Region Adopts Common Guidelines for Safe Trade
Editorial

Pandemic has brought to the fore the imperative of regional cooperation

This publication was compiled in the second quarter of this year. During this period, the global Covid-19 pandemic had hit home, and none of our Member States was spared. The ‘last man standing’ was the Union of the Comoros. The State almost made it into May without recording a case, but on the last day of April, the Covid-19 axe fell. The rest of the countries had joined the list progressively since the first case was reported in Egypt on 14 February. Over the next three months, the impacts of the pandemic presented a mixed bag of fortunes. In majority of countries, cases rose rapidly, some sluggishly while in a few like Mauritius, Eritrea, and Seychelles, they seemed to have gotten a grip of it sooner, slowed it down and gradually flattening the curve. Given the state of emergency that the pandemic caused, countries shut their doors first and pondered the effects after. This precipitated a new challenge on the movement of essential supplies, some of which were life-saving. While the greatest concern was on human health, it was apparent that the economic health of the region was equally critical and deserving of equal attention. Without essential supplies, the health and livelihoods of the people would be compromised. Trade facilitation, which involves movement of goods and services and a core mandate of COMESA became the central point of focus. A flurry of meetings and consultations later, COMESA came up with a set of guidelines to govern trade during the Covid-19. These were adopted by the Council of Ministers on 14 May 2020. This set the stage for a coordinated approach towards responding to the pandemic in a manner that promoted continued safe trade where people and services could move freely across the region. Until the break of the new dawn when Covid-19 will be defeated, this framework will serve us well. The lesson from Covid-19 is that we are interdependent and must collaborate for our own good with or without a crisis.

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Over 10 Member States Ready to Pilot the COMESA Electronic Certificate of Origin

More than 10 COMESA Member States have expressed readiness to start piloting the COMESA Electronic Certificate of Origin (eCO) System. The eCO is one of the latest tools developed under the COMESA Digital Free Trade Area (DFTA) initiative.

Burundi, DR Congo, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Zambia and Zimbabwe have indicated their readiness to pilot the COMESA eCO system.

The need to start implementing the eCO system has gained urgency given the challenges that movement of goods across borders is facing as a result of restrictive measures put in place in response to the Coronavirus pandemic. The eCO will replace the manual certificates and help to circumvent the onerous manual process.

Certificates of Origin are issued to exporters within the COMESA Free Trade Area (FTA) to confer preferential treatment to goods originating from an FTA Member State. The uptake of the electronic certificate has not gained traction among Member States in the past for lack of the necessary regulations under the COMESA Rules of Origin (RoO).

The decision to adopt the eCO was made by the Council of Ministers in 2014 to replace the manual certificate. The objective was to facilitate intra-regional trade through reduction in the costs and time required in registration, application and submission of certificates and the post-verification of originating goods. In November last year, the 40th Meeting of the Council of Ministers adopted the draft regulations to implement the COMESA eCO system.

Subsequently, a Technical Working Group (TWG) on Rules of Origin was tasked to review the Rules to facilitate implementation of the COMESA eCO and other trade facilitation instruments.

Recently, during the 14th meeting of the TWG, COMESA Secretariat undertook to collaborate with Member States that are ready to pilot the system to develop national piloting plans to ensure that electronic certificates are implemented sooner rather than later.

"The emergence of the COVID-19 pandemic calls for speedy implementation of the COMESA eCo by all Member States," said the COMESA Director of Trade and Customs, Dr Christopher Onyango. "This together with the improvement of customs cooperation and trade facilitation, will no doubt enhance intra-regional trade and attract more investments into the region."

He noted that the region was currently facing two critical challenges: firstly, the COVID-19 pandemic, which has changed ways of conducting businesses across the world threatening to reverse the gains already made in fostering a liberalized trade regime. Secondly, the value of intra-COMESA trade has remained stagnant and does not mirror the instruments put in place, especially under the FTA trade regime adopted way back in 2000.

"It is rather disheartening that despite the preferences offered under the FTA, intra-COMESA is at 8% of total trade, compared to Africa's 15%, America's 47%, Asia's 61% and Europe's 67%," Dr Onyango noted. "We hope the recently adopted COMESA response guidelines will help restore order and safeguard existing trading arrangements."

As the TWG reviewed the Protocols on RoO to incorporate the eCO, the Director urged them to consider rules that are simple, transparent, predictable and trade-facilitating for businesses and trade operators.

"It is important to remember that RoO have a direct impact on the uptake of preferences and the rate of preference utilization. They are not just the passport for circulating goods under preferential tariffs but are as well the cornerstone behind effective application of preferences towards Member States."

He observed that when the RoO are too costly to be implemented by firms relative to the expected benefits, exporters would rather pay tariffs than comply with strict rules of origin, leading to low utilization.

The meeting was attended by participants from Burundi, Comoros, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Zambia and Zimbabwe.
Region Adopts **Common Guidelines** for Safe Trade During Covid-19

Ministers responsible for commerce, trade and industry in the COMESA region adopted a set of guidelines, that will play a key role in facilitating coordination and uniform application of measures across the borders while ensuring public safety and safe trade. The decision was made during the 8th Extraordinary Virtual Council of Ministers meeting held on Thursday 14 May 2020. The Ministers also agreed that the Guidelines would be applicable during the COVID-19 pandemic period and reviewed periodically.

Developed by COMESA Secretariat, the Guidelines provide common measures and practices to be applied across the region covering a broad sector range of sectors. These include facilitation of cross-border movement of relief and essential supplies, transportation of goods and cross-border freight transport operation, air transport and movement of goods on transit/inland deliveries.

Other areas covered are regulation and control of trucks/vehicles, aircraft and vessels carrying essential goods and services, customs/revenue authorities support to the economy and sustaining of supply chain continuity among others.

Secretary General Chileshe Kapwepwe informed the Ministers that this necessary given the prevailing Coronavirus pandemic, which continued to spread and disrupting trade in the region.

"We need these set of Guidelines to ensure that trade and movement of goods continues even after the region manages to contain this pandemic," she said.

Under the Guidelines, Member States are required to electronically publish any newly introduced trade and customs-related measures in response to the pandemic and share it periodically with the COMESA Secretariat. Indicative list of essential goods based on the latest Editions of the World Customs Organization (WCO) Harmonized System (HS) classifications would also be published to facilitate clearance of customs and border requirements.

The Ministers stressed the need for the Secretariat to develop an online platform for exchanging information on availability of essential products within COMESA as part of the response measures to the pandemic. This is consistent with the COMESA Digital Trade Facilitation programme, which the organization is encouraging Member States to embrace.

In addition, the ministers approved a reduction of 10% of the Secretariat budget given the scaled down activities and confer the benefit to the Member States in their annual contributions. COMESA organs and institutions were asked to reprioritize and refocus the COMESA work programme based on the impact of the pandemic on the implementation of programmes.

The meeting was chaired by the Minister of Industry and Commerce of Madagascar, Madame Lantosoa Rakotomalala, who is the current Chair of COMESA Council of Ministers.

"We need these set of Guidelines to ensure that trade and movement of goods continues even after the region manages to contain this pandemic," she said.
COMESA published and gazetted the regional Guidelines on the movement of goods and services across the region at the end of May this year, marking the beginning of implementation across the 21 Member States. The Guidelines were endorsed by the COMESA Ministers responsible for regional trade on 14 My 2020.

The overriding principle of the Guidelines is to apply common measures on trade corridors and border points to safely maintain the flow of goods and services within the region. Regional trade has consistently faced difficulties as regional States put in place strict measures to keep the Coronavirus away, resulting in disruption of cargo movements.

With the publishing of the guidelines, the regional States were expected to domesticate them as part of their national response measures to Covid-19. In this regard, the ministries responsible for coordinating implementation of COMESA programmes in member States would lead in the application of the Guidelines and ensure their provisions inform decision-making at the national Covid-19 response committees.

The regional private sector including freight companies are some of the core stakeholders that have been adversely affected by the Covid-19. The Guidelines thus provide a basis for them to engage respective governments to implement the recommendations to address the current challenges affecting flow of goods and services within the region.

“The COVID-19 crisis brought to the fore the challenge of protecting the health of the population whilst avoiding undue disruptions to the free movement of persons and the delivery of goods and essential services across the region,” says COMESA Director of Trade, Dr Christopher Onyango.

In adopting the Guidelines, the Ministers acknowledged that despite the incidence of the pandemic, the implementation of the Common Market policies on the movement of goods, services and persons should continue to be governed by the principle of market integration and regional cooperation between the Member States.

They stated: “Amidst responses to combat COVID-19, COMESA Member States should continue to be guided by a collective commitment of maintaining open and connected supply chains working collaboratively to identify and address trade disruptions with ramifications on the flow of goods and essential services within the region.”

With the development and issuing of the Guidelines, COMESA expects to rally the collective interest of all its Member States to ensure that trade routes (road, rail, air and sea freight) remain open to facilitate the flow of goods including essential supplies.

Given the overlapping membership of regional countries to other regional economic communities, the COMESA Guidelines considered similar guidelines developed by EAC and SADC in response to the COVID-19 to ensure they complement and not conflict.
The COMESA Secretariat intends to mount a public awareness campaign on the benefits of the regional Common Investment Area Agreement (CCIA) to encourage countries to ratify and domesticate the regional document. The CCIA is a promotional tool meant to guide Member States in harmonizing best practices in investment and facilitating private sector development. Among the major programmes envisaged is granting national treatment equally to COMESA investors and citizens of all Member States. Since its adoption, in 2017, no Member State has ratified or domesticated it.

“We plan to conduct the public awareness campaign in the region so that we can sensitize the stakeholders on the importance of this document and the need for its ratification.” He said adding that the campaigns will be conducted in conformity with the health guidelines in the face of COVID-19 pandemic,” Mr Mpunga said.

The International Institute for Sustainable Development (IISD) and UNCTAD, worked with the Secretariat in the review, which was finally adopted by the Council of Ministers in November 2017.

The revised CCIA is aligned to the Pan African Investment Code championed by the African Union. This Framework will provide a platform for the investment chapter that is the integral part of the Continental Free Trade Area (ACFTA). In addition, the framework has in its provisions dispute settlement mechanisms privileging national and regional conflicts resolution. The instrument comprises in total 45 articles and 4 schedules.

Upon implementation, the CCIA is expected to improve the overall ease of doing business environment in the region, cooperation in investment promotion among Member States through Double Taxation Avoidance Agreements and other investment agreements.

The COMESA Regional Investment Agency (RIA) developed an investment tool known as Investment Teaser which guides potential investors to the available opportunities in the region. The current Teaser contains more than 350 investment opportunities from different sectors of strategic importance to COMESA Member States.

The Teaser, which was developed last year, is a collaborative effort between RIA and National Investment Promotion Agencies (NIPAs) of COMESA Member States. It is the first of its kind in the region and includes detailed information covering feasibility studies and project concept papers. Some of the projects in the Teaser are ready for implementation.

In addition, RIA has produced two booklets: Practical Guide to Doing Business in Tunisia and a similar one on Uganda. The Guides provide an overview of each country’s investment and business climate, which is helpful to potential investors in making informed decisions.

To expand its outreach, COMESA RIA is partnering with international events’ organizers focusing on trade and investments. In the recent past, it successfully partnered with seven international events organizers focusing on investment, trade competitiveness and development in Africa, Europe and Asia. They included the Annual Investment Meeting-AIM2019 (Dubai, UAE), African Tourism Investment Summit (Cape Town, South), International CEOs’ Economic Summit (Brussels, Belgium), and World Economic Forum for FDI (Sydney, Australia).

