

COMESA Sub-Delegates Upgrading of Chirundu Border Post to Zimbabwe Worth €4.1million



COMESA and Zimbabwe have signed an agreement that sub-delegates the implementation of coordinated border management activities, trade and transport facilitation programme at the Chirundu border post.

The sub-delegated activities are worth 4.1 million Euros. The funds will be used to support upgrading of priority cross-border infrastructure and equipment at Chirundu border between Zimbabwe and Zambia. This is part of the 48 million Euros Trade Facilitation Programme (TFP), financed under the 11th European Development Fund (11 EDF) from the European Union (EU) to COMESA.

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

COMESA Secretary General, Ms Chileshe Kapwepwe, and the Permanent Secretary, Ministry of Foreign Affairs and International

Trade Zimbabwe, Ambassador James Manzou, separately signed the sub-delegation agreement mid-February 2021 in Lusaka and Harare respectively.

Ambassador Manzou stated that the signing of the sub-delegation agreement came after an assessment of existing challenges, conducted at the targeted border post, in early 2020. He thanked the EU for the support rendered under the programme through COMESA Secretariat to improve the facilitation of trade at Chirundu border post.

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"He added: "The support is a testimony of the continued and strengthened collaboration between Zimbabwe and the European Union."

Ambassador Manzou 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, in line with the EDF procurement procedures.

"The benefits for sub-delegation are that the Zimbabwe Ministry of Foreign Affairs and International Trade and beneficiary border agencies in Zimbabwe will improve their 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 decisions of mitigating these challenges," the COMESA Secretary General said.

She added that COMESA will facilitate financial, logistical and administrative processes. The funds will also support

Digital Finance has Thrived in COMESA Region During COVID-19 Pandemic



The growth of digital finance in the COMESA region has deepened financial inclusion of millions of people, households and firms thus cushioning them against the negative effects of the COVID-19 pandemic. According to a report prepared by Senior Economist at the COMESA Monetary Institute, Dr Lucas Njoroge, digital finance, driven by mobile money and agent banking, has proven critical during the pandemic in reaching the poor in different social economic conditions.

"These has enabled millions of previously unbanked individuals, households and small and medium scale enterprises, offering affordable, instant, reliable services on payments, savings, credit, and insurance services, among other services," he noted.

In his paper titled '*Financial Inclusion and COVID-19 in the COMESA Region*' Dr Njoroge noted that individuals and firms have been empowered to maximize their potential by increasing access to adequate financial services, thereby allowing them to make optimal decisions to enhance lives and livelihoods in the midst of disruption.

According to the World Bank, financial inclusion is the access to and use of formal financial services and an important

factor for economic development since it enhances equitable access to finance and consequently economic opportunities.

Based on the most recent data from the World Bank (2018), COMESA region has experienced a faster pace of financial inclusion, surpassing Sub-Saharan Africa average. The number of financially included in COMESA has more than doubled in the last decade, from 23% in 2011 to 32% in 2014 and further to 48% in 2017.

Some of the measures that have enhanced financial inclusion during the COVID-19 pandemic in the COMESA States includes the introduction of cash transfers to the poor through mobile money cash transfers, encouraging cashless payment and scrapping transaction fees between banks and Telcos for values of less than or equal to \$10 dollars.

Dr Njoroge noted that these measures have ensured the survival of the affected financial inclusion stakeholders.

"The use of online banking, prepaid cards and mobile wallets have offered benefits of convenience, speed, security and affordable pricing that did not exist with traditional banking....at the same time allowing social

distancing which is very important for containing the spread of COVID-19," states Dr Njoroge.

On the flipside, he noted there is still much to be done on deepening financial inclusion. Among these are low levels of financial literacy that exist in most COMESA countries and tradition.

"There is also a huge challenge to convince customers to change from their traditional ways of accessing and using financial services," Dr Njoroge says. "Perceptions of risk, lack of consumer protection or technology failure have tended to reinforce mistrust which can only be addressed through financial education and awareness."

