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of the COMMON MARKET FOR THE EASTERN AND SOUTHERN AFRICA

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TABLE OF CONTENTS

I. LEGAL NOTICES

1. Infrastructure
2. Monetary Affairs
3. Investment Promotion and Private Sector Development
4. Legal and Institutional Affairs
5. Information and Networking
6. Technical Cooperation and Resource Mobilisation
7. Trade and Customs
8. COMESA Institutions
 - (a) COMESA Bankers' Association
 - (b) COMESA Clearing House
 - (c) PTA Re-Insurance Company
 - (d) PTA Bank
 - (e) Leather and Leather Products Institute
 - (f) Decisions of Policy Organs

By Order of the Council

Mr Erastus J.O. Mwencha, MBS
Secretary-General
COMESA

IT IS HEREBY NOTIFIED that the COMESA Council of Ministers at its Tenth Meeting held on 7 and 8 December, 2000 in Lusaka, Zambia issued the following Legal and General Notices:

I. LEGAL NOTICES

INFRASTRUCTURE

1. Air Transport

(a) The Formal Response to the SASG Formal Offer

Decisions

64. Council decided that:

- (i) the Formal Offer on the CNS/ATM System from the SASG Group be rejected;
- (ii) the COMESA Secretary General should communicate this position to SASG;
- (iii) a COMESA Co-ordinating Committee on the implementation of the CNS/ATM System be established comprising all member States to reach agreement on the modus operandi including institutional arrangement for the implementation of the CNS/ATM Systems on the basis of the ICAO Global Navigation Plan;
- (iv) the Co-ordinating Committee to report to Directors of Civil Aviation/Aeronautical Authorities should be comprised of expertise in different fields in order to ensure that all aspects of the CNS/ATM, such as legal, financial, technical, meteorology, management and human resource development are adequately handled;
- (v) the Committee of Directors of Civil Aviation/Aeronautical Authorities should prepare Terms of Reference for the Co-ordinating committee on the implementation of the CNS/ATM System; and
- (vi) the COMESA Secretariat should continue collaborating with the other regional organisations that are studying/implementing the CNS/ATM project to ensure maximum utilisation of our scarce resources.

(b) Liberalisation of Air Transport

Decisions

65. Council decided that:

- (i) States are encouraged to sign the Protocol on the Free Movement of People, Labour, Services, Right of Establishment and Residence within COMESA in order to facilitate the air transport liberalisation as it is a pre-requisite and that this issue be referred to the COMESA Committee on immigration;
- (ii) efforts be intensified through diplomatic channels to resolve ongoing regional differences
- (iii) intensive educational programmes on the implications of the air transport services and its impact on the Free Trade Area programme be carried out. Workshops involving all stakeholders be held at sub-regional level;

- (iv) COMESA air transport competition rules be developed as soon as possible;
- (v) the COMESA Air Transport Regulatory Board be established as soon as the Statute is approved in accordance with the Treaty;
- (vi) the COMESA Secretariat should undertake intensive educational programmes in member States in the form of conferences, seminars workshops, press release, state/secretariat consultations and discussions should be undertaken to sensitise all stake holders on the implications of the next phase of the Air Transport Services liberalisation programme;
- (vii) implementation of Phase II be put in abeyance pending establishment of the COMESA Air Transport Regulatory Board and the formulation and implementation of the COMESA Air Transport Competition Rules; and
- (viii) notwithstanding (vii) above, member States which were in a position to implement Phase II of the programme could do so.

(c) The COMESA Common Air Transport Policy

Decisions

66. Council decided that:

- (i) a common COMESA policy on air transport should be formulated as soon as possible;
- (ii) the Legal Notice No. 2 of 28/5/1999 which provides for the current operating mechanism should be amended to include guidance to member States on the maintenance and establishment of Air Services Agreement (ASA) with Third Parties;
- (iii) member States should incorporate the COMESA Legal Notice No. 2 of 28/5/1999 in the national legislations;
- (iv) pending the formulation of the Common Air Transport policy member States should curtail the granting of fifth freedom traffic rights to third party States and that this should take into account the obligations of COMESA States vis-à-vis third countries; and
- (v) a more comprehensive report on the COMESA Common Air transport Policy be prepared preferably with additional technical support from States.

(d) The COMESA Interim Air transport Regulatory Board

Decisions

67. Council decided that:

- (i) the issues concerning equitable geographical distribution, changing and retiring of members, and the duration of the COMESA Air Transport Regulatory Board be considered by a meeting of Directors of Civil Aviation/Aeronautical Authorities to be held in Cairo, Egypt in January, 2001;
- (ii) the COMESA Interim Air Transport Regulatory Board should continue its duties until the establishment of the Permanent Board;

- (iii) the Draft Statute establishing the COMESA Air Transport Regulatory Board be revised taking into account the comments of the Third Meeting of the Ministers of Transport;
- (iv) the Rules of Procedure of the COMESA Air Transport Regulatory Board be referred to the COMESA Legal Committee;
- (v) the Secretariat review the proposed budget for the COMESA Interim Air Transport Regulatory Board and incorporate it into the COMESA regular budget; and
- (vi) States which had not yet done so could consider restructuring their Civil Aviation/Aeronautical Authorities in order to create autonomous civil aviation institutions for enhancement of safety and efficiency in the industry.

(e) World Radio Communication Conference

Decision

68. Council urged member States to include aviation experts in their delegations to the next World Radio Communications Conference schedule for the year 2003.

2. Meteorology

(a) Co-operation in Meteorology

Decisions

69. Council decided that:

- (i) a COMESA standing Committee of Directors of Meteorology be established and that it should meet once annually and as need arises; and
- (ii) the COMESA working Group on Meteorology should continue providing technical advice including the monitoring of the implementation of the meteorological programme to the Standing COMESA Committee of Directors of Meteorology.

(b) Strengthening of the Existing Drought Monitoring Centres (DMCs)

Decisions

70. Council decided that:

- (i) the Drought Monitoring Centres be made permanent institutions and that towards this end COMESA, in consultation with WMO, SADC, EAC, IGAD and IOC, should assist in the sustainability of the DMCs in order to enhance regional Co-operation in meteorology;
- (ii) the private sector, especially end users of DMC products should be mobilised to consider setting up a Trust Fund, whose resources could be used for funding some of the activities undertaken by the DMCs;
- (iii) the COMESA Secretariat in collaboration with WMO, the DMCs and other regional organisations should mobilise resources to enhance the provision of

meteorological services, particularly for Synoptic Stations Network and upper air observations whose quality is reducing because of high costs; and

- (iv) the COMESA Secretariat should facilitate secondment of DMC experts to advanced climate centres to facilitate knowledge exchange and thereby enhance the competencies of DMCs.

(c) Human Resource Development in Meteorological Services

Decisions

71. Council decided that:

- (i) COMESA in collaboration with WMO and other regional organisations should reinforce the existing regional training centres to enable them meet the challenges posed by new technologies;
- (ii) universities in the COMESA region should be encouraged to offer training courses at undergraduate level in meteorology in order to building capacity in this sector; and
- (iii) training should include basic training, management, telecommunication and information technology skills and refresher courses.

(d) Co-ordination of COMESA Meteorological Programmes

Decision

72. Council decided that the COMESA Secretariat should in future consider making a provision in the Regular Budget of the Secretariat for outsourcing expertise on meteorology to facilitate co-ordination of meteorological activities.

(e) Monitoring of Maritime Climate

Decision

73. Council decided that the exploitation of marine resources in the region be included in the meteorology programmes, including enhancing hydrology and water resources programmes.

(f) Co-operation with WMO and Formulation of Programmes/Projects

Decisions

74. Council decided:

- (i) that the COMESA Secretariat should formulate a comprehensive strategic programme in consultation with the member States, WMO and other regional organisations, and
- (ii) to adopt the meteorological programme in Annex I to the Report of the Third Meeting of the Ministers of Transport and Communication in Document No. COM/INFRA/TC/III/2.

