COMESA NEWS

COMESA Industrial Strategy Cleared for Implementation

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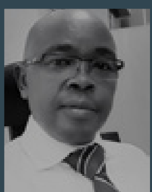
Editorial

Trailblazing Again!



The second quarter of this year was an epochal period for two main reasons. The first is the passage of the Industrial Strategy for the Common Market for Eastern and Southern Africa. Usually, such blueprints take a bit of time from inception to completion owing the meticulous manner that every statement therein goes through. Member States (MS) must also agree to every point in the document. With this type of consensus building that our model of regional integration requires, it takes even longer to complete and adopt such as blueprint because we strive to carry everyone along. That is not easy. But we have completed it and what remains now is to apply it. Ultimately, we believe this blueprint will awake the giant that is our industrialization potential. Here, we are particularly looking at value-adding our export commodities. The second development is one that provided COMESA with additional bragging rights as the trailblazer in the region. After becoming the first regional economic community to develop seed labels and certificates, COMESA scored another first by launching an online seed label verification system in Africa and globally. The COMESA seed labels and certificates are a big deal to farmers, who have had to put up with fake seeds. A COMESA label is an affirmation of the integrity of the seeds circulating in the region. Note, that the leading commodities of regional trade are agricultural. With these marks of integrity, seed trade will flourish and so will agriculture productivity and incomes of millions of populations across our region. As we made these scores, however, something important slipped by without much notice; the deadline given by the Council of Ministers to majority of our MS to sign and ratify the Tripartite Free Trade Area agreement. The deadline was April 2019. It is notable that the Africa Continental Free Trade Area, which benefited immensely from the work done under the TFTA was ratified in May. Now, most of our MS ratified the continental agreement. This means that with a slight prodding of our MS, we can achieve the ratification threshold for TFTA as well before the close of the year.

Mwangi G

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Implementation of **COMESA Industrial Strategy** is Now on Course

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

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

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

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

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

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

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

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

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

He observed that COMESA and Africa in general, are endowed with vast resources- both material and human

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Joint opening ceremony of the Ministerial meeting on infrastructure and industry

Preoccupation with Low Value-Added Exports is the Bane of Industrialization in the Region

The COMESA region has experienced a robust annual real GDP growth of close to 6.5%, but this has not led to economic transformation of the region. According to Principal Secretary in charge of Industry in Kenya, Ms. Betty Maina, this disparity has resulted from preoccupation with low value-added products and trading in primary products and natural resources.

She was addressing delegates at the joint opening of COMESA Technical Meetings on industry on one hand and Infrastructure (transport, ICT and energy) on the other in Nairobi, Kenya on June 17. The meetings were: The 11th Joint COMESA Technical Committee on Infrastructure (Transport, ICT and Energy) and the 3rd COMESA Technical Committee on Industry.

Maina said the affected products are mainly those with few forward and backward linkages to the rest of the economy. She cited the production of hydrocarbon and minerals, both capital and technology intensive as some of those that contribute to jobless growth in the region.

"Despite regional integration being of special importance in Africa, COMESA Member States still trade over 90 per cent with other parts of the world due to lack of industrial diversification and products` complementarity among themselves," she said.

Consequently, the low level of intra-COMESA trade, which has not broken the 10% threshold of total exports over the years, reflects a low level of industrialization, she said. This limits the level of intra –and inter-industry trade and the extent of quality job creation needed to reduce poverty.

She hoped that the implementation of the COMESA Industrial Strategy, which was adopted by the Ministers of Industry in 2015, would provide the pathway towards industrialization of Member States by helping them to identify their comparative advantages in developing key industries through value addition.

The meeting on industry, which was the third in a series, reviewed the Draft Action Plan of the implementation on the COMESA Industrial Strategy and the COMESA Regional Guidelines on the Local Content Policy.

The 11th Technical committee on infrastructure considered the progress made in the implementation of the infrastructure soft and physical projects in transport, ICT and energy sub-sectors Speaking at the same forum, the Assistant Secretary General of COMESA Dr Kipyego Cheluget said energy costs in the region was a major impediment to the expansion of the manufacturing sector.

The total installed capacity for electric power in the 21 COMESA countries is about 90,800 megawatts compared to Brazil with over 150,000 megawatts.

"We are however beginning to see significant improvements in the generation capacity with the expected coming on-stream major power generation projects in Egypt, Ethiopia, Kenya, Uganda, Zambia," he said adding that the construction of Zambia-Tanzania-Kenya interconnector and the Ethiopia-Kenya interconnector would facilitate power trade between the southern and the northern power pools. The PS for trade in Kenya Dr Chris Kiptoo said the joint hosting of the meetings of experts in industry, transport, ICT, and energy was a good initiative in addressing interrelated issues that contribute to the growth of regional trade.

The recommendations of the technical meetings were later presented to their respective ministerial committee consideration and decision-making.

"Despite regional integration being of special importance in Africa, COMESA Member States still trade over 90 per cent with other parts of the world due to lack of industrial diversification and products` complementarity among themselves," she said.

Cabinet Secretary, Trade, Industrialization and Cooperatives, Kenya, Hon Peter Munya

and it was time the region came up with strategies to harness them for their own development.

"In order to reap full benefits of Local Content, there is need for goodwill and commitment of political leadership, professionals, captains of industry and consumers in general," he said.

Regarding the Regional Guidelines for Local Content Policy, the minsters noted that that these will enable the formulation of similar policies amongst Member States to maximize local benefits from industrialization.

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

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

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

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

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

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

EU and RECs Signs Financing Addendum to Regional Programme

The EU Commission in Brussels and the Chief Executives of the five Duly Mandated Regional Organization (DMROs) of Eastern Africa, Southern Africa and the Indian Ocean (ES-SA-IO) signed the addendum to the Regional Indicative Programme (RIP) on 30 April 2019.

The signing ceremony took place in Brussels where the five DMROs namely: COMESA, EAC, IGAD, IOC and SADC participated. In addition to the signing, they also reviewed the status of implementation of the 11th EDF RIP which was signed with the EU in 2015.

The RIP aid supports the Eastern Africa, Southern and the Indian Ocean in accordance with the provisions of Articles 6 to 10 of Annex IV to the partnership agreements between the member of the ACP group of states on one part and the EC and its member states on the other. The financial resources provided are available to the EA-SA-IO in the period 2014 – 2020.

A Mid-Term Review (MTR) for the RIP was undertaken in 2017, following the new European Consensus on Development which recalibrated the development policy of the EU in coherence with the 2030 Agenda for Sustainable Development.

Prior to signing the DMROs Chairperson, Ms. Chileshe Kapwepwe, Secretary General of COMESA, said the MTR was an important step to translate modified policy into concrete actions and results.

"The review will refocus the RIP actions towards the Sustainable Development Goals and to respond to evolving global challenges as well as regional developments," she said. "It is therefore a critical exercise considering the fact that countries priorities of development cooperation have evolved and require to be re-aligned."

One Million Euros Climate Change Project Set for Launching in Uganda

Climate smart agriculture model farm at Bugiri Primary School

A 1.07 million euros climate change project aimed at building resilience of agriculture landscapes in Eastern Uganda, is soon to be launched in Eastern Uganda, following the completion of preparatory activities.

The project titled: "Enhancing resilience of agricultural landscapes and value chains in eastern Uganda – scaling up Climate Smart Agriculture (CSA) practices" will support the adoption of CSA practices and technologies in farmer cooperatives and primary schools.

The three- year pilot project (2019 – 2021) is part of the COMESA's overall European Union supported Global Climate Change Action (GCCA+) programme. A total of € 1,076,271 has been provided to implement the project in seven districts in eastern Uganda, with the European Union providing the bulk of the funds through COMESA amounting to one million euros.

The funds will be managed by the United Nations Development Programme (UNDP) under a delegation agreement signed with COMESA in July 2018. In addition, the UNDP will provide €76,271 while the Government of Uganda will contribute in kind through the Ministry of Agriculture, Animal Industry and Fisheries.

The project seeks to develop enterprise platforms to enhance productivity, value addition, marketing and integration of CSA principles. Its focus is on mainstreaming climate change in national policies, strategies and development plans of member States; and promoting, supporting, and piloting appropriate adaptation and mitigation projects.

The new project will build on the successes of the first phase of the project that was implemented in 2014-2016 under the theme: "Enhancing adoption of climate smart agriculture practices in Uganda's farming systems".

Among them is the Bugiri Primary school where over 700 pupils are involved in the school's CSA model farm. The farm also contributes to the school's feeding programmes and was part of the site visit conducted by the stakeholders.

Similar projects will be implemented in Madagascar, Eswatini, Seychelles and Zimbabwe.

The Uganda Project Coordinator Mr. Stephen Muwaya told stakeholders attending a two -project inception meeting on 16 – 17 April 2019 at Iganga town, Uganda, that procurement and installation of equipment that will be unveiled during the high-level launching ceremony was on course.

The meeting brought together technical officers from the local authorities in the seven target districts of Budaka, Namutumba, Bugiri, Busia, Kaliro, Kamuli, and Buyende. Representatives from community-based organizations and farmers who will be involved in the implementation of the project participated in the meeting which also finalized the project's work plan.

Speaking at the meeting, Uganda's Commissioner of Crop Production and Marketing Mr. Alex Lwakuba, observed that the eastern Uganda sub region was prone to hazards of climate change which aggravated food insecurity.

"You should supervise and monitor to ensure that the rural farmers realize the intended impacts of the project at household and farm level," Mr. Lwakuba urged the delegates.

The UNDP was represented at the meeting and site visit by Mr. Onesimus Muhwezi, Team Leader, Environment, Climate and Disaster Resilience, and COMESA by the Head of Corporate Communications Mr. Mwangi Gakunga.

Fresh Push for States to Ratify the **Tripartite FTA** as **Deadline Passes**

The deadline set by the Tripartite Council of Ministers for Member States of three regional economic blocs to sign and ratify the Tripartite Free Trade Area lapsed at the end of April 2019.