Through these partnerships, experts from COMESA Secretariat and its institutions and National Investment Promotion Agencies, participated in 11 high level speaking engagements. Eighteen member NIPAs participated in the events and exhibited their services at no cost.

COMESA RIA was launched in 2006 to help make the regional bloc a major destination for all investors.
In May this year, COMESA Member States asked the Secretariat to conduct a socioeconomic study on the effects of the Coronavirus to inform ongoing containment measures and recovery strategies. The request was recommended by Permanent/Principal Secretaries (PSs) from ministries that coordinate COMESA regional integration programmes, during a virtual meeting of the COMESA Intergovernmental Committee (IC) Tuesday, May 12, 2020. This was later endorsed by the Council of Ministers.

The IC meeting was convened to consider draft regional guidelines to enable a coordinated approach in responding to COVID-19 given the negative impact of the pandemic on intra and extra-COMESA trade. The situation had been occasioned by the measures that countries in the region had put in place, which differed in extent and severity.

The PSs acknowledged that some of the measures were not coordinated at a regional level thus limiting regional trade which involves essential commodities that are in critical demand. Hence, the need for a coordinated approach that would ensure that measures individual countries put in place were harmonized across the region to facilitate the flow of essential goods and services.

Given the multiple membership of countries to regional economic blocs including COMESA, the East African Community and the Southern Africa Development Community, the delegates endorsed the development of guidelines to provide a coordinated approach across the region.

In her statement to the meeting, the Secretary General of COMESA Chileshe Kapwepwe said a cooperative effort on the part of all countries was needed as the world had become interconnected through technology, production and travel. “Even if the world will eventually succeed to contain this pandemic, tremendous amounts of resources will have been deployed for this purpose and economies will have shrunk owing to subdued activity as countries try to halt the spread of the virus,” the SG said.

COMESA States Want a Socioeconomic Study on the Impact of COVID-19
Small Cross Border Traders Adopt New Business Tactics to Manage Pandemic Restrictions

Since the first case of Covid-19 was reported in the Great Lakes region in mid-March 2020, small scale traders have been unable to cross borders as they have traditionally done either to buy or sell goods. The regional supply of primary agricultural commodities, most of which are traded under the Simplified Trade Regime (STR), especially food stuffs from surplus to deficit areas has also been disrupted by the long delays at borders as truck drivers wait to be tested for Covid-19 before crossing.

To support cross border trade, which is the lifeline of a huge community in the region, the Great Lakes Trade Facilitation Project (GLTFP) engaged stakeholders to come up with innovative means of trading across the borders of the three countries covered by the project. These innovations were meant to ease the movement of goods and avoid food shortages.

Subsequently, a new concept of bulk-buying was been developed whereby goods are procured in large consignments in collaboration with suppliers across the borders. This ensures there is no mass movement of traders crossing the borders.

Led by the Cross-Border Traders’ Associations (CBTA), this concept has helped traders minimize the risk of Covid-19 spread and allow safe trade. It consists of packaging similar goods from either side of the borders and moving them across the border using joint means of transport. Only the driver conveys the goods accompanied by the group representative, responsible for cash transactions as well distribution of the merchandise among the members. This limits the movement of people to the strict minimum.

In the border points, small scale cross-border trade is conducted by grouping goods from CBTA who note down the requirements of their members. This constitutes the consolidated list of orders to be sent to their counterparts on the other side of the border.

Prices are discussed and agreed over the phone. A truck escort is authorized to accompany the vehicle in order to receive payments which are preferably done using mobile money transactions. Once the goods arrive, the traders share them out and proceed with trading at their different points of sale.

For this innovation to succeed, a lot of goodwill and trade policy support is required from the respective governments. Such collaboration is important as Covid-19 pandemic has affected all sectors of the economy, including agricultural value chains in which the small-scale cross border traders are affiliated.

The GLTFP is a World Bank Funded Project implemented by COMESA, DR Congo, Rwanda and Uganda, to address the needs of vulnerable groups and improve community resilience, focusing on economic cooperation and regional integration. The project region covers eastern DR Congo bordering western Rwanda and Uganda.
The International Monetary Fund projects that the global economy will contract by 3% in 2020 much worse than during the global financial crisis and grow by 5.8% in 2021, assuming that the pandemic fades in the second half of 2020 and containment measures are lifted.

Sub Saharan Africa is projected to contract by 1.6% in 2020 and grow by 4.1% in 2021. According to the World Trade Organization (WTO), merchandise trade could fall by 13% and 32% in 2020 depending on the length and severity of the Covid-19 pandemic. In addition, world trade volume (goods and services) are projected to contract by 11% in 2020 and rebound to 8.4% in 2021.

Aside from the economic crisis that Covid-19 has brought forth, it also presents an opportunity for COMESA Member States to consolidate and strengthen regional economic integration towards meeting the aspirations of structural transformation, sustainable and inclusive growth.

According to a report by COMESA research experts, Benedict Musengele and Jane Kibiru in May this year, trade was emerging as a remedy that could reduce the pandemic’s adversity through flow of essential goods like food, medical supplies and other hygiene products.

“The relaxation of the free movement of essential goods in the region will enhance their production and boost intra-COMESA trade during this pandemic period,” the report cited the implementation of the Digital Trade Facilitation and other instruments as core in mitigating vulnerability to shocks such as Covid-19 pandemic.

It identified pharmaceutical products as among the top intra-COMESA traded products, which could immensely grow as the import origin markets namely EU, India, USA, China and UK are among the hard hit by Covid-19. The five contribute 45%, 19% 6% 4% and 3% of the source market for pharmaceutical product to COMESA.

According to an International Trade Centre report (ITC, 2020), some of these countries, UK, US, China and India have imposed export restrictions in some pharmaceutical products, which may affect their importation, yet these are critical in the fight against Covid-19.

COMESA is a net importer of pharmaceutical products with exports amounting US$ 442.53 million in 2018 and imports worth US$ 6,451.03 million respectively. The intra-COMESA exports of pharmaceutical products constituted 32 % of the exports.

“This shows that pharmaceuticals are a major intra-COMESA export hence the need to facilitate its cross-border trade during this pandemic period,” the COMESA researchers noted.

To unblock this potential, a number of measures would need to be put in place by Member States. These include, taking a regional coordinated approach in mitigating the impact of Covid-19 and allowing free movement of both, essential and non-essential goods within and out of COMESA. The region will also need to enhance production capacity and regional value chains to reduce over-reliance on external trade and vulnerability to global shocks/crisis.

In addition, the region has to diversify markets for COMESA imports and exports to reduce dependency on few countries, identify and provide incentives to manufacturing companies with capacity to produce Covid-19 essential products and facilitate their trade in the region. Other measures that will spur intra-COMESA trade include fast-tracking the creation of an online platform for sharing information on availability of essential products during the pandemic period.

Given the disruption that mitigation measures have had on the regional supply chains, the implementation of the COMESA Digital Free Trade Area, encompassing e-Commerce is no longer an option but imperative for economic recovery and growth. Luckily, the ministers responsible for regional trade in COMESA, in May, adopted a set of common guidelines on trade facilitation, which are being gazetted and hence binding the countries to implement them. These provided the springboard to not only relaunch intra-COMESA trade but also to build resilience to withstand future shocks on regional economies.

COVID-19: Time to Reboot Intra-COMESA Trade
COMESA has developed a manual for harmonized regional grading and classification system of beef cattle, goats and sheep. The manual will be launched at the meeting of Ministers of Agriculture and Livestock later this year.

It will be used across COMESA Member States to facilitate trade between livestock buyers and the sellers. Under the system, livestock importers from one country will be able to make orders in another, based on the classification. According to Senior Livestock Officer at COMESA Secretariat Dr Yoseph Mamo, the classification system will create opportunities for long distance trade deals without the need for buyers and sellers to be physically present in the same market. Member States that export and import beef cattle, goat and sheep played a key role in developing the system, including its validation in July 2019.

Dr Mamo described the system’s manual as an essential tool for stakeholders to enhance their capacities for cross-border trade. Hence, adopting it will contribute to the formalization of live animal trade, enhance confidence in export markets, support the establishment of regional market linkages and information systems, and facilitate capacity building among stakeholders.

“The manual will be helpful as it classifies animals according to preference of the buyer and it caters for different parameters,” Dr Mamo said. “Member States can use it as a basis to classify different breeds of animals to facilitate trade, which is currently being conducted using traditional methods.”

He added that the initiative to develop the manual was a deliberate effort to create a level playing ground for livestock stakeholders across the region. “This will have the triple benefit of stimulating cross-border trade, institutionalizing value for money by promoting price-setting based on animal grades and classes, thus catalyzing improved animal husbandry to gain premium prices,” he added.

COMESA has the highest population of livestock in Africa and therefore huge potential for intra and extra-regional trade. This potential, however, remains largely untapped as it is predominantly informal.

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COMESA has engaged with the World Bank to extend the duration of the implementation of the Great Lakes Trade Facilitation Project (GLTFP) by one year. The no-cost extension is expected to make up for lost implementation time during the Covid-19 restrictions.

The four-year GLTFP is expected to end in December this year having accomplished its work programme, but this is not feasible as most activities have slowed drastically. The project was developed to facilitate small cross-border trade by increasing the capacity for commerce and reducing costs faced by the traders in eastern D R Congo bordering western Uganda and Rwanda.

On 6th June 2020, the World Bank and COMESA conducted an online supervision meeting in which the performance of the programme was reviewed against the Covid-19 pandemic. The meeting noted that, the restrictions imposed by Member States in response to Covid-19 had particularly hit the core of the project, which is facilitation of small-scale trade across borders.

The project covers Rusizi/Bukavu, Rubavu/Goma and Bugarama/Kamanyola in Rwanda and DR Congo respectively. On the Uganda/DR Congo, it covers Bunagana/Bunagana, Mpondwe/Kasindi and Goli/Mahagi border points respectively.

In each border crossing, the project has established Trade Information Offices and installed Trade Information Desk Officers to support the traders.

Making the case for the project extension to December 2021, Dr. Kipyego Cheluget, COMESA Assistant Secretary General, noted that thousands of traders that depend on cross border trade have substantially lost their livelihoods hence compromising their economic wellbeing and it was therefore necessary to help them recover.

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So far, COMESA Secretariat has embarked on an evaluation of the negative impacts of the pandemic across socio-economic spectrum and especially the vulnerable groups. The results of the economy-wide study are expected to complement national strategies towards recovery, and particularly supporting vulnerable segments of the society.

Through focus group discussions, the project engaged the small-scale cross-border traders to capture their views on various aspects, including the support to conduct their businesses across the borders and some of the challenges they were facing.

The World Bank appreciated the COMESA Secretariat, for coordinating a successful publicity campaign in Uganda through the production of radio programmes in the GLTFP border posts. During the publicity campaign coordinated by the COMESA Communications Unit, 13-week programmes were produced highlighting the benefits of the project and the rights of women cross-border traders among other pertinent issues.

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"The communications and visibility radio campaign in Uganda using radio went extremely well," said Mr. Charles Mr. Kunaka, the World Bank Technical Team Leader. "We have information that people especially the cross-border traders benefitted immensely due to the programmes you produced together with the national project implementation units."

