Study on the Socio-Economic Impacts of Covid-19 Pandemic in COMESA Released
Editorial

Goodbye to Annus horribilis 2020

The expression ‘Annus horribilis’ is derived from Latin language meaning ‘horrible year’. Many people have used this phrase to describe the year bygone, which visited the worst calamities on them. Renown personalities that have used this phrase include the former Secretary General of the United Nations, Dr Kofi Annan, in December 2004 and Queen Elizabeth II’s in 1992. Both used the phrase in reference to happenings within their families that embarrassed them. Kofi Annan said: There’s no doubt that this has been a particularly difficult year, and I am relieved that this annus horribilis is coming to an end. The Queen said: 1992 is not a year I shall look back on with undiluted pleasure. In the words of one of my more sympathetic correspondents, it has turned out to be an ‘annus horribilis”. However, it is the year 2020 that rightfully claims the ignoble tag of ‘Annus horribilis’ given what it has brought forth; the Coronavirus pandemic. The pandemic has left the world fighting for its life and livelihoods like never before. Energy and resources that would otherwise have gone to spin the wheels of development were diverted to deal with the devastating socio-economic impacts of the pandemic. As you read through this last quarter edition of 2020, much of the news you will find is about the efforts and actions of COMESA and its Member States in responding to the pandemic. Among these was conducting studies that provided detailed accounts of the impacts of the pandemic across all sectors in Member States, while taking cognizance of the opportunities available to safeguard the gains of economic integration and trade liberalization. The aim was to generate debate and inform policy decisions on how economic integration can provide a platform to build resilience in COMESA and the continent in the context of COVID-19 and possible shocks in the future. We also have inspiring accounts of the initiatives in place to boost regional trade, food and nutrition security, innovation among others. Likewise, there are stories of setbacks including dipped economic growth, high inflation and rise in non-tariff barriers. Notwithstanding, the region’s resilience has been tested and hopefully the worst is behind us as we usher the dawn of 2021 and bid goodbye to Annus horribilis.

Mwangi Gakunga

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A study on socio-economic impacts of the COVID-19 pandemic in the region was conducted and published in the last quarter of 2020. The study will help Member States in developing policies to address the impacts of the pandemic on their economies.

According to the study conducted by the COMESA Secretariat, only six Member States: Egypt, Ethiopia, Kenya, Malawi, Rwanda and Uganda are projected to have positive growth rates post COVID-19 pandemic. The resultant contraction in economic growth is likely to hit hard countries that are resource intensive, oil exporters, and tourism dependent. Non-resource intensive countries are expected to be more resilient.

Specifically, the fall in commodity prices affected COMESA oil and mineral products exporters thereby leading to sharp declines in export earnings and balance of payment challenges, according to the study. Further, it identified the services sector as the most affected due to travel restrictions and lockdowns. These include business services, air transport, road transport and tourism. Comoros, Seychelles, Mauritius, Kenya, Ethiopia, Egypt, and Madagascar, which heavily rely on services’ sectors have been the most affected.

"Available data pointed to a double-digit reduction of 22% in the travel and tourism sector during the first quarter of 2020, with arrivals in March down by 57%," the report stated. "This translates into a loss of 67 million international arrivals and about USD80 billion in receipts. Current scenarios point to declines of 58% to 78% in international tourist arrivals for 2020."

A brief on the study was presented to the 41st meeting of the Council of Ministers in November 2020. In their decision, the ministers urged Member States to fast-track implementation of the protocol on free movement of persons and easing regional movement. Specifically, they cited the movement of professionals like medical personnel, engineers, technicians, essential goods and services across borders and the development of a regional strategy to encourage and promote domestic and regional tourism.

The study found that financial services were more resilient due to digitization including the use of the internet and mobile banking. It recommended greater liberalization of financial and telecommunication services to help reduce costs of services provision which are currently high.

On inflation, the study found that the regional rate increased from 31.6% to 60.4% in the first of 2020, with some countries registering double digit month on month inflation.

"Inflation was largely driven by drastic changes in consumption of housing, water, electricity, gas and other fuels (89%), health (78.3%) and communication (69.6%) due to supply shortages and confinement measures," the report stated.

Many economies experienced increase in nonperforming loans (NPLs) especially in energy sub-sectors and communications.
Intra-regional trade among the 21 Member countries of COMESA is estimated at 7%. This low performance is attributed to inadequate participation of all Member States in the COMESA Free Trade Area and the challenges they face in implementing regional commitments. The situation is further aggravated by poor physical connectivity leading to high transportation costs, prevalence of non-tariff barriers, lack of information exchange about existing trading opportunities and prevalence of restrictive regulatory requirements in various markets.

Speaking during the opening of the 36th Meeting of the Trade and Customs Committee virtual meeting on Tuesday, October 27, 2020, Assistant Secretary General in Charge of Programmes in COMESA, Dr Kipyego Cheluget said despite these challenges, there still exist opportunities to leverage on.

“We need full application of the rules-based regime provided for under the COMESA Non-Tariff Barriers regulations and collective implementation of the commitments under the World Trade Organization Trade Facilitation Agreement,” Dr Kipyego Cheluget.

He added that the region needs to leverage more participation of the private sector in the integration process as business is the beneficiary of opportunities that are created by regional economic integration.

Among the issues deliberated upon during the three days meeting of trade and customs experts, was a report on Trade in Services containing modalities of resuming trade negotiations using virtual platforms. Before COVID-19, trade negotiations between countries took place in physical meetings.

The meeting also considered the development of customs training manuals on advance rulings, risk management and post clearance auditing, customs automation, amendments to the administrative provisions of the COMESA rules of origin and priorities identified for the Customs and Trade Facilitation Work Programme 2021-2023.

To ensure that the COMESA trading arrangements and innovative trade and transportation instruments are used as benchmarks to African economic integration, Dr Cheluget spelt out the following priority issues: getting all COMESA Member States to participate in the COMESA FTA; identifying and eliminating NTB’s; implementing trade facilitation measures including the COMESA digital FTA; advancing services liberalization and building effective platforms for trade promotion and e-commerce.

“As we address issues related to the trading environment, work in other areas of cooperation such as increasing supply of goods for trade, establishment of regional value chains and addressing other supply side constraints should progress at an equally urgent pace,” he said.

He urged the Committee to establish a roadmap for effective implementation of the COMESA FTA that can be managed through a transparent monitoring and evaluation framework.

The recommendations of the trade and customs experts meeting were tabled before the Intergovernmental Committee and the Council of Ministers’ Meeting in November 2020.
The COMESA Motor Vehicle Insurance Scheme paid out over $1.1 million in compensation claims to road accident victims caused by visiting and foreign motorists to the region for the period July 2019 to June 2020.

According to a status report presented to the COMESA Council of Ministers meeting in November 2020, 967 claims were reported to the Scheme with 298 paid. A total of 613 claims were outstanding which is a significant decrease in claims compared to 874 claims reported during the previous period and 393 paid.

At the same time, over 208,000 Yellow Cards were issued and a Gross Premium Income of $12.3m recorded, showing a decrease of 1.12% and a growth of 10.16% respectively. This compares to over 210,000 Yellow Cards issued in 2019 and a premium income of $11.1 million.

The COMESA Yellow Card is a Third-Party Motor Vehicle Insurance Scheme launched in 1987 and is currently operational in 13 countries including Tanzania, a non-COMESA country. Over 200 insurance companies in the region are participating as subsidiary participants to the Scheme.

The main objective of the Scheme is to facilitate the movement of vehicles, goods and persons by providing, at least minimum guarantees of a compulsory third-party motor vehicle insurance as those required by the laws in force in the territories of the visited Member States.

Currently, the Yellow Card is being issued in South Africa and Mozambique to motorists traveling to the COMESA region under the B2B (Business to Business) arrangement with insurance companies in third countries. The expansion of the Yellow Card Scheme beyond the COMESA region is expected to continue.

The Council of Ministers appreciated that the Yellow Card Scheme is now being implemented by Mozambique and South Africa, which are non-COMESA Members. It urged the Kingdom of Eswatini to commence operations of the Yellow Card scheme.

Meanwhile, over 975 Regional Customs Transit Bonds (RCTG) amounting to $318 million were executed for the period July 2019 to June 2020. During the same period over 316,000 Carnets were issued for transfer of goods in the Northern and Central Corridors which is an increase compared to US$317.3m worth of Carnets issued the previous year.

About 1,037 Clearing and Forwarding Agents and 50 insurance companies participates in the operations of the RCTG Carnet recording claims of over $514,000 the highest ever for a single RCTG Bond claim. COVID-19 however, had a negative impact on the Yellow Card and RCTG with slight reductions recorded.

Study on the Socio-Economic...

in the following sectors: tourism, restaurant and hotels, transport and communication, trade, real estate, personal/household, building and construction and manufacturing sectors.

Steep declines in foreign direct investment (FDI) were noted with delays in approved development projects linked to external financing mechanisms, and an increasingly high risk of financial sector contagion due to the decreased ability of businesses and individuals to meet their financial obligations.

Expansionary policies undertaken in combating the COVID-19 pandemic worsened the fiscal deficits and external debt situations in most countries. Increased spending was notable in health and support to businesses and vulnerable populations.

