

OFFICIAL GAZETTE



of the
COMMON MARKET FOR
EASTERN AND SOUTHERN AFRICA

Vol. 2 No. 1

Published by Order
Of the Council

20 April 1996

TABLE OF CONTENTS

Legal and General Notice No.

- I. Trade and Customs
 - II. Transport and Communications
 - III. Industry, Energy and Environment
 - IV. Monetary and Financial
 - V. Agriculture and Food Security
 - VI. Legal and Institution Matters
 - VII. Women in Business
 - IX. Administrative and Budgetary Matters
- Annex: New Terms and Conditions

By Order of the Council

Dr. Bingu wa Mutharika
Secretary-General
COMESA

I. TRADE AND CUSTOMS

1. Council decided that the concerns expressed regarding problems arising from differential tariffs should be addressed as follows:

- (i) Member States should continue with the tariff reduction programme as provided in the Treaty; and
- (ii) The Secretariat should initiate action by activating Articles 60 and 49 (2) and that the results thereof be considered not later than 30th September, 1996.

2. Council noted that most member States had eliminated major non-tariff barriers to intra-COMESA trade. However, in order to consolidate the process of liberalization and facilitate cross border trade, Council made the following decisions:

- (a) Member States should intensify measures to liberalize intra-COMESA trade by eliminating all the remaining non-tariff barriers to intra-COMESA trade;
- (b) Member States should continue to liberalize visa requirements for business travel so as to allow COMESA business travelers obtain visa at ports of entry in accordance with the COMESA on Relaxation and Eventual Elimination of VISA Requirements Among COMESA Member States;
- (c) Member States should continue to improve transport and communications infrastructure, as well as work on programmes to cut down the cost of transport, modernize and increase cargo handling equipment, railway wagons and take measures to increase and sustain a viable and efficient trucking industry;
- (d) Measures should be taken to expand and improve cold storage facilities and rationalize handling charges at airports and other ports or by carriers; and
- (e) the COMESA Secretariat should solicit complementary donor funds which should be used to undertake a final comprehensive report on the status of trade liberalization in the Member States and identify and catalogue any remaining or new forms of obstacles, constraints, restrictions or impediments against intra-COMESA trade and report to the Customs and Trade Committee.

3. Council directed the COMESA Secretariat to assist those member States which had requested for assistance with regard to the implementation of the ASYCUDA/EUROTRACE Programme.

4. Council recommended that member States should adhere to the agreed timetable of reducing tariffs. Council also recommended that the COMESA Secretariat should organize a seminar in Zaire to facilitate the tariff reduction exercise.

5. Council recommended that the First COMESA Trade Fair be held in Zimbabwe in 1997 together with the Zimbabwean International Trade Fair. Council also recommended that member States should use funds from their national IPF in order to participate at the Fair and should immediately apply to EU accordingly.

6. Council recommended that the COMESA Secretariat should assist Rwanda to re-establish TINET.

II. TRANSPORT AND COMMUNICATIONS

7. Council directed that member States in conformity with the COMESA Treaty, Annex I on Transit Trade and Transit Facilities should:

- (i) advise the COMESA Secretariat as soon as possible on operators so licensed to enable the Secretariat to inform all other member States; and
- (ii) Member countries which had not yet implemented the COMESA Carriers License should implement the license before 30th September, 1996 as the maintenance of status quo contravened the provisions of the Treaty.

8. Council directed the Secretariat was to work out the modalities of introducing the Coupon System at the regional level for the payment of transit charges by road users.

9. Council directed that member States should implement COMESA Transit Plates by 30th September, 1996 and that the plates should be affixed to the front and rear of heavy good vehicles engaged in transit traffic operations.

10. Council directed the Secretariat to follow up the progress in the convening of the inaugural meeting of the Permanent Technical Committee on River Nile.

11. Council decided that the “third country rule” under the Protocol on Transit Trade and Transit Facilities as it was applied by some countries contravened Treaty provisions. Council urged member States to comply with the Treaty provisions regarding the definition of “third country” as provided by the COMESA Secretariat that “third country means any country other than a member State”.

12. Council decided to adopt the recommendation for the establishment of a Regional Planning Unit (RPU) to coordinate the network development plan on telecommunication inter-connectivity network and that four regional transit centers of Johannesburg, Lusaka, Nairobi and Addis Ababa should be established.