(g) Meteorological Infrastructure**Decisions**

75. Council decided that:

- (i) the COMESA Secretariat in collaboration with WMO should mobilise funding for the acquisition of METEOSAT second generation ground receiving stations; and
- (ii) the COMESA Secretariat in collaboration with WMO and other organisations should mobilise funding for the rehabilitation and development of meteorological facilities and infrastructure to alleviate food security and improve safety of life and property and ensure conservation of environment.

3. Telecommunications**(a) Implementation of COMTEL Project****Decisions**

76. Council decided that:

- (i) National Telecommunication Operators (NTO's) who had not yet signed the Shareholders Agreement should do so as soon as possible;
- (ii) NTO's that have signed the Shareholders Agreement should pay their share capital subscription to COMTEL Investment Limited;
- (iii) NTO's that had not paid their contributions to the pre-operational budget should do so; and
- (iv) the COMESA Secretariat should market the project to NTO's which have not yet signed the Shareholders Agreement.

(b) Selection of a Strategic Equity Partner (SEP) for COMTEL Project**Decisions**

77. Council decide that:

- (i) the Bid for the SEP be re-tendered;
- (ii) while the re-tendering process will be going on, the NTO's should accelerate the signing of the Shareholders Agreement and also make their Shares subscriptions in order to attain a stronger bargaining position;
- (iii) the time frame for re-tendering be set while taking into account the other initiatives that going on in the region such as privatisation and other regional projects;
- (iv) improvements be made to the Information Memorandum (IM) document by the PTA Bank and the COMESA Secretariat to incorporate member States' concerns;

- (v) network development and latest traffic data be provided by all NTO's as this will be required by the prospective bidders when carrying out their due diligence;
- (vi) the Secretariat ensures a wider exposure of advertisement for the bids through relevant magazines, telecommunications journals and embassies;
- (vii) the time frame for the re-tendering process to take 90 days (3 months); and
- (viii) the COMESA Secretariat should inform the bidder of the decision taken by the meeting.

4. Other ongoing programmes in Transport and Communications

(a) Programmes in the Sector

Decisions

78. Council decided that
- (i) the Committee on Transport and Communications and its sub-committees should meet more frequently in view of the challenges and requirements of the COMESA Free Trade Area (FTA);
 - (ii) member States be urged to allocate resources and accord the highest priority to the development of an integrated infrastructure network necessary to service the FTA; and
 - (iii) that the COMESA transport and communications programmes should include all sectors and sub-sectors.

(b) Infrastructure Maps

Decisions

79. Council decided that:
- (i) the COMESA Secretariat in collaboration with member States should expedite the production of infrastructure maps which are an important tool for regional planning. This should be done not later than 31st March, 2001;
 - (ii) each member State should collate and submit its national infrastructure maps to the Secretariat to facilitate the production of sectoral COMESA maps not later than 31st January, 2001;
 - (iii) each member State should submit its priority inter-state/regional projects to the Secretariat by 31st January, 2001 to facilitate the consolidation of projects for submission to the Committee on transport and communications which should meet not later than 30th May, 2001;
 - (iv) the selected priority projects would be packaged in a marketable format for submission to the COMESA Regional Economic Conference to be hosted by Egypt in Cairo in the second half of 2001; and
 - (v) a Strategy be devised by the Secretariat and member States to attract donors including potential private sector investors to participate at the COMESA Regional Economic Conference.

(c) Road Transport Facilitation Programme**Decisions**

80. Council decided that:

- (i) the Secretariat should put together information on international benchmarks, among others, relating to clearance times at airports, customs border posts and discharge of cargo at ports including container movements per hour; and
- (ii) member States that have not yet implemented some of the instruments indicated in the Road Transit Transport Facilitation programme should do so as soon as possible.

(d) Control of Heavy goods overloading, Axle Load Limits, Vehicle Dimensions and Maximum Vehicle Gross**Decisions**

81. Council decided that the COMESA Secretariat in collaboration with SADC, EAC, IGAD and the Northern Corridor Transit Transport Coordination Authority should carry out a study review on axle load limits, vehicle dimensions and gross vehicle mass with a view to making proposals for a uniform regional standard.

(e) Railway and Rail Transport**Decisions**

82. Council decided that:

- (i) member States as part of the COMESA infrastructure programme should formulate national programmes to address the deficiencies that affect most railways; and
- (ii) member States should consider concessioning existing railways and attracting private sector funding for the development of new railway lines on the basis of Build Operate and Transfer (BOT), Build Operate and Own (BOO), Build Transfer and Operate (BTO) and Build Operate Own and Transfer (BOOT).

(f) Maritime and Inland Water Transport**Decisions**

83. Council decided that:

- (i) the COMESA Secretariat should seek funding for the updating of hydrographic maps for coastal and inland waterways;
- (ii) the COMESA Secretariat in collaboration with WMO and IMO should formulate a training programme on safety in maritime and inland water operations; and
- (iii) the COMESA Secretariat in collaboration with the WMO, IMO and Port Management Association for Eastern and Southern Africa (PMAESA) should facilitate the mobilisation of funds for the installation and modernisation of meteorological stations.

(g) Postal services**Decisions**

84. Council decided that the programme on co-operation on postal services be developed and implemented.

(h) Co-operation with WMO**Decisions**

85. Council decided that:

- (i) the Secretariat in collaboration with WMO and member States should carry out a baseline survey on the status of telecommunications links used for meteorological data exchange; and
- (ii) on the basis of the baseline survey the COMESA Secretariat in collaboration with WMO should draw up an implementation programme to facilitate the exchange of meteorological data.

5. Progress Report on ACIS Project**Decision**

86. Council decided that:

- (i) Member States when privatising or concessioning railways and/or ports operations should commit the new owners or concessionaires to co-operate with COMESA in the implementation of the Regional Tracking system. This would facilitate the development of interfaces with the regional tracking systems;
- (ii) the software packages in the ports be standardised to facilitate both exchange of information between ports as well as interface with the Regional Cargo Tracking System. In addition, ports should commit the suppliers of such software packages to work with COMESA in developing interfaces with the regional tracking system; and
- (iii) The European Commission should be requested to expedite approval of the funding of the successor project.

II. MONETARY AFFAIRS**1. Implementation of the Second Phase of Monetary Harmonisation Programme****Decision**

87. Council decided that in order to prepare a roadmap to Monetary Union, the following be carried out:

- (a) a study by the Secretariat on policy and operational issues on the management of foreign exchange markets in member countries to guide them on how to move from stage to stage in the Monetary Harmonisation Programme. The study should specifically investigate the following:

- (i) the status of current and capital account liberalisation in member countries;
 - (ii) what currencies do commercial banks and foreign exchange bureaux quote on an hourly and daily basis?;
 - (iii) do commercial banks trade regional currencies competitively as they do with other foreign currencies?;
 - (iv) do authorised dealers have correspondent relationships in other COMESA member countries, involving vostro and nostro accounts?;
 - (v) are transactions by commercial banks through these accounts notified immediately by tested telex/swift message with statements being issued monthly?;
 - (vi) are the accounts operated as per instruction from authorised signatories, authorised dealers and by tested messages?; and
 - (vii) the working of the informal foreign exchange market.
- (b) the Secretariat undertakes a series to determine how member countries can progress to higher levels of monetary integration. The studies should focus on the following:
- (i) labour market and labour mobility;
 - (ii) capital movement;
 - (iii) structure of industry;
 - (iv) wages
 - (v) benefits of currency union;
 - (vi) to what extent the criteria for a formal exchange rate union in member countries are satisfied;
 - (vii) an optimum currency area for the COMESA region; and
 - (viii) the possibility of starting with currency unions among sub-groups of member States and eventually integrating these sub-group currency unions into a single COMESA monetary union.