Despite the challenges, the pandemic created opportunities for firms to innovate, develop new strategy and products, for example, through repurposing production lines to produce COVID-19 essential products.

Following the study, the Council on Ministers directed speedy digitalization of trade instruments which include electronic trade (e-trade), e-logistics and e-legislation under the COMESA Digital Free Trade Area initiative. The Council urged Member States to enhance investments in internet infrastructure and penetration to promote online supply of services and reduce costs of communication – mobile, internet and financial services to increase/expand the benefits of digital technology.
Discussions between the Africa Center for Diseases Control and Prevention (CDC) and COMESA are on course to establish useful collaborations on healthy trade during and post Covid-19. The envisaged partnership will include provision of technical support on public health to trade facilitation initiatives. The objective is to protect lives and livelihoods.

The initiative is in line with Africa CDC’s Mission to support Member States’ public health initiatives and strengthen the capacity of institutions to detect, prevent, control and respond quickly and effectively to threats of disease, man-made conflicts and natural disasters. Africa CDC Deputy Director, Dr Ahmed Ogwel Ouma, who was on a visit to COMESA Secretariat, on 7 December 2020, said regional organizations in Africa have institutions capable of responding to the current and emerging challenges such as those associated with Covid-19 pandemic. What was lacking, he said, was harnessing their synergy based on their comparative strengths.

“Our capacities are not talking to each other. We need to harness them for effective response,” Dr Ouma noted. As a result, he said, CDC had developed guiding principles on how to open up borders safely for people to move freely and conduct trade across various regions of the continent. CDC has also initiated a campaign to open up Africa for trade with three objectives: minimizing the number of infections, opening up economies to continue to grow and ensuring that learning institutions in the continent are opened.

The collaboration with COMESA will be on trade related issues to ensure harmonized messaging across the region and capacity building on health.

The meeting agreed on the need to work in partnerships that cut across Member States noting that joint initiatives are easily facilitated with resources than solitary approaches.

Among the interventions proposed is COMESA’s support to Member States in manufacturing good quality products for health responses. These are focused on internal trading to avoid overreliance on foreign supply chains.

CDC expressed interest to participate in COMESA policy organs meetings to advise on public health matters in policy making. CDC will also identify a focal point to coordinate activities with COMESA, given that the latter does not have health experts.

Assistant Secretary General Dr Kipyego Cheluget, who led the COMESA team said the regional bloc will invite the participation of the CDC in the next policy organs meetings. He added that a joint meeting of technical staff will be organized to work out the modalities of collaboration.

Africa CDC is a public health agency of the African Union established to support the public health initiatives of Member States and strengthen the capacity of their health institutions to deal with disease threats.
The COMESA Ministers of Justice and Attorneys General adopted the COMESA Board of External Auditors (COBEA) instruments on 18th November 2020. These will now govern its operations as external auditors for COMESA. The COBEA legal instruments include: the Rules of Procedure, the Standard Operating Procedures, the Quality Assurance Manual and the Financial Auditing manual.

COBEA is made up of Auditors General from COMESA Member States and the new instruments enable them to serve as external auditors for the COMESA Secretariat and its agencies.

The Ministers and AGs adopted the instruments during their 23rd meeting conducted virtually.

The legal instruments seek to enhance among others, internal controls for the management of resources of the Common Market to ensure value for money for the funds that COMESA Member States contribute to the organization.

During the meeting, they also considered four draft subsidiary legal instruments to the COBEA Charter. These provide step by step guidelines for the conduct of audits to ensure transparency and compliance with international standards and also assure quality control.

The Ministers also approved an amendment to Article 28 of the COMESA Treaty to expand the jurisdiction of the COMESA Court of Justice to include handling of Investor/State disputes.

This decision was informed by the cost involved in engaging in arbitration outside the African continent. This is in addition to exclusion of African Arbitrators in Arbitration Panels in some commercial centers of the world such as New York and London.

Further, countries should prioritize more initiatives to end hunger and reduce poverty through agriculture and allocate more resources to accelerate progress towards building climate resilience of the region's agri-food systems.

Sitting in their 41st Meeting on 26 November 2020, the Council noted that the Secretariat has continued working with a multiplicity of regional, continental and global institutions to guide public and private investments in agriculture, natural resources, trade and food security in the COMESA region. The aim is to contribute to the realization of the goals and aspirations of the CAADP Malabo Commitments on achieving accelerated agricultural growth and transformation for shared prosperity and improved livelihood.

The Council also noted that while most of the Member States made progress between the first CAADP (2017) and the second (2019) biennial cycles, majority of them are not on track towards achieving the commitments by 2025.

During the same meeting, the Secretariat was directed to strengthen engagement with development and strategic partners including the private sector to leverage financial and technical resources to fast-track the implementation of CAADP Malabo commitments.
Kenya Gets Sugar Safeguard for Two More Years

The COMESA Council of Ministers granted Kenya a two-year extension of the sugar safeguard beginning March 2021 to February 2023. Meeting virtually on 26 November 2020, the Council urged Kenya to share the modalities used in calculating the projected sugar deficit with other Member States by 30 November 2020.

Kenya had made a presentation of the sugar safeguard implementation progress through the COMESA technical committees and requested for a two years extension after the current one lapses in February 2021.

In its decision, the Council urged Kenya to give priority to COMESA originating sugar, noting that the region produces enough to meet the deficit. The country will be allowed flexibility on the sugar safeguard allocated quota implementation during importation from COMESA Member States.

Kenya informed the meeting that all its factories are currently on production hence it expects an increase in available sugar for domestic consumption.

Other conditions given to Kenya were: to provide a detailed roadmap on how to enhance the sugar sector competitiveness during the extended safeguard period; ensure the import permit issuance process is transparent, fast and efficient; and provide the projected deficit in January of each year based on production and consumption data from ISO.

Council also urged Kenya to disaggregate the World Customs Organization Harmonized System (HS Codes) for refined white sugar and mill white/brown sugar. The safeguard should only be applicable to mill white/brown sugar.

The Council also directed that any unavoidable full or partial suspension of COMESA quotas or of the East African Community import tariff for sugar, or interruption of preferential access established under this agreement, be preceded by prior consultation with affected parties. This should be done through the Kenya Safeguard Sub-Committee and include a reasonable notice period of at least three months.

Kenya thanked the Member States for the extension and reassured that it will honour all the allocated quota allocations. Principal Secretary, Ministry of Industry, Trade and Cooperatives, Ambassador Johnson Weru led the Kenyan delegation.

Countries Urged to Adopt Climate Change Resilience Framework

Member States of COMESA have been urged to adopt the Regional Climate Change Resilience Framework and use it as a guide to develop their own national resilience frameworks. In addition, they need to endorse the regional body, COMESA, as their delivery partner to have a harmonised regional approach.

This was one of the decisions of the Council of Ministers meeting conducted in November 2020. According to the Ministers, Member States should also allocate more resources to Climate Smart Agriculture (CSA) development and for management of soils and land degradation.

The Ministers directed the Secretariat to develop an implementation plan for CSA and mobilise resources for the Resilience Framework and to support up-scaling of CSA best practices in more Member States.

The effects of climate change in the region are observed in terms of erratic weather, droughts, floods, cyclones, rising sea levels with their greatest impact is on water, food and energy security; damaged infrastructure, forced migration among others.

Hence, the Council noted that the scarce resources tend to be diverted to deal with its consequences/disasters and less on the adverse effects of climate change particularly on women, children and the poor who are more vulnerable.

Most Member States have weak technical and institutional capacities that continue to hamper the effective climate actions at the national and regional levels.
Export Similarities Contributes to Low Intra-COMESA Trade

Research depicts a region that produces more or less similar products

Export similarities in COMESA Member States is a major contributor to the low intra-COMESA trade as well as with the rest of Africa. According to findings presented at the 7th COMESA Annual Research Forum, the current export structure depicts a region that produces more or less similar products in terms of their export sophistication.

The top five exports to Africa include tobacco and tobacco substitutes, ores, slag and ash, essential oils and resinoids, sugars and sugar confectionary. Mineral fuels and related products are among COMESA’s top exports to the rest of the world (TradeMap, 2020).

In a research paper titled “Estimating COMESA’s Trade Potential in Africa: Optimizing Export Opportunities in the AfCFTA”, the Researcher Mr. Manaseh Oiro, observed that similar products are being exported to the rest of the world in larger quantities because they are used as inputs for industrialized countries. To address this, Mr. Oiro recommended that COMESA Member States should embark on implementation of the region’s industrialization strategy, which is aimed at improving trade complementarity among the countries.

“This can be achieved through structural transformation, particularly enhancing value addition such that Member States trade in value added products and move away from exporting raw materials and minerals to developed countries,” Mr. Oiro stated when he presented his paper at the Forum conducted on 19 - 21 October 2020.

The study set out to establish the drivers of COMESA’s trade with the rest of Africa, to provide solutions to boosting the region’s share of exports within the continent. The five top exporting countries in COMESA were selected for the study and a further five non-COMESA countries used to estimate the trade potential within the African continent.

The study found that intra-COMESA exports were 112 per cent below its average exports to the rest of African countries. Based on the analysis, COMESA’s exports to other African countries were worth USD 146.9 million while average exports were worth USD 69.3 million. The region’s efficiency in exports was found to be low at 47.1 per cent.