13. Council decided that member States should harmonize their third party motor liability insurance laws and regulations. To this end, Council decided that member States should take the following measures:

(a) Compulsory Insurance

COMESA member countries, which so far have no compulsory third party motor vehicle insurance, should enact legislation and regulations to make the third party motor Risks Insurance Compulsory, in respect of death, personal injuries and property damage. The meeting recommended in particular that Ethiopia should enact the law on third party motor cover and to be compulsory and that the Secretariat and the National Bureau of Ethiopia should liaise with the government to facilitate implementation.

(b) Legal Basis of Compensation

COMESA Member States should reform their insurance legislation as follows:

- (i) Adopt a mixed system of compensation that combines the basis no fault with tort liability;
- (ii) Improve the mixed system of compensation to take into account the following:
 - (a) The liability cover provided under the compulsory third party motor vehicle insurance should be on a fixed (limited) liability basis, subject to each country's objective experience and to be reviewed periodically; and
 - (b) All government vehicles shall be required to be insured under the compulsory third party motor vehicle insurance scheme.

(c) Hit and Run and Uninsured Motor Vehicle

- (i) An indemnity fund should be established at national level from sources such as levy on fuel, or premium, or fee from traffic offenders, or tax on cigarette, or on alcohol, etc, from which to pay claims lodged by victims of hit and run and uninsured motor vehicles. Each Government should decide, however, on how best such fund should be constituted.
- (ii) Cases of victims of accidents as a result of defective policies may be considered as uninsured cases. However, the claimants of insurance policy cover from companies in bankruptcy should be covered by separate arrangement which the Governments may establish. Among other possibilities, the Government may request all insurance companies in the country to set up a separate protection fund to cover such bankrupt insurance company liabilities.

(d) Enforcement

The following measures to enforce the observance of motor third party insurance legislation should be adopted : (a) No registration of a new vehicle without insurance; (b) No registration of change of ownership of vehicle without insurance; (c) No issue of road license to an uninsured vehicle and heavy penalties for offenders.

(e) Insurance Premium

Governments should not intervene in the determination of premium rates for the compulsory third party motor insurance business at this should be only done by the underwriters.

(f) Claims Handling and Settlement

To minimize delays and achieve fair and prompt claims handling and settlement of claims, the following documents are required: (i) Fatal Accident : Police Report or Court Judgment, Death Certificate, Proof of Age of Deceased, Letters of Administrators, Letter of Demand, Proof of Dependant's Age (if any), Proof of Deceased's Earnings, Investigations Report. (ii) Personal Injury : Police Report or Court Judgment, Medical Report from doctor stating extent of injury suffered, Proof of age of claimant, Letter of Demand, Proof of Earnings. (iii) Property Damage: Police Report, At least two (2) quotations from reputable loss adjustors or assessors, Letter of Demand

The indemnity to be paid shall be paid in the form of lump sum and not in annuities or installments.

(h) Seat Belt Legislation

Member countries without compulsory seat belt legislation should enact such legislation as soon as possible

14. Council recommended that those countries which had not established road funds should do so as soon as possible through the establishment of autonomous road authorities for road maintenance, rehabilitation and construction.

15. Council recommended that road users, management, as well as public and private financing organizations, should be closely involved in the road maintenance initiative programme.

16. Council recommended that the preparation of the project proposal for the next stage to be submitted for funding to EC should start immediately and that Member States should submit to the COMESA Secretariat by 30th September, 1996 proposals for the installation of ACIS to be included in the project proposal.

17. Council noted that although programmes adopted by Council originated from COMESA Technical Committees there was general failure in most member States to implement them at country level. Council therefore recommended that each Member State should urgently review all outstanding programmes and expedite implementation.

III. INDUSTRY, ENERGY AND ENVIRONMENT

18. Council directed that the COMESA Secretariat and the LLPI should implement the earlier decision of the Council of 1993 and 1994 that budget contributions for members of LLPI should be included in the budget of the Secretariat and be prorated to the LLPI upon receipt of any amount of budget considerations received from those LLPI member countries.

IV MONETARY AND FINANCIAL

19. Council recommended that studies be undertaken to redefine the mission and role of the COMESA Clearing House to meet the changed economic environment. Council further recommended that:

- (i) a study be under to review the issue of the Clearing House and the UAPTA travellers cheques
- (ii) Kenya be included in the team selected to undertake such a study; and
- (iii) In the meantime, relevant Kenya Government Ministries and Central Bank of Kenya have initiated discussions with the PTA Bank and the COMESA Clearing House while awaiting the outcome of the proposed study.