Dr Cheluget appreciated the World Bank for the continued support to improve economic wellbeing of the vulnerable communities in the conflict prone Great Lakes region.
At least 12 trade agreements which have been operational in the Common Market for several years were assessed and others banned for being anti-competition. The action was taken by the COMESA Competition Commission (CCC) after assessing the agreements in place up to 2019.

The banned Agreements were found to have the potential to bar potential competition in the Common Market (COMESA) by safeguarding dominance by monopoly undertakings. According to the Commission, anti-competitive agreements have the highest potential for partitioning the Common Market hence the renewed vigilance on such agreements.

Among those assessed, and whose investigations are not yet concluded, is the agreement between Confederation Africaine de Football (CAF) and Lagardere Sports S.A.S (LS). In the agreement, CAF had granted the exclusive right to commercialize its broadcasting and marketing rights to LS in the Common Market for an extended period of over twenty years.

Other sectors in which the Commission reviewed were distribution agreements affecting alcoholic and non-alcoholic beverages and the fast-moving consumer goods.

In another case regarding consumer protection, the Commission intervened and had the Ethiopian Airlines compensate passengers who had been inconvenienced as a result of overbooking.

At the same time, the Commission also cautioned consumers in the region to be alert lest they fell victim to fraud during the time when most business will be operating online due to the Coronavirus pandemic.

In a statement issued in Lilongwe, Malawi, the Commission noted that most consumers had resorted to online purchases to avoid close physical contact in the conventional markets and also in compliance with directives from their respective governments.

“We are aware that consumers may be subject to online fraud and similar such vices during this time,” said the Commission in a statement issued by the Chief Executive Officer Mr. George Lipimile.

From 1st April 2020, the Commission embarked on an awareness campaign aimed at encouraging consumers in the Common Market to be aware of scams from businesses that make false claims. Online shoppers are advised to report complaints of such fraud to the Commission.
As the impact of the Covid-19 pandemic continued to unfold in the region, countries implementing the COMESA Simplified Trade Regime (STR) have gone back to the drawing board to figure out how this successful model will be sustained.

On 18 June 2020, COMESA conducted an online meeting with countries implementing the project to share plans for the coming period and to help harmonize activities especially on communication and advocacy to create synergies and avoid duplication. The implementing countries are DR Congo, Rwanda and Uganda.

The COMESA-STR was introduced to simplify the procedure for clearing goods through Customs and to enable the small-scale cross-border traders to benefit from the import duty exemption on traded goods on the Common Lists.

The STR has been credited for increasing trade by small scale cross border traders dealing in small quantities of goods.

The simplified clearing procedures has remarkably reduced the cost and time of clearing goods. Traders are not only able to make more trips across the border but there are reduced cases of harassment and seizure and loss of goods.

The onset of the Coronavirus pandemic has presented the most formidable threat to this trading regime due to restrictions of movement across borders. As a result, programmes implemented by COMESA and development partners to promote the STR in selected border points such as the Great Lakes Trade Facilitation Project (GLTFP) have been compelled to review their modus operandi.

The four-year GLTFP project is scheduled to close in December 2021 for the COMESA Component, and June 2022 for the project countries.

The meeting provided a forum for experience sharing and explored best strategies of supporting the small-scale traders to improve trading environment under the STR during the COVID-19 Pandemic.

It was agreed that the Secretariat works together with governments in these countries to support bilateral meetings and organize a ministerial meeting later in the year. The meeting stressed the need for the implementing teams to focus on activities that will enable small scale cross-border to continue operating at this time of the pandemic.
Current Chair of the COMESA Committee of Elders Amb. Ashraf Rashed observes past general elections in Uganda.

COMESA will continue using eminent personalities from the region in addressing conflicts and entrenching good governance. Speaking when she addressed members of the COMESA Committee of Elders, Secretary General Chileshe Kapwepwe said the economic potential in the region can only be harnessed in an environment of peace and stability, hence the important role of the committee.

The meeting was conducted virtually, on 23 June 2020, to review and discuss the impact of COVID-19 in the COMESA Region. Also, on the agenda were discussions on how to promote peace and security to support the COMESA regional integration agenda.

In attendance were Ambassador Ashraf Gamal Rashed (Egypt), who is the current chair of the committee, Bishop Mary Nkosi (Malawi), Professor Judith Bahemuka (Kenya), Ambassador Patrice Cure (Mauritius), Ambassador Marie Pierre Lloyd (Seychelles) and Dr. Mohamed Abdelghaffer (Sudan).

During the meeting which was organized by COMESA Governance Peace and Security Programme, the Elders stressed the need for all countries to support each other in order to effectively fight COVID-19 and the effects of the measures that have been put in place.

The COMESA Committee of Elders was established by the COMESA Heads of States in 2006 to complement peace-making and peace-building capacity of the Office of COMESA Secretary General. Since its establishment, members of the Committee have led more than 30 COMESA elections observer missions, pre-election assessment observer missions and mediation support among other peace and security related assignments.

Other members of the committee are Ms Hope Kivengere (Uganda) who is the current Vice Chairperson, Dr Sabine Ntaruthimana (Burundi), and Ambassador Dr. Simbi Mubako of Zimbabwe.
COMESA hands over to SADC

After two and half years at the helm, COMESA handed over the stewardship of the Tripartite group of Regional Economic Communities (RECs) to the Southern Africa Development Community (SADC) with effect from Tuesday 22 April 2020.

The Tripartite brings together three RECs, including the East African Community into a cooperative framework on the implementation of the Tripartite Free Trade Area Agreement (TFTA) that was launched in 2015. The changeover was conducted by teleconference, during the 31st Meeting of the Tripartite Task Force (TTF) made up of the Chief Executives of the three RECs. COMESA has chaired the TTF since November 2017.

Outgoing chair and Secretary General Ms. Chileshe Kapwepwe (COMESA), the EAC SG Mr. Libérat Mfumukeko and Deputy Executive Secretary of SADC in charge of Regional Integration, Dr Thembinkosi Mhlongo attended.

In her handing over statement, Ms Kapwepwe outlined key accomplishments that the Tripartite group has achieved in its three pillars: Market Integration, Infrastructure Development and Industrial Development. COMESA leads in the first pillar, while EAC and SADC takes the lead in the other two respectively.

Under market integration, 22 countries out of 28 have now signed the TFTA Agreement, while eight have signed and ratified. The eight include Egypt, Kenya, South Africa, Rwanda, Uganda, Burundi, Botswana and Namibia. Only four remain to reach the 14 States threshold to operationalize the Agreement. Comoros, Eswatini, Malawi, Sudan, Zambia and Zimbabwe are at advanced stages of ratification.

"As I hand over to SADC, the ratification of TFTA Agreement especially with Zambia, Zimbabwe, Comoros, Tanzania, Sudan, Eswatini and Malawi is one of the activities that will need active follow-up," COMESA SG said.

With regards to addressing Non-Tariff Barriers, the SG said 25 Member/Partner States have established focal points and National Monitoring Committees who are currently utilizing the Tripartite NTBs online monitoring, reporting and elimination mechanism.

"Over this period, the Tripartite NTBs Short Messaging (SMS) reporting tool was developed and rolled out. The tool is presently installed in four member/partner States namely: Comoros, Malawi, Zambia and Zimbabwe. Roll out to the rest of the member/partner States will be necessary as will be sensitization and monitoring to promote use of the tool by all stakeholders," Ms Kapwepwe noted in her report.

Other accomplishments listed include the adoption by Tripartite Sectoral Ministerial Committee of the Agreement on Movement of Businesspeople and is presently awaiting signing and ratification by Member/Partner States. Further, Sanitary and Phytosanitary and Technical Barriers to Trade (SPS/TBT) risk profiling and risk assessment were completed for 10 member/partner States. Additionally, tools to assess SPS/TBT costs and the cost measures documented for selected commodities and trade routes were developed.

The EAC and Southern African Customs Unions (SACU) finalized their bilateral Tariff Offer negotiations on products that are subject to immediate liberalization. EAC and Egypt also concluded their negotiations, while those between SACU and Egypt, are also nearing completion. Under the Infrastructure Pillar, Kenya, Egypt, Eswatini, Ethiopia, Rwanda and Zimbabwe signed the commitment on operationalization of the Single African Air Transport Market under the Yamoussoukro Declaration on liberalization of Access to Air Transport Markets in Africa. Further, several transport corridor development projects, including the establishment of One Stop Border Posts, construction, expansion, rehabilitation and upgrading of several roads and associated works were completed.

In his remarks, Dr Mhlongo, who represented the SADC Executive Secretary, noted that his organization was taking over the stewardship of the group at a time of crisis caused by COVID-19 pandemic.

"We may have to re-look at the tripartite implementation plans and prioritize what can be done in the prevailing environment that we are all in," he said. He noted, that the implementation of activities under the industrialization pillar has been slowed down by resource constraints.

EAC SG Mr. Mfumukeko appreciated the achievements under COMESA leadership and expressed confidence of further progress under SADC.
Lack of adequate regional infrastructure in energy in the COMESA region has often been cited as one of the missing links to the reduction in the cost of doing business and scaling up the competitiveness of the countries in the local, regional and global markets. Hence, bridging the energy gap, is one of the main priorities of COMESA infrastructure development.

Estimates indicate that the total installed power generation capacity in COMESA is around 92,000 megawatts (MW) with Thermal power accounting for more than 69%, and Hydropower at 30%. The biggest paradox is that though richly endowed with power generating natural resources, only a few of them are harnessed. The D R Congo, Ethiopia and Zambia leads in untapped hydropower potential, which, if fully developed, could provide for the entire African continent and even have surplus.

However, to trigger investment in power generation, in countries with high potential is influenced by the demand of evacuating it to others with deficit. This is why development of regional energy infrastructure, including power transmission interconnectors, is accorded high priority.

Speaking during the Annual General Meeting of the Regional Association of Energy Regulators in Eastern and Southern Africa on 5th March 2020 Dr Kipyego Cheluget, the Assistant Secretary General in Charge of Programmes in COMESA notes: "The energy challenges which the region is facing is an investment opportunity for power generation on a regional basis and an opportunity to build regional power interconnectors to facilitate trade in power from surplus to deficit regions."

He adds that the region is now on the way to achieving the Cape to Cairo electricity corridor by implementing the Zambia-Tanzania-Kenya (ZTK) interconnector project. This is a Tripartite project of COMESA, the East African Community and Southern Africa Development Community.

The project will interconnect and make it possible, for power trade between the Eastern Africa Power Pool and the Southern African Power pool, paving the way for a competitive regional power market.

The ZTK project kicked off in 2014 after the signing of an Intergovernmental Memorandum of Understanding between the three countries and provision of seed capital by the European Union of €4.4 million for preparatory activities.

It entails construction of high voltage transmission lines and associated substations from Kabwe in Zambia through Tanzania and terminating at Isinya in Kenya, over 2,300 kilometers. The cost of the project is about US$ 1.2 billion.

On the Zambian side, the line passes through Kabwe, Mpika, Kasama to Nakonde Border (Tunduma) for 1000km. In Tanzania, which is the longest section, the line passes through Mbeya, Iringa, Dodoma, Singida, Shinyanga, Arusha and terminates at Namanga on the border with Kenya.

The Kenyan scope of the interconnector is shortest, 96km, running from Namanga to Isinya. The construction of this section was expected to be completed by May 2020. Commissioning of the Zambia- Tanzania Interconnector is expected in 2022.

Even as the construction of transmission infrastructure progresses, this must go hand in hand with improvement in the generation capacity. Currently, there is not enough to cover the nations own needs and allow for cross-border trade. COMESA is addressing some of these barriers and challenges by aligning regulatory framework in the region to stimulate investments in power production and transmission as well.