Trade between the following bilateral partners was used to estimate trade potential in this study: Kenya and Nigeria; Ethiopia and South Africa; Egypt and Morocco; Zambia and Namibia; and Democratic Republic of Congo and Senegal.

It was established that the exporting country’s population, market size of the trading partners as proxied by GDP, tariffs and export diversity were important in explaining COMESA countries’ exports to the rest of Africa.

The Researcher recommended the establishment of a strong monitoring an evaluation framework at the COMESA Secretariat for implementation of the regional industrialization strategy.

“A holistic approach needs to be taken to address this, right from the curriculum in institutions of learning to on-job training and the overall economic development policy,” he said.

He added that there is need for harmonization of policies across Member States, especially the macro-economic and legal and regulatory environment to ensure that economic growth catalyzes trade within the region. Tariff liberalization also needs to be accompanied by elimination of restrictive or discriminative non-tariff measures to have an impact.

“This can be achieved through structural transformation, particularly enhancing value addition such that Member States trade in value added products and move away from exporting raw materials and minerals to developed countries,” Mr. Oiro
Regional seed trade in COMESA countries stands at USD 2 billion but this is set to rise to USD 5 billion by 2025 with the implementation of new initiatives. One of them is the rolling out of the COMESA seed labels and certificates.

The development of the labels and certificates is part of the implementation of the COMESA Seed Harmonisation Implementation Plan (COMSHIP) aimed at facilitating regional seed trade.

COMESA Agriculture Ministers endorsed the COMESA Seed Trade Harmonisation Regulations in 2015 leading to the launch of the COMSHIP programme to expedite implementation both at national and regional level.

In the last quarter of 2020, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) a COMESA Specialized Agency conducted a training for chief executives and technical managers of nine private seed companies on ordering, activation and purchasing of the COMESA seed labels. This was intended to trigger the use of the labels and regional certificates and encourage participation in trading on the COMESA Harmonized Seed Trading Platform.

Addressing the participants, Secretary General Chileshe Kapwepwe said the potential of the total seed market in the region remains high at two million metric tonnes of quality improved seed. The region is currently producing and accessing less than 500,000 metric tonnes of the seeds.

“This scenario has contributed to the high levels of food insecurity and hunger as production is affected by farmers who do not use high quality and improved seeds in their fields,” Ms Kapwepwe said in a speech presented by the Director of Agriculture and Industry Mrs. Providence Mavubi.

Limited use of quality seeds in the region is attributed to fragmented and small regional and national seed markets with each country operating its own seed policies and regulations different from other Member States.

Seed companies enter each of the national seed markets separately and individually, a situation which leads to high costs of operations, prolonged delays before good quality seed can find its way to the small-scale farmers. In view of this, the COMESA Seed Trade Harmonisation Regulations were developed to enhance seed production, seed trade, reliability, and increasing competitiveness of the seed industry in the region.

The regulations are implemented through COMSHIP. So far, eight COMESA countries have completely aligned their national seed laws to the COMESA seed system. This means that 13 seed companies with varieties on the COMESA Variety Catalogue can now trade using the regulations in Burundi, Egypt, Malawi, Rwanda, Kenya, Uganda, Zambia and Zimbabwe.

In line with COMSHIP, the COMESA seed labels and certificates will be utilized by seed companies for large seed consignments crossing the border and in-country seed trade in smaller packages.

In most COMESA countries, pre-inspection of seed consignment shall not be necessary as long as the variety is registered on the COMESA Variety Catalogue. Once registered, the variety does not have to be tested again and can be imported, marketed and, if necessary, produced in any country in the COMESA region.

The following seed companies participated in the training: Advanta Seeds, Pannar seeds, Corteva Seeds, Solynta Seeds, mPedigree, Syngenta, Seedco, Kenya Seeds, SeedAssure, Seed Science Technology and Systems Malawi, and African Seed Trade.
Continental and Regional Trade Regimes Need Proper Management to Succeed

There is need for proper management of the interface between the continental and the regional free trade regimes to generate a range of win-win outcomes for various stakeholders in Africa’s integration agenda.

According to Dr. Stephen Karingi, the Director, Capacity Building Development at the United Nations Economic Commission for Africa (UNECA), the successful implementation of the African Continental Free Trade Area (AfCFTA) will depend on how smoothly or otherwise, it is interfaced with pre-existing regional economic communities’ FTAs and related instruments.

He was speaking at the opening of the 7th COMESA Annual Research Forum anchored under the theme: "Harnessing Intra-COMESA Trade through the Interface with African Continental Free Trade Area (AfCFTA)". The forum took place on 19 - 21 October 2020.

He noted: "One of the main objectives of the AfCFTA is to accelerate regional and continental integration through the consolidation of the multiple and overlapping trading regimes, embodied in pre-existing RECs FTAs, such as the COMESA."

"However, as law scholars have already argued, some wordings in the AfCFTA Agreement suggest that this relationship is likely to be more complex. And although this is not what was originally imagined, it now needs to be properly analysed and understood."

He cited Articles 5 and 19 of the AfCFTA which are intended to help navigate the complexity of the relationship with pre-existing intra-African trade instruments. Article 5 for example, does not only recognize ‘RECs’ Free Trade Areas as building blocs for the AfCFTA, it also points to the need to leverage their best practices.

Further, Dr Karingi noted that some RECs, individually or collectively, have made great strides in some dimensions of integration, way ahead of what is currently envisioned in the AfCFTA with four African Union-recognized RECs having Free Trade regimes that have achieved higher levels of integration than the AfCFTA at the time of its entry into force.

He therefore observed that the AfCFTA, could lean on the progress that RECs such as COMESA have made in important areas of integration including the COMESA Investment Area, COMESA Competition Policy, COMESA’s progress on the issue of Intellectual Property Rights, and the COMESA Digital FTA.

He added: “The AfCFTA can also benefit from COMESA’s experience in building trade supporting institutions, such as in the areas of trade finance, trade insurance, regional payment systems, and in the context of simplified trade regimes.”

By safeguarding the achievements of RECs, he observed, the AfCFTA has in the short run, allowed for some level of flexibility on the co-existence of a web of connected, yet distinct, trade regimes, which would be consolidated at some later stage. He said this requires careful and thoughtful management – backed by evidence-based research which the COMESA Forum provides.

In her statement, the Secretary General (SG) of COMESA Chileshe Kapwepwe noted that since 1950s, there has been a proliferation of regional integration agreements (RIAs), making them the centerpiece of many questions of global governance.

"For instance, do RIAs deliver the intended benefits for members? Why do governments sign these agreements, and do they work towards attainment of anticipated long-term consequences of doing so? Within the context of the Africa Continental Free Trade Area, what for instance are the optimal options for allocation of duties between regional economic communities, ACFTA, etc?"
The 7th COMESA Annual Research Forum took place from 19 – 21 October 2020 with focus on how intra-COMESA Trade could be harnessed through interface with the African Continental Free Trade Area (AfCFTA).

The virtual event was funded by COMESA, the Organization of African, Caribbean and Pacific States (OACPS) and the European Union (EU). It brought together the academia, think tanks, government officers and the private sector from across the region and Africa, to discuss emerging topical issues in regional integration. Its theme was: “Harnessing Intra-COMESA Trade through the Interface with African Continental Free Trade Area (AfCFTA)”.

The theme was motivated by renewed impetus towards consolidation of a single continental market and the role of COMESA in the realization of this goal, according to COMESA Director of Trade, Dr Christopher Onyango.

COMESA is the largest economic bloc with a membership of 21 member States, a combined GDP of US$ 769 billion, a combined population of over 583 million and therefore a critical pillar in the realization of the African Economic Community.

The African regional integration roadmap considers the Regional Economic Communities (RECs) as the building blocks of the African Economic Community as stipulated in the Abuja Treaty of 1991 and the AU’s Agenda 2063. COMESA is among the eight RECs in Africa recognized by the AU.

Since the launch of the COMESA Free Trade Area in 2000, intra-COMESA export of goods had risen from $1.5 Billion to about $10.8 Billion (2019), excluding small scale (informal) trade estimated by UNCTAD and Economic Commission for Africa at about 40% of total trade.

“These figures are still not impressive in absolute terms, but the growth is remarkable. What is even more remarkable is the potential as well as the possibility of introducing wholly new products and industries through innovation given the extensive market created by the AfCFTA,” Dr Onyango said ahead of the commencement of the forum.

Key topics in the 7th forum included: COMESA industrialization programmes and the AfCFTA; AfCFTA opportunities and challenges to boosting Intra-COMESA Trade; COMESA Role in Implementation of the AfCFTA; COMESA trade in services liberalization and the AfCFTA; and AfCFTA and COMESA trade regimes.

Launched in 2014, the COMESA research forums provide a platform for exchange of expert ideas and evidenced-based recommendations on policy interventions, which have influenced key decisions making in COMESA’s integration agenda.

The forums are made possible through call for papers under a contemporary themes which is informed by the COMESA Council of Ministers Decisions, the Tripartite Free Trade Area or the continental free trade area negotiations and aspirations as well the global economic and trade dynamics.

The research papers are presented for peer review at the forum by prominent scholars and the selected best papers are published in the COMESA flagship publication “Key Issues in Regional Integration”. To date, seven editions have been published.
There has been a notable increase in the number of Non-Tariff Barriers (NTBs) during the COVID-19 pandemic period as countries increasingly take discretionary measures to contain the spread of the virus.