20. Council recommended that a study be undertaken by the COMESA Secretariat on the possibility of transforming the Clearing House into a specialized Monetary Agency of COMESA.

21. Council recommended that urgent consideration be given to strengthening the Clearing House and UAPTA Travellers Cheques.

22. Council recommended that member States internal consultations on the report on progress in implementation of the first phase of the COMESA Monetary Harmonization Programme and that comments be submitted to the COMESA Secretariat for submission of the report to the Monetary and Financial Corporation Committee.

V. AGRICULTURE AND FOOD SECURITY

23. Council directed that the project proposal on Animal Resources Gene Banks needed to be recast in light of the comments and the new Global Programme for the Management of Farm Animal Genetic Resources received from the International Livestock Research Institute (ILRI) and FAO respectively. With regard to the Sheep and Goat production project, Council recommended that the project should resume in Rwanda and the feasibility study in Swaziland should commence as soon as funding is available.

24. Council directed that the project on Investment Promotion in the Forestry Industry be harmonized with the UNIDO wood based industry programme and the FAO.

25. Council recommended that a project on the control of water hyacinth would be prepared in 1996 and urged member States to be on the forefront of fund sourcing before the problem becomes elephantine in nature.

26. Council recommended that a number of other countries which had earlier expressed interest in the development of their oilseeds sub-sector be considered in the second-phase of the Oil Seed Project if funding is secured, and that Zambia will undertake its oil crops development project under the auspices of the Agricultural Sector Investment Programme (ASIP). Sudan and Swaziland requested to be included in the second phase of the project.

27. Council recommended that member States should take part in the World Food Summit to be held in November in Rome and the need to participate in the preparatory meeting of the Summit.

28. Council was of the opinion that there was need for water management techniques which farmers can exploit in their quest for increase production and that these techniques should be complemented by other agronomic practices, such as breeding drought tolerant crops, etc, and that the action plan should be implemented in the form of programmes.

VI LEGAL AND INSTITUTIONAL MATTERS

29. Council recommended all States that had not completed the process of ratification to do so expeditiously.

30. Council recommended that the consultations should continue during 1996 of the Draft Protocol on the Free Movement of Persons, Labour, Services, right of Establishment and the Right of Residence before its consideration.

31. Council recommended that efforts to secure extra-budgetary funds for this programme so as to ensure that it commences as soon as possible

32. Council recommended that the Secretariat should continue to secure extra-budgetary funds for the revision of the Charter on Multinational Industrial Enterprises to make consistent with the COMESA Treaty and take into account new developments in the Member States in the areas of trade and investment.

VII. WOMEN IN BUSINESS

33. Council decided that budget support be provided to the programmes on Women in Business and that this be incorporated in the 1996 budget.

34. Council decided that the Secretariat should carry out baseline surveys to identify areas of either progress or lack of it, to guide COMESA programme activities.

35. Council recommended that there was need for member States to adopt a more positive view with regard to the role of women in inter-regional integration by political commitment including the public statements in the support of the COMESA WIB programme and FEMCOM.

III. DEVELOPMENT OF COMPREHENSIVE STATISTICS

36. Council directed national statistical offices to co-operate closely with the Secretariat for the efficient implementation of the COMESA statistics programmes, by facilitating the harmonization of required statistical information and transmitting it to the Secretariat on a regular basis.

37. Council recommended that the Member States should submit to the Secretariat on a regular basis accurate and up-to-date statistical data on their economic activities.

38. Council recommended that there was need for the harmonization of statistical data from various member States. This would allow comparability and common interpretation of related

economic indicators at the regional level. The harmonization will entail definitions of common and uniform classifications and compilation methods.

IX. ADMINISTRATIVE AND BUDGETARY MATTERS

39. Council approved the Financial Statements for the year ended 31st December, 1994 and commended KPMG for carrying out a good job.

40. Council also re-appointed KPMG to audit the Financial Statements for the year ended 31st December, 1995.

41. Council stressed that all efforts should be made to fulfill the promises and to this end decided as follows:

- (a) the Secretariat should submit quarterly reports on status of contributions to the Co-ordinating Ministries;
- (b) the Committee of High Commissioners and Ambassadors based in Lusaka should meet regularly to consider the status of contributions to the COMESA budget and advise Member States accordingly;
- (c) the report on the status of contribution should also be passed to the Bureau for necessary action;
- (d) the Chairman of Council of Ministers should make follow up missions to the Member States whenever the responses were not positive.