2. Terms of Reference on COMESA Macro-Economic Model

Decision

88. Council decided that in order to build a COMESA Macro-economic Model, the following should be undertaken:

- (i) develop a macro-economic model with a capability of simulation (partial equilibrium model) that can be used as priority to investigate the impact of regional trade liberalisation measures especially on tax revenue, competitiveness, balance of payments, trade diversions and trade creation by initially focussing on a limited number of countries that joined the FTA;

- (ii) evaluation of economic problems of the COMESA member States. For this purpose, a list of cyclical, structural, institutional and political problems that need to be investigated were suggested;
- (iii) compilation of consistent data and macro-economic accounts for the COMESA region. In this regard, it was pointed out that it is very important to liaise with MEFMI, which is already carrying out such an exercise for a number of the COMESA member countries;
- (iv) make a trial using the World Bank RMSM-X model for the COMESA Region. This would avoid the cost of developing a model as well as data collection, since the World Bank already has a data bank for this purpose;
- (v) use models, which are developed by other scholars such as Bell Ballassa to measure how COMESA member countries react to external and internal shocks; and
- (vi) create a formal forum in which experts regularly discuss macro-economic issues in the region. It was pointed that this would result in better understanding of the macro-economic situation, harmonisation of macro-economic accounts and dissemination of the research output in the COMESA region.

3. Monitoring Progress Towards Macro-Economic Convergence

Decision

89. Council agreed that member States submit to the Secretariat information for assessing macro-economic convergence among States based on the agreed upon criteria.

B. REGIONAL THIRD PARTY MOTOR VEHICLE INSURANCE (YELLOW CARD) SCHEME

(a) Report of the Outgoing Chairman on the operations of the Yellow Card Scheme

Decision

90. In order to enhance the productivity of the Yellow Card Scheme and expedite submission of returns of cards issued, the Council decided that:

- (i) the National Bureaux should circulate the Yellow Card flyer, specially prepared for the Customs officers operating at border crossing posts and police road traffic regulation officers;
- (ii) the National Bureaux should appoint insurance agents to sell Yellow Cards at busy border posts;
- (iii) the National Bureaux should submit quarterly reports regularly, as stipulated in the Procedures Manual
- (iv) the National Bureaux should provide to the Secretariat a copy of the Summary of the Monthly Yellow Cards Issued report to be submitted to the Pool Managers; and
- (v) the Pool Managers should review the limit of liability for claims payments between the National Bureaux and the Reinsurance Pool, with a view to

increasing the participation of the Pool in claims payment and present its proposal to the Tenth Meeting of the Technical Management Committee.

(b) Status Implementation of the Redesigned Card

Decision

91. In order to ensure the smooth implementation of the redesigned Card, the Council decided that:

- (i) National Bureaux who have not yet implemented the measures on the implementation of the redesigned card should do so as soon as possible;
- (ii) National Bureaux should liaise with the printer and advise him on the most expedient way of delivering the Yellow Card books/pads to their countries;
- (iii) National Bureaux should submit the pink copy of each and every card issued, including cancelled/void cards, within 30 days from the end of the month, using the summary of Monthly Yellow Card Issued form and should discontinue, with immediate effect, using the Monthly Premium Bordereaux Format; and
- (iv) National Bureaux should handle subsequent printing of the Yellow Card book/pads directly with the printer and advise the Secretariat by a copy of all printing orders, for follow-up purposes.

(c) Publication and Promotion of the Scheme

Decision

92. Council decided that:

- (i) the National Bureaux of Kenya, Rwanda, Malawi, Uganda, Tanzania and Zambia should put the Yellow Card Television commercial on air as soon as possible;
- (ii) the National Bureaux of Malawi, Rwanda and Kenya should submit updated information on their National Bureaux, for insertion in the compendium as soon as possible; and
- (iii) National Bureaux should make maximum use of the e-mail services in corresponding with the Secretariat and among themselves.

(d) Report on Survey Carried out at Border Posts on Inter-State Movement of Vehicles

Decision

93. Taking into account the finding of the surveys carried out by Kenya and Zambia and with the view to enhance the productivity of the Yellow Card Scheme, Council decided that National Bureaux should:

- (i) circulate the Yellow Card flyer especially prepared for Customs officers operating at border entry posts and police officer regulating road traffic;
- (ii) designate Insurance Agents, in consultation with member insurance companies, to issue Yellow Cards at border crossing posts;
- (iii) review their premium rates to make it competitive;

- (iv) put up Yellow Card bill boards at each exit cross border post; and
- (v) promote the Scheme through electronic and print media to raise the awareness of the general public.

(e) Progress Report on Claims activities

Decision

94. With a view to addressing the claim issues, Council decided:

- (i) the National Bureaux of Uganda and Tanzania should pay back the Reinsurance Pool claims reimbursement payments made on their behalf to Rwanda, as per their authorisation, as soon as possible and before 30th October, 2000;
- (ii) the Reinsurance Pool should not effect reimbursement payments for those National Bureaux that have not fully paid back the Pool authorised reimbursements made on their behalf;
- (iii) the National Bureaux of Uganda, Tanzania and Kenya should give their authorisation to the Pool, within 30 days of the date of request made by the Pool, to reimburse the handling Bureaux for claims settled on their behalf;
- (iv) the National Bureaux of Burundi, Uganda, Rwanda and Tanzania should review their old outstanding claims in consultation with their legal adviser, with a view to closing claims files that re time barred;
- (v) National Bureaux should submit monthly claims Bordereaux as stipulated in the operations and procedures manual, even if there were no claims intimated during the month;
- (vi) the National Bureaux who have controversial claims should emulate Uganda and Rwanda and resolve claims issues through bilateral discussions; and
- (vii) the Secretariat should carry out a study on the high record of claims emanating from Rwanda with emphasis on the issues such as: emergency medicals expenses, loss of use, high court damage award and high number of claims and submit its findings to the next Technical Management Committee.

(f) Report of the Meetings of the Technical Management Committee (TMC) on the COMESA Yellow Card Reinsurance Pool

Decision

95. Council decided that:

- (i) the warehousing of the allocated share of capacity not paid by members should be extended to 31st December, 2000;
- (ii) the National Bureaux of Eritrea, Kenya, Rwanda and Zambia should be urged to finalize payment of the outstanding instalments before the deadline date of payment;
- (iii) the National Bureaux of Malawi should be given a reasonable period of time to consult with its members and come up with a position;

- (iv) the National Bureau of the Democratic Republic of Congo (DRC) should be advised to pay its share of allocated capacity subscription; and
- (v) the National Bureau of Burundi, in consultation with the Secretariat, should come up with a proposal for its participation in the pool.

(g) Premium Bordereaux Returns

Decision

96. On the remittance of premium, the meeting urged the National Bureaux to pay premiums promptly and in full in order to allow the Pool to discharge its functions effectively. In this regard, Council decided that:

- (i) National Bureaux should implement the decision of the Council of Bureaux that members should forward to the Pool premium returns accompanied by cheque settlements;
- (ii) the Pool Managers should deduct, from the claims payable to Handling Bureaux, premium outstanding for more than ninety days from the date of issue of the Yellow Cards; and
- (iii) the Pool Manager should mount a mission to member National Bureaux who have substantial outstanding premium unremitted.

Decision

97. Council decided that in order to expedite the submission and remittance of premium returns, the National Bureaux should:

- (i) submit returns as they are received without waiting for returns from other members;
- (ii) ensure that before supplying new Yellow Card Books to a member, returns and remittance of already issued Yellow Cards have been submitted to the Pool;
- (iii) cease supplying new Yellow Card Books to a member who have not submitted and/or remitted returns of Yellow Cards issued to the Pool for one year or more; and
- (iv) inform the designating Ministry and Insurance Supervisory Authority of those insurance companies whose supply of Yellow Cards have been discontinued.