COMESA Director of trade Dr Chris Onyango told delegates attending the fifth Meeting of the COMESA Trade and Trade Facilitation Sub-Committee conducted on 6 - 8 October 2020, that measures put in place by Member States to deal with COVID-19 had disrupted global value chains. He said they had radically reduced dependency on imports and rallied States towards the path of protectionism.

"Despite the significant milestones in dealing with NTB issues including rules, regulations, working procedures and online NTB monitoring systems, they have remained a major hindrance to growth and expansion of intra-COMESA trade," he said.

He urged countries to continue reviewing and improving existing regulations and mechanisms taking into account changing eco-systems, understanding key causes, analyzing regulatory regimes, production techniques and technological advancements.

Though largely legitimate, the behind-the-border measures have increasingly become more prohibitive to free flow of goods across borders. Hence the Director called for effective regulations given that open borders are vital in ensuring safe and cost-efficient supply of medicines and medical supplies.

"Member States should simply avoid introducing NTBs to allow trade to thrive for in the end, no single party benefits from restraining trade," he stressed. "I can attest to you delegates that even in the imposing countries on aggregate, competitiveness in production and market prices are compromised, and consumer welfare undermined by constrained choices, tastes and preferences."

The meeting brought together experts from various sectors to discuss trade and trade-related matters which are termed as salient pillars of regional economic integration. Delegates from Burundi, Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Somalia, Rwanda, Zambia and Zimbabwe attended.

The mandate of the Committee covers trade promotion, Rules of Origin, NTBs, trade remedies, trade negotiations, and other contemporary trade policy issues which are cardinal to the smooth flow of regional trade.

The three-day meeting covered key issues in regional integration including updates on economic and trade performances, developments in internal markets, including NTBs, implementation of trade facilitation projects under the European Development Fund (EDF-II) programme and updates on negotiations under the Tripartite and the ACFTA.

"Despite the significant milestones in dealing with NTB issues including rules, regulations, working procedures and online NTB monitoring systems, they have remained a major hindrance to growth and expansion of intra-COMESA trade," Dr Chris Onyango
By the end of 2020, nine countries had launched the 50 Million African Women Speak Platform, which aims at facilitating a dynamic and engaging exchange of ideas among women entrepreneurs. These were Zambia, Zimbabwe, Seychelles, Madagascar, Eswatini, DR Congo, Egypt, Djibouti and Tunisia.

The platform which uses in-built social media functionality connect women with one another in 36 countries in the COMESA, East African Community (EAC), and the Economic Commission for Western African States (ECOWAS).

Funded by the African Development Bank, the platform is intended to link women entrepreneurs in ways that will foster peer-to-peer learning, mentoring and the sharing of information and knowledge within communities, and access to financial services and market opportunities between urban and rural areas, and across borders and between countries.

Six out of the nine countries launched the platform within the last quarter of the year in an accelerated move to rollout the project before it folds in 2021. The national launches were conducted under a hybrid arrangement where a limited number of local participants gathered physically at the launch venue and were joined virtually by several invited guests.

In Madagascar, it was conducted on 9 October in Antananarivo, presided over by the Minister for Population, Social Protection and Advancement of Women, Hon. Michelle Bavy Angelica. She described the platform as an avenue through which women will speak to each other.

"The platform takes on its full meaning thanks to the interaction of millions of African women beyond geographical borders and language barriers, which allows them to exchange and learn, to build relationships, to flourish and to be inspired by the opportunities offered," she remarked.

Eswatini followed on 15 October with the Deputy Prime Minister Hon. Themba Masuku presiding. He said 50 Million African Women Speak platform could not have come at a better time given the social and economic disruptions by COVID-19.

"I urge all women to embrace the platform so that their businesses survive after the pandemic," he said.

In the DR Congo, the platform was launched on 22 October by the country’s Deputy Prime Minister Hon. Elysee Munsembwe who is also Minister of Planning. He described the platform as an initiative which would contribute significantly to the economic empowerment of women in the country.

In Egypt, the launch was conducted on 18 November 2020 presided over by the Deputy Executive Director of the Micro, Small and Medium Enterprise Development Agency, Eng. Tarek Shash. Dr Shash who represented Hon. Nevine Gamea, the country’s Minister of Trade and Industry gave a ringing endorsement of the platform, describing it as "key" because the Egypt’s national strategy for SMEs is focused on digitalisation.

"This is only the beginning. We need to do more after the launch. The success
of the platform cannot be achieved singlehandedly,” he added.

Djibouti launched the platform on 9 December graced by the Minister of Trade, Hon. Hassan Houmed Ibrahim and the Minister of Women and Family Hon. Mrs Moumina Houmed Hassan. They observed that the platform will address the need of many women in Djibouti who have long aspired to venture into business but have consistently been held back by the lack of access to the right information to get started.

“We are indeed pleased that Djibouti has joined other progressive Member States to launch this very important tool which will assist our women shake off poverty, trade more among each other locally and beyond our borders and become economically empowered,” Minister Ibrahim said.

Tunisia wrapped-up the series of launches for 2020 on 14 December 2020 in an event attended by the Minister of Women, Family and Seniors Hon. Mrs Imen Zahouani Houime and the Minister of Trade Hon. Mohamed Bouaied.

They commended the Secretariat for developing the platform describing it as “ideal in these times of COVID-19 because connections and transactions can continue smoothly online instead of physical interactions as has been in the past.”

“"I urge all women to embrace the platform so that their businesses survive after the pandemic,” Hon. Senator Themba Masuku

Deputy Prime Minister Hon. Senator Themba Masuku

Eng. Tarek Shash speaks during the launch event in Cairo
Border Efficiency Tops Agenda for DR Congo and Zambia

Over the years, Kasumbalesa border point between D R Congo and Zambia has experienced efficiency challenges related to movement of cargo and now the two governments are actively engaged to finding a lasting solution under a Joint Permanent Commission (JPC) framework.

Towards this end, COMESA Secretariat is supporting border improvement initiative and in October 2020, hosted a Congolese delegation led by the Vice-President of the Congo Business Federation (FEC) Mr. Dieudonne Kasembo, and officials from the Congo Revenue Authority. The officials were in Lusaka for a bilateral intergovernmental meeting with Zambia that focused on trade facilitation issues at the Kasumbalesa border.

On the sidelines of this meeting, the DR Congo team met with COMESA officials led by the Assistant Secretary General in Charge of Administration and Finance, Dr Dev Haman who assured them of COMESA support to further dialogue towards sustainable solutions and seamless trade between the two countries, and the rest of the region. Mr. Kasembo highlighted the negative impact that the challenges at the border presented to business sustainability, fair competition and the effective functioning of the two countries’ markets. He affirmed his country’s commitment to work with the Government of Zambia through COMESA to address the trade facilitation challenges at the border post.

The other challenges discussed related to the offloading of transit cargo at the border, transshipment of goods and other customs management issues, the status of implementation of the electronic cargo tracking systems at the national and regional level, and the upcoming support from COMESA, towards the One Stop Border Post operations at the Kasumbalesa border.

On the sidelines of intergovernmental meetings, the private sector came together to prepare their advocacy position report on the above business costs and recommended industry-based solutions. The COMESA Business Council (CBC) chaired the Private Dialogue between the business and logistics associations of DRC and Zambia. The dialogue identified specific border business costs and recommended improvement on border relations on trade facilitation between the two countries.

During the meeting, CBC Chief Executive officer, Ms. Sandra Uwera expressed the need for involvement of the private sector in the implementation of electronic cargo tracking systems and other digital trade facilitation tools at the national level, as they are the end users and beneficiaries of such systems.

Among the key industry recommendations submitted to the bilateral meetings was strengthening border patrol and enforcement to ensure adherence to legal frameworks regarding the transshipment of goods and to curb customs fraud and the illegal breaking of transit goods at the border.

The meeting also recommended that there be amplified Customs interface to enable sharing of information and uniform processing across the region as well as strengthening the One Stop Border Post at Kasumbalesa.

Ms Sandra Uwera
AU Programme on Silencing the Guns Extended for 10 Years

The implementation of the African Union (AU) programme on 'Silencing the Guns in Africa' has been extended for ten years from 2021 to 2030, with periodic reviews every two years. The extension of the flagship project provides further opportunity for COMESA to consolidate and strengthen its contribution in the areas of peace and security.

This was decided during the 14th Extraordinary Session on Silencing the Guns in Africa Summit held virtually on 10 December 2020. The Summit agreed to extend the AU Master Roadmap of Practical Steps to Silence the Guns in Africa. Member States requested that the Commission Chairperson puts in place an institutional mechanism to coordinate the effective planning, monitoring and evaluation of the implementation of the Master Roadmap.

COMESA team led by Secretary-General Chileshe Kapwepwe and staff from the Governance, Peace and Security (GPS) Unit participated in the session. It was also attended by 41 Heads of State and Governments from the continent. The one-day Summit provided an opportunity for the Heads of State and delegations to take stock of the achievements and challenges in the silencing the Guns programme.