Energy experts attending the 9th Annual General Meeting of Regional Association of Energy Regulators in Eastern and Southern Africa (RAERESA) in Addis Ababa, on 5th March 2020, recommended for stimulation of production from renewable energy sources, for which the COMESA region has expansive potential, in terms of solar, wind, geothermal, bioenergy, among others to ensure sustainability.
Over $100m Transacted through the Regional Payment and Settlement System

The COMESA Regional Payment and Settlement System (REPSS) has transacted over $138 million dollars and nearly one million Euros in value, through nine participating Central Banks over the last five years. According to the Executive Secretary of the COMESA Clearing House (CCH) Mr. Mahmood Mansoor, this value is expected to grow as more Central Banks from within and outside the COMESA region, which have shown interest enrols.

The countries whose Central Banks are live on the system are: Democratic Republic of Congo, Egypt, Kenya, Malawi, Mauritius, Rwanda, Eswatini, Uganda and Zambia. Central Banks of Burundi, Djibouti, Sudan and Zimbabwe are in advanced stages of preparations to join.

According to Mr. Mansoor, the Central Banks of Tunisia and Somalia have been engaged by the CCH for admission. Non-COMESA countries such as Nigeria and Ghana have also expressed keen interest to join REPSS. With the nine Central Banks on the live platform, and new ones coming on board, we expect the value of transactions processed on the system to rise significantly.

REPSS is a multilateral netting system with end-day settlement in a single currency. It allows regional trade transactions using local currencies thus reducing dependency on dollars and euros. This cuts on collateral requirements as Central Banks are directly involved in the system and trade is mainly amongst members.

Member States have embraced the system as it boosts regional trade by eliminating mistrust among traders because their respective Central Banks are involved. Currently, the Bank of Mauritius acts as settlement bank of the system.

At the July 2018 COMESA Summit, the Heads of State and Government urged Member States, whose Central Banks had not yet met the requirements for joining REPSS to do so and start transacting.

The leaders’ call was motivated by the need to stimulate economic growth through enhanced intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform.

Business Council’s to Support Regional Production

In light of the various disruptions to business and supply chains across the region due to COVID-19, the COMESA Business Council has committed to support regional production and trade of essential supplies such as masks and sanitizers and to address the challenges regarding air cargo logistics within the region.

According to CBC Chairperson, Mr. Marday Venkatasamy (in picture), local production capacity should be enhanced as Africa can be an alternative source market for essential medical supplies. He cited the production of masks within COMESA countries as enough to meet the regional demand. Subsequently, the CBC has recommended for the development of a regional database of suppliers of essential products and medical supplies to address the gaps within the countries.

Mr. Venkatasamy was speaking during the 14th meeting of the CBC Board of Directors recently, whose agenda was to review the performance of the Council including the current challenges that the regional business community was facing as a result of the Covid-19 pandemic.

The Board welcomed the development of harmonized guidelines adopted by COMESA Council of Ministers last month, which have reinforced the CBC’s regional Business Position Statement issued earlier. Among key recommendations of the Board was the implementation of instant border measures inquiry and reporting and monitoring platform.

During the meeting, key issues on the CBC policy agenda were discussed including the reports on: Promoting Agro-Industry Supply Chains along the Transport Corridors of Eastern and Southern; the Business Trader Observer (BTO): An Annual Survey of Business Impediments Along Trade and Transport Corridors in COMESA; the Regional Code on Anti-Corruption Compliance for Enterprises; and the Digital Financial Inclusion- Business Case report on a regional digital common payments scheme for MSMEs.

The meeting was attended by Presidents and CEOs of national apex private sector Associations and Chambers of Commerce from the COMESA region.
Remittance flows to Sub Saharan African countries will drop by 23.1% from $48 billion in 2019 to $37 billion in 2020 in the wake of the Covid-19 economic crisis, according to the World Bank. Globally, the top remittance recipients’ countries, last year were, India ($79 bn), China ($67 bn), Mexico ($36 bn), the Philippines ($34 bn), and Egypt ($26.7 bn) among other countries.

In COMESA region, the leading recipients of remittances were Egypt (US$ 26,791 million), Kenya (US$ 2,819 million), Tunisia (US$ 1,912 million), DR Congo (US$ 1,823 million) and Zimbabwe (US$ 1,823 million). In terms of contribution of remittances to GDP, Zimbabwe led with 13.5%, Comoros (11.5%) and Egypt (8.2%).

Further, the World Bank estimates that Foreign Direct Investment (FDI) will drop by around 35% due to travel restrictions, disruption of international trade and decline in the stock prices of multinationals. Thus, diaspora remittances will remain crucial to many countries in the region.

"Diaspora remittances are a key source of investments and enabler of economic growth and sustainable development. They have multiplier effects in the economy through savings, investments, fiscal and debt sustainability," COMESA Director of Trade and Customs, Dr Christopher Onyango (in picture) observed in a special report published in June this year.

In his report on the impact of COVID-19 on diaspora remittances, he noted that affluent countries such as the USA, France, United Kingdom, Italy and China, which account for up to a quarter of all funds remitted to African countries were among the worst hit by the pandemic.

"Migrants in the diaspora have lost jobs and taken pay-cuts amidst the corona virus outbreak and subsequent lockdown leading to the drastic fall in remittances. Thus, many countries have suffered a double blow more so those that remittances constitute a significant share of the GDPs," he says.

Further, the COVID-19 pandemic has tremendously constrained mobility and travelling across countries, and this may reverse the gains already made in promoting greater openness and flexibility in migration. This is because a range of professionals and semi-skilled workers are needed to provide various services.

For many countries in Africa and the small islands in the Pacific, the costs are above 10% thus encouraging the use of informal channels or even illegal transactions, including money laundering. In addition, actual data is not captured in most cases leading to under estimations.

According to the report, banks in Africa are the most expensive remittance channels, charging an average fee of 11% in the first quarter of 2019. Post offices are the next most expensive, at over 7%. Remittance fees tend to include a premium where national post offices have an exclusive partnership with a money transfer operator.

Within Africa and by extension COMESA, Dr Onyango noted that commitments to remove restrictions on the movement of persons across the region specially professionals and other essential workers, was paramount as restrictions hindered productivity and growth of both migrant source and destination countries and subsequently, the associated remittances.

Going forward, Member States needs to undertake financial regulatory reforms to streamline and effectively reduce the costs of sending remittances. In addition, they should not only fully implement the protocols on free movement persons, labour and services and that of elimination of visa requirements, but also develop specific rules and regulations to guide and harness remittances as a critical source economic growth and development.

At the global level, he added, there is need for sustained migration reforms considering the role played by migrants during the pandemic, with many of them being in the front line. Even more importantly, such reforms will enhance peaceful coexistence of humanity to foster global economic development.
The continuous spread of the Coronavirus in the region is expected to negatively affect the rating of Member States on the COMESA Peace and Prosperity Index (CPPPI), according to the COMESA Governance, Peace and Security (GPS) Unit.

Indications are that the current spread of the COVID-19 in the region is happening in an environment where countries are already overburdened by huge challenges that are set to disrupt the CPPI ratings. Some of these challenges include climate change effects, terrorism, locust invasions in East Africa (which is threatening food security) and effects of natural disasters like cyclone Idai and Kenneth in 2019 that killed and displaced many families. This is coupled with overburdened health systems - Malaria, Cancer, HIV and AIDS, Cholera, Ebola and other communicable diseases.

According to the GPS Report, the resultant effects are that COMESA Member States were likely to concentrate resources in the health sector to contain the spread of the COVID 19. Other areas of societal development were likely to suffer due to limited resources. This would leave some countries in the region more vulnerable to internal and external shocks that may pose a threat to national and regional peace and security.

The analysis provided by GPS further notes that the situation is likely to worsen for low levels on the CPPI as compared to those projected for high CPPI for 2020-2021.

“What this means is that countries that have built their resilience overtime, will likely come out of the pandemic stronger as compared to those that remain structurally vulnerable. In addition, the situation could worsen for countries that have emerged from long periods of conflict,” the Report stated.

In addition, local gangs and negative forces such as rebel and terrorist groups may take advantage of this situation to enhance their territorial control. With four terrorist groups and approximately 25 rebel groups being active in the region, the security situation may worsen with the spread of the disease.

“The gangs, if not controlled will be a source of insecurity,” the Report says. According to the COMESA Early Warning Structural Vulnerability Assessment Framework (COMWARN SVA) projection for 2020-2021 released in November 2019, the region was projected for medium level CPPI.

This is largely going to be driven by continued investment in infrastructure, investment in human resources through investment in both secondary and tertiary education and value addition in agriculture. These sectors are likely to be impacted by the spread of COVID-19 due to limited resources allocated to these sectors. In the long run, this would derail the regional CPPI, the Report concluded.

“What this means is that countries that have built their resilience overtime, will likely come out of the pandemic stronger as compared to those that remain structurally vulnerable. In addition, the situation could worsen for countries that have emerged from long periods of conflict,” the Report stated.
In the wake of the Coronavirus pandemic whose socioeconomic ramifications are still unfolding, Micro, Small and Medium Enterprises (MSMEs) have taken the greatest hit, threatening their survival. To save this critical sector, a COMESA gender and social affairs expert recommends that governments consider introducing national social safety net policies.

In a statement issued in Lusaka, in April, Mrs. Beatrice Hamusonde, Director of Gender and Social Affairs, observed that as governments enforced public health preventive and mitigation measures, it was paramount to also consider policy measures that address the economic and social aspect of the lockdowns especially on the MSMEs.

“Though the Coronavirus pandemic affects all groups of the population, its socio-economic effect is detrimental among micro and small-scale businesses including small scale cross borders traders of whom the majority are women,” she said.

The stringent limitations on the movement of people in compliance with the recommendations by the World Health Organization (WHO), to stop further spread of the COVID 19 had particularly affected trade in goods and services especially for MSMEs.

“At the formal institutions, work from home has been introduced and it seems going well in different organizations including government offices,” the Director observed. “Applying the same measure for self-employed citizens obviously present difficulties in many ways to micro and small-scale businesses.”

Noting that regional some governments had already acted and mobilized resources to provide direct support to disadvantaged families, Mrs. Hamusonde called for enhanced partnerships with the private sector to reduce the burden of the outbreak on limited public resources. Further, it was also timely for Member States to prioritize the analysis of the resilience index and vulnerability scale of the informal economy.

In Africa especially in Sub Sahara Africa, more than 75% of the population’s source of livelihood comes from micro and small informal businesses including Small Scale Cross Border Traders. This sector is mainly dominated by women and young people. These informal businesses mostly generate meager daily incomes that are the sole source of livelihoods for many families in semi urban and low-income communities.

“In the formal institutions, work from home has been introduced and it seems going well in different organizations including government offices,” the Director observed. “Applying the same measure for self-employed citizens obviously present difficulties in many ways to micro and small-scale businesses.”
Road and air transport bore the brunt of the Coronavirus impact as countries tightened stringent measures to stop the spread of the pandemic in the second quarter of this year. Border congestions, which have been a persistent headache in better times worsened, with ripple effects on sanitation services.

In aviation, the grounding of aircrafts posed the biggest threat to the survival of the airlines given that most of them were struggling even prior to the pandemic. This sector was considered as one of the key mode of transmission of COVID 19 owing to its global connectivity. According to transport industry players, this can however be turned around by enlisting the services of the two sectors to contribute to the eventual control of the pandemic. COMESA Director of Infrastructure, Mr. Jean Baptiste Mutabazi said, the two sectors are central to underpinning efforts towards effective containment of the pandemic if deployed properly.