(h) Claims Bordereaux Returns

Decision

98. Council decided that:

- (i) National Bureaux should adhere to the directive that monthly claims should be submitted even if there were no claims reports; and
- (ii) National Bureaux should submit to the Pool Managers revised estimates of outstanding claims every quarter

(i) Pool Claims Settled through the Clearing House**Decision**

99. Council decided that:

- (i) the National Bureaux of Uganda and Tanzania be advised to reimburse to the Pool claims settled on their behalf without further delay;
- (ii) the Pool should withhold claims settlements for those National Bureaux that are yet to reimburse the Pool for claims paid on their behalf
- (iii) the National Bureaux of Tanzania and Uganda should expedite authorisation to the Pool to reimburse Rwanda for claims settled on their behalf; and
- (iv) regarding authorisation to the Pool to effect reimbursements, the National Bureaux of Kenya and Uganda should follow up the reimbursement issues with primary insurance companies and report the position to the Tenth Technical Management Committee Meeting.

(j) Proposed Recommendation on the Yellow Card Scheme operations**Decision**

100. Council decided that:

- (i) the Secretariat should ensure that the guarantees provided by member States to ensure the security and performance of National Bureaux are valid and report on their status to the next Technical Management committee;
- (ii) member States who have unlimited liability for third party property damage under their motor third party insurance law should be advised to review their law with a view to cap the limit of liability;
- (iii) National Bureaux should adhere to the directive that all communications between National Bureaux should be made in the languages of the addresses, to facilitate quick action;
- (iv) the Secretariat should carry out a study on the interest payable by Issuing Bureaux to Handling Bureaux for claim paid and not reimbursed within the prescribed time and submit its finding to the next Technical Management Committee meeting;
- (v) when the current Chairman of the Council of Bureaux (General Assembly) is not an appointed member of the Technical Management Committee, the number of the Committee should be increased from three to four to accommodate the participation of the Chairman. The Chairman who is so included in the Technical Management Committee is eligible to receipt of expenses and other benefits that the appointed Technical Management Committee members receive;
- (vi) the Yellow Card Protocol should be reviewed after member countries harmonise their third party motor vehicle insurance laws and regulations; and
- (vii) the Secretariat should review the limits of claims, for settlement by handling National Bureaux and should come up with a limit for claims settlement without prior authorisation from Issuing Bureaux.

(k) Claims Issues between Rwanda and Kenya, Rwanda and Uganda, Rwanda and Tanzania

Decision

101. Council decided that:

- (a) the National Bureaux of Uganda and Kenya should be commended for the encouraging progress made in reimbursing Rwanda and be advised to clear all the remaining reimbursement of claims payments as soon as possible and before 31st December, 2000;
- (b) the National Bureau of Kenya and Uganda should take the following measures on the concerned companies who failed to meet their obligations:
 - (i) advise the concerned insurance companies to cease, with immediate effect, issuing Yellow Cards until they meet their obligations;
 - (ii) inform all insurance companies, the general public and the National Bureau of the action taken in (i) above;
 - (iii) take legal action on the concerned insurance companies who fail to meet their obligations and to recover the amount of claims paid on their behalf;
 - (iv) report the issues to the designating Ministry or Authority and request for intervention to pressurise the issuing company to meet its obligation;
 - (v) closely follow up on measures to be taken by the government on concerned insurance companies; and
 - (vi) the Council of Bureaux further recommended that the Pool Managers should review the 30% premium cession, limit of liability of the Pool and claims payment authority limit of claims handling bureaux, with a view to widening the role of the Reinsurance Pool in claims operations, by taking into account three year of experience from the inception of operations of the Pool on 1st July 1998 and submit its recommendation for consideration by the Tenth Meeting of Technical Management Committee Meeting.

(l) Primary Insurance Companies not ceding or paying Premium Returns/Cessions

Decision

102. Council decided that National Bureaux, in consultation with the Secretariat, should:

- (i) urge the member insurance companies to fulfil their obligations as a subsidiary party to the Protocol;
- (ii) seek the intervention of the Insurance Association and Insurance Supervisory body to resolve the issue; and
- (iii) cease to supply Yellow Cards to such insurance companies and advise the Insurance Association and Insurance Supervisory body of measures taken.

(m) Proposed Guidelines for National Bureaux and insurers on the implementation of the Yellow Card Scheme

Decision

103. Council decided that National Bureaux should review and finalise the guidelines for member insurance companies on their participation in the Yellow Card Scheme, as soon as possible and preferably before the end of the Year 2000 and submit the signed copy of the guidelines to the Secretariat.

(n) Progress report on the activities of the Regional Customs Bond Guarantee Scheme (RCBG)

Decision

104. Council decided that to ensure the expeditious implementation of the RCBG System, the National Bureaux should:

- (i) assist the Working Group and/or the consultants in carrying out their activities, at national level, in gathering information and arranging meetings;
- (ii) identify insurance companies and other financial institutions, such as banks, who specialise in (or who have designated section for) Bond Underwriting and who would be interested to participate in the RCBG system arrangement, by forming a chain of sureties. The National Bureau should send the list of those potential participants to the Secretariat; and
- (iii) provide a list of National clearing and forwarding agents who would be interested to participate in the RCG system to the secretariat.

(o) Administrative issues and Work Programme of the Council of Bureaux

Decision

105. Council decided the Work Programme of the Council of Bureaux for the Year 2000/2001 and the recruitment of an Insurance Expert at P3 level in 2001 be endorsed by Council.

III INVESTMENT PROMOTION AND PRIVATE SECTOR DEVELOPMENT

(a) Steel Dumping

Decision

106. Council decided that:

- (i) the Secretariat, in collaboration with COMESAMIA should undertake a study on the competitiveness of the sector;
- (ii) member States should submit to the Secretariat a list of products that affected by dumping; and
- (iii) the Secretariat should work out mechanism to establish prices in domestic and exports markets, put the information in a database, for exchange.

(b) Report on Industrial Strategy and Industrial Information

Decision

107. Council decided that:

- (i) the COMESA Industrial Strategy should provide broad regional strategies;
- (ii) each country should come up with its own national industrial strategy that is owned by its various stakeholders;
- (iii) with the advent of the FTA, governments with the private sector should adopt a holistic approach to competitiveness, productivity, investment opportunities and how they will collectively respond to the WTO provisions and the AGOA; and
- (iv) the Industrial Strategy be finalised and submitted to the Council meeting in May 2001 in Cairo, Egypt.

(c) Terminal Report on Project US/RAF/96/183 : Assistance to COMESA Countries in Rehabilitation and Upgrading their Metallurgical Industries – focusing on its Continuity/Sustainability

Decision

108. Council decided that:

- (i) the Secretariat should separate the different aspects of the successor programme and look at specific areas. For instance, energy conservation and management, environmental impact assessment, issues linked to the effects of greenhouse gases and further possible funding from UNIDO and other donors;
- (ii) the operators in this sector should play a major role in determining programmes and projects that should be undertaken; and
- (iii) the concept of cost sharing by beneficiaries should be incorporated in these programmes.

(d) Country Reports on Industrial Performance and other Related Issues

Decision

109. Council decided that:

Sudan be assisted with regard to the industrial survey and various other activities that the country has embarked on in order to enhance that country's competitiveness in the COMESA FTA.

(e) Progress Reports on Private Sector COMESA related institutions:

Decision

110. Council decided that COMESAMIA should come up with a financial proposal for possible use by the Secretariat in mobilisation of funding from co-operating partners.

(f) ICIPE**Decision**

111. Council decided that ICIPE should seek funding from the PTA Bank within the China-Africa framework for Co-operation.