Despite this deadline, only four countries in COMESA, East Africa Community and Southern Africa Development Community tripartite bloc had signed and ratified the agreement. These were Kenya, Egypt, South Africa and Uganda.

A total of 22 out of 26 countries in the tripartite bloc comprising of COMESA, the EAC and SADC have signed the agreement.

Delegates who attended the seventh Extraordinary meeting of the COMESA Intergovernmental on 3rd April 2019, were informed that eight of the 19 countries that had ratified the Africa Free Trade Area Agreement (AfCFTA) were members of the Tripartite group.

Zambia's Minister of Commerce, Trade and Industry Hon. Christopher Yaluma who opened the IC meeting said it was time for the remaining countries to sign the tripartite given that is was supposed to be the building bloc to the continental FTA.

"I cannot overemphasize the absolute importance of all of us ratifying the Tripartite Agreement so that it enters into force immediately, "he said. "After years of negotiation, the Tripartite FTA is ready for implementation. It is very much a low hanging fruit."

Currently, 93% of the work on Rules of Origin has been completed, providing the basis for trade to begin. In addition, the legal texts have been concluded and adopted.

The minister noted that most of the MS of the Tripartite were already using the existing COMESA or SADC free trade area agreements meaning they were ready. He called on Member States to the ratify the agreement within the period remaining before the tripartite ministers' deadline.

"My goal is to shift focus of COMESA Policy Organs engagement from administrative to programme implementation issues. It is only through programme implementation that we shall be able to create jobs and improve the standard of living and quality of life of our people."

The Extra Ordinary IC meeting was convened to deal mainly with pressing administration and financial management issues, while at same time receiving updates on matters of regional integration programme. It was attended by Permanent/ Principal Secretariats from the ministries that coordinate COMESA activities in Member States.

In her statement, Secretary General Chileshe Kapwepwe said, since she assumed office last year, she had identified areas for immediate change at COMESA Secretariat aimed at strengthening service delivery.

"The need to have fast and better responsiveness to the needs of Member States, addressing inadequate resourcing through the development of a strategic resource mobilization plan and addressing the organizational structure of the Secretariat for enhanced performance," she said.

"My goal is to shift focus of COMESA Policy Organs engagement from administrative to programme implementation issues. It is only through programme implementation that we shall be able to create jobs and improve the standard of living and quality of life of our people."

The IC observed a moment of silence for one of their departed members, Ambassador Julius Onen, former Permanent Secretary in the Ministry of Trade in Uganda who passed away in March as well as the victims of the fatal Ethiopian Airlines Flight. The victims of Cyclone Idai that hit Mozambique and parts of Malawi and Zimbabwe were also honoured.

Burundi Standards Agency Upgraded

Bureau to receive laboratory equipment and vehicles under COMESA Adjustment Facility

Burundi is set to increase its export products once an ongoing capacity building programme for its national certification and standardization agency is completed. A total 439,384 euros have been allocated, under the Regional Integration Support Mechanism (RISM), funded by the COMESA Adjustment Facility (CAF), to build the capacity of the Burundi Bureau of Standards (BBN) on standardization and quality control.

Under the programme, the Bureau will receive laboratory equipment for analysis and testing, vehicles to help with its metrology-related inspections, and staff training. This will strengthen the services provided by the BBN to improve market access of Burundian products to regional and international markets.

A team from the Secretariat led by Secretary General of COMESA Chileshe Kapwepwe visited the BBN laboratories during her first mission to Burundi, 3 – 5 June 2019. As he conducted the SG on a tour of the facility, the BBN Director Dr. Jean Felix Karikurubu, pointed out the various limitations facing the institution.

"Currently, our laboratories have the capacity of testing 140 parameters. With the COMESA support, we shall be able to add 60 more and qualify the bureau for accreditation and certification," Dr Karikurubu said.

At the time of the visit, procurement of laboratory equipment and two pickup vehicles for BBN was underway. Additionally, the first national awareness workshop on the role of standards in trade facilitation was conducted early in the month.
Secretary General observed that participation of Burundi in the regional markets, that are opening through the tripartite and the continental free trade areas, require goods of high quality hence the imperative need to strengthen the Bureau.

"A country can only access regional and international markets if its products are of high standards," she said. "Regional integration is not limited to goods and services but also in the standards."

"A country can only access regional and international markets if its products are of high standards,"

Under the support, the BBN will be enabled to conduct a survey for setting up a database of industrial processing units. It will also conduct market surveillance activities through verification of legal metrology instruments and calibration of industrial metrology equipment and carry on-site inspections, thanks to the purchase of the vehicles.

The purchase and installation of equipment for a Global Positioning System (GPS) system will also be done to enable evaluation and verification of the global positioning of the capacities of Processing Units. At least ten BBN staff will be trained on the GPS system.

Similar support was provided, through the CAF programme to the Burundi Revenue Authority (BRA) to enhance the ASYCUDA World Features and to implement the National Electronic Single Window project which came to an end in December 2018.

During a visit to BRA, the Commissioner General Mr. Audace Niyozima informed the COMESA team that despite some success in reaching some of its objectives (cleaning of bugs in the previous ASYCUDA version and operationalization of the electronic payment), the project could not however be completed.

"I am therefore looking forward for the support from COMESA to mobilize more funds to support its completion," he said. Secretary General promised to engage the European Union - which funds the COMESA Adjustment Facility (CAF) - to complete the project noting that it had made a difference in revenue collection for Burundi.

The CAF provides adjustment support to countries as they implement the COMESA regional integration programmes. It is currently funded by the European Union under the RISM through a Contribution Agreement with COMESA.

Burundi is one of the two countries that was the first to benefit from the programme through revenue loss compensation of €12.7m that resulted from joining the East Africa Community Customs Union. Since the programme began, in 2009, the country has received a total of 15.5 million euros.

Court Flaunts new **Digital System** at the Commonwealth Lawyers Conference

Following the introduction of the digital court system, the COMESA Court of Justice is conducting a publicity and awareness campaign targeting key stakeholders. In April this year, the Court co-sponsored the Commonwealth Law Conference held in Livingstone, Zambia from 8 – 12 April that was attended by over 500 lawyers from more than 40 Commonwealth countries including nine from COMESA.

The one-week conference was opened by President Edgar Lungu of Zambia. Anchored under the theme "The Rule of Law in Retreat: Challenges for the Modern Commonwealth", the forum provided the COMESA Court of Justice (CCJ) a platform to market its services to the legal professionals and to showcase its new digital evidence management system – CaseLines Evidence Management System.

The Court introduced the Caselines System early this year thus eliminating the need for paper in court by introducing an entirely digital platform with tools which allow the creation and presentation of a fully digital bundle including multi-media evidence.

Registrar of the Court Ms. Nyambura Mbatia, who led the COMESA team, said one of the challenges facing the CCJ was awareness and visibility "Unlike national courts, the jurisdiction of regional courts is not well known even among legal practitioners," she noted. "Our presence at this conference of lawyers is an invaluable opportunity for the Court to reach hundreds of our target audiences in one sitting."

COMESA Stand at the Exhibition in Livingstone during the Commonwealth Law Conference

She said the Court was keen to raise awareness about the Caselines System to the legal practitioners owing to its immense potential to increase the number of cases filed in the regional court.

"CaseLines will allow lawyers to file cases, applications and evidence in a secure environment from their own offices, saving costs of copying and transporting paper files and personnel, and at the same time cutting the risk of losing or misplacing files," the Registrar said.

The system also supports efficient pre-trial preparation, especially for lawyers supporting clients in different countries. Besides, it enables Judges to work efficiently from their home offices, thereby improving preparation, cutting unnecessary travel and speeding the process of preparing judgments after a hearing.

Out of this forum, the Registrar predicted an increase in cases filed at the COMESA Court and more so as a result of the introduction of Caselines System.

"The number of enquiries received at our expo booth so far demonstrates the critical need for the Court to reach out and directly engage our stakeholders."

Lawyers from COMESA Member States including Eswatini, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Uganda, Zambia and Zimbabwe participated in the conference.

"The number of enquiries received at our expo booth so far demonstrates the critical need for the Court to reach out and directly engage our stakeholders."

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

New SPS Project will Increase Market Access to Agricultural Exports

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

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

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

Kenya is the second country after Uganda, to start implementing the project with the inception meeting and high-level stakeholder dialogue and training on P-IMA that took place in June in Nairobi.

The P-IMA framework is an evidence-based approach to inform and improve SPS planning and decision-making processes. It helps to link SPS investments to public policy goals including export growth, agricultural productivity, and poverty reduction. Principal Secretary in the Ministry of Trade Dr Chris Kiptoo opened the meeting.

In his statement, presented by the Assistant Director of External Trade Mrs. Helen Kenani, he said the variation of SPS capacity across COMESA countries and the continent, undermines the region's capacity to trade with itself.

"The diversity of strengths and weaknesses on the continent demands greater collaboration between countries that belong to the same Free Trade Area (FTA), particularly the ACFTA that just came into force," Dr Kiptoo said.

He observed that compliance with SPS measures opened tremendous export opportunities for producers and exporters, both at the intra-regional trade level and at the international level.

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

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

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

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

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

As COMESA Turns 25, Development Partners Maintain High Confidence with the Regional Bloc

Zambia's Vice President Her Honor Inonge Wina flanked by Secretary General Chileshe Kapwepwe (right) and Zambian Minister of Commerce and Industry Hon. Christopher Yaluma (left)

As COMESA marks 25 years of its existence this year, the organization has maintained high confidence from development partners. So far, COMESA Secretariat has received a combined development aid amounting USD 299 million from the development partners to support different programmes According to the Secretary General Chileshe Mpundu Kapwepwe, the trust was earned after the Secretariat passed the 4 and 7 Pillars Assessment of the European Union (EU) in 2005 and 2015 respectively.

Qualification under the Pillar Assessment allows an organization to use its own financial and procurement procedures in the utilization of funds received from development partners. While addressing the 7th Extraordinary Council of Ministers meeting that took place in Lusaka, Zambia, in April, Ms. Kapwepwe explained that COMESA has since 1994 strived to improve its procedures and processes on a continuous basis to comply with international norms, standards and practices. This enabled it to become the first regional economic community to qualify for this status.