*Chances of having passenger airline resuming operations soon are minimal and losses are expected to deepen with more consequences on the airline industry," Mr. Mutabazi observed. "In view of this challenge, it will be prudent for airlines and governments to adopt strategies that will mitigate their losses, while at the same time reinforcing efforts towards containing the pandemic.*

Pursuant to this, the Division of Infrastructure at the COMESA Secretariat, came up with a number of proposals to help the two sectors withstand the effects of the Coronavirus pandemic. Among them was the need to manage and not block transport corridors in the wake of the COVID-19 pandemic to avoid breaking supply chains as the region relies heavily on road transport for movement of goods.

COMESA Member States to work closely with a clear common approach to allow for exemption of movement of essential supplies. This would reduce serious disruption of the supply chain for medical supplies, food (particularly perishables) and fuel, which will derail efforts to contain the virus in the region.

To achieve this, the Director, said countries could agree on a common list of essential supplies, which should be exempted from the lock down measures. Further, transport operators delivering such supplies could be identified and allowed to operate on rotational basis to continue with freight movement. This could be done in consultation with Transport Associations and in line with best practices to prevent any possibility of COVID 19 transmission. To facilitate clearance of essential supplies, Customs Authorities could develop common systems for preclearance before the goods reach the borders to minimize delays at border crossings.

In the aviation sector, passenger aircrafts could be used on chartered cargo operations and transport for relief workers, emergency medical supplies and food aid in support of COVID 19 containment efforts.
Following the successful development and global launch of the 50 Million African Women Speak Platform (50MAWSP) in November 2019, everything was looking up for this first-of-its-kind intervention to empower women in the COMESA region and the wider African continent. National launches were supposed to follow and statewide marketing campaigns mooted. National Content Developers, responsible for collating the platform content were on the ground. Then Coronavirus (COVID-19) happened, putting these plans on hold.

Among major activities planned for the 50MAWSP in 2020 was the national launches in the first half of the year (from February to June 2020) and the marketing, publicity and enrolment of users to the platform. By the time the COVID-19 took root in Africa, only one national launch (for Zambia in February 2020) had been conducted. Fourteen other national launches had been lined-up. In March launches were scheduled in Zimbabwe and Seychelles, while Ethiopia, Eritrea and Eswatini were planned for April and the rest of the countries in May and June.

The three-year project is funded by the African Development Bank, and jointly implemented by COMESA, East African Community and the Economic Community for Western African States comprising a total of 36 countries. Its objective is to empower women entrepreneurs by providing a digital platform that enables access to financial and non-financial information, needed to develop and grow businesses.

The national launches were a critical entry point for the 50MAWSP platform into the consciousness of key stakeholders, including government/public entities, private sector, media, civil society and women’s associations, among others. They were expected to offer the first grand avenue to sell the platform, engage potential partners and open opportunities for practical illustrations of the usefulness of the platform through user trainings.

With restrictions on the movement of people imposed across the region, the online platform promotion was the option, but was not been sufficiently utilized as the focus of the target audiences, at the moment was on messages relating to COVID-19. The number of users accessing the platform recorded drops of between 6% and 30% from the second week of March when Member States began preventive measures. It could be inferred from these statistics that the onset of COVID-19 in Africa lowered the consumption of content on platforms such as 50MAWSP as many sought information on COVID-19 instead.

In the meantime, the project has responded appropriately to the challenges posed by the pandemic in a number of ways. These included continuing with those aspects of national launch plans which did not require physical meetings. Country Teams were also encouraged to conduct virtual planning meetings where possible to validate content and/or discuss national launch plans.

Focus has also shifted to social media tools to disseminate 50MAWSP messages and commencement of skills transfer exercises to ministry staff to enhance the capacity of the latter to sustain the platform after the consultants’ contracts expire. With these response measures, project activities have continued albeit it at a much slower pace.
The services sector accounts for more than half of COMESA’s GDP and over a third of employment, outpacing manufacturing and agriculture sectors in terms of growth generation, income and jobs.

According to a report prepared by research experts at the COMESA Secretariat, the value added by services account on average to 52.5% of the Gross Domestic Product and contributes 37.2% of the total employment (2018).

With the Covid-19 pandemic, services, which rely on physical proximity between suppliers and consumers have been most impacted by mobility restrictions and social distancing measures.

Transport and travel services, which constitute the bulk of regional trade have been the worst hit. On the other hand, those that rely on digital technologies, such as financial services have shown greater resilience.

The report prepared by the research experts, Benedict Musengele and Jane Kibiru in June, stated that the Covid-19 crisis had shifted the focus of Member States from the traditional services sectors of transport and travel-related services.

"These have accelerated companies’ efforts to expand online operations and created new consumer behaviour that are likely to contribute to a profound and long-term shift towards online services" the Report stated.

"Transport and travel services account for 83% of the total exports and 66% of the total imports. This implies that they are the major traded services in the COMESA region with the other major sector in imports being Other Business Services, accounting for 18%," according to the Report.

In COMESA region, travel and tourism accounts for more than 40% of the services exports in addition to its contribution in GDP and employment. Yet, these are heavily affected by the pandemic because most of the inbound arrivals are from countries most hit by covid-19 such as US, UK, France, China, Germany and Italy.

In aviation sector, the International Air Transport Association estimates that African airlines could lose US$6 billion in passenger revenue, 3.1 million jobs and related industries. Ethiopia, Kenya and Mauritius were quoted among the hardest hit in Africa and COMESA. Ethiopia and Kenya could lose US$1.9 billion and US$1.6 billion of their respective contributions to their economies.

The road transport sub-sector, which accounts for over 80% passenger traffic and 76% freight in most of the COMESA Member States continue to experience revenue and employment loses due to the slowdown economic and social activities.

On the positive side, the Report cited...
Malawi Products set to Access Wider Market
Project to Enhance Sanitary and Phyto Sanitary Standards Launched

Malawi is set to benefit from the enhanced market access for its products through a new COMESA led programme known as the Prioritizing Sanitary and Phyto Sanitary Investments for Market Access (P-IMA). The programme is funded by the Standards and Trade Development Facility (STDF) of the World Trade Organization and receives financial support from the European Union Trade Facilitation Programme.

Under this initiative, evidence-based approach is applied to help inform decisions on where to invest in Sanitary and Phyto Sanitary (SPS) capacity building. Malawi’s primary focus under P-IMA is to boost agriculture exports and its trade capacity in its targeted value chains involving honey, horticulture, livestock and oils seeds/legumes.

To prepare the country for this project, COMESA Secretariat is working with the Malawi Ministries responsible for trade and agriculture. In March this year, the inaugural stakeholders’ meeting was conducted in Lilongwe, which was also marked the launch of the initiative.

At the meeting, COMESA Director for Industry and Agriculture, Mrs. Providence Mavubi said the project will help Malawi to improve its exports to the region and beyond. For the past 10 years, Malawi’s top agricultural export destinations have been Belgium, South Africa, Tanzania, Germany, Egypt, China, UK, U.S and Zimbabwe.

“P-IMA offers a transparent and participatory process to prioritize several different SPS investment options, based on the engagement of relevant stakeholders including government agencies, private sector stakeholders, academia, policy/research institutes and the use of the best available data and information,” Mrs. Mavubi said.

Further, P-IMA helps to link investments in SPS capacity building to expected impacts on trade, as well as other national policy objectives, such as agricultural productivity, poverty reduction or gender impacts. It helps to make the business case for SPS investments, inform project development and supports fund-raising and resource mobilization for increased market access.

In 2014, when the development of the P-IMA was being done, Malawi used the same framework to mobilize resources for the development and implementation of the Malawi Programme for Aflatoxin Control (MAPAC).

The COMESA P-IMA was launched in December 2018, in Kampala, Uganda and so far, the process has been successfully rolled out in four out of the five COMESA countries namely Uganda, Rwanda, Kenya, Malawi and Ethiopia.

“P-IMA offers a transparent and participatory process to prioritize several different SPS investment options, based on the engagement of relevant stakeholders including government agencies, private sector stakeholders, academia, policy/research institutes and the use of the best available data and information,” Mrs. Mavubi said.
advancements in digital technologies as having led to greater attention on online supply in sectors such as retail, health, education, telecommunications and audio-visual services.

“These have accelerated companies’ efforts to expand online operations and created new consumer behaviour that are likely to contribute to a profound and long-term shift towards online services” the Report stated. “Accordingly, financial services are less affected due to the digitization that have taken place such as internet and mobile banking.”

The Report however noted that some services such as telecommunication may benefit from the pandemic due to the ‘working from home’ arrangement and uptake of e-commerce as people observe social distancing. Greater liberalization of financial and telecommunication services would help to reduce costs of services provisions which are currently high.

Given the critical role trade in services plays in the COMESA region, the Report recommended several measures to mitigate the adverse effects in the sector. Specifically, as countries develops exit strategies, there is need to reduce restrictions and/or liberalize services sectors to ease movement of professionals like medical personnel, engineers, technicians, essential goods and services across borders.

“Governments should ensure smooth and continued operation of the logistics networks that serve as the backbone of regional supply chains, improve digital infrastructural foundations to improve internet, and enhance investments in internet infrastructure and penetration to promote online supply of services, while embracing e-commerce in trade in services,” the Report concluded.

The 32nd Meeting of the COMESA Council of Bureau of Ministers took place on 15 April 2020. The virtual meeting was chaired by the Minister of Industry, Commerce and Handcraft of Madagascar Madame Lantosoa Rakotomalala, who is the Chairperson of the COMESA Council of Ministers.

Key issues on the agenda included the COMESA's response to the COVID-19 pandemic, preparation for the 2020 COMESA Summit, status of Member States contributions, update on the acquisition of new COMESA Headquarters, and human resource matters for Secretariat staff. In attendance were H.E. Mr. Tarek Chalabi, Assistant Minister of Trade and Industry of Egypt and Vice Chairperson and State Minister of Trade and Industry of Ethiopia H.E. Ambassador Mesganu Arga Moach, the Rapporteur of the Bureau.

Addressing the bureau, Secretary General Chileshe Kapwepwe outlined the measures that the Secretariat was taking to support Member States efforts in mitigating the effects of the pandemic on their economies. The proposed policy interventions were aimed at supporting Member States manage the pandemic to reduce its adverse impact and its aftermath. Key interventions included support to Member States in carrying out cross border trade and facilitating movement of goods and services along key transport corridors. This was an essential component of building countries’ resilience towards containing COVID-19 and impacts on livelihoods.

In addition, the speedy implementation of the COMESA Digital Free Trade Area was identified as critical in ensuring that trade, especially for essential supplies continued through online and digital platforms given the physical restrictions that were in place. Further, COMESA was working with the African Union and other regional economic communities in coming up with harmonized efforts to address the challenges of the pandemic.

The Chairperson noted that as COMESA re-focused its activities, to consider the need to mitigate the impact of COVID-19 pandemic on Member States.

"Within the framework of preserving public health, essential goods such as medicine, food, fuel and other similar items should still be able to reach areas which require them,” Hon Rakotomalala said.

On the COMESA Summit, the Bureau asked the Secretariat and the Government of Egypt to continue engaging on the matter given the prevailing circumstances. Egypt was to host of the 2020 Summit, which was expected to take place in the second half of the year.