42. Council approved the following measures against non-paying Member States:

- (a) any Member State that failed to meet its budgetary commitments for two or more years should have all benefits and operations suspended in that country after three months' notice and lose its right and privileges including addressing Policy Organs meetings during that period of suspension. The suspension should also cover all new extra-budgetary resources projects except those currently being implemented;
- (b) all arrears at the end of every financial year should accrue interest 1%;
- (c) no new recruitment should be undertaken from Member States with arrears of two years or more;
- (d) member States with arrears of five years or more should be expelled.

43. Council noted Sudan's request to utilize the balance of her COMESA Headquarters Fund of UAPTA31, 119 to reduce her arrears of contribution and upheld the principle that capital funds could not be transferred to recurrent budget.

44. Council decided to defer consideration of the report by the Secretariat to restructure and re-organize the Secretariat as required under Article 188 (2) of the COMESA Treaty, so as to enable the Secretariat to employ a consultant to carry out a more comprehensive study on the restructuring of the Secretariat.

45. Council decided that in future reports of the Secretary General should be circulated together with related reports of consultants where applicable.

46. Council the approved the new Terms and Conditions of Services at Annex .
47. Council decided that the post of Chief, Budget and Finance Services P4 should be re-advertised.
48. Council approved the establishment of the post of Women in Development and Business Expert P2.
49. Council also approved that the following posts in the Secretariat be filled during 1996:
- (i) Director, Trade and Customs P5;
 - (ii) Chief Technical Co-operation and Aid Co-ordination Unit (TECACU) P4
 - (iii) Chief Budget and Finance Services P4;
 - (iv) Senior Monetary Expert P4; and
 - (v) Women in Development and Business Expert P2
50. Finally Council approved a 1996 Budget of UAPTA 2,944,600 for the Secretariat.
51. Council directed the Secretariat to start the recruitment process immediately.

ANNEX

NEW TERMS AND CONDITIONS OF SERVICE OF THE COMESA SECRETARIAT

NEW TERMS AND CONDITIONS OF SERVICE

1. The new terms and conditions approved by Council were as follows:

RECRUITMENT AND SELECTION PROCEDURES

2. Recruitment of staff at the Secretariat will be governed by Article 17 (5) of the COMESA Treaty which states:

Article 17 (5) – In appointing staff to offices in the Secretariat, regard shall be had, subject to the paramount importance of securing the highest standards of integrity, efficiency and technical competence, to the desirability of maintaining the principle of equal opportunities and an equitable distribution of appointments to such offices among citizens of all the Member States.

Processing of Vacancies

3. Member States should advertise professional posts within the Civil Service/Public Service and local media using the machinery open to them and General Service posts should continue to be advertised within Zambia.
4. When a post falls vacant, it will be advertised and internal staff members will be free to apply.
5. All applications should be forwarded by the Co-ordinating Ministries within the stipulated periods.
6. The Secretary General should short list candidates and these should not exceed 5 for each post in place of the open-ended system in order to reduce on costs.

Appointment Procedure

7. The current appointment procedure contained in the Staff Rules and Regulations should continue to be applied for the professional posts and Council did not accept the establishment of Appointment and Promotion Board intended for appointing and promoting professional staff.
8. For the posts of the Assistant Secretary General and above, the appointment will be in accordance with the Treaty.
9. Any officer who has been dismissed by any other COMESA institution should not be employed by the Secretariat. Zambia and Zimbabwe reserved her position because this is against the principles of natural justice.
10. For the General Service Staff, the appointment should be made by the Secretary General on the recommendation of the Appointments and Promotion Committee as at present.
11. The Secretary General should seek authority to recruit staff for his executive office from within or outside the organization.

12. The Secretary General should determine the terms and conditions of service of consultants and temporary staff depending on the nature of the duties and responsibilities of the assignment. The tenure of office of consultants should not exceed one year. A roster of consultants should be maintained. In employing consultants, priority should be given to the nationals of Member States.

RE-EMPLOYMENT

13. A former staff member may be re-employed provided the candidate was above average subject to the availability of a suitable vacant post and provided the reasons for his separation from service were not incompatible with his re-employment.
14. The staff member may be given a new appointment, the terms of which shall be fully applicable without regard to any period of former service provided the candidate meets all the necessary qualifications.