Key Policies for Livestock and Fisheries Developed

COMESA Secretariat has developed three key policies to help the growth of the livestock and fisheries sector once Member States adopt them. These are COMESA Livestock Policy Framework, Manual for the Harmonized Grading and Classification of Cattle, Goats and Sheep for Meat and the Ecosystem-Based Fisheries Management.

The policies were developed with the full involvement of the Member States, international institutions, other regional organisations and cooperating partners. Subsequently, in November 2020, the Council of Ministers urged Member States to adopt the policies and allocate more resources to livestock and fisheries development and utilization of veterinary laboratories for diagnosis of COVID 19.

The Council further directed the Secretariat to support Member States and mobilise resources for implementation of the livestock policy framework. This is in addition to financing implementation of the Reinforcing Veterinary Services in COMESA and enhancing participation of small-scale fisheries in the blue economy development in the regional bloc.

In its meeting on 26 November 2020, the Council appreciated the successful collaboration between COMESA and Member States veterinary and animal production authorities, regional economic communities, African Union and global organizations and the key achievements. These include the development and validation of Regional Livestock and Fisheries and Aquaculture Policy Frameworks.

The Secretariat has been supporting Member States to formulate their livestock development policy, strategy and regulations, rolling out of the Animal Resource Information System (ARIS) and developing of harmonized grading and classification of cattle, sheep and goats for meat; and mapping of enterprises in exporting and importing countries.
The COVID-19 pandemic constituted a key discussion point in the 2020 COMESA policy organs meetings, owing to its predominant negative impacts on regional integration and more so on the movement of goods and services.

As he opened the 41st Meeting of the Intergovernmental Committee, Monday 23rd November, Zambia’s Minister of Commerce, Trade and Industry Hon. Christopher Yaluma said the region had witnessed a dramatic decline and destabilization in domestic, regional and international trade, requiring the employment of comprehensive economic recovery strategies.

“COVID-19 has hit hard countries that are sources of major imports and export destinations for the COMESA region,” Hon. Yaluma noted. “This has negatively impacted not only on availability of supplies, but also on prices that have risen sharply in some instances.”

He cited a recent study conducted among businesses and tourism enterprises in Zambia, which indicated that 71% partially closed while 14% were totally closed.

The meeting also discussed how Member States could move forward amidst the pandemic and plan for the future, by making informed decisions that respond to challenges in solidarity and harmony.

On trade facilitation, the meeting noted the significant progress made especially on automation of customs operations and digitalization of processes and procedures, simplification of cross-border trade to support women and small-scale traders and monitoring and addressing non-tariff barriers to trade.

On infrastructure, the meeting noted that COMESA was collaborating at the tripartite level – with East African Community and the Southern Africa Development Community - to facilitate trade and transport of goods and services. This is by adopting the harmonised tripartite guidelines on trade and transport facilitation guidelines for safe, efficient and cost-effective movement goods and services.

The two days virtual meeting brought together Permanent/Principal Secretaries from the Ministries that coordinate COMESA programmes at the national level.
The Council of Ministers endorsed the COMESA COVID-19 Food and Nutrition Security Response Plan developed to help the region deal with the impacts of COVID-19 on regional food security.

The plan was designed to address immediate, short-term and medium-term food security and livelihoods needs while integrating the response effort to the long-term regional agriculture development and integration agenda. In its 41st meeting held in November, the Council noted that the COVID-19 pandemic had occasioned unprecedented disruption on the entire food supply chains: from production to processing, packaging, transportation, marketing and consumption resulting in rising staple food prices, food insecurity, loss of livelihoods and income, and increased need for social safety nets.

It directed the COMESA Secretariat to constitute a task force to monitor and evaluate the Response Plan and mobilize resources to support its implementation. Further, the Council called upon development partners, private sector and Civil Society Organizations to support the implementation of the Plan and mainstream biodiversity in all the initiatives.

To enable its successful rollout, the Council urged Member States to commit resources to implement it and develop mechanisms to address the challenges of water scarcity for production in the region.

The draft response plan was first adopted by Ministers responsible for agriculture, environment and natural resources in August 2020 before presentation to the Council.

COMESA Scales-Down 2021 Budget to Leverage on ICT

The COMESA Secretariat budget for 2021 was scaled-down to leverage on information technology in carrying out its activities. The decision was informed by the budget performance of the 2020, which recorded significant savings under meetings, workshops, and conferences. These constitute a significant percentage of the expenditure.

The adoption of virtual meetings was occasioned by the COVID-19 pandemic. The Secretariat intends to continue harnessing the power of information technology through virtual meetings.

In the 2021 budget, which was presented to the Council of Ministers in November 2020, the Secretariat proposed a reduction of at least one million dollars from the 2020 budget. The benefit would be passed on to Member States’ governments in their annual subscriptions to the organization.

Speaking when she addressed delegates attending the 41st Meeting of the COMESA Administrative and Budget Committee, Secretary General Chileshe Kapwepwe said:

“In adjusting the 2021 budget downwards, the Secretariat, its institutions and the COMESA Court of Justice took cognizance of the economic challenges that our Member States are facing.”

She thanked Member States which remitted their annual contributions and arrears to the Secretariat during the year despite the numerous economic challenges they faced.

The Committee on Administrative and Budgetary Matters assists the Inter-Governmental Committee and the Council of Ministers to exercise its oversight role on audit, administrative, budgetary, financial and human resource matters.

During the three days meeting, 16 – 18 November 2020, the Committee received, among others, the progress report on the proposed organizational restructuring. Significant work in this area, which include designing a lean organization structure, review of job descriptions and conducting a skills audit had been undertaken.

The Secretariat is also strengthening its systems, structures and processes through numerous initiatives among them, Business Process Re-engineering (BPR). The BPR is aimed at simplifying and integrating organizational processes in preparation for automation in order to enhance transparency, accountability and efficiency.
There is need for more development of electronic education (e-Education) and e-Health infrastructure especially in rural areas to ensure marginalized people are not cut off from development enjoyed in cities and urban areas at this time of COVID-19.

According to the Vice President of Zambia Mrs. Inonge Wina, improvements in telecommunications have come to the rescue in the COVID-19 era through widespread use of electronic commerce and business transactions that have increased tremendously thereby sustaining businesses and economies. She was speaking during the opening of the 41st COMESA Council of Ministers meeting on 26 November 2020.

The VP emphasized that the quest for solutions to the challenges caused by COVID-19 should remain a priority in all Member States, given its catastrophic impacts on regional economies.

She said: “The main priority in this era of COVID-19 is to synchronise efforts by ensuring that trade corridors allow for quick movement of essential medicines, staple foods and other commodities in the COMESA region while reducing tariffs and other non-tariff barriers so that tradeable goods become more affordable and benefit citizens.”

She added: “While the recent progress in the search for COVID-19 vaccines and cure is commendable, the endpoint was not yet clear, especially in view of the impact due to the high cost of vaccines in developing countries.”

The VP called upon all Member States to honour their obligations to accelerate regional integration in tandem with the commencement of the African Continental Free Trade which comes into force in 2021.

In her statement, Secretary General Ms Chileshe Kapwepwe urged Member States to come up with smart initiatives to upgrade existing regional integration programmes to address the negative effects of COVID-19 on trade facilitation, which contribute to the economic wellbeing of the region’s citizens.

“These programmes not only help unlock cross-border business transactions but stand right at the centre of offering long-term solutions to the challenges brought about by the COVID-19 pandemic,” she noted.

She added that it is such programmes that have provided opportunity to implement automation of customs operations and effectively upscale the use of technology and update of the envisaged in the COMESA Digital Free Trade Area.

She concluded that effective implementation of these programmes will require seamless coordination between the Secretariat and Member States as well as effective coordination amongst implementing agencies.

The two-day virtual meeting was chaired by the Minister of Trade and Industry of Madagascar, Hon Lantosoa Rakotomalala. Ministers and their representatives from the 21 Member States attended.

eCommerce has Sustained Economies During COVID-19, Zambia VP

Zambian Civil Societies...

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collaborated with these organisations to develop and implement some of the current programmes in GPS. Among them is the programme on building the capacity of Member States to address war economies which the accredited CSOs participated in developing.

Accredited organisations also helped during the conceptualisation of the COMESA Early Warning System. The Secretariat has also benefited from their support in activities such as training of COMESA election observers and small-scale cross border traders.

“You will be pleased to know that out of all accredited organisations, Zambia has provided us the greatest support and in addition they have involved us in their programmes and activities,” Ms Mutunga said.

So far, similar national consultations have been held in 16 countries, including Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Eswatini, Kenya, Madagascar, Malawi, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

Head of Programmes for the ECOSOCC, Mr. Nana Kyeretwire addressed the delegates.
COMESA Sub-delegates to Zambia, the Upgrading of Selected Border Posts

COMESA and the government of Zambia signed an agreement, in November 2020, that sub-delegated the implementation of coordinated border management activities and trade and transport facilitation programme in three border posts in the country.

The sub-delegated activities are worth Euro 6,688,560 and will support upgrading of priority cross-border infrastructure and equipment at Mwami, Chirundu and Nakonde borders between Zambia on one hand and Malawi, Zimbabwe and Tanzania on the other. This is part of a broader 48 million euros Trade Facilitation Programme (TFP), financed under the 11th European Development Fund (11 EDF) through a Grant Agreement signed between the European Union and COMESA in November 2018.