Among policy recommendations in the paper is to encourage digital financial services is through public awareness and financial literacy among end-users and to demystify adopting digital financial technology. This is in addition to reducing tariffs on digital services to increase the number of users and addressing concerns of trust, regulation, financial capabilities, compliance and interoperability.



COMESA Sub-Delegates Upgrading...

→ continued from page 1

capacity building for stakeholders on innovative and state of the art border operations. In addition, Ethiopia will implement an awareness campaign on border information targeting customs cooperation and trade facilitation instruments.

"The desire of the Zimbabwean Government is to build on current trade facilitation efforts through programmes, such as the COMESA EDF 11 Trade Facilitation Project," the Permanent Secretary said. "The interventions at the border post are expected to enhance efficiency and ultimately reduce the cost of doing business. The support is, therefore, timely as Zimbabwe grapples with the negative effects of the COVID-19 Pandemic."

Mr. Jacek Jankowski, Ambassador of the European Union to Zambia and Special Representative to COMESA affirmed thus: "The European Union applauds the signing of the agreement between Zambia and Zimbabwe as it showcases a regional partnership which will strengthen trade facilitation in the region."

He added: "The EU and its member States are keen to share their experiences from our own common market integration to steadily improve connectivity and regional integration in Africa."

Mr. Timo Olkkonen, the Ambassador of the European Union to Zimbabwe observed that: "All countries in the region have a lot to benefit from deepened regional integration and increased trade. Economies of scale matter. Zimbabwe will benefit directly from trade facilitation and easier access across borders", he noted.

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File/: TIDOs training at COMESA Secretariat

Capacity Building Programme for Border Trade Officials Underway

A training programme to build the capacity of trade information desk officers stationed at selected border posts is underway. The objective is to integrate them in border operations and enhance their working relationship with State agencies manning border posts.

The Trade Information Desk Officers (TIDOs) are stationed in selected borders in the COMESA region primarily to provide trade facilitation services and smooth implementation of small scale cross border trade.

On Tuesday 23 February 2021, TIDOs from the following border posts; Chirundu (Zambia/Zimbabwe), Kasumbalesa (DR Congo/Zambia), Mwami/Mchinji (Malawi/Zambia) and Nakonde (Zambia/Tanzania) went through a virtual training on the provisions and implementation of the COMESA Simplified Trade Regime (STR). The STR provides for small-scale traders to qualify for duty-free entry for certain goods and for a more simple and reduced set of documentary requirements to cross the border.

The training is part of the implementation of a €15 Million European Union funded programme known as the Small Scale Cross Border Trade Initiative (SSCBTI) in the selected borders. COMESA, together with the International Organisation for Migration and the International Trade Centre is implementing the Cross-Border Trade Initiative.

The aim of the SSCBTI is to increase formal small scale cross border trade flows in the COMESA/Tripartite region leading to higher revenue collection by governments as well as increased security and higher incomes for small scale cross border traders.

During the training, the TIDOs were taken through trade procedures for clearing goods under the STR threshold and the Regulations on the Minimum Standards for the Treatment of Small-Scale Cross Border Traders. The training also provided insights on the cross-border data collection activities.

Addressing the TIDOs during the opening of the training, the Secretary General of COMESA, Chileshe Kapwepwe said it will ensure they are equipped with skills to interact better with border officials, cross border trade associations and coordinating ministries' staff.

"TIDOs are the face of the programme at the borders and it is essential that they display good demeanor, integrity and courtesy in their interaction with both traders and border officials as well as researchers that frequent the borders gathering primary data," she said. "It is also important for the TIDOs to keep abreast with policy and administrative changes that affect small scale traders in order to provide value added information."

The trainers were customs and immigration officers.



AfCFTA will Stimulate Intra-COMESA Trade

The implementation of the African Continental Free Trade Area whose trading commenced on 1st January 2021 is expected to provide the missing ingredient to intra-COMESA trade, according to a research expert at the COMESA Secretariat.