"These financial resources have greatly assisted Member States to implement the COMESA Regional Integration Agenda and specifically support value chains in cotton, leather and edible oils," Ms. Kapwepwe added.

The leading financier to COMESA is the European Union. Other key partners are the USAID, the African Development Bank, the World Bank and DFID.

The EU alone has disbursed around USD 277 million to assist in the implementation of Regional Integration Support Mechanism (RISM), Regional Integration Support programme (RISP),

Council Meeting in Session

Climate Change Initiative, African Peace and Security Architecture Programme (APSA) and Maritime Security (MASE). Under the RISM Programme, a total of USD104.2m out of the USD140 million has been disbursed to Member States. The balance is being disbursed under the 8th Call, from the beginning of this year.

"These financial resources have greatly assisted Member States to implement the COMESA Regional Integration Agenda and specifically support value chains in cotton, leather and edible oils," Ms. Kapwepwe added.

From 2018 onwards, COMESA has been focusing on trade facilitation programmes which include border management, addressing Non-tariff Barriers, facilitating small scale cross border trade, increasing private sector participation and enhancing programmes in value chains.

Efforts have also been made to further enhance operations and governance of the COMESA Secretariat. A capacity building programme has been designed to undertake a through business process reengineering of the policies and procedures to better deliver on its mandate.

Speaking when officially opening the Meeting, Zambia's Vice President Her Honor Inonge Wina commended the cooperating partners for the support but urged the Member States to strive to mobilise resources from within the region.

"...In this way, COMESA activities will be more sustainable while the goodwill of our partners goes to supplement our efforts," she stated

Mrs Wina called on the countries to fully support COMESA's efforts in embracing digital economic integration by harmonising cross border activities, systems and transactions which will lead to a digital Free Trade Area. She urged the Member States to quickly ratify the Tripartite Free Trade Area.

The extraordinary meeting brought together Ministers of Trade and Industry from the region to address audit and financial matters and take stock of the progress regarding implementation of some regional integration programmes such as the COMESA-EAC-SADC Tripartite Free Trade Area.

Permanent and Principal Secretaries, Ambassadors and High Commissioners, Special Representatives to COMESA and Directors of Trade attended the meeting.

Others present were the heads of COMESA institutions namely the Court of Justice, the COMESA Competition Commission and the Federation of Women in Business (FEMCOM). COMESA marks 25 years on 8th December 2019 since it was establishment as a successor to the Preferential Trade Area (PTA).

> "...In this way, COMESA activities will be more sustainable while the goodwill of our partners goes to supplement our efforts," she urged.

UNCTAD Secretary General Dr Mukhiya Kituyi (L) and COMESA SG launching co-delegation Agreement

COMESA, UNCTAD Seal Deal to Establish Regional Trade Information Portals

The United National Conference on Trade and Development (UNCTAD) is implementing trade facilitation projects in the COMESA region following the launch of a Co-delegation Agreement with COMESA.

UNCTAD Secretary General Dr Mukhisa Kituyi and his COMESA counterpart Chileshe Kapwepwe launched the Agreement at the COMESA Headquarters in Lusaka, Zambia, on 24 May 2019.

Under the Agreement, COMESA delegated UNCTAD, to design and develop national and regional Trade Information Portals (TIPs) and Customs Automation Regional Centre (CARC). The two activities will cost three million Euros funded from an 85 million Euros kitty provided by the European Union to COMESA under the 11th European Development Fund Trade Facilitation Programme. Out of this amount, 68 million Euros will be used to implement trade facilitation and small-scale cross border trade.

The TIPs will facilitate easy access to essential trade information in one platform. CARC will support technical and functional training on the Automated System for Customs Data (ASYCUDA) World Platform thereby improving skills to develop and use applications. This is in addition to developing the latest ASYCUDA Applications to enhance trade facilitation systems at the national, regional and continental levels.

COMESA SG said the co- delegation was informed by UNCTAD's experience and expertise in promoting trade facilitation, its capacity in modernizing Customs Administrations, and being the intellectual property owner of ASYCUDA.

"I have no doubt that UNCTAD is best placed to deliver the expected outcomes as enshrined in the Co- delegation Agreement," she said.

Dr. Kituyi said the engine of regional integration and the deepening of integration through trade, is largely dependent on the success of COMESA as the regional organization with the largest Member States and a very substantial component of the African economy.

"You are the core and not only of the Tripartite (Free Trade Area) but at the very base of how to develop the architecture and practicalities of Africa's Continental Free Trade Area," he said. "In no way are we going to downplay the centrality facilitated in trade, not only as a way of making Africa competitive but also overcoming the challenges particularly of landlocked countries on the continent which faces the daunting task in competitively trading with the rest of the world."

He said UNCTAD, is a proud partner of COMESA and its Member States, having carried out substantial work together in creation and strengthening national trade facilitation committees.

"We offer from our expertise and our experience backstopping to the trade facilitation subcommittee of COMESA, and I would like to share with the Secretary General our willingness and availability [as UNCTAD] to build on the co-delegation agreement, other shared responsibilities," Dr. Kituyi said.

"You are the core and not only of the Tripartite (Free Trade Area) but at the very base of how to develop the architecture and practicalities of Africa's Continental Free Trade Area," Dr Kituyi

Online System to Eliminate Fake Seeds Launched

COMESA is the first regional trading bloc to launch an online seed label verification system in Africa and globally. The system will assist the region eliminate cases of fake seeds and boost trade in quality and improved certified seed.

The region has also scored another first by introducing COMESA Regional Certificates to be issued by National Seed Authorities and this is also expected to boost seed trade in the 21 countries.

The COMESA Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) is leading in this initiative through the COMESA Seed Harmonization Implementation Plan (COMSHIP).

COMSHIP is a region-wide initiative meant to harmonize trade in certified seed by having one common label and certification system. For every seed package that will have a COMESA sticker, it means the source of that seed has been documented and can be tracked by the receiving end.

On 24 – 25 April this year, ACTESA conducted two-day training for seed companies on how to order the seed labels and certificates and using them to trade. The training was facilitated by Pedigree Global Strategy company.

The company Director Mr. Selorm Branttie noted that this was the first time that seed certificates and verification would be done electronically, and the farmers will be able to trace the source of the seeds and their authenticity without difficulty.

"The need to eliminate the trade and use of fake seed is critical it has greatly contributed to the poor performance of 80 million small-holder farmers and food insecurity in the COMESA region,' he noted.

Mr. Branttie, who conducted the training, said the seed labels and certificates will promote the use of genuine seed and eventual elimination of fake seed from circulation.

Assistant Secretary General for Programmes Amb. Dr Kipyego Cheluget said COMESA will work with National Seed Authorities to ensure that fake seeds are eradicated from the market.

Dr Cheluget was represented at the training by the Director of Industry and Agriculture Mr. Thierry Kalonji.

Regional Countries have Maintained **High Sugar Production**

Eight countries in the COMESA region have maintained their grip in sugar production with most of the raw produce being exported to the European Union, USA and China. The top producers of Sugar in the region are the Kingdom of Eswatini with over 650, 000 metric tonnes (MT) followed by Egypt at 595, 000 MT then Zambia with 450, 000 MT.

Ethiopia produces about 450,000MT, Zimbabwe 391,000MT, Kenya 376,000MT while Mauritius and Malawi produce over 355,000 and 239,000 MT respectively.

Importers of the raw sugar from the COMESA countries are Israel, Russia and some countries in the Southern African Development Community such as Tanzania.

In April this year, the COMESA Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) participated in the 9th Africa Sugar Conference held in Nairobi, Kenya.

The conference was informed that Africa accounts for 6% of the global total sugar production with COMESA Member States accounting for 52% percent at 5,288,456 MT of the total African sugar production of 10,078,61 MT.

COMESA Seed Development Expert Dr John Mukuka who made a keynote speech outlined the global trends in sustainable agriculture with special focus on sugar.

"The COMESA bloc is a net exporter, with close to 45 percent of the total African exports. The sugar net-exporting COMESA Member States are Malawi, Mauritius, Eswatini, Zambia and Zimbabwe," Dr Mukuka said.

He recommended how COMESA region can put in place measures to increase the levels of sugar production. These include; implementing models such as the out- grower schemes with flexible contracts which can be beneficial to small scale farmers. The other is the implementation of Good Agricultural Practices (GAP) as outlined by the Food and Agriculture Organization (FAO) with supply of key agricultural inputs (seeds and fertilizers) at affordable prices in a reliable manner

The meeting was informed that African consumption has grown more than 70% over the past 15 years nearly double the annual growth of the rest of the world. Despite this growth, the African per capita consumption figure of 17 kg remains well below that of the global average of 23 kg. Sub-Saharan Africa holds the greatest potential for sugar consumption growth of any global region.

Dr Mukuka proposed the introduction of enhanced national and regional policies; acquisition of new technology, conducting continuous research and development with a view of improving sugar cane quality and quantity.

He further proposed the promotion of inclusive growth by integrating women and youth in agricultural development and consolidating programmes to fight climate change and promote climate smart agriculture.

"The COMESA bloc is a net exporter, with close to 45 percent of the total African exports. The sugar net-exporting COMESA Member States are Malawi, Mauritius, Eswatini, Zambia and Zimbabwe," Dr Mukuka said.

Malawi Calls for Training in REPSS Usage

The push for adoption of the COMESA Regional Payment and Settlement System (REPSS) is gathering momentum with various stakeholders representing financial institutions, cross border traders, importers and exporters in Malawi calling for a national workshop to help them build capacity on the use of the System.

Meeting in Lilongwe during national consultative meetings organized by the Ministry of Industry, Trade and Tourism in collaboration with the Central Bank of Malawi, in May, the stakeholders asked COMESA Secretariat to urgently organize a sensitization session to enable them to understand and fully appreciate the REPSS. The utilization of the system in the Malawi currently stands at 0.2 percent.

