monetary integration programme

by all member countries.

"Contemporary monetary policy formulation requires information and forecasts on the interaction between sectors and variables in the economy, which can be better understood through DSGE modeling, which have richer micro-foundation that captures economic relationships than other comparable models," Mr. Zeidy told the delegates.



COMESA Change Management Training



RAERESA Annual General Meeting



The COMESA Diary

11 Mar 2020	Handing over ICT equipment and software for Operationalization of Comoros Financial Intelligence Unit Organised by: COMESA Maritime Security (MASE) Programme Venue: Moroni, Comoros
12 Mar 2020	Be Relevant Leadership Youth Summit - Zambia Organised by: COMESA and AU-AGA Venue: Lusaka
19 Mar 2020	Technical Working Group Meeting for the EDF Trade Facilitation Programme Organised by: EDF Programme Venue: COMESA Secretariat, Lusaka
23 - 24 Mar 2020	48th Meeting of the Management Committee of the Yellow Card scheme Organised by: Yellow Card/ RCTG Venue: Lusaka, Zambia
25 - 26 Mar 2020	National Launch of the 50 Million African Women-Speak Platform – Zimbabwe Organised by: COMESA/ Govt of Zimbabwe Venue: Harare, Zimbabwe
30-31 Mar 2020	Meeting of Project Implementation Units, Ministries and Communication experts to harmonize programme for 2020 Organised by: Great Lakes Trade Facilitation Project -GLTFP Venue: Chisamba, Zambia
7-8 April 2020	National Launch of the 50 Million African Women-Speak Platform – Ethiopia Organised by: COMESA/ Govt of Ethiopia Venue: Addis Ababa
23-24 April 2020	7th Meeting of the Technical Working Group of the RCTG Carnet Organised by: Yellow Card/ RCTG Venue: Lusaka
29-30 April 2020	5th Meeting of the IT Committee on the Digital Yellow Card Organised by: Yellow Card/ RCTG Venue: Lusaka