The report of the Bureau was presented before the Council of Ministers meeting.
Restriction on Cross Border Movement Affecting Seed Supply Chain

Restrictions on cross border movement imposed in response to the Coronavirus pandemic by countries in the region has adversely affected the supply of seeds and may precipitate food insecurity. Hence, the African Seed Trade Association (AFSTA) and COMESA would prefer that seeds are classified among essential commodities to be allowed unrestricted movement across the region.

“If the seed movement is not normalized in the next six months, 123 million out of 650 million people in the COMESA region will face starvation,” according to a joint statement. The AFSTA Secretariat in Nairobi reported to have received reports that a few countries had difficulties moving seeds across borders.

If this trend continues, there would be inadequate harvests, a situation that would lead to food insecurity, malnutrition and hunger the COMESA and African countries, in the next few months. “Closing borders or even slowing down the transboundary movement of seeds could create a significant problems in the seed supply chain,” they said and called on regional countries to ensure access to quality and improved seed for the 80 million small scale farmers in the COMESA region and beyond.

According to COMESA Seed Expert, Dr John Mukuka, no country currently can fully supply farmers with quality seeds of their choice solely from their own production. Hence, seed companies produce seed in different countries all over the world including COMESA, to mitigate the risk of crop failures due to adverse weather conditions.

"By finding optimal locations for seed production, timing of harvest, and localized expertise, the seed sector ensures steady supply of seed for farmers everywhere in the region and globally," he said adding that member States need to allow free movements of seed at this time of the year in line with international standard practice of seed trade and in conformity with COMESA Seed Harmonisation Implementation Plan (COMSHIP).

This includes: facilitating the movement of seed within the region in line with the COMESA Harmonized Seed Trade Regulations; application of phytosanitary measures for seed only for pests, which are not common to all COMESA countries; use the COMESA Regional Seed certificates and labels for all seed meeting the COMESA Seed Standards among others.

Since 2010, COMESA/ACTESA has been working with AFSTA on the implementation of COMSHIP. AFSTA has more than 118 Members from 39 countries of which 27 are National Seed Trade Associations (NSTAs) in Africa and 44 associate members worldwide.

“If the seed movement is not normalized in the next six months, 123 million out of 650 million people in the COMESA region will face starvation,” according to a joint statement.
The regional business community, under the umbrella of the COMESA Business Council (CBC) want Member States to facilitate the movement of transit essential cargo across the region through pre-clearance and/or prompt clearance and reduction of risk of infections at the border posts.

This was one of the recommendations contained in a position statement issued by the CBC in April that called for the establishment of a common framework to facilitate movement of essential goods and services along the border corridors in the region, while implementing measures against the Coronavirus (COVID-19).

In the statement, the business council called for a clear guideline for testing and isolating truck drivers across the borders, including risk-based quarantine approach that does not exceed a 24-hour period for providing tests results. Increased customs coordination and interfaces will ensure swifter processing of goods and services at the border to reduce clearance times.

CBC urged Member States to consider alternative and practical measures for the movement of cargo across the region such as allowing goods to be transported by a limited number of persons and put in place regulations for truck drivers to have limited interactions with people.

CBC further recommended for the adoption of strategic efforts and actions to ensure smooth and timely movement of essential goods and services in the region.

“A common framework was essential to address issues including classification of essential goods and services by HS Code to ensure uniformity and Harmonisation across the countries,” CBC noted.

With regard to facilitating the movement of transit cargo across the region, the business community proposed the implementation of instant border measures on enquiry, reporting and monitoring platform consisting of border management authorities from each Member State to facilitate the quicker resolution of impediments and barriers to the movement of essential goods and services in COMESA.

Cognizant of the role of specific borders and ports in facilitating intra- Africa and intra-regional trade, the business community urged Member States to consider a tripartite and continental approach.

Virtual Training for Climate Change Experts

Climate Change experts from seven COMESA countries participated in a three-day virtual training on the implementation of the Paris Agreement. This initiative was part of capacity building support to Parties and a joint effort between the United Nations Framework Convention on Climate Change (UNFCCC) and the COMESA Secretariat.

The training focused on the preparation and submission process of new/updated National Determined Contributions (NDCs), the Katowice Guidance, the decision on Information to facilitate Clarity, Transparency and Understanding (ICTU) and its application to the NDC preparation process. The training was conducted on 11-13 May 2020.

“This training helped countries as they prepared to present progress recorded towards achieving the NDCs in their biennial transparency reports and the first Global Stocktake of global efforts set for 2023,” COMESA Climate Change Advisor Dr MacClay Kanyangarara said in a statement issued in Lusaka.

Article 4.2 of the Paris Agreement (PA) requires each party to prepare, communicate and maintain successive nationally determined contributions that it intends to achieve. These individual contributions make up the global response to climate change. The goal of the PA is to limit global temperature rise to well below 20oc and usher in a low emission future.

Countries submitted their new or updated NDCs in 2020 and then every five years thereafter. In doing so, countries were encouraged to reflect their highest possible ambition. The virtual training was facilitated by Bernd Hackmann the Programme Officer in the Transparency Division at the United Nations Climate Change Secretariat in Bonn, Germany.

Participants were drawn from Comoros, Eswatini, Malawi, Mauritius, Rwanda, Uganda and Zambia.
On 7th May this year, COMESA Secretariat Staff presented assorted sanitation and protective materials worth $20,000 towards supporting efforts of the government of Zambia in its response to the Coronavirus pandemic. Funds to procure the items were raised by the Secretariat staff as part of a Corporate Social Responsibility Initiative. They included 15,000 facial masks, 15,000 pairs of gloves, 500 bottles of hand sanitizers, 500 washing soaps and 100 handwash basins and stands.

Secretary General Chileshe Kapwepwe presented the items to the Minister of Health Dr Chitalu Chilufya, in a brief ceremony conducted in Lusaka. The production of the masks was contracted to the textile and garment cluster of the Zambia Federation of Association of Women in Business (ZFAWIB) in a deliberate move to promote local manufacturing. The association is the national chapter of the COMESA Federation of National Association of Women in Business (FEMCOM).

Early this year, FEMCOM handed over textile equipment worth over Euros 100,000 to the ZFAWIB cluster based in Lusaka. The equipment was provided by the Zambia Association of Manufacturers. The machines are now being used to manufacture garments including the masks donated by COMESA staff.

Secretary General Kapwepwe urged regional countries to support local productive capacities especially in the manufacture of personal protective equipment given the current disruption of the supply chains from external sources. “It is time to go local and COMESA is ready to support such endeavors,” she said.
The implementation of the Joint COMESA-African Union Project, which was meant to contribute to youth empowerment and participation in promoting accountable governance in the region and the African continent has been delayed. This is due to the spread of the Coronavirus and will mainly affect activities that involve international travel and physical meetings such as the second bootcamp meeting scheduled for the second quarter of 2020.

The Director of Gender in COMESA, Mrs. Beatrice Hamusonde said that youth leaders and policy makers from 10 COMESA countries were expected to participate in the bootcamp.

"With the outbreak of the Coronavirus pandemic, the project implementation will have some delay depending on how long the crisis will last," she said.

The project on youth engagement in democratic governance and socio-economic processes in Africa is a joint programme between COMESA and the Africa Union supported by the Swiss Agency for Development and Cooperation.

Before the outbreak of the COVID-19, the youth project was progressing well and had implemented key activities including the hosting the continental youth forum. This was a regional capacity strengthening residential bootcamp for youth leaders. In addition, a national workshop on youth participation and engagement in political processes, youth councils and civic spaces had been conducted in Zambia.

Meanwhile, a recent study by the African Union Commission found that the youth will be hardest hit by the effects of the Coronavirus as around 20 million jobs, in both formal and informal sectors could be lost in Africa and the COMESA region. This is because the continent’s economies are projected to shrink due to the impact of COVID-19.

"As most of the African population is comprised of youth at 65%, it goes without saying that the majority of people to lose jobs in Africa in general and in COMESA region in particular will be young people," according to the study.

The study further noted that the youth are consistently facing unemployment and the Covid-19 pandemic would worsen the situation. The collapse of most small businesses that were focused on import and export, tourism, and other businesses that employ youth would have the biggest negative impact on the jobs for youths. These include shopping malls, communication related companies, construction industry, public service transport, hotels, bars, restaurants, hair salons among others.

"As most of the African population is comprised of youth at 65%, it goes without saying that the majority of people to lose jobs in Africa in general and in COMESA region in particular will be young people," according to the study.
Ethiopia has inarguably taken the lead in the implementation of Climate-Resilient Green Economy to protect itself from the adverse effects of climate change with significant resources being deployed towards reducing Greenhouse Gas (GHG) emissions. The key success stories are in afforestation and land rehabilitation; generation and distribution of electricity from clean and renewable sources and investment in improved transportation systems.

While many countries took time to weigh the consequences of signing the Paris Agreement on climate change, Ethiopia was decisive and among the first signatories to the Agreement, committing to cut carbon emissions by 64% by 2030. Since then, it has not looked back. Leading from the front, the government pressed ahead with ambitious development plans, and clean energy is the core of the mission.

Comesa Climate Change Advisor, Dr Mclay Kanyigarara describes Ethiopia as having the most ambitious climate change response strategies on the African continent.

"Achieving a 64% reduction in GHG emissions in 15 years is a mammoth undertaking by any standard. The cornerstone of their strategy is to substitute fossil fuels with clean renewable energy for transport, industry, household use etc. coupled with a most ambitious and aggressive tree planting programme to remove and store carbon dioxide," he said. "The country is on course as all the promised interventions have been started and they are not so much seeking aid to achieve their targets."

According to a status report on Ethiopia, the country's plan and action to mitigate GHG emissions is built on four pillars; improving crop and livestock production practices for greater food security and higher farmer incomes while reducing emissions. The others are protecting and re-establishing forests for their economic and ecosystem services, while sequestering significant amounts of carbon dioxide and increasing the carbon stocks in landscapes. Expanding electric power generation from renewable sources and leapfrogging to modern and energy efficient technologies in transport, industry and building sectors are the other core pillars.

The forestry sector is perhaps where Ethiopia has had the greatest shine with a major national reforestation mission.

"Achieving a 64% reduction in GHG emissions in 15 years is a mammoth undertaking by any standard. The cornerstone of their strategy is to substitute fossil fuels with clean renewable energy for transport, industry, household use etc. coupled with a most ambitious and aggressive tree planting programme to remove and store carbon dioxide," he said.
programme of planting four billion trees in 2019. A more ambitious target of five billion trees by 2020 is underway.

The government and different programmes in the forestry sector are also promoting fuel-efficient and alternative-energy sources to improve ecosystem services and increase carbon sequestration in forests and woodlands.

In the Agriculture sector several large-scale sustainable development programmes are ongoing to building resilience to climate change in the natural resources sub-sector.

They include community mobilization integrated watershed management campaign and a sustainable land management programme.

In the energy sector, the country is ramping-up development of its massive hydropower potential estimated to be 15,000 - 30,000 MW, which is one of the highest in Africa. Billions of dollars have been ploughed into megaprojects such as the Grand Ethiopia Renaissance Dam, which will be the largest dam in Africa, and the newly inaugurated Gibe III Dam.

The report states that maximizing energy efficiency allows for green development of other sectors of the economy, such as the replacement of trucks by electric rail or diesel pumps by electric pumps for irrigation that enabled the sectors to reduce their GHG emissions.