The TFP has five key result areas on deepening regional integration, improving inclusive regional economic growth and enhancing the competitiveness of the COMESA region.

Permanent Secretary, Ministry of Commerce, Trade and Industry, Zambia, Mr. Mushuma Mulenga and COMESA Secretary General, Chileshe Kapwepwe separately signed the sub-delegation agreement in Lusaka.

Appreciating the EU and COMESA for the support, the PS said the interventions at the three border posts will enhance efficiency and ultimately reduce the cost of doing business.

"The desire of the Zambian Government is to build on current trade facilitation efforts through programmes such as the COMESA EDF 11 Trade Facilitation Project" he said. "The support is therefore, timely as Zambia grapples with the negative effects of the COVID-19 Pandemic."

The Secretary General explained that the modalities of implementation of the sub-delegated activities envisage the beneficiary Member State taking ownership and lead in the implementation of the activities.

The delegated works which includes contracts, supplies and services are expected to be processed by the Member State with COMESA providing the necessary technical guidance. This will ensure that implementation takes place in line with the EDF procurement procedures.

"The benefits for sub-delegation are that the Zambia Ministry of Commerce, Trade and Industry and its agencies will improve its own systems. It is also an opportunity to upgrade the border infrastructures on the basis that the Ministry is best placed to understand the challenges and provide the best decision of mitigating these challenges," she said adding that COMESA will facilitate financial, logistical and administrative processes.

The funds will also support capacity building for stakeholders on modern border operations and the implementation of information awareness campaign on customs cooperation and trade facilitation instruments among other deliverables. The signing of the sub-delegation provides an opportunity to use flexible measures in the application of EDF procurement procedures, considering the COVID19 challenges. This means that on a case by case basis, waivers will be considered to the Rules of Origin and Rule of Nationality as well as use of negotiated procedures for procurement instead of calling for tenders. This will enable fast-tracking some of the planned activities under the Sub-Delegation Agreement.

By the end of the implementation period of the project, it is expected that clearance time and costs for passengers and goods processed through the border posts will be reduced. Likewise, the number of reported Non-Tariff Barriers and cases of corruption and harassment will go down.

"We foresee increased collection of revenue through increased trade flows," the SG projected.

The signing of the sub-delegation followed an assessment of existing challenges conducted at all three targeted border posts in early 2020.
Former Judge President of COMESA Court Passes on

Hailed for Leaving an Enduring Legacy in the Regional Justice System

The immediate former Judge President of the COMESA Court of Justice Nzamba Kitonga passed away on Saturday, October 24, 2020. Justice Kitonga, served the COMESA Court from 2005 to 2015 when the tenure of the Bench he led came to an end as per the provisions of the COMESA Treaty.

During this time, the regional Court made landmark rulings and provided Advisory Opinions that served to entrench the rule of law in the COMESA regional integration agenda and instill business and investor confidence. Among them was the ruling that ordered a refund of customs duty imposed on products from a Member State of the COMESA Free Trade Area by another.

Notable legal advisory opinions made under his leadership included the definition of the extent of immunities and privileges accorded to the COMESA institutions involved in commercial transactions stating: “the immunities and privileges granted to COMESA Institutions did not extend to commercial transactions between individuals or entities and the Institutions.”

It was also during his tenure that the regional Court moved to its permanent home in Khartoum, Sudan.

COMESA Court Gets New Judge

Justice Salohy Norotiana Rakotondrajery Randrianarisoa was elected Judge of the Appellate Division of the COMESA Court of Justice during the 23rd meeting of COMESA Ministers of Justice and Attorney’s General on 18 November 2020.

Justice Randrianarisoa, a Senior Judge and Director General of Judicial Affairs, Research and Reforms at the Ministry of Justice of Madagascar replaced the late Justice Abdalla El Bashir from Sudan, who died in February 2020. The election was conducted under an online secret ballot which saw Justice Randrianarisoa lead other contenders from Djibouti and Sudan.

At the same meeting, the Ministers received nominations for Commissioners of the COMESA Competition Commission. These were: Mahmoud Momtaz from Egypt, Thembelihle Precious Dube (Eswatini), Beatrice Uwumukiza (Rwanda), Francis Lebon (Seychelles), Islam Tagelsir Ahmed Alhasan (Sudan), Brian M. Lingela (Zambia) and Ellen Ruparanganda (Zimbabwe).
A report from the Fifth meeting of the COMESA Trade and Trade Facilitation Sub-Committee published in October 2020, indicated that the region’s average growth slowed down in 2019 to 5.2% from 6.0% in 2018 and was projected to decrease to 0.6% in 2020.

The slowdown in growth was experienced in most member countries except Egypt, Ethiopia, Malawi, Rwanda and Seychelles, which registered improved economic growth in 2019 compared to 2018. The impressive growth of above 5% in both years in these countries, reflected among others, improving growth fundamentals, with a gradual shift from private consumption towards investment and exports. COMESA Region experienced a slowdown in growth in 2019 as compared to 2018. This was largely attributed to lower commodity prices.

The contraction was attributed to among others: the impact of containment measures on COVID-19 that included quarantine, lockdowns, travel restrictions and border closures, among others.

The reports further stated that monetary policy stance varied depending on the extent to which countries were exposed to domestic and external shock. Generally, Central Banks in the region pursued an accommodative monetary policy stance, for economies where inflation pressures were muted.

However, in 2020 the banks faced new challenges posed by COVID-19 pandemic including a shift of priority to crisis management objectives instead of strictly price stability.

In order to overcome these challenges, a number of Central Banks in the region instituted measures in response to COVID-19 pandemic, with most of them loosening monetary policy, allowing the exchange rate to depreciate and at times conducting foreign exchange interventions to smoothen exchange rate fluctuations.

The report further stated that although fiscal policy is key in addressing the challenges posed by COVID-19 pandemic, monetary and exchange rate policy could also play an important role in dampening the economic shock. The region’s average government debt as a share of GDP was 50.5% in 2019 as compared to 50.9% in 2018. However, this was projected to increase to 54% in 2020 due mainly to COVID-19 pandemic.

The meeting recommended to Member countries to use macroeconomic policies to speed up recovery including fiscal, monetary, and more flexible exchange rates that permit depreciation. Further, fiscal stimulus in the short run should target public health, crisis response and income support to the most vulnerable.

In the medium term, the meeting recommended for structural transformation and economic diversification of individual economies in the region as COVID-19 had demonstrated that with disrupted trade channels, local manufacturers were able to rise to the occasion. There was therefore needed to sustain emerging pharmaceutical and medical supply industries in a post Covid-19 era.
The COMESA Business Council (CBC) signed a Memorandum of Understanding (MoU) with the International Chamber of Commerce (ICC) to strengthen business partnerships for its members in regional and international markets. The event took place during the ICC/World Chambers Federation Action Network Meeting on 9 November 2020.

Over 70 business leaders representing business associations from Africa and the rest of the world including CBC Board Directors and ICC Members attended the event.

CBC Chairperson Mr. Marday Venkatasamy described the new partnership as timely for both organisations due to the impact of COVID-19 which has necessitated a change in trade dynamics and brought about the need for greater reliance on business and private sector led-growth.

“Through this MoU, CBC becomes the partner through which we can strengthen the participation of African businesses in multilateral negotiations related to trade, investment and sustainable development,” Mr. Venkatasamy said.

ICC Secretary General Mr. John Denton said the two organisations have several similarities in their objectives and it was pleasing that they were joining forces for the common endeavor to improve the lives and livelihoods of all those who live in Africa.

“The fact that we are now able to come together to work for the advancement of the interests of business in Africa is a fantastic opportunity. We will not let you down,” Mr. Denton said.

With the signing of the MoU, the parties will develop an implementation plan on facilitating business partnerships and increasing inter-regional trade, advocacy and strengthening African business participation in multilateral policy, business facilitation measures to advance sustainable development Goals. Furthermore, the MoU will address key emerging issues for business such as digital trade facilitation, SMEs sustainability and other strategies to facilitate movement of goods and services particularly within the COVID-19 pandemic period.

The ICC represents more than 45 million companies in over 100 countries.

Zimbabwe recorded the highest year on year inflation rate followed by Sudan whilst Djibouti recorded the least. COMESA countries that contribute to the HCPI-COMESA are Burundi, Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

The annual inflation rate for the month of September 2020 increased to 81.9% up from 23.4% recorded in the same month in 2019. This means that prices of goods and services in the participating Member States went up.

According to the Harmonized Consumer Price Index (HCPI) which measures inflation rate in the COMESA region, using a particular or common currency, an item that cost an average of 100.00 cents in September 2019 increased to 181.60 cents in September 2020.

The HCPI-COMESA comprises 12 divisions of expenditure in food and non-alcoholic beverages, alcoholic beverages and tobacco, clothing and footwear, housing, water, electricity, gas and other fuels, furnishing household equipment, communication, recreation and culture, education, restaurants and hotels, miscellaneous goods and services.

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Zambia is set to become the first country in COMESA and the third in Africa, after Ghana and Ivory Coast, to undergo Country Structural Vulnerability and Resilience Assessment (CSVRA). The decision to volunteer for CSVRA, an Africa Union-led initiative, was made during a Cabinet meeting on 26 October 2020.