Some of the key issues raised by the stakeholders included: the lack of adequate information about the REPSS among commercial banks and the private sector; lack of involvement of commercial banks during the REPSS conception and testing hence there is no ownership of the system among the banks.

They also said that commercial banks do not trust the System due to a perceived view that there could be manual intervention of transactions in the Reserve bank and customers do not have information on the system and therefore are not keen to use it.

The Reserve Bank of Malawi is among the nine Central Banks that are transacting on the REPSS however the uptake of the system is low compared to other Member States. In 2018, Malawi transactions using the REPSS constituted only 0.18% compared to countries like Kenya that recorded 91%.

REPSS is a Multilateral Netting System with End-of-Day Settlement in a single currency (US$ or Euro), which allows for settlement in a multicurrency environment (US$, Euro or any other specified currency).

The system was developed to stimulate economic growth through an increase in intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform. Local banks access the payment system through their respective Central Banks. Any participating bank is, therefore, able to make payments to and receive payments from any other participating bank. The linkages through Central Banks avoid the complex payment chains that may sometimes occur in correspondent bank arrangements. REPSS started Live operations on 03 October 2012 and registered its first transaction between Bramer Bank of Mauritius and Fina Bank of Rwanda, through their respective Central Banks

The Malawi meeting recommended for retesting of the REPSS with involvement of relevant stakeholders. In view of this, a technical working group with representatives from the Reserve Bank, Commercial banks, Ministries of Finance and Industry and the private sector was constituted. Its mandate is to ensure all the concerns are addressed and oversee the smooth operation of REPSS in Malawi.


Retreat of the COMESA Court of Justice

Close Ties Between Regional and National Courts will Fortify Integration

There is need for Courts of Justice of the various Regional Economic Communities (RECs) to have regular interactions with national courts and tribunals to come up with ways in which they can harmonize the interpretation of treaties within their regions.

This is informed not only by the overlapping membership of States to the RECs and similarities in the treaties, but more importantly, by the need for the judiciary at both levels to complement each other in providing a pillar of confidence to investors and other actors in the theatre of regional integration.

This emerged during a retreat by Judges of the COMESA Court of Justice (CCJ), that took place in Naivasha, Kenya in April 2019. It was intended to deepen the judges understanding of the recently adopted and implemented Electronic Evidence Management System known as CaseLines.

The Judge President, Hon. Lady Justice Lombe Chibesakunda delivered the opening remarks at the retreat whose theme was: "The contribution of COMESA Court of Justice in ensuring the achievement of the aims and objectives of the COMESA Treaty".

Several eminent legal minds and scholars delivered lectures to the judges. They included Hon. Dr. Justice Emmanuel Ugirashebuja, the President of the East African Court of Justice (EACJ). He expounded on several decisions of the Court, including those that reinforce the mandate of the Court in interpreting the EAC Treaty whose equivalence is Article 30 of the COMESA Treaty.

Former Judge of the CCJ Appellate Division, Hon. Dr. Justice Borhan Amrallah, who is also an arbitrator of wide experience provided insights on the Arbitral Jurisdiction of the Court on Article 28 of the COMESA Treaty.
Dr. Francis Mangeni, Director of Trade and Customs at COMESA addressed the Judges on some of the barriers to trade within COMESA and the nature of disputes that could find their way into the Court. Among these is the levying of Customs Duty for goods exported from one COMESA Member State to another where the exporter has complied with the requirements of Rules of Origin (RoO).

He explained the requirements for issuance of Certificates of Origin and referred to the landmark Polytol case whose judgement was anchored on this issue. Polytol, an Egyptian Company, won a case against Mauritius on the latter's levy of Custom Duties on products originating in a Member State of COMESA under the Free Trade Area.

Mr. Lindsay Walsh took the Judges through the CaseLines System which uses a software that eliminates the need for paper in court. The system provides a digital platform with tools that allow the creation and presentation of a fully digital bundle including multi-media evidence; collaboration tools for enhanced pre-trial preparation and secure role validated video-conferencing for virtual hearings.

"The contribution of COMESA Court of Justice in ensuring the achievement of the aims and objectives of the COMESA Treaty".
Hon. Lady Justice Lombe Chibesakunda

The 2nd Joint Consultative Forum with Development Partners

About 64% of the COMESA Development Budget is financed by Development Partners with the European Union taking the lead. Under the current multi-annual financial framework of the 11th European Union Development Fund (EDF 11) covering the period 2014 - 2020, the EU has allocated 85 million Euros to COMESA. This is part of its regional cooperation programmes to address four key areas: trade facilitation; small scale cross border trade, regional value chains development and capacity building.

The 2nd Joint Coordination Forum of COMESA and its Development Partners took place on 6th May 2019 in Lusaka, Zambia. Its objective was to provide a platform for regular and structured dialogue at the policy and technical levels for constructive engagement and the promotion of best practices on development cooperation matters.

It was open to all Development Partners and Special Representatives accredited to COMESA. It also brought together participants from COMESA Institutions and Agencies that receive funding through the Secretariat and Development Partners.

The forum also provided the Development Partners with the opportunity to share information on the national programmes they are implementing in the COMESA Member States.

The other objective of the Forum was to ensure synergy and complementarity of development assistance provided at the national, regional as well as continental levels considering the new developments at the continental level.

"We want to ensure alignment, harmonization and streamlining of operational procedures, rules and other practices in the delivery of development assistance to COMESA, taking into account local conditions, rules and regulations," Secretary General Chileshe Kapwepwe said.

Speaking on behalf of the development partners, the EU Head of Cooperation Mr. Gianluca Azzoni, commended COMESA for bringing together cooperating partners for a hands-on constructive exchange. He said good progress has been made in the implementation of the resources provided to COMESA.

"We have signed contribution agreements with COMESA for trade facilitation and small-scale cross border traders for 68 million euros and a third contribution agreement for the regional value chain project will be signed this year," he said. "The formulation of a COMESA capacity building project is well advanced and is expected to be completed this year."

The forum provided a platform for the COMESA Secretariat to present to the Development Partners potential project proposals and priority areas that require funding. The 1st Joint COMESA - Development Partners Consultative Forum that took place in Lusaka in November 2016.

"We want to ensure alignment, harmonization and streamlining of operational procedures, rules and other practices in the delivery of development assistance to COMESA, taking into account local conditions, rules and regulations," Chileshe Kapwepwe said.

Benchmarking on Estonia for Digital Solutions to Intra Regional Trade

Undersecretary for Economic and Development Affairs of Estonia Mr. Andres Rundu with Director of Information Technology Ms. Lanka Dorby in Estonia

COMESA is benchmarking with European countries in the implementation of its digital free trade area initiative. In May this year, a team from the Information Technology division at the COMESA Secretariat visited European countries among them Estonia to study their digital solutions that can apply in the regional bloc.

COMESA is especially keen on the 'Smart Border' technologies that facilitate trade by eliminating manual processes which has been an impediment to regional trade. Smart border solutions are part of COMESA's large- scale project for a Digital Free Trade Agreement (DFTA) being carried out through EU funding.

Undersecretary for Economic and Development Affairs of Estonia Mr. Andres Rundu received the team in Tallinn city. The team was led by the Director of Information Technology Ms. Lanka Dorby.

Noting that with growing economies and populations such as COMESA, there was an increasing desire to start using digital solutions, Mr. Rundu said:

"There are ample opportunities for cooperation in that field, from which Estonian businesses and African countries alike stand to benefit. COMESA with its 21 Member States is one of the most influential regional organizations in Africa."

He added that COMESA's interest in signing a memorandum on digital cooperation with Estonia would create a good platform and opportunities for Estonia entrepreneurs to enter a market of 21 countries as opposed to engaging with individual countries which is time consuming and difficult.

Rundu expressed Estonia's interest in continuing cooperation with COMESA and its readiness to negotiate a memorandum on digital cooperation.

"We have demonstrated our solutions on different EU borders to COMESA, and we consider their interest serious," said Madis Sassiad, a board member of GoSwift, which is a digital forerunner in traffic management for border crossing points.

"We hope to move forward quickly with this agreement on a smart border solution. It is positive that the State strongly supports us in this process and is lending us a helping hand."

EU and RECs Signs Financing Addendum to Regional Programme

The EU Commission in Brussels and the Chief Executives of the five Duly Mandated Regional Organization (DMROs) of Eastern Africa, Southern Africa and the Indian Ocean (ES-SA-IO) signed the addendum to the Regional Indicative Programme (RIP) on 30 April 2019.

The signing ceremony took place in Brussels where the five DMROs namely: COMESA, EAC, IGAD, IOC and SADC participated. In addition to the signing, they also reviewed the status of implementation of the 11th EDF RIP which was signed with the EU in 2015.

The RIP aid supports the Eastern Africa, Southern and the Indian Ocean in accordance with the provisions of Articles 6 to 10 of Annex IV to the partnership agreements between the member of the ACP group of states on one part and the EC and its member states on the other. The financial resources provided are available to the EA-SA-IO in the period 2014 – 2020.

A Mid-Term Review (MTR) for the RIP was undertaken in 2017, following the new European Consensus on Development which recalibrated the development policy of the EU in coherence with the 2030 Agenda for Sustainable Development.

The review will refocus the RIP actions towards the Sustainable Development Goals and to respond to evolving global challenges as well as regional developments. It is therefore a critical exercise considering the fact that countries priorities of development cooperation have evolved and require to be re-aligned.

Zimbabwe President H.E Emmerson Mnangagwa meets COMESA Secretary General

Zimbabwe has Received Five million Euros to Support Integration Programmes

Zimbabwe has received over five million euros million from a € 98.9 million kitty approved as adjustment support to 16 Member States. The funds were provided by the European Union through the COMESA Adjustment Facility (CAF).

As at April this year, a total of €5,129,938 million already approved to support economic reform programmes in Zimbabwe. The funds were used to support development of the Industrial Development Policy and the National Trade Policy. This is in addition to building the capacities of the leather and cotton value chains to help the small-scale entrepreneurs maximize the benefits of regional integration.