TENURE OF CONTRACTS

15. COMESA should not recruit staff on a permanent and pensionable basis.
16. Staff should be employed on contracts of a fixed term with initial duration of two years and thereafter four years.

RENEWAL OF CONTACTS

17. The existing procedure of renewal of contracts should continue. The decision to renew or not to renew a contract will be determined on the basis of the performance appraisal report.
18. With regard to the 12 year limit, the Council decided that the period of service in the Secretariat of any professional officer should not be more than 12 years in the same post.
19. General Service staff should not be subjected to this limited term of office. They should be in employment on contract for as long as they meet the new performance criteria set out by the organization and provide they are below the age of 60.

POLICY ON CAREER DEVELOPMENT

20. Career development policy is a pre-requisite for good human resources management including staff motivation. Career Development will be developed and institutionalized to provide for an advanced career progression and security of tenure for the organization's effectiveness in the process of discharging its mandate.

21. A new scheme of service and related job descriptions will be developed by the Secretariat based on the following guidelines:

- (a) open up career paths including the requirements for reaching the top which in turn motivates and inspire staff to perform within the required standards and thereby actualize themselves;
- (b) provide the most rational basis for identifying training and staff development needs thereby making the training relevant, cost effective and objective;
- (c) ensure sufficient time is available for COMESA to carefully plan management development and succession planning programmes effectively so as to provide COMESA with competent managers and professionals at all times;
- (d) ensure that staff of promise are given a sequence experience and training that will equip them for whatever level of responsibility they have the ability to reach;
- (e) helps to determine the basis grade or salary range for each job on the principle of equal pay for equal work, so that differences in pay rates are based on substantial differences in complexity, responsibility, qualification requirements and other pertinent job demand factors.

TRAINING POLICY

22. The COMESA training policy should offer opportunities to its employees for staff development to acquire skills, update knowledge and attitudes appropriate to the fulfillment of COMESA's mandate. The second element will be to provide programmes for strengthening the institutions and its management systems. COMESA will select short and medium term programmes to achieve its mission using modern techniques of identifying training development needs. It shall not be the policy of COMESA to offer long term training opportunities of an educational nature such as pursuing degrees.

23. COMESA will embark on training to:

- (a) provide the Secretariat with competent staff who are trained, skilled and with the right attitudes to meet its present and future needs;
- (b) meet the dynamic and versatile skills, knowledge and attitudes required to optimize productivity and efficiency of delivery by the Secretariat and its units;
- (c) strengthen the system of Management at the Secretariat;
- (d) provide opportunities for staff to realize their potential for personal/career development and growth;
- (f) enhance professionalism and expertise among staff of COMESA;
- (g) provide for an effective staff development programme geared towards improving the abilities and performance of each employee at work;
- (h) integrate the development needs and objectives of the individual employee with the needs and objectives of the COMESA Secretariat.

24. The Institutional development programs for brainstorming requiring staff retreats at different levels shall be originated by the Secretary-General through consultations with the Management and the Staff Relations Committee as well as from the relevant work of consultants. Such programs will enable staff to contribute to the organization's growth and it will promote a common culture.

25. Training opportunities will be open to all deserving members of staff both individually and collectively as determined by the Secretary-General through the Director responsible for Human Resources Management.

26. On the job professional training including appropriate induction of staff upon recruitment of upon re-deployment shall be accorded priority and will be included in evaluating senior officers. This is necessary because Directors as managers are expected to play an important role in human resources development programmes.

Types of Training Programmes

27. Staff development strategies should be dynamic and comprehensive enough to provide for the following types of interventions:

Staff induction and orientation; introduction to new technologies especially on information technology; technical training; skills development; e.g. on management programs for all levels; and professional training aimed at increasing knowledge of staff.

28. A manual outlining guidelines should be developed to spell out in detail the training needs identification; roles of employees and supervisors therein; objectives for each training activity and follow-up to training; areas of prioritization of training activities between in-house and outside, between regional and overseas institutions; and sponsorship procedure.

29. The COMESA budget should provide seed-funding for training such as provision of travel expenses where no fees may be required as a sign of its new commitment to training. Efforts should also be made to obtain funds for training from extra-budgetary sources.