The decision is aligned to the 15th Meeting of the COMESA Ministers of Foreign Affairs, that required the regional organization to collaborate with the AU in supporting the government of Zambia to identify structural vulnerabilities and mitigative factors to conflict. After the assessment, the country was expected to establish a National Early Warning System.

Through its Conflict Early Warning System (COMWARN), COMESA has in the past conducted national consultations with diverse stakeholders to disseminate the country’s structural vulnerability reports. In addition, it has trained Zambia government officials on the key tenets of the structural vulnerability methodology and the necessary response strategies.

In July this year, Permanent Secretaries from various ministries were taken through the COMESA and the AU Structural Vulnerabilities Assessment (SVA) processes. Thereafter, the government established a National Bureau to coordinate the dissemination of SVA outcomes and the response strategies and structures. This was in addition to providing feedback to COMESA on efforts to address vulnerabilities and the existing policy and legal frameworks in place to deal with them.

Zambia’s gesture to volunteer for the process underscores its commitment not only address root causes of conflict but also the implementation of the regional and continental SVAs and accompanying mitigation strategy.

Going forward, COMESA and AU will provide financial and technical support to ensure the country successfully completes the process, which will enable it to identify community-specific vulnerabilities and resilience factors. This will help Zambia to address structural vulnerabilities and strengthen the existing resilience factors. It will also be enabled to establish national infrastructure such as an early warning system to track both dynamic and structural factors to conflict.
Plans to construct at least six border export zones for Small Scale Cross Border Traders (SSCBTI) are at an advanced stage in selected sites between Zambia on one hand and Malawi, Zimbabwe, DR Congo and Tanzania on the other. The identified sites are Mwami/Mchinji, Kasumbalesa, Chirundu and Tunduma/Nakonde border posts respectively.

The project is being implemented by COMESA with funding from the European Union under the 2nd European Development Fund (EDF 11). To this effect the COMESA Secretariat has been conducting consultative meetings with stakeholders at the select borders to develop border concept designs for the markets and assessing their specific needs.

In October 2020, a team comprising of infrastructure experts from COMESA and the government of Zambia visited the project sites to consult with the respective counterparts in the local authorities. Key issues discussed included the local authorities’ regulations and construction by-laws. These would shape the development of the concept design and bestow ownership of the projects to the Member States and form the basis of feasibility studies.

The projects’ needs assessments was concluded in November 2019. It came up with border specific recommendations of the infrastructure to be developed and delivered for both sides of the Chirundu border, Mwami/Mchinji, Kasumbalesa, and Nakonde on the Zambian side.

The requirements for the site sketches /preliminary designs were established based on the stakeholders’ needs. This was in addition to identification of products being traded and the size of land acquired. Once completed, the infrastructure will support small scale cross border traders to conduct their business with ease.

The lack of market infrastructure near borders has been a major stumbling block for business interactions between traders and customers. Coupled with poor quality, or absence of storage facilities, this often results in losses especially for perishable stock affecting mainly the women traders who deal primarily with low value products.

The team was led by infrastructure expert at the COMESA Secretariat Ms. Moreblessings Barker and Mr. Orbert Kasemuka, Senior engineer from the Ministry of Local Government in Zambia.

New Rwanda and British Ambassadors Accredited to COMESA

Ambassador of Rwanda to Zambia Mr. Amandin Rugira (L) and the British High Commissioner to Zambia Mr. Nicholas Woolley accredited to COMESA as Permanent Representative and Special Representative respectively. The two presented their letters of credence to COMESA Secretary General Chileshe Kapwepwe on 15 October 2020 at the COMESA Secretariat in Lusaka.
Zambia now has an Export Diversification Strategy in Gold and Gemstone Mining. The strategy, which was launched on 17 October 2020, will guide the formalization of the sector and stop illegal trading of the commodities in the country. It was developed with support from the European Union through the COMESA Regional Integration Capacity Project (RICB) as well as other cooperating partners through the Enhanced Integrated Framework (EIF) and the TradeCom II Projects.

The strategy was launched in Rufunsa District 170 kilometers east of Lusaka. Speaking at the launch, Zambia’s Minister of Mines and Minerals Hon. Richard Musukwa said the Strategy will help to curb illegal mining and selling of the minerals, which are mostly smuggled out of the country by foreign nationals without paying any revenue to the government.

The Strategy is also expected to lead to the formalization of the sector which is dominated by artisanal and small-scale miners who in most instances operate illegally.

“Gold and gemstone mining in Zambia have been characterized by informal artisanal and small scale mining and trading activities resulting in huge losses to government revenue, environmental degradation, influx of foreign nationals, lack of tangible wealth creation and no impact on poverty reduction,” Minister Musukwa said.

With support from the COMESA RICB and the SADC Trade Related Facility Project, the Ministry of Mines has attained key milestones such as geological assessment of the areas to delineate economical mineralization that would underpin the project, training of cooperative members and purchasing of equipment for use by the cooperatives. So far, 214 members of the cooperatives have been trained in various disciplines such as cooperative governance and management as well as gold safe mining practices.

Speaking at the event, COMESA Assistant Secretary General Dr Kipyego Cheluget said the launch of the Strategy was a culmination of the joint effort of COMESA, building on efforts made by SADC.

“This is representative of the principles of regional integration that require Member States and regional organizations to work together in building the African Continental Free Trade Area,” he said.

He commended the European Union for continued support to COMESA and its Member States through the COMESA Adjustment Facility. So far the EU has provided funding of 111 million Euros with total support to Zambia of 5.8 Million Euros covering leather, textiles and clothing value chains.

The delegation also visited the Kamiliulu Gold Mining Processing Plant which is being established by the Zambia Consolidated Copper Mines Investment Holding (ZCCM HI) to work with the cooperatives to extract gold.
Twenty-one youths from selected Member States participated in the second capacity strengthening boot camp for youth leaders and policy makers from 9-17th December 2020. The event aimed at enhancing young people's participation in democratic governance and socio-economic development.

The boot camp which was held virtually was also meant to increase the youths’ participation and engagement in policy formulation and implementation and increase their experience sharing. Training was conducted by facilitators from the MS Training Centre for Development Cooperation (MS TCDC). Participants were drawn from Burundi, the Democratic Republic of Congo, Egypt, Mauritius, Madagascar, Rwanda, South Sudan and Tanzania.

The boot camp is one of the key activities under the COMESA-African Union African Governance Architecture joint project on Youth Engagement in Democratic Governance and Socio-economic Development in Africa. The project aims at strengthening the capacity of youth and youth led organisations and networks to participate and contribute meaningfully to democratic governance and socio-economic development in the COMESA region and Africa.

The inaugural COMESA Youth Leaders bootcamp was held in December 2019 in Arusha Tanzania. The main focus of that session was the role of youths in influencing cross-border policy and what kind of change narrative the youth could drive across COMESA in line with regional inter-state cooperation, trade and commerce facilitation.

A total of 49 youth leaders including those from the first boot camp have so far been trained in the areas of policy formulation and implementation in democratic governance and socio-economic development.

Speaking during the opening ceremony, Assistant Secretary General for Programmes Dr Kipyego Cheluget urged the youths to fully participate in the bootcamp and acquire skills which would enable them to participate in the national and regional development processes.

He commended Member States and the Swiss Agency for Development Cooperation (SDC) for nominating the youth leaders and called for continued cooperation in implementing the regional programmes which will help the bloc achieve its vision of improving the standards of living of its people including the youth.
COMESA Business Council is promoting the harmonization of policies for an integrated digital common payment scheme for micro small and medium enterprises (MSMEs). In October 2020, CBC brought together over 73 representatives of regional financial services regulators for one-day virtual meeting towards promoting this initiative. Stakeholders from central banks, ministries of finance, revenue authorities, information communications technology regulators, mobile network operators and microfinance institutions from Egypt, Ethiopia Kenya, Malawi, Mauritius, Rwanda, Tanzania, Uganda and Zambia participated in the meeting.

The engagement was necessitated by the challenges impacting industry competitiveness in the region such as the lack of an affordable and effective platform which accommodates digital cross border payments for small and medium enterprises (SMEs).

In response to this, the CBC has piloted the Digital Financial Inclusion Programme in nine COMESA countries. It is expected to catalyse the transition of MSMEs from a cash-dominant to a cash-lite economy, where they have access to affordable, secure and real-time digital financial transactions.

Speaking during the meeting, CBC Chairperson Mr Marday Venkatasamy said digital payment systems is a focal area to improve the efficiency and performance of SMEs in the region.

“This is a very important forum which provides government to business, business to business and business to consumer, key policy aspects that needs to be addressed in order to promote intra-COMESA trade which is currently very low,” Mr Venkatasamy added.

Assistant Secretary General for Programmes Dr Kipyego Cheluget said multi-sectoral stakeholders’ engagement was meant to harmonize existing policy platform at a regional level, to allow for the development of a low value regional digital payment scheme for SMEs.

COMESA Clearing House Executive Secretary Mr Mahmood Mansoor who was also in the meeting said concerted efforts will be required from both the public and the private sectors, with the public sector ensuring a business-friendly environment and legislation for the promotion of private sector development and investment.

The deliberations attached great importance to the need to promote SMEs’ competitiveness across the region.