This was part of the brief that the Secretary General Chileshe Mpundu Kapwepwe gave to Zimbabwe President Emmerson Mnangagwa when they met on 6 May at State House in Harare.

The President expressed appreciation for the support his country has been receiving from the regional body.

"Zimbabwe is committed to regional integration and the efforts COMESA is making to help spur economic integration and industrialization. As a founding member of COMESA, Zimbabwe shall ensure that the country meets all its obligations," the President said.

Further, he said Zimbabwe will ratify

the Tripartite Free Trade Area (TFTA) as well as the COMESA Social Charter. He urged COMESA Secretariat to conduct sensitization workshops in Member States to raise their awareness on the Social Charter and the ratification process of the TFTA.

The Secretary General assured the President, of COMESA support to the national industrialization process and the creation of diverse investment portfolios in line with the country's theme; 'Zimbabwe is Open for Investments.'

She commended the country for ratifying the African Free Trade Area and expressed confidence that Zimbabwe will soon ratify the TFTA as it stands to benefit from these trade regimes. Equally, she commended the President for initiating the joint industrial cooperation between Zimbabwe and

> Zimbabwe is committed to regional integration and the efforts COMESA is making to help spur economic integration and industrialization. As a founding member of COMESA, Zimbabwe shall ensure that the country meets all its obligations," the President said.

Zambia.

President Mnangagwa congratulated Ms. Kapwepwe on her appointment as the first female Secretary General of COMESA and promised his administration's support to ensure that she fulfills her mandate.

This was the SG's first visit to Zimbabwe since she took office in August last year. The COMESA team also held discussions with the Minister of Foreign Affairs & International Trade, Lt. Gen. (Rtd.) Dr. Sibusiso Moyo. The team later toured the Chitungwiza Garment factory which is being implemented with support from the COMESA Adjustment Facility (CAF).

ECCAS team at an information resource desk at the COMESA Secretariat

ECCAS Benchmarking on COMESA in Trade Facilitation

Fifteen officials on study visit to strengthen institutional capacities and competencies of ECCAS and its national institutions

The Economic Community of Central African States (ECCAS) mounted a mission to COMESA to learn about its trade facilitation programmes which have been benchmarked widely in the African continent.

Fifteen officials comprising of economists, customs, trade, agriculture, legal and programme experts arrived in COMESA, on May 21 and spent four days with their counterparts learning and exchanging best practices.

The delegation had representatives of selected Member States of ECCAS. The study visit aimed at strengthening institutional capacities and develop the competencies of ECCAS and its national institutions to promote trade facilitation mechanisms through a sharing of experiences on best practices developed in the COMESA and the East African Community.

Head of the ECCAS delegation Mr. Pascal Mbina said the study visit would help his organization in developing their trade facilitation programme and the mechanisms of addressing non-tariff barriers to regional trade.

"This visit will help us to advocate to our Members States the need to carry out reforms to eliminate tariff and non-tariff barriers," Mr. Mbina said.

Assistant Secretary General of COMESA Dr Kipyego Cheluget, who received the delegation told the delegation:

"COMESA's niche is trade and investment. We have therefore designed trade facilitation programme that have been benchmarked across the African continent."

He cited the COMESA Yellow Card, a single insurance cover used by motorists traversing across Member States as a runaway success whose contribution to regional trade was big. ECCAS hopes that its interaction with COMESA will improve the level of competencies of its experts in promoting a regional mechanism which makes it possible to reduce delays, better management of transit operations and the smooth flow of intra-regional trade in Central Africa.

The delegation later toured the One Stop Border Post at Chirundu between Zambia and Zimbabwe to see how it functions. The establishment of the border post is one of the successful COMESA trade facilitation projects. It has reduced the transit time for trucks from nine days to one.

Ethiopian has Embraced COMESA Seed Programme to Transform Agriculture

Ethiopia is finalizing the National Seed Policy and Strategy to transform agriculture. In this initiative, the government is working on mechanization and use of biotechnology as part of the transformation of the sector. It has engaged the youth and promoted irrigation to increase crop productivity.

This is according to Dr. Eyasu Abrha, Special Advisor to the Minister of Agriculture in Ethiopia, when he received in his office in Addis Ababa, a COMESA delegation led by the Director of Agriculture and Industry Mr. Thierry Kalonji.

He said Ethiopia was a centre of origin of 36 plant species and so has a rich crop biodiversity and therefore keen on moving forward the COMESA Seed Harmonization Implementation Plan (COMSHIP) funded by USAID.

The USAID's capacity building program, Africa Lead, will provide support for national level interventions that includes identification through key priority areas. Through such interventions, country-visits will be conducted in July and August 2019 in five selected Member States including Kenya, Uganda, South Sudan, Ethiopia and Zambia.

In his remarks, Mr. Kalonji noted that with a harmonized market, the private seed sector can access the region where variety release has been done and where phytosanitary and quarantine measures for seed import and export are in place.

The COMESA delegation, comprised of COMSHIP Regional Coordinator, Dr John Mukuka and USAID Programme Coordinator in COMESA, Mr. Walter Talma. They met a team from the Ethiopian Seed Growers' and Processors Association which represents the private sector in the country. The Association contributes up to 40% of the maize seed in the country.

The Association expressed the need for capacity support to the government in seed certification inspections, as there is critical shortage of maize seed in the country.

During the visit, the COMESA team met the State Minister, in the Ministry of Agricultural Development and the parliamentary committee on agriculture to sensitize them on the progress of COMSHIP in Ethiopia.

Credit Risk Management Training Conducted for Eight Member States

The COMESA Monetary Institute (CMI) has trained representatives from eight Central Banks in Credit Risk Management. The training will help the banks enhance skills to deal with Credit Risk which contributes to bank failures in the region.

The Training titled 'On-Site and Off-Site Review of Credit Risk with Special Emphasis on International Financial Reporting Standard (IFRS 9)' was conducted in May this year in Nairobi. It was motivated by the fact that most bank failures are related to poor credit risk management frameworks and practices.

CMI Director Mr. Ibrahim Zeidy said the training helped the banks in understanding the exposure of a financial institution to default risk and emphasized the importance of using the new internationally recognized approaches such as IFRS 9 and the Internal Capital Adequacy Assessment Process.

Further, he said the training helped equip participants with practical - knowledge on evaluation of banks' credit risk management, enhanced the implementation of the COMESA Financial System Development and Stability Plan and enabled the delegates to share knowledge and experience.

The participants were drawn from Central Banks in Burundi, Egypt, Eswatini, Malawi, Mauritius, Sudan, Uganda and Zimbabwe.

Training of Trainers Workshop for Small Scale Cross-Border Trade Data Collection

Country Officials Trained in Cross-Border Trade Data Collection

COMESA Secretariat through the Statistics Unit and in partnership with the Zambia Central Statistics Office (CSO) has trained officials from five countries that implementing Small-Scale Cross Border Trade facilitation programme on trade data collection.

This is part of a regional programme supported by the European Development Fund (EDF-11) Cross Border Trade Initiative (CBTI) targeting border points in the five countries. The borders are: Mwami/Mchinji between Zambia and Malawi; Kasumbalesa between Zambia and DRC; Chirundu between Zambia and Zimbabwe; Tunduma/Nakonde between Zambia and Tanzania; and Moyale between Kenya and Ethiopia.

The Training of Trainer's Workshop for Small- Scale Cross Border Trade (SSCBT) Data Collection was conducted from 6 – 10 May 2019 in Kafue district, Zambia with delegates from the Democratic Republic of Congo, Malawi, Tanzania, Zambia and Zimbabwe participating.

The training covered data collection and border profiling was also aimed at equipping the officers with the skills to train SSCBT data collection enumerators and supervisors.

The COMESA CBTI program aims at increasing formal small-scale cross-border trade flows in the COMESA-EAC-SADC region. It has five result areas of which Result Area 4 specifically deals with collection, compilation, harmonization and dissemination of gender disaggregated statistical data on small-scale cross-border trade.

The programme also aims at increasing evidence- based knowledge on the topic and inform better trade policy-making processes at both national and regional levels.

Burundi Ministers Affirm their Country's Commitment to COMESA

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Burundi Ministers meeting with Secretary General

AU Labour Team visits COMESA Secretariat

Team visiting RECs to identify gaps, challenges and opportunities for labour migrants

Labour migration has become an important phenomenon in Africa with the continent having the youngest population with a median age of 19.7 compared to 30.4 worldwide (UNECA 2015). Despite this potential the African youth face 60% unemployment and young people account for a considerable share of all migrants. This has led the African Union to come up with initiatives to govern labour migration in the continent.

Once such initiative is the creation of African Union Labour Migration Advisory Committee (AU LMAC). The objective of the L-MAC is to provide advisory and recommendations to governments to improve labour migration and governance and protect the rights of migrant workers and member of their families.

This team has been visiting key stakeholders and the Regional Economic Communities (RECs) to identify gaps, challenges and opportunities that bring forth the benefits of a well governed labor migration across the continent.

The AU LMAC team conducted such as visit to COMESA Secretariat in June 2019. Assistant Secretary General, Ambassador Kipyego Cheluget received the team made up of representative of the business community in Africa, RECs, Trade Unions, Diaspora in Europe, department of Social Affairs of the AUC, IOM and International Labour Organization (ILO).

The visit came at the time when the scale of migration is higher than at any time in record history with over one million migrants across the world. According to the UN Department of Economic and Social Affairs, (UNDESA) one in every seven people in the world is affected by the migration dynamics.

Dr Cheluget told AU LMAC that COMESA has taken a proactive approach to ensure it contributes to the harmonization and coordination of policies and programmes that will lead to the total unification of African People under the African Union.

"Evidence of this is our being part of the COMESA-EAC-SADC Tripartite arrangement, our involvement in the implementation of African Union programmes and our membership in the African Union Labour Migration Advisory Committee through our programme on migration," Dr. Cheluget said.

Acknowledging that migration has the potential to lift millions of people out of poverty and provide access to decent work, Dr Cheluget said it was important that RECs, the AU and Member States mainstream evidence-based labour migration in their development agendas.