In a paper titled: *AfCFTA - A Stimulant to Intra COMESA Trade*, Senior Research Fellow, Mr. Benedict Musengele highlighted the benefits that the regional bloc stands to reap from the continental platform.

Among them is the elimination and resolution of some of the challenges associated with multiple and overlapping membership in COMESA. This will be achieved through the harmonization of integration policies for the existing regional economic Communities (RECs) Free Trade Areas.

A total of 36 African countries have ratified the AfCFTA agreement and deposited their instruments of ratification, 12 of which are COMESA Member States namely: Kenya, Rwanda, Djibouti, Eswatini, Uganda, Egypt, Ethiopia, Zimbabwe, Tunisia, Mauritius, Malawi, and Zambia. COMESA non-FTA Member States, Eswatini and Ethiopia have ratified the AfCFTA agreement and are extending preferential tariff treatment to other State Parties including COMESA Member States.

"This implies a wider and larger market for COMESA Member States," Mr Musengele states. The report notes that AfCFTA will progressively eliminate tariffs on intra-African trade,

"This combined with enhanced trade promotion and market information sharing will increase intra-COMESA and African trade," Mr. Musengele notes. "The leading imports from EU such as food and live animals are readily available in COMESA and the region has huge potential to produce manufactured goods and pharmaceuticals."

making it easier for African businesses to trade within the continent and benefit from the growing African market. This will make it more affordable for informal traders to operate through formal channels, which offer more protection.

Mr Musengele says this can be further enhanced by introducing a Continental Simplified Trade Regime (CSTR), since cross-border traders operating under such a regime would no longer be trading informally.

"The COMESA Simplified Trade Regime (STR) could be used as a model for establishing the continental STR. The STR is currently operational only in COMESA and EAC," the report states.

The AfCFTA through the duty-free access to the huge market will also encourage manufacturers and service providers to increase production to serve the enlarged market. Given that most of the trade in Africa takes place among neighbouring countries, this will lead to enhanced production and trade among neighbouring COMESA Member States

Further, the AfCFTA will stimulate the formation of regional value chains to ease production and supply to the enlarged market.

COMESA Member States producers will therefore easily join the regional value chains such as the leather and leather products, textile, wood and paper, agro-foods, sugar, beverages, vegetables, fruit, nuts and rice. This will enhance their production efficiencies, increase their profit margins and consequently integrate into the global value chains.

The report notes that AfCFTA has the potential to reduce external imports from external sources and increase intra-REC and African trade by opening more regional markets through improved infrastructure connectivity, and a larger market which will enhance competitiveness, increase value addition and productivity.

"This combined with enhanced trade promotion and market information sharing will increase intra-COMESA and African trade," Mr. Musengele notes. "The leading imports from EU such as food and live animals are readily available in COMESA and the region has huge potential to produce manufactured goods and pharmaceuticals."

The AfCFTA brings together 55 AU Member States with a total population of about 1.3 Billion and a combined GDP of about US\$ 3.4 Trillion.



Regional Seed Trade in Staple Food set to Improve

As procedure manual and checklist for maize trade are developed



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The Alliance for a Green Revolution in Africa (AGRA) working with COMESA's specialised Seed Agency ACTESA, have developed Regional Seed Standard Operating Procedures (SOPs) to improve regional seed trade in staple food crops. This is in addition to audit checklist mechanism for maize trade.

These are provided for under the COMESA Seed Harmonisation Implementation Plan (COMSHIP). The initiative is part of the implementation of the AGRA-COMESA cooperation framework titled "Improved Regional Seed Trade in COMESA region". It is aimed at improving regional seed trade in maize, rice, soyabean and rice as a way of catalysing and sustaining an inclusive agricultural transformation.

According to the COMESA/ACTESA Seed Development Expert Dr John Mukuka, AGRA financed the development of the draft COMSHIP maize SOPs and audit checklist mechanism which was done by the Emerge Centre for Innovation-Africa (ECI-Africa). In this process, consultations were conducted with National Seed Authorities and seed companies who are now ready to market their seed on the COMESA Harmonised Seed Trading Platform.