Ethiopia shares its green development to other countries in the region to replace electricity generated from fossil fuels, which has significantly higher average costs and GHG emissions. To reduce emissions from solid and liquid waste, Ethiopia constructed a waste-to-energy plant, a first in Africa. The plant incinerates 1,400 tons of waste every day, which is about 80 per cent of its resident city’s waste.

An electric rail network powered by renewable energy has substituted fossil fuel powered road transport in the country thus leapfrogging to modern and energy efficient technologies in transport.

Covid-19 Emergency Kit Sent to Border Personnel and Traders

Covid-19 measures taken by various Member States including testing, quarantines and restrictions of gatherings along border points have made it almost impossible for cross-border transactions to take place normally. Clearance of cargo has also been tremendously slowed down leading to long queues hindering supply of essential pharmaceuticals and food items.

As part of emergency measures to support trade facilitation for small cross border traders during the time of Covid-19, on 12th June 2020, COMESA dispatched consignments of Personal Protective Equipment (PPEs) to eight border points under the COMESA Small-Scale Cross Border Trade Initiative (SSCBTI).

The emergency kit was to help minimize disruption to the smooth flow of trade and ongoing data collection being conducted at the border posts between Zambia on one hand and Zimbabwe, Malawi, DR Congo and Tanzania on the other. These are Mwami/Mchinji (Zambia and Malawi), Chirundu (Zambia and Zimbabwe), Kasumbalesa (Zambia and D R Congo) and Nakonde/Tunduma (Zambia and Tanzania).

The emergency kit included over 10,000 face masks, gloves and hand sanitizers. The kit supported Trade Information Desk Officers (TIDOs) who help small scale traders with clearance of goods, mediation when disputes arise and adherence to policies such as the Simplified Trade Regime (STR). Under this regime, small-scale cross-border traders benefit from the removal of customs duty (COMESA Preferential treatment) if their goods are on the agreed Common Lists.

The emergency kit was procured at a cost of $8,000 to help small-scale traders continue their operations at the same time facilitate trade information officers to do proceed with collecting gender disaggregated statistical data on small cross border trade. The data will be used to increase evidence-based knowledge and inform better trade policy making processes at national and regional levels. Fifty three data collectors are currently working at these border posts.

The SSCBTI is funded under the 11th European Union Development (EDF) to address the main challenges at the borders, which limit the growth of small-scale businesses and force people to trade informally.
Taking Stock of the Implementation of Regional Integration Support Mechanism

The Regional Integration Support Mechanism (RISM), which is implemented through the COMESA Adjustment Facility (CAF) is approaching the end of its lifecycle later this year and has begun taking stock of the current and remaining activities.

In June 2020, countries benefitting from the project participated in a consultative virtual meeting to share experiences on the implementation of the various national programmes during the Covid-19 pandemic including activities, workplans and time frames.

The meeting also discussed the negative impact and challenges that Covid-19 has had on implementation of the RISM project. Most activities have had to be put on hold despite the tight timeframe remaining for the completion and eventual closure of the project at both national and regional levels.

The CAF/RISM was operationalized in November 2007 through a Contribution Agreement between COMESA and the European Union. The total designated funding for the programme was €111 million under the 9th and 10th European Development Fund (EDF).

Over the years, RISM has channeled financial resources to 16 eligible COMESA Member States and systematically tracked their utilization. These are: Burundi, Comoros, the Democratic Republic of Congo (DRC), Djibouti, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

Speaking when he opened the meeting, Assistant Secretary General in charge of Programmes Dr Kipyego Cheluget commended the Member States for their commitment and the European Union for its financial support amounting to over Euros 90 million.

“We commend the European Union for taking a chance and believing in our political commitment,” Dr Cheluget said. “The programme has helped improve regional integration and economic activity through institutional capacity building and support on productive capacities to the region’s growing private sector.”

International Center on Small Hydro Power Donates 5,000 Masks

COMESA received 5,000 surgical masks in May worth $4,500 from the International Center on Small Hydro Power (ICSHP). The masks will support small scale cross border traders at selected border posts for COVID-19 prevention. Secretary General Chileshe Kapwepwe received the masks in Lusaka, Tuesday 26 May from Mr. Jerro Zhou of the Jiangxi Zambia Chamber of Commerce Official, representing ICSHP’s Director General Prof. Lui Deyou.
Due to its openness to international trade and migration, COMESA region should brace for the adverse effects of COVID-19, which are both exogenous and endogenous, according to a report prepared by the COMESA Monetary Institute. According to the report prepared by the Director of the COMESA Monetary Institute (CMI) Mr. Ibrahim Zeidy (in picture), the exogenous effects arise from policy actions directed towards containing the spread of COVID-19 by the rest of the world.

“The slowdown in major economies will see global demand fall,” says the CMI Director. “Disruptions to production and world supply chains will slow down trade. Tighter global financial conditions will mean limited access to finance.”

He further noted that COMESA countries were likely to experience delays in getting investment or development projects off the ground. Some of the exogenous effects expected are declined remittances from African Diaspora; less foreign direct investment and official development assistance; illicit financing flows and domestic financial market tightening.

With regard to the endogenous effects, that is, those occurring as a result of the rapid spread of the virus in many COMESA countries, Mr. Zeidy observed that the very measures that are crucial to slowing the spread of the virus had direct cost on all the affected economies.

“Rethe fact that most people in many of the affected economies have been restricted through various forms of lockdowns, imply that daily economic activities necessary to sustain livelihoods are affected,” he observed. “This mean less paid work, less income, less spending, and fewer jobs.”

Accordingly, the slowdown in economic activities as the result of the two shocks would cause a decrease in domestic demand and a fall in tax revenue collection at a time when there is considerable pressure to increase public expenditure to safeguard human health and support economic activities.

From the foregoing, coupled with the direct and indirect effects of the crisis including supply and demand shocks, commodity slump, fall in tourism arrivals, the global economy may enter a recession at least in the first half of the year 2020, Mr. Zeidy observed.

However, fiscal policy would play a leading role in mitigating the shock with countries adjusting their fiscal positions by especially, reallocating resources previously planned for development to tackle the immediate concerns of supporting livelihoods.

Going forward and where feasible, Mr. Zeidy noted, governments should consider targeted and temporary support for sectors such as tourism and air transport which are some of the worst hit by the effects of the Coronavirus pandemic.
Small Scale Traders Receive Covid-19 Mitigation Support

On Wednesday, 24 June 2020, the COMESA Business Council in partnership with Barefeet Theatre and Lusaka Food Bank donated to the Chibolya community in Lusaka, COVID19 care-packages which included food and personal care items. Many of the recipients were women whose household incomes have been severely disrupted owing to the economic slowdown.

Also donated were face-shields which were distributed to traders at Mwasauka Market in Lusaka. The donations went to vulnerable communities that the CBC has worked with in its, Local Sourcing for Partnerships program. At the same time, the COMESA Secretariat gave out posters and stickers to be placed at strategic points within the expansive market to keep traders informed on the steps to protect themselves from infections.

Madagascar Records 26% Drop in Imports

Madagascar recorded a 26% drop in imports in April compared to March 2020, according to a snapshot survey undertaken by the Statistics Unit at the Secretariat. The survey indicated that four key border posts, Antanimena, Tamatave-Pétrole, Ivato-Aéroport, Mamory-Aéroport recorded declines of 35%, 59%, 36% and 80% respectively. Tamatave-Port was the only one to record a marginal increase in imports of two percent.

The survey provided a brief on trade flows through COMESA borders prior to and during the COVID 19 pandemic. In May 2020, however, the provisional figures on imports showed an increase of 36% with exports declining by 31% in April compared to March 2020.

Reduction in customs duties were listed as among the critical challenges faced by the Madagascar Revenue Authority. According to the report, customs duty receipts declined by 27% in April compared to March 2020. Tamatave-Port, Antanimena and Tamatave-Pétrole recorded declines in customs duty receipts of 16%, 44% and 47% respectively.

The government put in place measures to facilitate the movement of goods, transport, persons and services. These include prompt admission of goods into the country closely linked to the management of the covid-19 pandemic such as necessities, drugs, medical materials and medical instruments.

The government has also put exemptions from duties and taxes on the importation of relief consignments. This is aimed at providing support to the vulnerable people who have been adversely affected by the effects of COVID-19 in the country.
Rwanda and Uganda recorded a reduction in trade flows in April and May 2020, according to a report from the COMESA Statistics on ‘COVID 19 Impact on Trade’. The report was prepared in the first two months in which COVID-19 spread to the region.

Imports into Rwanda declined by 32% in April compared to March. Rusumo and Airport borders posts recorded declines in imports of 35% and 16% respectively. In Uganda a drop in imports were recorded at 30% in April compared to March. Malabo, Busia and Entebbe border posts recorded declines in imports of 35%, 28% and 24% respectively. Imports for the month of May were projected to decline by 20%. Exports for Rwanda also declined by 8% in April compared to March 2020 while Uganda recorded a decline in Exports by 15% in April compared to March.

Reduction in customs duties were listed as among the critical challenges faced by the Rwanda Revenue Authority. Customs duty receipts declined by 55% in April compared to March. Rusumo, Kagitumba and the Airport border posts recorded declines in customs duty receipts of 52%, 71% and 41% respectively.

For Uganda, a reduction in customs duties was listed among the critical challenges faced by the Uganda Revenue Authority with declines of 42% recorded in April compared to March. Malaba, Busia and Entebbe recorded declined duties of 43%, 36% and 21% respectively.

Both countries have however put in place measures to respond to the COVID-19. In Rwanda for example, a dry port was established near the border that operates 24/7. The country also intensified the use of online services available in the Rwanda Electronic Single Window System through engagement with stakeholders both private and public (Clearing and Forwarding Association, importers, exporters, warehouse operators and the general public to facilitate clearance of essential goods).

In Uganda, the government introduced measures to facilitate the movement of goods, transport, persons and services. Some of the strategies include testing of drivers prior to transiting through Uganda and using online engagement with clients.

Malawi and Zambia recorded reduced trade flows in March and April according to a report from the COMESA Statistics on ‘COVID 19 Impacts on Trade’. These were the first two months in which COVID-19 spread to the countries. Imports into Malawi declined by 32% in April compared to March while imports in May were forecasted to decline by 25%. Customs duty receipts declined by 27% in April compared to March.

The largest borders in terms of customs revenue, that is Songwe between Malawi and Tanzania and Mwanza between Malawi and Mozambique, recorded declines in duty receipts of 42% and 16% respectively. For Zambia, the main declines were recorded at Kazungula border with Botswana and Zimbabwe and the Nakonde border with Tanzania. Volumes of import traffic declined overall by 25% between April and March and this was mainly due to a decline of 83% in volumes recorded at Kazungula and a 42% at the Nakonde border. Export traffic volumes also dropped by 3%.
At the onset of the Covid-19 pandemic, it was predicted that most of the health systems in Africa, and in COMESA region would be overwhelmed by unprecedented spread of the virus. Anecdotal evidence based on country specific interventions however indicates that countries in the region have demonstrated remarkable resilience defying earlier predictions.

According to an analysis conducted by Governance, Peace and Security Unit at the COMESA Secretariat, stringent measures that regional States put in place including mandatory quarantine, curfews, closure of schools, social and entertainment venues, encouragement of basic hygiene measures among other interventions played a big role in containing a surge.

"For the COMESA region with relatively weak health systems characterised by inadequate health personnel, inadequate equipment, inadequate budgets and a high burden of infectious diseases (such as Malaria, TB, HIV, Ebola), it was expected that the continued spread of the virus would overburden the health systems in the region," the report says.