(g) Report on Leather and Leather Products Industries (LLPI)**Decision**

112. Council decided that:

- (i) LLPI was requested to focus on developing a programme on environmental aspects of the leather industry for possible funding by donors such as UNIDO;
- (ii) LLPI should take advantage of the membership of COMESA on the Boards of CDE and CFC to maximise utilisation of the resources of the two organisations; and
- (iii) the LLPI should submit its projects through the COMESA Secretariat for mobilisation of external funding.

(h) Progress Report on Women in Business**Decision**

113. Council decided that:

- (i) member States should give due attention and focus on gender issues and allocate the necessary resources, for example, through providing secure office space for National FEMCOM Focal Points and similar associations. The COMESA Secretariat could supplement this effort by providing basic information infrastructure;
- (ii) member governments, which had not yet done so should identify gender focal points in their respective sector ministers to facilitate better co-ordination on gender issues. It was also recommended that member States should, in future Committee meetings, report on progress made on their support to Women in Business. FEMCOM members were advised to approach their respective Governments with specific requests for assistance;
- (iii) there was need to integrate the gender perspective into the mainstreaming of all aspects of the work of COMESA. This was noted to be an important goal of the COMESA vision and strategy into the 21st Century. The Secretariat was advised to mobilise resources towards the achievement of this goal;
- (iv) awareness campaigns on COMESA FTA procedures and documentation be undertaken for Women in Business in the member States through Training of Trainers (TOT) and seminars; and
- (v) a gender policy be developed for the COMESA region, for submission to the next Committee meeting.

(i) Building Materials for Low-Cost Housing Technology

Decision

114. Council decided that:

- (i) the Secretariat should conduct a study on Building Materials for Low-Cost Housing Technology which should take into account the needs and specific climatic conditions of member States and on transfer of technology;
- (ii) Secretariat should provide the necessary support to the Interim Committee on building Materials for Low-Cost Housing Technology;
- (iii) the Secretariat should co-ordinate the setting up of an Association of Private Sector Stakeholders on Building Materials for Low-Cost Housing Technology to take stock of existing technologies and research efforts in member States as well as explore other areas of co-operation; and
- (iv) Sudan should be a member of the Interim Committee.

(j) COMESA Proposal on Quality Award for Business Excellence

Decision

115. Council decided that:

- (a) a Quality Award for business excellence be established for COMESA Companies; and
- (b) a Personality Award be established for a person who has done a lot of quality management promotion during the year.

(k) Report of the Workshops of Chief Executives of Investment Promotion Agencies (IPAs) on the Establishment of a Regional Investment Agency

Decision

116. Council decided that:

A nucleus be set up within the Secretariat to undertake the duties envisaged for the RIA and to co-ordinate the activities of National Investment Promotion Agencies (NIPAs) until such time that a Regional Investment Agency is established. The nucleus will not entail additional costs as its activities will be co-ordinated by a member of the Secretariat.

(l) Programme of Co-operation with the Centre for the Development of Enterprise (CDE)

Decision

117. Council decided that:

- (i) the COMESA Secretariat finalises the programme of co-operation with the CDE; and
- (ii) the Secretariat and a Task Force of member States should come up with a specific implementation plan to take full advantage of CDE/EU resources. The

plan should be ready by May 2001 in time for approval at the Cairo Policy Organs Meeting.

(m) Criteria for Infant Industries

Decision

118. Council decided that national consultations be held on criteria for Infant Industries and the reports submitted to the Secretariat by 15th January, 2001. this would be in time for the Policy Organs Meetings in Cairo, Egypt where final decisions would be made.

(n) Networking of Small and Medium Scale Enterprises (SMEs)

Decision

119. Council agreed that the workshop on SMEs be held in Cairo, Egypt in March, 2001 and thanked Egypt to host the meeting. The report of the workshop be submitted to the next policy organs meetings.

(2) Agricultural Co-operation

(a) Consideration of the COMESA Agricultural Strategy

Decision

120. Council decided that the agricultural strategy be revised, taking into account the observations of the Sub-Committee and that it be re-submitted to the next meeting of the Agriculture Committee.

(b) Consideration of the Challenges and Opportunities of the COMESA Free Trade Area : An Agenda for Sustainable Agricultural Development

Decision

121. Council agreed on need for the key findings of the report and requested the Secretariat to incorporate some of the elements in the process of finalising the Agricultural Strategy document.

(c) Consideration of the Progress Report on the Study on Formulating the COMESA Agriculture Policy

Decision

122. Council decided that the study should focus on policy issues, similar to those being addressed within the WTO framework, namely:

- (i) market access;
- (ii) domestic support;
- (iii) export subsidies, and taxes; and
- (iv) sanitary and phytosanitary measures.

(d) Regional Strategy for Agriculture Development and Food Security**Decision**

123. Council decided that there should be more collaboration between FAO and COMESA in developing a regional strategy for agricultural development and food security.

(e) Consideration of the Rice Production Development**Decision**

124. Council decided that the project document on the Rice Production Development should be refined and fine-tuned before its submission as a project to the Common Fund for Commodities (CFC) through the FAO Inter-governmental Group on Rice.

(f) Promoting Improved Technologies for Reducing Post-harvest Losses of Cereals in Eastern and Southern Africa**Decision**

125. Council endorsed the project on providing improved technologies for reducing post-harvest losses of cereals in Eastern and Southern Africa and recommends that ICIPE should work closely with national institutions within the COMESA region, with a view to covering more countries.

(g) Consideration of Phytosanitary and Sanitary Measures**Decision**

126. Council decided that:

- (i) Member States be urged to sign the Cartagena Bio-safety protocol in order to deal with the genetically modified organisms problems;
- (ii) the COMESA phytosanitary standards should be consistent with WTO requirements, and must be transparent; and
- (iii) the budget be reviewed and adjusted accordingly.

(h) Consideration of the Report on the Regional Workshop on the Establishment of a Common Marine Fisheries Investment and Management Policy**Decision**

127. Council agreed that since at the moment it would be unnecessary to create additional institutions as these tend to be costly, there was no need to establish a Common Marine Fisheries Unit. For the interim period the COMESA Secretariat should, as much as possible, carry out this function using available expertise.

(i) Consideration of the two workshops reports on upgrading quality and safety of fish and fishery products

Decision

128. Council endorsed the report of the two workshops on upgrading quality and safety of fish and fish products and recommend that more resources be mobilised to hold more national workshops than the five which are budgeted for under the project.

(j) Consideration of the Phase 1, of the Project Proposal on the Production and Marketing of Value Added Fishery Products in Eastern and Southern Africa

Decision

129. Council endorsed the report on the production and marketing of Value Added Fishery Products and recommends that the project should in the next phase cover more fish species and COMESA countries.

(k) Consideration of the Project Proposal on the Setting up of a Common Framework for Managing Shared Inland Fisheries in the COMESA Region

Decision

130. Council endorsed the report and directed the Secretariat to work closely with FAO and Lake Victoria Fisheries Organisation so as to streamline the management of inland fisheries through Committee for Inland Fisheries in Africa (CIFA) Sub-Committees already established on a number of shared water bodies.

(l) Report of the Expert Group Meeting on Seed Treater Project – Phase II

Decision

131. Council decided that:

- (i) member States should incorporate the project in their agricultural development programmes; and
- (ii) engineering drawings be provided to all member States so that they can manufacture and distribute them in their respective countries.

(m) INFOPECHE Membership

Decision

132. Council decided that:

- (i) member States be urged to become members of INFOPECHE; and
- (ii) the COMESA Secretariat should in the meantime represent member States on INFOPECHE in an observer capacity.

(n) Agricultural Marketing and Trade Promotion**Decision**

133. Council decided that the Secretariat should explore the possibility of establishing a regional mechanism for co-ordinating agricultural marketing information similar to INFOPECHE.

(o) WTO Agriculture and Trade Agreement Workshop**Decision**

134. Council decided that member States be requested to follow and participate effectively in WTO negotiations on the agriculture agreement and trade in services.