POLICY ON PROMOTIONS

30. Council decided:

- (a) that criteria for promotion be included in the Schemes of Service for every job, i.e. every staff member should know what is expected of them if they are to earn promotion;
- (b) that the procedures for promotion should be explicit and transparent to enable staff to access it on their own or upon recommendation of supervisors and managers;
- (c) that political considerations or nationality should not be a part of the criteria for promotion. The criteria should be based on above average performance and conduct of the staff member;
- (d) staff members should be free to apply for higher vacant posts if they consider that they merit such an appointment based on their qualifications and experience.

PERFORMANCE APPRAISAL POLICY

31. The performance evaluation report will be the primary vehicle for assessment of the staff member's service and conduct and will contribute directly to the achievement of growth of the individual and the organization. All promotion, conversion and review decisions will be founded on up-to-date performance appraisal reports.

32. The purpose of these reports will be to evaluate the staff member's performance during the given period. It will be based on a constructive dialogue between supervisor and staff member. The general standards are the charter criteria of efficiency, competence and integrity, based on objective and consistent judgment of the staff member's work. Moral judgments on the staff member's personality unrelated to work will particularly be avoided. The reports will be required:

- annually for fixed-term appointments;
- prior to appraisal for confirmation in the case of probationary appointments;
- unless prepared within the preceding six months, on
 - expiration of fixed-term appointments;
 - separation from service for other reasons;
 - transfer;

- when immediate supervisor transferring or separating.

33. Appraisal reports will be submitted at the end of each calendar year for fair and equitable assessment of all the staff.

34. A new Performance Appraisal System will be worked out by the Secretary-General and his directors for different levels of staff with the involvement of all staff so as to promote its ownership and acceptance.

DISCIPLINARY PROCEDURES

35. A Disciplinary Board will be set up and will comprise:

- (a) the Director of Administration as its Chairman;
- (b) two other Directors appointed by the Secretary General;
- (c) one Member appointed by the Staff Association;
- (d) the Legal Adviser as an ex-officio member

36. The recommendations of the Board will be submitted to the Secretary General for approval in respect of staff other than Directors. For Directors, the Secretary General will submit the recommendation to Council for approval. In case a misconduct involves a Director, the Secretary General will refer the case to the Bureau.

37. Before the charge of misconduct is brought to the Disciplinary Board, the accused person shall be given a written charge and an opportunity to reply within specified period. However, in some specific cases such as a serious misconduct by a staff member and that a staff member's continuance in service will be prejudicial to the interests of the Organization or to the investigation into the case, the Secretary-General may suspend the staff member from duty pending investigations. The Secretary General shall also be authorized to terminate probationary appointments on grounds of misconduct based on the stipulated procedures.

38. The offences which attract disciplinary measures will be clearly specified and worked out by the Disciplinary Board for approval by the Secretary General and will be submitted to the Council of Ministers for noting.

39. If after the Secretary General has made a decision and the person affected intends to appeal to the Council, the Secretary-General shall convene a Review Board to review the decision of the Disciplinary Board. The Review Board should consist of persons who do not sit on the Disciplinary Board and they should be drawn from the following:

- (a) a Chairman, who shall be a Director of a Division appointed by the Secretary General from a list presented jointly by the staff and management of the Secretariat;
- (b) one member of staff appointed by the Secretary;
- (c) two members of staff elected by secret ballot by the staff; and
- (d) the Legal Adviser who shall be a permanent member.

40. If the staff member is not satisfied by the decisions of the Review Board, he may appeal to the Council of Ministers.

41. In all cases, any staff member aggrieved by the decision of the Secretary-General, the Review Board and Council, as the case may be, may enter the matter to the COMESA Court of Justice under Article 27 of the COMESA Treaty.

REVIEW OF CONDITIONS OF SERVICE

Salaries

42. In view of the tight “cash budgets” being implemented by Member States, Council agreed that no reviews of salaries both for the professionals and the General Service Staff be made at this time.

Allowance

(a) Housing Allowance

43. (i) The housing allowance should be in line with market prices prevailing in Zambia. Under the liberalized market system, landlords are now asking for as much as US\$1,500 per month for suitable accommodation for a professional officer;
- (ii) In the discussion it was argued that the percentage increase in housing allowance should be the same for Professional and for General Service Staff, since the increases in rents affected both staff equally;
- (iii) Most delegates contended that there should be a difference between Professionals and GS Staff because Professionals were recruited on the international market and should be given more attractive incentives. They also argued that the types of accommodation for Professionals differed from that of the GS. It was also pointed out that the increase in rent had budgetary implications;
- (iv) Council decided that the percentage increase for professional staff be 60% and that for GS be 40%. These rates are shown in the table below;
- (v) Council also decided that the Secretariat should carry out a study on housing allowance covering rent increases and rents paid by different categories of staff, etc.