Ms. Marianne Lane, the Chief of Mission of the International Organization for Migration in Zambia, who was part of the team, observed that majority of migration was intra-African. She said more than 60 percent of continent's international migrant population remained within the continent.

"Migration from Africa to other parts of the world is taking place on a much lower level than one might think," she said. "For example, there are an estimated 7.5 million west African migrants in west Africa compared to 1.2 million dispersed between North America and Europe."

She observed that a well-managed labour migration has the potential to yield significant benefits to origin and destination countries.

Within the COMESA region, IOM is providing technical support to the Secretariat on issues of mobility which include strengthening capacity and linkages to COMESA Treaty provisions and the COMESA Visa and Free movement protocol.

Joint REC Technical Meeting on Climate Change Resilience

COMESA is working with the African Union (AU) and other Regional Economic Communities (REC) to harmonize approaches in the implementation of the Intra-African Caribbean Pacific (ACP) Global Climate Change Alliance (GCCA)+ programme and build resilience in the region.

A joint technical team has been established to identify potential synergies and complementarities that the organizations can work on.
On 23 - 24 May 2019, COMESA Climate Change Unit hosted a consultative meeting for the technical committee in Lusaka. This meeting specifically focused on climate change and its impacts on the region and the work being done by individual RECs to mitigate the effects.

Resilience in this case could be defined as the capacity to recover quickly from difficulties or the capacity of individuals, communities and systems to survive, adapt and grow in the face of stresses and shock and even transform when conditions require it.

Resilience in the regional programme has been acknowledged as important and it contributes to the realization of the Paris Agreement of 2015 to limit global temperature rise to less than two degrees Celsius and stabilize the climate.

The devastating effects of cyclones Idai and Kenneth that caused unprecedented loss and damage to Malawi, Mozambique and Zimbabwe in April this year was yet another wake-up call on what the future portends.

Experts from the African Union Commission, the East African Community (EAC), Indian Ocean Commission (IOC) and the Southern African Development Community (SADC) attended the meeting.

Addressing the delegates at the consultative meeting, Assistant Secretary General in Charge of Programmes Dr. Kipyego Cheluget observed:

Amb. Kipyego Cheluget

"The destruction caused by these disasters divert scarce resources of our countries from much needed development into relief, recovery and reconstruction efforts."

Crippling droughts, he said have reduced crop harvests and low water levels affecting power generation at Kariba Dam leading to power cuts in Zambia and Zimbabwe. Further, flood induced landslides in Burundi, Uganda, Rwanda and the Democratic Republic of Congo also regularly cause untold loss of life.

As these disasters are projected to increase in frequency and intensity due to climate change, Dr Cheluget said there is a real risk that some of the COMESA Member States may not manage to escape from the poverty trap unless they improve their climate actions and build resilience.

The support from the European Union under the GCCA+, is however expected to establish concrete resilience needs, identify gaps and opportunities of Member States that can fit into a Regional Resilience Framework, Strategy and Action Plan.

Development partners from the United Nations Development Programme (UNDP), the United Nations Environmental Programme (UNEP) and the United Nations Economic Commission for Africa participated in the meeting.

Malawi Enterprise Productivity Enhancement project Records 90% Absorption Rate

The Malawi Enterprise Productivity Enhancement (MEPE) Project, reported a 90% absorption rate of funds with only two activities left in the second phase to be implemented. That is before the closure period, which was scheduled to begin on 1st April 2019, according to the project Implementation Unit.

Malawi had qualified for € 2,906,308 to implement the first, second and third phases of the MEPE project which is under the Ministry of Industry, Trade and Tourism. Phase one of MEPE successfully ended in June 2018, while phase two was expected to end in May. MEPE III was set to commence once the formulation was finalized by April 2019. This was reported to a COMESA Secretariat team comprising of project staff under the Regional Integration Support Mechanism (RISM) that conducted an assessment mission to Malawi.

Phase III focuses on activities to support the mitigation of the identified gaps from MEPE I and II and less on procurements. However, the COMESA team noted that, a structural change needs to be made in the management of the centers to allow expanded use by the locals as planned.

Various Cooperatives operating, through MEPE, have undergone capacity building activities, but even with the equipment procured, they are not able to reach their full productive capacities. This is due to several challenges that include; lack of reliable electricity to run the machines, lack of Malawi Bureau of Standards (MBS) certification, and weak governance structures for smooth operations.

During the same meeting, it was reported that the challenges notwithstanding, membership numbers had increased, and numerous supply contracts had been

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National Content Developers Trained on 50Million Women Project

National Content Developers and COMESA Staff meeting in Zambia

National content developers from 10 COMESA Member States have been trained on the use of the 50 Million African Women Speak platform. The training was conducted in Chisamba, Zambia, on 8-10 May to equip the developers a comprehensive understanding of its operations, goals and objectives.

In addition, the workshop sought to explain the features of the 50MAWS platform and train the national content developers on how to use the platform as the primary content managers, guide them on content needs and share content generation and publishing guidelines.

A total of 17 national content developers will support the project at the COMESA Member State level by generating relevant content to meet the information needs of women entrepreneurs. Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Malawi, Seychelles, Sudan, Zimbabwe and Zambia were represented. The 50 MAWS platform is a digital networking initiative which covers 38 countries from three regional economic communities namely; COMESA, East African Community (EAC) and the Economic Community for West African States (ECOWAS).

Speaking at the official opening of the workshop, COMESA Assistant Secretary General, Programmes, Amb. Kipyego Cheluget said existing and potential women entrepreneurs continue to face gender-

"You stand as the vanguards of one of the most critical interventions devised in the last two decades for the empowerment of the African woman," Amb. Cheluget said.

specific barriers such as limited access to information and networking opportunities, lower levels of education and business training, which the platform would help to address.

He challenged the content developers to ensure they create useful and up to date content if the platform is to be a success.

"You stand as the vanguards of one of the most critical interventions devised in the last two decades for the empowerment of the African woman," Amb. Cheluget said. "The success of this platform, however, is heavily tied to the quality of the content it will provide."

Burundi Ministers Affirm their Country's Commitment to COMESA

A joint meeting between COMESA Secretary General Chileshe Kapwepwe and Burundi Minister of Foreign Affairs, Ezéchiel Nibigira, Trade and Tourism Minister, Jean Marie Niyokindi and Permanent Secretary of Finance, Marie Salomé Ndabahariye took place on June 4, 2019 in Bujumbura. This was the SGs first mission to Burundi.

Key on the agenda was the implementation of regional integration programmes in Burundi. Minister Nibigira affirmed Burundi's commitment to the regional agenda spearheaded by COMESA.

"Burundi is part and parcel of COMESA and committed to fulfil all obligations including participation in the regional trade regimes," he said.

The Minister informed the visiting COMESA head that the proposal to ratify both the Tripartite Free Trade Area (COMESA-EAC and SADC) and the African Continental FTA would soon be tabled before Burundi Parliament and the Senate for ratification.

Ms. Kapwepwe assured the ministers that COMESA was ready to support the process through sensitization of key stakeholders in Burundi to understand the benefits that the ratification of the two trade regimes brings forth.

"The expansion of the FTA provides immense opportunities for countries to participate in regional trade," Secretary General noted.

She assured Burundi of continued support and cited the ongoing capacity building project to the Burundi Bureau of Standards (BBN) to ensure that the country has quality standards of goods with access to the regional and international markets.

From L-R: Hon. Minister Amelia Kyambadde with Lady Justice Lombe Chibesakunda and Registrar Nyambura Mbatia launching the COMESA Court User's Manual

COMESA Court Reaches out to Lawyers in Uganda

COMESA Court of Justice conducted a one-day seminar targeting lawyers in Uganda on 9 May 2019, where its User's Manual; a simple guide on how to handle legal matters in the Court was launched.

The seminar was themed: 'Role of COMESA Court of Justice in Promoting, facilitating and Protecting Trade and Investments'. This was the second publicity seminar to be conducted by the regional Court in Uganda with over 50 lawyers drawn from the public and private sector participating.
Uganda Minister of Trade and Industry Hon. Amelia Kyambadde opened the seminar.

The event was part of the COMESA Court's initiative to raise the awareness of key stakeholders, including the legal fraternity and the business community, to fully understand its operations. Henceforth, the stakeholders are expected to use the Court as a dispute resolution forum for matters that touch on the application of the Treaty of the Common Market for Eastern and Southern Africa (COMESA).

In her statement, Hon Kyambadde noted that even though the Court has been in existence since the inception of COMESA, its services are underutilized, and therefore urged the legal fraternity to publicize it.

"COMESA Court plays a very important role in promoting, facilitating and protecting trade and investments in the COMESA region," the Minister told the lawyers. "Let us sensitize and educate the people about our trade relationship with COMESA, now that you are part of us."

She described COMESA as crucial market for Uganda's within the region especially in exports which she said keep increasing yearly.

The Judge President of the Court, Lady Justice Lombe Chibesakunda, briefed the participants on the ongoing activities of the Court aimed at popularizing its operations within all Member States. These include the new online evidence management system known as CaseLines, which the COMESA Court adopted early this year.

"We realized that most COMESA residents do not know about the existence of the Court and the reason why it exists and that is why we are reaching out to key stakeholders," Justice Chibesakunda said.

> "Let us sensitize and educate the people about our trade relationship with COMESA, now that you are part of us"

COMESA MASE Trains Financial Intelligence Analysts

Financial Intelligence Units (FIU) analysts at the 2nd Strategic Analysis Course

The COMESA Regional Maritime Security Programme (MASE) conducted a one-week training in Strategic Analysis for Financial Intelligence Units (FIU) from selected Member States on the strategical use of information which is made available to them to solve crimes.

The training was the 2nd Strategic Analysis Course for the region and followed the introduction of Tactic and Strategic Analysis training delivered in 2015 and 2016 under the programme. The first batch of 10 analysts were trained in Namibia in 2018 under COMESA MASE support.