IV. LEGAL AFFAIRS**Decision**

135. Council decided that:

- (i) the member States be advised by the Secretariat to make nominations for the vacancy on the Court of Justice election by the next meeting of the Ministers of Justice/Attorneys-General and appointment by the next Summit of the COMESA Authority;
- (ii) member States finalise Consultations at national level so that the Protocol on the Free Movement of Person, Labour Services, the Right of Establishment and Residence is signed by the member States at the next Summit of the COMESA Authority.

V. INFORMATION AND NETWORKING**Decision**

136. Council decided that Council should reiterate its decision of their Eighth Meeting held in Lusaka, Zambia on 15 and 16 November, 1999 that:

- (i) the Secretariat should identify trade points, information networks and tele-centres, existing in member States and in the region and organise a workshop of all these trade information networks to consider in detail the Egyptian offer as well as the modalities of co-operation and establishment of the Federation of Trade points in Eastern and Southern Africa;
- (ii) the Secretariat should report to the next meeting on the results of its contact with the trade information networks.

VI TECHNICAL CO-OPERATION AND RESOURCE MOBILISATION**(a) Regional Programmes****Decision**

137. In addition to their decision at the 3rd Extra Ordinary Council of Ministers last October, the Council decided that the Secretariat be given the mandate to initiate dialogue with the other regional organisations and the EU on developing a Regional Support Strategy.

(b) Regional Funds under the Cotonou ACP/EU Agreement

Decision

138. In addition to the study to be carried y the Secretariat as directed by the Third Extra-Ordinary meeting of the COMESA Council of Ministers from 28 – 29th October 2000, council decided that:

- (i) the terms of reference for the Study on the Economic Partnership Arrangement (EPA's) under the Cotonou Agreement on ACP-EU Co-operation as contained in document No. COM/TCM/CT/VII/II at paragraphs 22 to 26 be approved, subject to any improvements that may emanate from the ACP-EU ministerial meeting to be held on 7 and 8 December, 2000 in Brussels;
- (ii) that Council mandates the Secretariat to initiate dialogue with the EU on the new trading arrangements as part of the preparations for formal negotiations that will commence in September 2001;
- (iii) that the results of the in-depth study by the Secretariat on the impact of the EPAs on member States including the COMESA economic integration arrangement be submitted to the next Council scheduled for May, 2001.

(c) Co-operating Partners

Decision

139. Council decided that:

- (i) co-operating partners be thanked for continuing to support COMESA programmes;
- (ii) the Secretariat should continue co-operating with other sub-regional organisations in the harmonisation of their programmes.

VII TRADE AND CUSTOMS

(a) Progress Report of the Study on the Elimination of Non-Tariff barriers and Other Obstacles to intra-COMESA Trade

Decision

140. Council decided that:

- (i) the Secretariat should ensure that the study covers all member States;
- (ii) where possible, an attempt should be made to quantify, in cost terms, the impact on loss of business which these NTB's cause to member State, e.g. cost of delays at border posts in terms of money cost or business lost;
- (iii) the consultants should propose modalities for the monitoring and elimination on NTBs and the implementation of all trade facilitation programmes;
- (iv) in he final report, the consultants should focus much on articulating modalities or effective ways of how COMESA could resolve and eliminate NTBs;

- (v) the Consultants should update the findings as some of the NTBs listed for some countries had already been removed;
- (vi) the usage of only authorised signatories for the Rules of Origin is a non-tariff barrier;
- (vii) the Consultants should identify priority NTBs which member States should first ensure their elimination; and
- (viii) the Secretariat should submit the findings and recommendations of the study to the next policy organs meeting.

(b) Uniform Customs Procedures for Clearing Goods in the COMESA FTA

Decision

141. Council decided that:

- (i) member States which have not introduced the COMESA-CD take measures to implement the document;
- (ii) member States which have not yet adopted the Harmonised System 1996 version should urgently take measures to adopt it to facilitate transposition to the CTN;
- (iii) member States which have not implemented the World Trade Organisation valuation systems should adopt the system in accordance with Council decision;
- (iv) customs administrations should make maximum use of information technology to assist them in the efficient performance of their duties;
- (v) member States move rapidly towards implementation of the internationally agreed uniform customs procedures to further achieve regional integration and the Secretariat publish a handbook of the uniform customs procedures and distribute them to customs of member States;
- (vi) a system of simplified procedures be introduced for import and export of raw materials and components and appropriate safeguards built in the simplified procedures be adopted to protect revenue and the Secretariat prepare a hand book by end of June, 2001 for these procedures for use by member States customs administrations;
- (vii) where feasible, a Special COMESA Lane be introduced at border posts and ports applicable for clearance of all COMESA originating products are accompanied with a COMESA Certificate of Origin. Trucks with COMESA goods should use the COMESA Lane on arrival and departure;
- (viii) where feasible, special COMESA counters be established at Customs Offices to expedite clearance of COMESA originating goods. Customs Clearance of COMESA goods would be processed through the special COMESA counters for priority clearance and would be subject to minimum physical inspection after risk analysis of consignments; and
- (ix) a directory of all designated locations of COMESA LANE facilities be established and circulated in all member States.

(c) Report on Workshops, Roundtable and Seminar on Competition Law and Policy**Decision**

142. Council decided that
- (i) the Secretariat should develop a regional competition policy which should be adopted by COMESA by 2002; and
 - (ii) member States that do not have national competition frameworks should develop and set up national competition agencies.

(d) Activities of Small Scale Cross-Border Traders**Decision**

143. Council decided that:
- (i) the Secretariat should refer the issue of availability and accessibility of passports to small Cross-Border traders to the relevant Committee for appropriate action;
 - (ii) member States implement the 1986 Protocol on the relaxation and eventual elimination of visas and the 1998 Protocol which require that Visas should be provided at the point of entry to COMESA citizen;
 - (iii) member States ensure that customs clearance of goods and trucks are done as quickly as possible and educate customs and immigration on the importance of cross-border traders to promote intra-COMESA trade;
 - (iv) member States implement Council decision on facilitating the establishment of cross-border traders associations in their countries; initiate specific policies to support and facilitate small scale cross border trade; and assist small scale cross-border traders association in approaching co-operating partners for financial and technical assistance to CBTA programme; and
 - (v) member States facilitate the establishment of suitable sites (markets) for the conduct of small scale cross-border trade in their own countries.

e. Report on the Stakeholders Mobilization Meeting: Regional Harmonization of Customs and Statistical Systems Project**Decision**

144. Council decided that:
- (i) member States urgently submit their comments on the draft Common Tariff Nomenclature to the Secretariat before the end of December 2000 and participate in the workshop of tariff experts to finalise the draft CTN document;
 - (ii) the Secretariat commence studies on the modalities of implementing the Common External Tariff. Such studies should encompass a review of the Common External Tariff, revenue impact of the proposed tariff rates and possible compensatory mechanisms and measures member States should take attain the Common External Tariff targets by 2004;

- (iii) the review study of the COMESA CET issues under (i) above should include examination of the possible conflicts of the COMESA Free Trade Area tariff regime and CET with those of SACU and SADC Free Trade Area, etc and ensure that the study is consultative, and takes into account tariff developments in member States, commitments and the WTO and implementation of structural adjustment programmes;
- (iv) all member States who are not using the WTO Valuation System and the Harmonized System Code 1996, the COMESA Common Statistical Rules (CRS) and COMESA-CD, adopt these codes and documents;
- (v) the Secretariat request CESD to complete the development of the new EUROTRACE prototype by the end of the year;
- (vi) COMESA Secretariat should study the modalities of establishing a Committee on Statistical Matters; and
- (vii) national statistical offices of member States should conclude a Service Level Agreement with COMESA Secretariat by 31 December, 2000.