	<u>CURRENT RATES</u>	<u>RECOMMENDED RATE</u>
P4 – P5	UAPTA 600 per month	UAPTA 960 per month
P1 – P3	UAPTA 510 per month	UAPTA 816 per month
GS9 – Step V	UAPTA 189.65 per month	UAPTA 265.51 per month
GS6 – Step V	UAPTA 102.75 per month	UAPTA 143.85 per month
GS1 – Step V	UAPTA 50.45 per month	UAPTA 70.63 per month

(b) Education Allowance

44. With regard to professional staff it has to be stated that school fees have increased considerably in Zambia as well as the rest of the world. Currently the education allowance is reimbursement at 75% of the fees up to a maximum of UAPTA2, 257 per child per annum. Council approved that the 75% ceiling be maintained but that the amount be increased to UAPTA 3,000 per child.

45. With regard to GS Staff Council decided that Education Allowance should be paid GS staff and directed the Secretary General to review the matter and decide on appropriate rate. As at present the posts will be open to nationals of other Member States recruited locally.

(c) Medical Allowance

46. The cost of medical services has drastically increased due to liberalized economies in the region. At present the allowance paid is 80% reimbursable up to maximum of UAPTA1, 500 per family per annum. This is insufficient to meet most medical bills even for one family member. The Council approved that this maximum limit be increased to UAPTA2, 500 and that should be taken together with the proposed In-patient Insurance Scheme.

(d) Spouse Allowance

47. Owing to increased costs of living index, Council approved that the current rate of UAPTA205 per annum be increased to UAPTA275 and only one spouse will be entitled to the allowance.

(e) Dependency Allowance

48. The increased cost of living in Lusaka has rendered the present dependency allowance inadequate. Council approved that dependency allowance be increased as follows:

Professionals from UAPTA 153 to UAPTA 200 per child per child annum
General Service from UAPTA 115 to UAPTA 153 per child per annum

49. Council decided that the age limit of dependants attending school, college or University should remain at 18 years and should not be raised from 18 to 21 years. Council also agreed that the number of children eligible for education allowance and dependency allowance should be reduced from the present 6 to 4 in line with other organizations.

(f) Daily subsistence Allowance

50. Council approved that the Secretary General be authorized to change within the budgeted provision travel subsistence allowance as and when need arises to accommodate the constant increases in the cost of hotels etc, and should report the new rates to Council for noting. Council also agreed that UAPTA 20 per day subject to maximum of 14 days be paid to those on sponsored missions to meet incidental expenses which are not covered by the sponsor. If the mission is fully sponsored this allowance should not be paid.

(g) Leave

51. Council decided that the leave days be increased from 28 to 30 for professionals and 21 to 24 for the GS.

52. Council also decided that the accumulated leave be 60 days instead of 56 for professionals and 42 for the GS and that as at 31st December of each calendar year, any excess over the 60 days be automatically forfeited unless under special circumstances authorized by the Secretary General. Council further decided that at the end of each contract, the accumulated leave should be commuted into cash up to the maximum of 60 days.

53. At present the travel expenses for an officer travelling on home leave are paid by the Secretariat up to the capital of his home country. Some officers, who come from villages far away from their capitals, have been facing difficulties. Council approved that the home leave travel expenses should be paid up to the nearest town of the officer's home.

54. At present GS staff have no home leave entitlements. Council approved that they too should be entitled to home leave transport allowance which should be paid up to the nearest town of the officer's home.

(h) Group Insurance and Medical Schemes

55. Council took note of the action being taken to establish a pension insurance and medical scheme.

56. Council approved that the medical allowance and the BUPA should be combined to avoid double payments.

Gratuity

57. While noting Gratuity is an important element of conditions of service especially there, as in the case of COMESA, no pension scheme exists. Council decided to defer the decision on the proposal to increase gratuity from 15% to 25%.

Effective Date

58. Council decided that the measures be effective from 1st July, 1996.

FINANCIAL IMPLICATIONS

59. The increases in allowances were absorbed from savings accruing from other votes such as vacant posts and did not increase the overall 1996 Budget over 1995 Budget