Twelve more analysts drawn from six COMESA MASE programme countries participated in the training that took place in Lusaka, Zambia, from 30th April to 3rd May 2019. These included: Comoros, Ethiopia, Kenya, Madagascar, Somalia and Zambia. This brings the total number of trained analysts to 22 in a space of 10 months. Other countries that participated in the previous training were Mauritius, Seychelles and Tanzania.

The comprehensive Strategic Analysis Course is meant to equip its trainees on how to connect the “missing dots” by using available and obtainable information. This includes data that may be received from competent authorities and accessible from other databases. This can then be used to develop trends and patterns of activities and thereby aid in anti-money laundering and related policy formulation.

During the training, participants shared experiences on strategic analysis practices available in their various FIUs. The overall Regional MASE programme is funded by the European Union and is implemented by four Regional Organizations, namely Inter-Governmental Authority on Development (IGAD), East African Community (EAC), Indian Ocean Community (IOC) and COMESA.

COMESA’s focus is on addressing economic effects of piracy thereby building the capacity to disrupt illicit financial flows through implementation of an anti-money laundering programme, currently covering 12 countries of the ESA-IO region and 11 of which are COMESA members.

The MASE programme countries are: Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia, Tanzania and Zambia.

15 COMESA Countries have Established Road Development Funds

Fifteen out of 21 countries in COMESA have established dedicated Road Funds and Road Development Agencies to undertake maintenance, and development of roads for both the regional and national road networks.

These are: Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

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

Experts that attended the 11th COMESA Joint Technical Committee meeting on infrastructure, in Nairobi, Kenya that attended the together experts in transport, ICT and energy called on the remaining countries to establish such funds.

The experts meeting was attended by Permanent Secretaries, Directors and other technical staff from Member States governments and specialized agencies. They observed that roads command a bigger market share for surface transport. Hence, COMESA countries have undertaken road sector management reforms to address financing of routine maintenance, rehabilitation and construction of new roads by establishing road funds administration.

A sub-programme for COMESA specific activities was formulated which focused on operationalization the COMESA Carrier License, support enhancement of the One Stop Border Posts and its performance, establishment of corridor management institutions and road safety management among others.

Monetary Institute Introduces Administrative and Budgetary Changes

The COMESA Monetary Institute has introduced changes in its administrative and budgetary matters to enhance the efficiency of the Institute in execution its mandate. This follows the Extra-Ordinary meeting of the Bureau of the COMESA Committee of Governors of Central Banks in Nairobi, Kenya, on 26th April 2019.

The meeting was mainly focused on reviewing the CMI's draft Staff Rules and the Financial and Procurement rules, whose implementation is expected to enhance independence of the Institute and to ensure continued improvement in the quality of its services and products.

The CMI, which is a semi- autonomous institution of COMESA does not have its own administrative and budgetary rules and applies those of the Secretariat. Despite the changes, the Institute will continue to receive other necessary support from COMESA on areas necessary for enhancing efficient work flow.

The decision to change the rules was made by the Bureau of the Committee of Governors of Central Banks during its 39th Meeting in Djibouti in December 2018.

Speaking at the review meeting, COMESA Assistant Secretary General (Administration and Finance), Dr Dev Haman, described the new rules as a blue print that will enhance the efficiency of the CMI in execution of its mandate. He said they will strengthen monetary integration in the COMESA Regional Integration Agenda.

The Governor of the Central Bank of Kenya (CBK), Dr. Patrick Njoroge, who was the
Chief Guest, underscored the importance of the introduction of flexible but effective rules in all areas to enhance the efficiency of the Institute and to ensure continued improvement in the quality of its services and products.

He commended the CMI for its work in capacity building and research since its inception in 2011 and affirmed his bank's support which includes continued hosting of the institute.

CMI has trained over 1,000 staff of COMESA member Central Banks since it was established by conducting more than 50 workshops and trainings in addition to developing User's Guides. It has also published 42 country specific studies related to macroeconomic management.

Speaking at the meeting, the Head of Research Department of Central Bank of Djibouti Mr. Mohammed Robert appreciated the successful conclusion of the work of the Expert Group on the Refinement of the COMESA Macroeconomic Convergence Criteria and the Road Map to Monetary Union. He said this will enhance monetary integration in the region.

The meeting was attended by Governors and experts of the Bureau of the COMESA Committee of Governors of Central Banks from: Burundi, Djibouti, Egypt, Sudan and Zimbabwe.

The COMESA Secretariat, CMI, COMESA Clearing House and the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) also attended meeting. Central Bank of Kenya participated as an observer.

Regional Air Transport Liberalization Programme is on Course

Six COMESA countries have so far signed the Commitment towards establishment of a single African Air Transport Market. The signing by Egypt, Ethiopia, Kenya, Rwanda, Eswatini and Zimbabwe of the Commitment also known as the Solemn Yamoussoukro Commitment (YC), puts the regional Air Transport liberalization programme on course.

This was disclosed during the 11th Joint Meeting of Committees on Transport and Communications, Information Technology and Energy that took place in Nairobi, Kenya, in June this year..

Delegates from Member States that attended discussed, among others, the benefits of liberalizing air transport which is already supported by empirical evidence. This includes fare savings, greater connectivity, time savings, greater convenience and positive impact on other sectors of the economy. They noted that Member States that fail to liberalize may not reap its benefits.

According to the status report on regional airlines projects presented at the meeting, there has been a mix of success and failures:

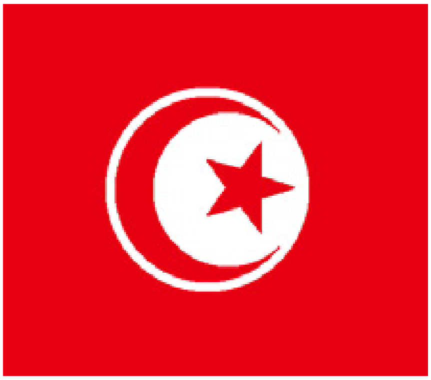
"Over the years, most major regional airlines have managed to expand their route networks, with the small airlines experiencing notable challenges over the recent years," the report stated. "Some major airlines forged alliances and strategic partnerships with other major global industry players; a development that has improved service delivery and viability."

Delegates further noted that the injection of big modern aircraft by some COMESA Member States and other States in the East and Southern Africa region like Ethiopian Airlines, Kenya Airways, Egypt Air, Air Mauritius and South African Airways has increased capacity and improved services while other airlines such as Rwanda-air, have expanded their regional and continental footprint.

Liberalization of air transport is provided for in Article 87 (3c) of the COMESA Treaty. Further, the COMESA Legal Notice No 2 of 1999 provides the main regulatory instrument on the licensing of operators, ownership and control of airlines.

The Notice provides for granting traffic rights to designated operators and service frequencies between city pairs in the COMESA region.

Tunisia Completes Admission Rites to COMESA



Tunisia officially finished the final rituals of becoming a full member of COMESA. This was after the Tunisian Ambassador to the DR Congo, who is also Permanent Representative (Designate) to COMESA, Ambassador Bouzekri Rmili presented the Ratification Instrument to COMESA Secretariat in Lusaka in June this year.

The handing over of the Instrument of Ratification marked the final step of membership. Senior Statistician at COMESA Secretariat Mr Themba Munalula, who was Officer-In-Charge at the time, received the Instruments on behalf of Secretary General.

Tunisia joined COMESA in July 2018 during the Heads of State and Governments Summit held in Lusaka, Zambia thus becoming the 20th Member State. It was immediately followed by Somalia thus bringing to 21 the Member States of COMESA and thus fortifying the organization's position as the largest regional economic bloc in Africa.

Ministerial Conference on Maritime Security

As COMESA raises alarm on illicit financial flows

The International Criminal Police Organization (INTERPOL) and COMESA participated at the 2nd Ministerial Conference on Maritime Security and the 22nd Plenary Session of the Contact Group on Piracy off the Coast of Somalia which were held in Mauritius from 18 to 20 June 2019.

The Conference was organized by the Government of Mauritius in collaboration with the Indian Ocean Commission with the support by the MASE programme funded by the European Union. It brought together over 200 participants from over 30 States and regional and International organizations.

The objective of this High Level 3-day meeting was to provide an update on Maritime Security issues and on-going initiatives to address them. There are currently thirty initiatives which aims at addressing maritime insecurities (piracy, drug trafficking, trafficking in human beings, armed attacks, illegal fishing, money laundering, terrorist risk, and pollution in the western Indian Ocean.

The delegates participating in the Conference called for an effective coordination of all these initiatives to avoid overlapping and ensure sustainable security in this actively geopolitical region which is crossed by important global maritime routes.

COMESA, as one of the implementing regional organizations in the Maritime Security Programme (MASE) raised the issue of illicit financial flows and money laundering linked to transnational maritime crimes. The COMESA representative stressed on the need to strengthen regional capacity building efforts to ensure resilience with respect to money laundering.

Assistant Secretary General of COMESA, Mr. Dev Haman addressed the Ministerial Conference.

He said: "This support provided through the MASE Programme has been invaluable in strengthening the Anti-money laundering regimes of our Member States and it has resulted in some very visible impact. Many of the countries that have been supported by the programme now report having stronger Financial Intelligence Units and law enforcement agencies."

COMESA at the Aid for Trade Global Review Forum

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

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

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

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

Earlier, the SG Secretary General addressed the 53rd Session of the Joint Advisory Group hosted by the International Trade Center at the World Trade Organization in Geneva. She spoke about the COMESA's structural transformation as a prerequisite to industrialization. While in Geneva, COMESA SG and the Executive Director of International Trade Centre (ITC) Ms. Arancha Gonzalez signed an MoU to boost intra-African trade.

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

Upgrading Diagnostic Labs and Managing Pesticides are Priority Areas for Investment

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

This is according to industry experts that attended a three-day training on 25 – 26 June in Kenya, on a framework of identifying and prioritizing health standards issues that impeded export of agriculture commodities.

The framework is known as 'Prioritizing SPS Investments for Market Access (P-IMA)' and was developed by the Standards and Trade Development Facility (STDF) a World Trade Organization (WTO) agency.

Thirty experts in agriculture, livestock, health, standards agencies and related sectors from the public and the private sector in Kenya attended the training.