(f) Report on the Cross-Border Initiative (Regional Integration Facilitation Forum – RIFF)

Decision

145. Council decided that:

- (i) member States that have not yet appointed Secretariats and prepared annual work programmes and cost estimates be urged to do so as soon as possible; and
- (ii) appealed to other countries willing to join the RIFF to indicate their intention and prepare the relevant Letter of RIFF Policy.

(g) Regional Integration Support Programme

Decision

146. Council decided that the Secretariat should, in future, always take on board the issue of least developed countries.

(h) Review of the Working of the COMESA Free Trade Area

Decision

147. Council decided that:

- (i) member States should set up COMESA FTA Implementation Task Forces at national level which are multi-disciplinary in nature to monitor the working of the FTA;
- (ii) the Secretariat should continue to persuade the non-FTA members States to join the COMESA FTA as soon as possible;
- (iii) all member States should become members of the Free Trade Area by 31 October, 2001. Member States that will not have joined the Free Trade Area by this date will trade with the Free Trade Area member States at full national Most

Favoured National (MFN) rates, regardless of the tariff reductions will have achieved by that date;

- (iv) member States should use fair trade practices when trading among themselves and avoid practices that frustrate trade between member States;
- (v) member States should respect Authority decisions by not acting contrary to them, for example, in the case of the extension of the derogation granted to Namibia and Swaziland;
- (vi) member States and their private sector should publicise the FTA and procedures for clearance of goods;
- (vii) the Secretariat should regularly undertake reviews of member States' trade policies vis-à-vis the COMESA trade regime;
- (viii) in order to extract the full advantages of the FTA, a continuous process of raising awareness within the region on the available trading opportunities should be put in place to promote intra-regional trade; and
- (ix) the Secretariat should undertake demand and supply surveys and conduct meetings between consumers and procedures.

(i) Application of Safeguard and Remedial Measures under the COMESA Treaty

Decision

148. Council decided that:

- (i) member States should submit their comments on the proposals to the Secretariat by 15th February, 2001;
- (ii) the Secretariat should convene a workshop of experts by end of March, 2001, to review the proposals and comments from member States and make appropriate recommendations for consideration by the Trade and Customs Committee before the next Council meeting; and
- (iii) in the interim, member States wishing to invoke the safeguard or remedial measures of the Treaty should consult with the Secretary General. However, all requests for such remedial or safeguard measures should not adversely negate the operation of the FTA

(j) Framework Paper on Trade in Services

Decision

149. Council decided that in order to further develop trade in services in COMESA:

- (i) all COMESA countries should notify the Secretariat of their national enquiry points for the services sector by 31st March, 2001. These enquiry points should, preferably be the same ones notified to WTO, in case of the 15 COMESA countries who are so far members of the WTO. The Secretariat should circulate this information to all member States;
- (ii) to promote trade in professional services across the region, work already initiated by the Committee on Legal Affairs regarding the liberalisation of the granting of

visas and work permits should be speeded up and be completed by end of 2002. Similarly, work should be initiated regarding the mutual recognition of qualifications and work experience among national from COMESA member States;

- (iii) member States who have not done so already should sign and ratify the Protocol on the Free Movement of Persons, Labour, Services, Right of Establishment and Residence;
- (iv) since negotiations in services have commenced at the WTO, and as COMESA has not yet acceded to WTO, it is necessary that particular COMESA member States follow-up developments at the multilateral level and project and promote COMESA interests. In this regard, Kenya, Egypt, Mauritius and Zambia should act as lead countries and report to the Secretariat on all matters related to services. Lead countries should send periodically briefs on the state of play at the multilateral level pointing out opportunities as well as challenges for the region to the Secretariat for compilation and circulation to all COMESA member States; and
- (v) the Secretariat should convene a workshop on a framework on trade in services. The date and venue for the workshop should be communicated by the Secretariat in due course.

(k) Status of implementation of COMESA transit facilitation programmes and the Kyoto Convention

Decision

150. Council decided that member States that have not signed and ratified the COMESA transit trade facilitation instruments and the Kyoto Convention be urged to do so as soon as possible.

(l) Regional Strategy on AGOA

Decision

151. While observing that it was important for the Secretariat to concentrate on its core business of advancing the COMESA integration agenda forward, the Council decided that the Secretariat should:

- (i) monitor the implementation of AGOA and open a dialogue on the areas of concern to COMESA member States and report back to the Policy Organs meetings;
- (ii) facilitate political dialogue between the US inter-agency Trade Policy Staff Committee (TPSC) on AGOA through the US Trade Representative for Africa and counterparts from COMESA countries on making more COMESA countries eligible;
- (iii) assist member states in identifying products under the enhanced GSP provisions that they have comparative advantage in producing and facilitate increased production of the same and addressing the non-trade barriers to their entry into the US;
- (iv) with specific reference to the Textiles and Apparel provisions, map out a plan with Customs Officials from member states that have the comparative advantage

and intention to export these articles to the US on how to meet the requirements under Section 113 of the Act;

- (v) concurrently to this, member States should focus on how they can increase, improve or diversify their exports of both GSP and textile and apparel articles to the US. This could entail the promotion of joint ventures between the private sector of member States;
- (vi) the Secretariat should provide information to the private sector on how to access funding from the OPIC and EXIM Bank;
- (vii) as part of the regional strategy, the Secretariat should market COMESA as an investment destination for textile and apparel manufacturers. This could be done by organising a meeting between regional and US manufacturers;
- (viii) the Secretariat should explore which products are produced in large quantities in the region and which can be exported under GSP and what non-tariff barriers (including SPS) hinder this potential trade; and
- (ix) seek financial assistance from the US government to help pay for these activities and the implementation of AGOA.

(m) COMESA Common Tariff Nomenclature and the Common External Tariff (CTN/CET)

Decision

152. Council decided that:

- (i) national working groups comprising representatives from Ministries of Finance, Industry and Trade, Central Banks, Customs, Central Statistical Offices and the private sector be formed to review the CET/CTN proposals and submit their recommendations by 31st March, 2001;
- (ii) the working groups given the responsibility of offering technical advice on other issues related to the Customs Union including customs legislation and procedures;
- (iii) COMESA Secretariat should assist these working groups technically and financially;
- (iv) a regional technical working group, composed of tariff experts and statisticians, be formed to work on the content of the 7th and 8th digits of the CET/CNT on a tariff line by tariff line basis accommodating national interests;
- (v) the regional technical working group complete its work by the end of 2001, with financial assistance of the Secretariat;
- (vi) countries which have not adopted the Harmonised System and those, which have not adopted the 1996 H.S. version should take measures, with support from the Secretariat, to urgently adopt the H.S. 1996 to enable them to actively participate in the regional negotiations on the CTN/CET;
- (vii) harmonisation of the CTN be achieved up to the eight digit level and the use of the 9th or 10th digits for national requirements be restricted and used only with the approval of Council;

- (viii) the Secretariat explore avenues for financial support for the publication of the CTN/CET, which should also take into consideration amendments to be introduced by the H.S. 2002;
- (ix) work on procedures for administering the CET in the Customs Union be undertaken in parallel to the work on the CTN/CET;
- (x) the Secretariat provide the criteria used for the categorisation of goods into raw materials, capital goods, intermediate and finished products to guide national working groups;
- (xi) the review of the CET categorisation of goods into capital goods raw materials, intermediate goods and final goods for the purpose of establishing CTN sub-headings be based on technical issues and not on the final rates of duty to be applied to those categories;
- (xii) the Secretariat organise a regional workshop on the harmonisation of customs legislation and procedures by 30th April, 2001; and
- (xiii) member States submit their comments on the CTN by 31st March, 2001 in light of the additional work required at national level in reviewing the CTN/CET proposals.

(n) COMESA Rules of Origin

Decision

153. Council decided that:

- (i) the Secretariat should prepare the draft rules of procedures of the Working Group for consideration at its next meeting; and
- (ii) the Terms of Reference for the Working Group on the Rules of Origin attached as Annex II to this report be adopted.