COMESA is developing a regional Statistics Strategy covering the period 2021-2025. Its main focus will be to strengthen the collection and dissemination of statistical information in the region with the overall objective of supporting regional integration. The current Statistics Strategy covered the period 2017-2020.

Stakeholders from Member States, Partner organizations and the Secretariat held a virtual meeting in October 2020 to review the draft COMESA Statistics Strategic Framework which sets the roadmap for the regional strategy for the next five years.

COMESA Chief Statistician Mr. Themba Munalula said the strategy would support regional integration by building on aspirations of the national statistics strategies in Member States.

"There is critical need to harmonize statistical capacity building programs supported by COMESA, other RECs and pan African Organizations to foster efficiency in the delivery of these programs," Mr Munalula said.

He added that the Statistics Strategy needs to be promoted within the COMESA Member States and institutions as it serves the purpose of meeting the needs of the COMESA MTSP 2021 – 2025.

He also emphasized the need for the alignment of national, regional and the continental statistics development strategies as a way of ensuring that priorities are linked and consistent.
The negative socio-economic impact of COVID-19 has not spared the leather industry in Zambia as the industry is feeling the pinch of the pandemic due to massive disruptions in the way business is done. Several small and medium entrepreneurs in the sector have folded altogether, while some have joined forces to stay afloat.

Industry players said the confinement of people indoors by COVID-19 limited movement which led to low utilization of footwear. This prompted the Zambia Leather Industries Association (ZALIA) to call on its members to utilize the cluster initiative to overcome the challenges associated with the pandemic.

On 6th October 2020, a Monitoring and Evaluation Mission conducted by the COMESA Adjustment Facility (CAF) through its Regional Integration Support Mechanism (RISM) project was in Kafue district of Zambia visiting leather projects.

During the mission, the team also visited the Kafue Leather Cottage owned by Mr. Wilson Mutale. With vast experience in the leather sector he has trained over 80 farmers in vegetable tanning through the project. The vegetable tanning techniques have enabled reduction of the turnover period from 90 days to just 48 hours making the goods more readily available for the market.

Meanwhile, the Chingola Leather Cluster was awarded a Standards Certificate by the Zambia Bureau of Standards (ZABS) in 2020, meaning that its products have attained the stipulated standards and can now compete at the national and international markets.

The certificate was handed over by the Coordinator of the COMESA Adjustment Facility/Regional Integration Support Mechanism (CAF/RISM) programme, Ms. Hope Situmbeko during a monitoring mission in October 2020.

The cluster was supported under CAF/RISM programme funded by the European Union. Under the support, members of the cluster received training in diverse skills including production, design and business management. Ms. Situmbeko who led a COMESA monitoring and evaluation team encouraged the cluster to take advantage of the COVID 19 situation and produce school shoes for the Zambian market. With most borders still closed, she noted that imports for leather products had dwindled hence placing the leather clusters in the country at a position to produce and supply the growing local demand.

“Work together and ensure you at least satisfy the Chingola demand for school shoes because the borders are closed and there are very little imports for the leather products,” she said.

The COMESA team also visited Chisokone Leather Cluster in Kitwe, which specializes in the production of security and safety boots for various companies on the Zambian Copperbelt.

“Work together and ensure you at least satisfy the Chingola demand for school shoes because the borders are closed and there are very little imports for the leather products,” Ms. Hope Situmbeko
By October 2020, seven countries; Burundi, Rwanda, Comoros, Egypt, Ethiopia, Mauritius and Madagascar had nominated officers to serve as the focal persons in operationalizing the newly developed COMESA Information Sharing Portal.

Developed to support Member States during COVID-19 and after, the portal was expected to connect producers, sellers and buyers of essential goods and help small-scale cross-border traders and Small and Medium Enterprises to have access to market information.

At the demonstration of the prototype portal to the Ministries that coordinate COMESA activities at the national level, earlier, COMESA Secretary General Chileshe Kapwepwe had urged Member States to nominate focal persons that would manage content and registration of suppliers and products.

Seven countries had responded, and accounts created for the focal persons to upload country specific content on the system. Their role also includes creating and approving users (manufactures and supplies) at the national level and responding to queries. Country regulations and guidelines on Covid-19 and related information would also be available on the portal.

Each country was allocated specific dashboards to upload their respective content including the list of approved manufacturers or suppliers, database of products, information requests among others. Manufacturers and suppliers will have the privileges to update products and product information under the approved categories, as well as contact points and respond to enquiries. Buyers will be able to view the public information in the portal.

To support Member States to complete the nomination process and creation of accounts, the Secretariat appointed liaison officers to engage directly with the appointed officials to facilitate populating and utilization of the portal.

The decision to develop the portal was made by the COMESA Council of Ministers in May 2020, to support regional trade, during the Covid-19 pandemic.
The Corridor Trip Monitoring System (CTMS) is an initiative of the tripartite regional blocs; the Common Market for Eastern and Southern Africa (COMESA) the East African Community (EAC) and the Southern Africa Development Community (SADC) on trade and transport facilitation.

The project was initiated in 2020 to facilitate a regulatory framework that ensures that cross border transport and transit is done by healthy drivers that are constantly monitored, tracked to reduce the spread of COVID-19 is aimed at reducing extended travel and transit times during the pandemic.

Piloting of the project was planned for sections of the North-South and Walvis Bay-Ndola-Lubumbashi Corridors, (which transit Zambia to the Kasumbalesa Border with DR Congo). Initial focus was on Zambia, a well land-linked State with eight neighbouring countries.

To prepare the country for the project, a CTMS virtual workshop was conducted for stakeholders, incorporating public and private transport operators and their associations, in August 2020. The meeting came up with procedures for operators, drivers/crew members and officials performing compliance validation at border posts and other roadside check points.

Zambia provided the coordinates for waypoints, among them, COVID-19 test and isolation for transport crews in various provinces in the pilot corridor: Central, Copperbelt, Lusaka, Southern and Western and North-Western provinces. Operators along these routes were expected to register their trips on the CTM System which was mapped to enable operators to follow.

Zambia also commenced the procurement of hand-held devices to be deployed at the roadside for the CTMS Pilot. In addition, Zambia designated Covid-19 testing centres where transport operators and their drivers could access these services country-wide before the commencement of their cross-border trips.

To publicize the initiative, COMESA Secretariat in collaboration with the Cities and Infrastructure for Growth in Zambia (CIGZ) funded by UKAid developed publicity kit to raise awareness on the Tripartite Trade and Transport Facilitation Guidelines aimed at fast-tracking clearance of essential goods and services.

The initial focus was on the Chirundu One Stop Border Post (OSBP) and later roll out to other borders using a multimedia approach encompassing the community radio, television and social media. Live television programmes on the Guidelines and CTMS were produced in collaboration with the Zambian National Broadcasting Corporation whereby transport experts from the COMESA Secretariat were featured.

An Inter-Agency Technical Coordination Committee (IATCC) was set up for the Chirundu OSBP to come up with recommendations on how to address operational challenges at the border during the COVID-19 pandemic and after.
National Monitoring and Evaluation Missions Mounted as RISM Project Winds-Up

The Regional Integration Capacity Building Project (RICB II) under the COMESA Adjustment Facility (CAF) conducted project monitoring missions in Zambia in November, to assess the progress attained and capture key results achieved at national level as the project prepared to close at the end of 2020.

Zambia is among the countries that benefitted from CAF/Regional Integration Support Mechanism (RISM) resources through implementation of a Euro 2.1 million project supported by the European Union. The project targeted to increase Zambia’s competitiveness and penetration of regional markets. This was by developing and enhancing the capacity of mostly, the micro and small medium enterprises (MSMEs) to take advantage of the existing and potential regional markets and enhancing value addition and promotion of high value exports to the regional markets.

Some of the key interventions supported over the years included SME development in the leather and textiles clusters as well as institutional support to key beneficiaries responsible for implementing regional commitments such as Zambia Metrology Agency, Competition and Consumer Protection Commission (CCPC), Zambia Association of Manufacturers and Zambia Bureau of Standards.

The Project Management team led by CAF/RISM Coordinator, Ms. Hope Situmbeko carried out three wrap-up missions in Lusaka covering textile manufacturing plant at the Zambia Association of Manufacturer’s, the Zambia Metrology Agency and the Zambia Bureau of Standards which benefitted from the project. The missions were meant to engage the different beneficiaries implementing various regional programmes in the public and private sector actors.

The manager of the textile production plant Mrs. Maureen Sumbwe said they targeted to create over 100,000 job among the youths and women in Zambia. By then, the textile cluster had an order from UNICEF to make nurse’s aprons worth over 500,000 Kwachas ($25,000.) At the Zambia Metrology Agency, the RISM project funded the procurement of equipment including a Mobile Prover, an automated system that provides on-site calibration to ensure flow meters in service for fiscal and custody transfer applications maintain sustainable measurement performance as well as remain in compliance with industry standards.

The country has recorded improved fuel management resulting in increased revenue for the economy since the procurement of the Prover by COMESA, according to the Director of legal Metrology at the Agency Humphrey Nkobeni.

"We are able to do a lot of damage control even before people realize there could have been a problem with fuel. It’s really doing wonders for us and the Agency and the fuel traders," Mr. Nkobeni said.

At the Zambia Bureau of Standards, over 110 SMEs were trained in the application of national regional and international standards.