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

At the training, key sectors, with SPS issues that affect Kenya exports, were identified. These are horticulture and livestock sectors, and the issues mainly relate to pesticide management and laboratory diagnostics.

In the livestock sector SPS issues are mainly on meat and meat products. Unprocessed commodities such as vegetables, fruits (avocados, macadamia nuts, pineapples, peas & beans) were cited as more prone to SPS issues than processed products, sometimes leading to export rejection by importing countries.

The leading five destinations for Kenya exports are Pakistan, Uganda, USA, Netherlands, and the United Kingdom constituting 43% of total exports. Countries participating in the programme are expected to constitute working group of experts from all key sectors. These will come up with their respective country's dossier of SPS priority issues, from various values chains, that require inventions and eventually presented to potential investors for implementation support.

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

Steps Towards Establishment of a Regional Online Market

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

The workshop brought together delegates from 17 Member States: Burundi, Comoros, Djibouti, DR Congo, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Zambia and Zimbabwe.

Its focus was on the development of Trade Information Portal, the COMESA electronic Certificate of Origin (eCO) System (business and technical) and implementation framework of the eCO System.

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

The meeting recommended that Member States facilitate the integration of the various online markets onto the regional COMESA Online Market to facilitate the use of the regional bloc's regimes and instruments.

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

Region Grappling with **Seed Deficit** of 500,000mt

The COMESA Region is still facing a seed deficit of 500,000 metric tonnes. This is despite significant investments in processes to improve seed trade in line with the COMESA Seed Harmonization Implementation Plan (COMSHIP).

According to experts, COMESA Member States have a potential to produce at least two million metric tonnes of quality and improved seed for export and ensuring house hold food security.

Dr John Mukuka, Seed Expert at the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) however notes that the region still suffers from the effects of low seed production and trade.

"The total COMESA seed trade value is estimated at USD$ 1.8 billion with global seed market value at USD$ 67 billion. This is despite Africa having more than 60% of global arable land and young population," he said

COMSHIP is one of the solutions developed to address such challenges given the prevailing scenario in the seed sector and the interventions taken to date.

In this regard, Africa Lead in close collaboration with ACTESA, a Specialized Agency of COMESA, have proposed regional activities that focuses on improving seed trade by unblocking the most pressing bottlenecks that still constrain seed trade in the region. Early this year, an inception meeting was organized in Kenya to concretize the COMSHIP interventions for Africa Lead.

It also provided an opportunity to kick off the activities towards strengthening seed trade systems in COMESA region. The aim was to engage key stakeholders to collaborate in addressing the most pressing bottlenecks to regional seed trade region.

Dr John Mukuka

New Measures in Malawi Elections Win Praise

COMESA was among international bodies that deployed Election Observer Mission to the 2019 Tripartite elections in Malawi in May. The Mission was led by Ms. Hope Kivengere, a member of the COMESA Committee of Elders from Uganda.

It its report, the team picked out several best practices that Member States could learn from Malawi, as a way of strengthening democracy in the region. Among them was the use of External Auditors to verify the results transmitted from various polling centers before they were tallied and endorsed by the Malawi Electoral Commission.

Other notables were the adoption of the biometric voter registration which helped enhance the quality of the voter register, the use of Short Messaging Services (SMS) to verify voter registration as well as the identification of the polling centers.

This system helped in voter verification and eased identification of polling centers thus ensuring an easy and smooth voting process.

Ms. Kivengere commended the Malawi Electoral Commission (MEC) for implementing these measures as they made the 2019 elections different from the previous ones.

According to the Preliminary Statement issued by the COMESA Observers in Lilongwe, the establishment of the National Elections Consultative Forum promoted consensus among electoral stakeholders. This is critical in the long run in building trust between MEC and the electoral stakeholders. In addition, the introduction of Multi-Party Liaison Committees was also important in conflict resolution.

COMESA had deployed a short-term election observer mission to the Tripartite General Elections in Malawi which were held on 21 May 2019. The observers comprised representatives from Member States and Secretariat staff.

Fiscal Risk Testing Key to Prudent Public Finance Management – CMI

Participants to the training on "Fiscal Stress Testing for Central Banks and Ministries of Finance

Fiscal risks exist in all countries irrespective of income levels, and hence the need to undertake a detailed analysis for sound public finances and macroeconomic stability.

The COMESA Monetary Institute (CMI) is therefore promoting fiscal stress testing for financial institutions in the region as a prudent management style of public funds.

Fiscal risks involve the effects of factors outside government control such as excessive exchange rate depreciation, excessive debt to GDP (Gross Domestic Product) ratio, bailing out loss making public enterprises etc. Such factors cause fiscal outturns to deviate from their initial forecast, creating potential threat to fiscal and debt sustainability.

In this regard, Director Mr. Ibrahim Zeidy, says addressing fiscal risks is a key element of the COMESA Multilateral Fiscal Surveillance Framework. He was speaking in Nairobi, Kenya during the training on "Fiscal Stress Testing for Central Banks and Ministries of Finance" in April this year.

"Fiscal stress test is an important activity that all countries are required to perform for prudent public finance management, in order to understand how public finances would respond to significant economic and/ or financial shocks," Mr. Zeidy added. "It entails "a what if" exercise which has to be carried out by each country to ensure fiscal sustainability."

Mr. Zeidy pointed out that countries need a more complete understanding of the potential threats to their fiscal position, in form of fiscal risk test that can help policy makers simulate the effects of shocks to their forecasts and their implications for government solvency, liquidity and financial needs.

Fiscal stress test also involves identifying relevant risk drivers, selecting appropriate methods or model and calculating the effect of large shocks.

The training was attended by delegates from Central Banks and Ministries of Finance of COMESA namely: Djibouti, Egypt, Kenya, Sudan, Uganda, Zambia and Zimbabwe.

The objectives of the workshop were: To identify specific fiscal risks; designing stress test scenarios for fiscal stress test; undertaking fiscal stress testing for individual risk factors and interpreting the results correctly for effective macroeconomic management among others.

COMESA Countries Exhibit at the AIM Fair in Dubai

Two COMESA countries participated at the 2019 Annual Investment Forum (AIM) in Dubai to showcase investment projects and opportunities. These were the Democratic Republic of Congo (DRC) and Seychelles.

The AIM is the largest global investment gathering in Dubai for corporate leaders, policy makers, businessmen, regional and international investors, entrepreneurs, leading academics and experts showcasing up-to-date information, strategies and knowledge on attracting Foreign Direct Investment.

COMESA and the AIM have been working in partnership to promote investment in the COMESA region and in Dubai since 2015.

The aim of the gathering is to connect businesses and countries willing to engage in sustainable partnerships with investors. For 2019, the 9th edition of the AIM focused around the impact of digital globalization, how policies can be set in place to encourage an innovative investment atmosphere, the need to create long-term investment opportunities, and how to attract and develop skilled talents from across the world.

AIM is an initiative of the UAE Ministry of Economy, held under the patronage of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Ruler of Dubai.
The Forum was attended by around 1,400 participants from 140 countries with the theme *"Mapping the Future of FDI: Enriching World Economies through Digital Globalization"*.

COMESA Internship Program Revamped

The COMESA Secretariat has revamped its internship program and created the Youth Educational Programme (YEP! COMESA). The programme is targeted at Youths aged 18 to 35 from the 21 Member States. The acronym YEP was chosen because it is an eye-catching term that is being used by the youth to mean "yes" or "okay". Therefore, the term reflects the youth energy, willingness and determination.

Chief Human Resources and Management Services Officer at COMESA Secretariat Ms. Haifa Elmubashar Mustafa said in a statement issued in Lusaka that the YEP! COMESA program will be governed by the Internship Policy and Procedure to enable complete transparency and accountability.

Trade Policy and Export Strategy for Zambia launched

Delegates attending the launch of the national Trade Policy and Export Strategy for Zambia

The Zambian government is now implementing the National Trade Policy and Export Strategy following its launch in April 2019. The Policy covers trade in goods and services and contains various interventions which are expected to turn Zambia into a net exporter and improve competitiveness.

The National Trade Policy and Export Strategy was developed with funds from the European Union supported COMESA's Regional Integration Support Mechanism (RISM).

The Export Strategy aims for a structurally transformed economy, by addressing export competitiveness and value addition as well as inclusive and sustainable development. It covers trade in goods and services, with clear indicators that aim to increase services exports by 15 percent annually.

Speaking at the launch, the Minister of Commerce Trade and Industry of Zambia, Hon. Christopher Yaluma called for collective effort in implementing the Trade Policy and the Export Strategy while appreciating all partners that assisted in its preparation.

A course on trade policy is currently being offered at the University of Zambia which the minister said will help to support the country in becoming a net exporter and a competitive economy ready to take full advantage of various trade agreements. Director of Trade, Customs and Monetary Affairs Dr Francis Mangeni represented COMESA at the launch.

Zambia Gets Cassava Cluster Support from **FEMCOM**

The Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM) will provide cassava processing equipment for a women's group based in Kanakantapa area of Chongwe District East of Zambia's Capital Lusaka. The group's support is part of FEMCOM's regional programme for women working in cassava clusters.

FEMCOM Executive Director Katherine Ichoya Mrs Ichoya was at the project site to sign and a hand over the tenancy agreement with the Women Cassava Cluster of Kanakantapa on 4th April 2019. The five-year tenancy agreement will allow the ZAFAWIB to employ the women farmers at the cassava processing plant.

She indicated that the support provided by FEMCOM is expected to boost the cassava cluster as the women involved will gain skill to develop the Agro-business sector. She was accompanied by the Chief Executive Officer, Zambia Federation of Associations for Women in Business (ZAFAWIB) Ms. Maureen Sumbwe.

FEMCOM Executive Director Katherine Ichoya joined by the Zambia Federation of Associations for Women in Business (ZAFAWIB) in Chongwe during the handover of a tenancy agreement

ZAFAWIB said with support from FEMCOM, her organization will achieve a lot of progress in the Agri-business sector such as the Kanakantapa cassava cluster because the women have shown their resolve to progress.

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