(o) Formalisation of Dispute Settlement Procedures in the Manual of Guidelines on the Rules of Origin and matters relating thereto

Decision

154. Council decided that:

- (i) the dispute settlement procedures in the Manual of Guidelines be formally adopted;
- (ii) disputes on Rules of Origin between two member States should, as much as possible, be settled amicably between the two member States involved;
- (iii) if member States fail to settle the dispute amicably within three months, they should refer the matter to an Arbitration Panel;
- (iv) member States should desist from taking unilateral action on disputes regarding origin;

- (v) forms of verification of origin and forms for request for additional information in the verification of documentary evidence be redesigned after the Rules of Origin have been revised;
- (vi) once the forms are redesigned, they should be circulated to all private sector associations in the member States.

(p) Facilitation Measures for Small Scale Traders

Decision

155. Council decided that:

- (i) a simplified form of certificate of origin be used for small consignments intended for commercial use and a simplified Customs Declaration Form be used for small consignments intended for commercial use. A simplified certificate of origin is attached at Annex II to this report;
- (ii) the maximum value for small consignments should be US\$ 200;
- (iii) list of goods which can qualify for simplified certificate of origin be established among member States concerned; and
- (iv) the working Group should revise the use of the simplified certificate of origin in the future with a view to introducing the declaration of origin on the commercial invoice.

(q) Substantial Transformation as Reflected by a Change in Tariff Heading as Origin-Conferring Criterion

Decision

156. Council decide that:

- (i) the Secretariat should reflect the World Customs Organisation and World Trade Organisation for technical assistance in the definition of workings and processes leading to a change in tariff heading for all chapters of the H.S., as well as other issues, as necessary;
- (ii) the Secretariat should present its report on (i) above to the next meeting of the Working Group;
- (iii) after this initial work, the final definition of workings and processes leading to a change in tariff heading be established by the Working Group taking into consideration the needs and requirements of member States and their industrial structures; and
- (iv) the workings and processes should become part of the Protocol after amendment.

(r) Standardisation and harmonisation of issuance of the COMESA Certificate of Origin

Decision

157. Council decided that:

- (i) a government agency with technical competence to administer the COMESA Protocol on the Rules of Origin impartially and with capacity and legal authority to carry out investigations be designated by each member State to issue the COMESA Certificate of Origin;
- (ii) after the designated authority has signed and issued the Certificate of Origin, no other body should further endorse it;
- (iii) the Secretariat should issue guidelines on the specifications related to the paper and print of the Certificate of Origin to avoid falsification; and
- (iv) the Secretariat should arrange training on the application of the Rules of Origin for designated authorities.

(s) Other Trade and Customs Matters**Decision**

158. Council decided that:

- (i) manufacturers of goods produced under licence of international firms should clearly indicate on the outer packages of the products the names and addresses of the companies producing them in the member States in order to be considered as goods of COMESA origin;
- (ii) the Secretariat should prepare on the originating status of products manufactured in the export processing zones (EPZ's) of member States for discussion by the Working group at its next meeting;
- (iii) member States should comply with Council decision to submit specimen signatures and the impressions of official's stamps in 21 original copies to the Secretariat for circulation to member States. The meeting noted that Egypt , Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Sudan, Uganda and Zambia; and
- (iv) the Working group should hold its next meeting before May, 2001 in Mauritius, subject to approval of the Government of Mauritius.

(a) FTA and its implications**Decision**

159. Council decided as follows:

- (i) in order to promote the FTA and ensure that investment comes to the region, there was need to undertake serious and concerted public relations initiatives and marketing. Some of the simple and basic activities include playing the COMESA song as regularly as possible, producing leaflets and flyers on the FTA and investment opportunities in the region;
- (ii) since most national markets were too small to be sustainable and only survive by the grace of external support from co-operating partners, integration was not

optional and fears of regionalism were unfounded and what was needed was establishment of linkages between small and medium enterprises across the region;

- (iii) there was need for the exchange of information in all spheres, the need to market COMESA globally, and the need to act as one cohesive group particularly before international and multilateral negotiations;
- (iv) there was the need for the PTA Bank to be strengthened to enable it facilitate private sector growth; and
- (v) member States should put emphasis on education and on the development of information technology.

(b) Multilateral and Other Trade Agreements

Decision

160. Council agreed that an integrated framework of technical support to developing and lease-developed countries should be enhanced. It was also felt that African participation in all WTO deliberations.

(c) Investing in the COMESA FTA

Decision

161. Council decided that the factors relating to investment in COMESA be given priority by member States so as to make the FTA more meaningful.

VIII. COMESA INSTITUTIONS

(a) COMESA Bankers' Association

Decision

162. Council decided that:

- (i) each member State makes available information to the banking community on the need to join the regional banking association, since the association is instrumental in strengthening the COMESA Free Trade Area;
- (ii) member States Central Banks make available information requested by the Association to enable the Association publish a directory for exchange of information on the banking system; and
- (iii) the COMESA Secretariat should extend invitations to the presidents of each National Bankers' Association to attend COMESA Monetary Cooperation meetings and policy organs meetings in order to allow the banking community to better understand the progress made by COMESA on regional integration and the role of the COMESA Bankers' Association.

(b) COMESA Clearing House**Decision**

163. Council decided that:

- (i) in view of the current need by several member States to optimise the use of foreign currency, the Secretariat should make proposals to the next meeting of the Committee of Central Bank Governors and Ministers of Finance on ways in which the utilisation of the Clearing House in the payments for all transactions in goods and services could be revitalised;
- (ii) urge those participating member States that have not yet signed/ratified the agreement establishing the African Trade Insurance Agency – ATI, to do so as soon as possible to enable them to attend the first General Assembly of ATI as a full fledged member;
- (iii) request other member States to join ATI;
- (iv) fully support work currently undertaken in the establishment of COMESA Payment and Settlement System – COMPASS and the IMF be thanked for its continued support towards the development of a cross border payment and settlement system;
- (v) request those member Central Banks that have not yet submitted their nominations to the COMESA Payments Council to do so at their earliest convenience;
- (vi) facilitate the introduction of the African Commerce Exchange (ACE) services in respective member countries

(c) PTA Re-Insurance Company (ZEP-RE)**Decision**

164. Council decided that:

- (i) those member States that are not yet members of ZEP-RE should be urged to do so as soon as possible;
- (ii) member States who are members of ZEP-RE but have outstanding issues with ZEP-RE be urged to resolve those issues as soon as possible; and
- (iii) ZEP-RE takes advance of the African Insurance Organisation/Standards and Pool Scheme to acquire a security rating and improve its competitiveness within the region.

(d) PTA Bank**Decision**

165. Decision noted the report and adopted its recommendations that the remaining COMESA members should take up their membership of the Bank and that COMESA countries assist in promoting the Bank's activities, particularly in identifying bankable projects which could be funded under the recently secured lines of credit from China and India.

(e) **Leather and Leather Products Institute (LLPI)**

Decision

166. Council decided that:

- (i) the study to refocus LLPI strategies and programmes should be done before the next Council Meeting;
- (ii) request member States to re-commit themselves in supporting and participating in LLPI programmes
- (iii) the Secretary-General of COMESA should proceed with the advertisement and recruitment of the Director of the Institute; and
- (iv) LLPI should channel its projects through the Secretariat for efficient mobilisation of funds

IX RECOMMENDATIONS AND DECISIONS OF POLICY ORGANS

Decision

167. Council decided that recommendations and decisions made in all Policy Organs meetings of COMESA should:

- (i) be self explanatory;
- (ii) be addressed to specific COMESA organs or member States;
- (iii) be action oriented;
- (iv) have a time frame especially as to when the proposal or recommendation should be presented to the respective COMESA Policy Organs meeting; and
- (v) be reflected in the respective meetings report as an Annex with the decisions and recommendation categorised according to the organs or member States concerned or affected.