According to the analysis, reforms in the health sector, whereby governments have made policy commitments to implement Universal Health Care (UHC), may have also worked well towards forestalling the predicted surge. The UHC is premised on the idea that every citizen should receive health services they need without financial burden.

COMWARN regional data indicates that most governments in the region have introduced health reforms that have led to improvements in health services. For example, Tunisia, Seychelles, Rwanda, Mauritius and Egypt have already rolled the UHC programme with positive impacts on reduction in mortality rates, improved life expectancy and public health expenditure.

The report noted that majority of the regional States have strived to allocate 15% of public expenditure to the health sector and with the continued spread of the Coronavirus, this has triggered more financial investments in the sector.

"Countries in the region have increased health funding to deal with the emergencies associated with the spread of the Covid-19," the GPS report stated. "Extra budget allocations have been provided by governments to enhance for instance surveillance, purchase of medical supplies, construction of isolation centres, recruitment of more health personnel among others."

Notwithstanding, countries in the region have registered important milestones in the improvement of healthcare, since the adoption of the Millennium Development Goals (MDGs) in 2000 and the launch of the Sustainable Development Goals (SDGs) in 2015 as part of the 2030 agenda for sustainable development.

Reforms in the health sector have further led to improvement in life expectancy from an average of 61.60 years in 2010 to 66.07 years in 2018. In the context of the COMESA Early Warning System’s (COMWARN’s) Structural Vulnerability Assessment (SVA) model, life expectancy is the number of years a new-born infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

By 2017, Libya, Tunisia, Mauritius, and Seychelles had reduced child mortality to 1.4%, the lowest in the region. Other countries that have made tremendous progress are Egypt 2.3% Madagascar 4.2%, Kenya 4.5%, Uganda 5.2% and Comoros 6.9%.

The GPS analysis was based on four World Health Organization health delivery framework, which covers service delivery, health workforce, access to essential equipment and medication and adequate resources/finance. This framework is in tandem with the COMWARN’s SVA model that seeks to support long term vulnerability of member states towards sustained peace and prosperity by identifying projected vulnerabilities in respective countries.
COMESA Congratulates New President of Burundi

COMESA congratulated the new Burundi President Gen. Evariste Ndayishimiye (in picture), following his election and commended the efforts made by the Government of Burundi to hold the elections within the constitutional time frame. In a message, COMESA Secretary General Chileshe Mpundu Kapwepwe also hailed the Government of Burundi for funding the elections from its own resources, which is a best practice for our region.

She added: “We are aware that the just concluded election marks a very important phase in the history of Burundi in reaffirming the consolidation of democracy since the signing of the Arusha Accord in 2005. We look forward to enhanced collaboration and partnership with Burundi as we continue to implement various programmes aimed at deepening the integration of our region.”

Burundi is an active member of COMESA and has continued to support the regional integration programmes.

COMESA Mourns President Pierre Nkurunziza of Burundi

Following the sudden demise of President Pierre Nkurunziza, COMESA joined the government and people of Burundi in mourning describing the fallen leader a passionate supporter of regional integration. During his stewardship of the country, Burundi has collaborated with COMESA and equally benefitted through implementation of programmes geared towards socio-economic development of the country. His efforts in peace building and security contributed significantly to regional peace and most importantly, to the stabilization of Burundi since the signing of the Arusha Peace Accord in 2005. His commitment to post-conflict reconstruction has seen Burundi enjoy a period of peace and deepening of democracy.

“Before his demise, President Nkurunziza accomplished one of the most important political processes that underpins peace and security, and a perquisite for economic growth and development by overseeing democratic elections as he prepared to relinquish power and handover to a democratically elected successor,” Secretary General Chileshe Kapwepwe noted in her message of condolences.

To ensure, this was achieved, the late President mobilized local resources and diligently endeavoured, against diverse challenges, to successfully manage his succession.
Regional Economy Expected to Grow at 0.6% in 2020

The COMESA regional economy is projected to grow at a paltry 0.6% this year down from 5.2% recorded in 2019 and 6.0% in 2018. The slight dip in 2019 was attributed to lower commodity prices while the expected slump in 2020 will result from the devastating impact of the Covid-19 pandemic suggesting a deeper economic contraction for the region.

According to a report on macroeconomic developments in COMESA region in 2019, the slowdown in growth was experienced in most COMESA member countries except Egypt, Ethiopia, Malawi, Rwanda and Seychelles which registered improved economic growth compared to 2018.

"The impressive growth of above 5% in both years reflected among others, improving growth fundamentals, with a gradual shift from private consumption toward investment and exports," according to the COMESA Monetary Institute (CMI) Mr Ibrahim Zeidy.

The projected contraction of the regional economy would be driven by the impact of containment measures, the decline in global demand and regional spill overs, the external financial constraint and the impact of multiple shocks.

He noted that Covid-19 mitigation measures including travel restrictions, quarantines, lockdowns, border closures among other measures had not only disrupted economic activities but also led to mass unemployment and loss of livelihoods especially in the informal sector.

"Decline in global demand and travel has resulted in rapid fall in trade and tourism while disruption of regional trade due to border closures has severely affected cross-border trade in the region," Mr Zeidy stated. "Severe contraction is also expected in countries where tourism significantly contributes to economic growth such as Mauritius, Seychelles, Egypt and Kenya, among others."

Further, capital outflows have been significant in several countries and as a result, most of currencies in the region are under pressure to depreciate. Together with the sharp decline in capital inflows and remittance, and postponement planned bond issuance means that most countries in the region are facing serious external financing constraints.

The impact of multiple shocks particularly the effects of floods, locust invasion and collapse of commodity prices will significantly contribute to the economic contraction in the region, according to the CMI report. Accordingly, the immediate concern for the region now is to contain the spread of Coronavirus as well as opening the economies.

How to strike a balance between the two almost conflicting objectives will determine the speed and extent of economic recovery and return to normalcy. Key towards getting the balance right will depend on how effective and efficient governments in the region will be as they continue to carry out public health measures and the extent to which the public will adapt the same.

Going forward, the report recommends that strengthening of continental value chains should be a priority given the uncertain global business environment.

In the medium-long term, the effective implementation of regional integration agenda of the Regional Economic Communities and the continental free trade area will be key to strengthening regional production networks and trade, reducing the continent's vulnerability to external shocks, and consequently leading to improvements in external current account balances.

Plans Underway to Assess the Impact of Data Collection on Consumer Price Indices

COMESA Secretariat embarked on the assessment of the impact of the outbreak of COVID-19 on the Consumer Price Index (CPI) data collection, in May this year following the disruption of the surveys on index, which require interactive and wide coverage methods to collect data.

The slowdown was been occasioned by the Coronavirus pandemic and subsequent measures put in place by Member States to prevent further spread of the disease. These had collectively impacted negatively on the collection of statistical information.

Head of the Statistics Unit, Mr. Thamba Munalula said the CPI was adversely affected as data collection was difficult with most outlets and other data collection points either closed or access limited or controlled.

This data is used for the compilation of the regional Harmonised Consumer Price Index (HCPI). For the month of March, almost all countries that regularly submit data for the COMESA HCPI compilation were able to undertake the CPI surveys.

A few such as Tunisia reported that due to the general containment decree, only 68.9% of the prices collected in the field for the month of March 2020. Eswatini could not make estimates for non-food items following international recommendations. Seychelles reported of challenges in data collection for the month of April adding that it would use imputation techniques based on the CPI manual recommendations.

The CPI is a key economic indicator that policymakers in Member States use on a monthly basis to monitor economic conditions at country level as it reflects the general levels of prices of goods, services and inflation.
COMESA region currently has the lowest electricity generation with approximately 630 million people living without reliable access to electricity and 790 million people forced to rely on solid biomass to cook their food and heat their homes. Studies show that about 1.3 billion people worldwide still lack access to modern energy. However, the situation is worse in the developing economies, where more than 70% of their people lack access to modern energy and 89% or more still rely on traditional biomass as the primary source of energy. Sub-Saharan Africa’s energy systems face an enormous challenge.

Significant improvements have in recent year been made in the generation capacity with the coming on stream of major power generation projects in many countries of Eastern Africa-Southern Africa-Indian Ocean region. These have been supported by various programmes such as the Project on Enhancement of Sustainable Energy Market in Eastern Africa-Southern Africa-Indian Ocean Region (ESREM), funded by the European Union with seven million euros.

The ESREM project is tailored to address energy challenges in the Eastern Africa-Southern Africa-Indian Ocean region, through the support from the European Union. The overall objective of the programme is to enhance a sustainable regional energy market in the Eastern Africa-Southern Africa-Indian Ocean region, which is conducive to investment and promoting sustainable development.

In May this year, the ESREM Technical Steering Committee (PTSC) conducted its fifth meeting virtually to review the progress of its implementation of work programme.

Speaking at the meeting Assistant Secretary General in Charge of Programmes, Dr Kipyego Cheluget said, trade in energy was just as critical and beneficial as trade in goods and other services.

“Energy trade allows all nations to benefit from their comparative and competitive advantages and from the advantages of the economies of scale and scope,” he said. “The promotion of regional infrastructure projects such as energy is therefore critical and should be opened for the private sector investment and ownership.”

A representative of the European Union Mr. Adam Grodzicki said a critical assessment relating to the current situation of the Covid-19 needs to be done to determine its impact on the energy sector and how it has affected Trade and Services in the region.

He indicated that the EU is launching the mid-term evaluation of the project with COMESA to see how improvements can be made to the implementation of the project amid the Covid-19 Pandemic as this shall create a solid foundation for enhancing energy markets in the region.
COMESA institutions have joined the efforts towards supporting the governments in their host countries in the fight against the Coronavirus. Among those that have contributed to this cause are the Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM), the COMESA Competition Commission (CCC) and the Trade and Development Bank.

In May this year, FEMCOM donated USD 7000 worth of personal protective equipment, hygiene kit comprising soaps, sanitizers, masks and gowns in the Democratic Republic of Congo. The donation was made through the DRC FEMCOM Chapter, to the leaders of the Associations of Women Traders and Small Market Farmers Agribusinesses for further distribution to their members who deal in vegetables and fruits.

In Malawi, the Director of the CCC Mr. George Lipimile made a $5,000 donation which was received by the Minister of Trade and Industry, Hon Salim Ibrahim Bagus.

In Kenya, the Trade Development Bank donated 140,000 locally made face masks worth over $100,000 to Kenyan health workers. To support the private sector, the masks were procured from a local company, the Kitui County Textile Centre (KICOTEC).

In DRC, the FEMCOM donation was made by the Chairperson of the DRC Chapter Mrs. Eliane Munkeni Kiekie who is the FEMCOM Board Vice Chair. The items supported women traders, small farmers and market gardeners and other micro businesses that operate at a pavilion rented for them by FEMCOM, to sell their products.

FEMCOM Executive Director Ruth Negash said the support was intended to enable members of the associations to protect themselves, other co-workers and their families while continuing their activities.

As a way of enhancing the fight against COVID-19, FEMCOM has since created an online communication platform with all presidents of the associations that represent provinces, for exchange of activities, sharing experiences and gathering information about the impact of the pandemic.

FEMCOM Chapter in DR Congo has since engaged the government on the issues affecting women in business relating to COVID-19. Subsequently, the government has promised funding for the Association through two commercial banks and a microfinance institution which shall give loans with low repayment rates to SME businesses who supply food and essential products.