"With the SOPs in place, assessment of implementation of the harmonized regulation framework will be achieved by independently and regularly auditing country systems and processes which underpin quality seed production and certification including border

controls," Dr Mukuka said.

This is in line with the COMSHIP which aims at enhancing seed production, reliability, seed trade including increasing the competitiveness of the seed industry in the Southern and Eastern African (ESA) region.

Dr Mukuka says the seed system audit mechanism is not intended to be a policing tool, but will focus on identifying gaps and corrective actions towards achievement and consistent application of regionally agreed (at a minimum) standards is therefore critical.

He added: "The audit mechanism shall be one that is mutually recognized, technically competent and independent in its operations. Through the new mechanism, reports shall be prepared (e.g. country level dashboard) which will be shared in regional seed forum convenings to form the basis of evidence-based deliberations and decisions."

Such experience-sharing in a forum format and collaborative spirit, he noted, will engender positive challenge and inspire action rather than defensiveness and lead to changes without compromising trust.

The draft SOPs formed the basis for developing the COMSHIP Regional Audit Checklist covering among others, conduct of distinctness, uniformity and stability (DUS) tests, conduct of variety maintenance/ check plot observations, variety release and catalogue and authorization of private seed inspectors and entities (licensing and registration of seed inspectors,

samplers and analysts).

Others are requirements and process of seed crop field inspection, seed crop intake verification, inspection and sampling, pest control testing of seed lots, handling quarantine pests, moisture determination and germination analysis.

Both the draft SOPs and audit checklist were developed based on provisions of the COMESA Seed Trade Harmonization Regulations in line with the International Union for the Protection of New Varieties of Plants Test Guidelines, International Seed Testing Association (ISTA), and the Organization of Economic Cooperation and Development (OECD) Field Seed Schemes for Maize.

Ultimately, the provision of adequate information and higher levels of transparency to all seed stakeholders is critical in ensuring that the time and cost of trade is reduced and thus, increasing efficiency in cross border regional movement of seed.

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Dr John Mukuka

€3.2 million Euros National Sanitary and Phytosanitary System for Comoros



In collaboration with the European Union, COMESA is supporting the development of an efficient national Sanitary and Phytosanitary System (SPS) in Comoros. The support has been provided to the National Research Institute for Agriculture, Fisheries and the Environment (INRAPE), through the COMESA Adjustment Fund (CAF) under the Regional Integration Support Mechanism (RISM) programme. Activities under this initiative includes facilitating consultations to improve the local SPS regulations and introduction of new legal texts in the sector in aligned with international protocols.

The regulations have been developed through Ministerial and Presidential decrees and are

currently awaiting Parliamentary approval. The regulations are further expected to improve the sanitary control of plants or plant products, on imports and exports and guarantee the control of the processing, packaging, storage or distribution of animal food going to the local market. These are expected to constitute the main references in Agri-food and plant protection in Comoros.

According to the project's progress report, the application of the laws will require the organization and coordination of national institutions responsible for certification and official controls which will protect the Comoros national market.

In addition, over 35 phytosanitary inspectors have been trained on the islands of Anjouan and Moheli in anticipation of the application of the proposed legislation on foodstuffs and other priority texts related to phytosanitary law.

The support has been provided with the aim of addressing the regulatory deficit within the national sanitary and phytosanitary system. It includes the rehabilitation and equipping of the premises of INRAPE and the SPS Information Exchange with IT equipment.

COMESAs' support is expected to contribute to a strengthened SPS system that is effective in ensuring food safety and quality control within the region.

COMESA DIARY

Dates	NAME OF MEETING	VENUE	ORGANIZER
02-04 Mar 21	11 th Meeting of the COMESA Chiefs of Immigration and the COMESA Migration Dialogue	Virtual	Secretariat
18 Mar 2021	Launch of the 50MAWSP in Ethiopia	Virtual	Secretariat
June 2021	21 st COMESA Heads of State and Governments Summit	Virtual	Secretariat



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