The 43rd COMESA Council of Ministers Meeting Hosted in Zambia

The 43rd COMESA Council of Ministers meeting was conducted in Lusaka, Zambia on 01 December 2022, with a call for the region to prioritize key areas that contribute to economic growth including trade and transit facilitation.

Zambia Vice President, Her Honour Madam Mutale Nalumango who opened the meeting said the region needs to implement interventions that promote the establishment of a regionally integrated, diversified and competitive production capacity anchored on agriculture, industry and the services sector.

"Prioritization should be based on value addition, diversification, innovation and common regional standards, all with due considerations to the protection of the environment," she said.

The meeting was attended by Ministers responsible for coordination of COMESA activities at the national level in the 21 Member States.

Key issues on the agenda were a report from the Intergovernmental Committee (IC) covering progress reports on the implementation of COMESA programmes. The meeting of the IC, which is comprised of Permanent and Principal Secretaries preceded the Council meeting on 29 – 30 November 2022 at the same venue.

The Vice President said efforts should be implemented within the context of inclusiveness, participation and sustainability to ensure that all sections of the society including women, youth and the vulnerable are supported to have access and control over resources that have a clear visible impact on human development.

She commended the Development Partners who have over the years supported COMESA’s regional integration agenda while calling for mutual accountability, sustainability and ultimately self-reliance.

In her statement to the Ministers, Secretary General Chileshe Kapwepwe gave a detailed account of the regional integration activities implemented by the organisation. Among these was the development of mitigatory measures against the COVID-19, adoption of tripartite guidelines on trade and transport facilitation for the movement of persons, goods and services which have contributed to the flow of trade.

She added that so far, the COMESA Yellow Card Scheme has expanded its reach to Mozambique, South Africa, Botswana and South Sudan while the digital platform for women in business (50MAWSP) has attracted 350,000 users.

“We have made significant strides on several priority areas which can serve as a springboard to propel us to greater heights. We remain focused on our mandate and resolve towards the achievement of our objectives,” she said.

The meeting was chaired by Hon. Ahmed Samir, Minister of Trade and Industry of Egypt, who is the current chair of the COMESA Council of Ministers.
COMESA Council of Ministers will engage their counterparts in Member States that have not ratified the Tripartite Free Trade Area Agreement (TFTA) to do so as a matter of priority to pave way for its implementation.

This was one of the key decisions taken during the 43rd meeting of the Council conducted on 01 December 2022 in Lusaka, Zambia. The action is intended to clear the remaining hurdle to enable the TFTA to enter into force.

The ministers noted that the delay in achieving the 14 States’ ratification threshold has negatively impacted the Member/Partner States in harnessing the potential benefits from international support for the financing of development programmes. It was also constraining resource mobilization efforts by the COMESA Secretariat. So far, 11 States have ratified the TFTA, three short of the required threshold of 14 to enable the Agreement to enter into force.

The Council noted that Development Partners were keen to support development of regional value chains and corridor approach in infrastructure development as opposed to individual country projects. Specifically, it was indicated that the ADB and EU were keen to see the Tripartite Agreement come into force to guarantee continued financial support to all the three pillars.

The TFTA was launched in June 2015 and has been ratified by 11 Member/Partner States of the three regional blocs; the Common Market for Eastern and Southern Africa – (COMESA), East African Community (EAC) and the Southern Africa Development Community (SADC).

The tripartite is anchored on three pillars: market integration, infrastructure development and industrial development.

The Council underscored the significance of operationalizing the Tripartite Free Trade agreement whose developmental approach to integration through Infrastructure and Industrialization pillars is catalytic to increase intra African trade.

“The latter were critical in supporting intra-regional trade and investments through regional value chains and value-added productions as well as strengthening soft and physical connectivity in the region,” said the ministerial report noting the need for the Council of to scale up the engagement to attain the remaining three ratifications.

Meanwhile, the Council has urged Member States that have not yet completed the process of joining the COMESA Free Trade Area (FTA) to fast track the process as a matter of priority. They include DR Congo, Eswatini, Eritrea, Ethiopia and Somalia. The FTA was launched in 2000 and so far 16 countries have joined it and are trading under its duty free and quota free regime which has contributed significantly to intra-COMESA trade. The value of Intra-COMESA total exports increased by 28% from US$ 10 billion in 2020 to US$ 13 billion in 2021.

The winners of the COMESA Media Award - 2022 have been unveiled. They are Rakotomiarintsoa Claude (Madagascar), Hany Fouad (Egypt) Gerald Tenywa (Uganda) and Carolyn Tomno/ Brian Tuva (Kenya) who presented a joint entry.

The names were presented to the 43rd Meeting of the Council of Ministers that took place, Thursday 01 December 2022 in Lusaka, Zambia. A total of 65 entries from the print, electronic and online media were submitted by journalists from 10 COMESA Member States including D R Congo, Egypt, Kenya, Madagascar, Malawi, Mauritius, Tunisia, Uganda, Zambia, and Zimbabwe.

Among the winning topics included; How innovation, technology and agriculture insurance is helping farmers in the COMESA region; COMESA support to the integration of agroecology in schools, how unsustainable charcoal production is accelerating deforestation in the region and how COMESA strategy on climate change can help address the problem.

The Council adopted the list of winners paving the way for their awards. The awards include a monetary prize, a certificate, and recognition during the next COMESA Summit of the Heads of State and Government scheduled for next year.

The COMESA Media awards are conducted annually to promote publicity of COMESA regional integration programmes and recognize journalists whose works contribute to the integration agenda. They are open to journalists from the 21 COMESA Member States.

The Callfor Entries for 2023 Media Awards are now open and journalists are encouraged to apply online on https://www.comesa.int/media_awards2023/index.php/en/
The preservation of the regional Competition Commission authorities is important even when the African Continental Free Trade Area (AfCFTA) Protocol on Competition is implemented.

This was acknowledged during the 43rd meeting, the COMESA Council of Ministers. The Ministers appreciated the importance of implementing the AfCFTA Protocol, noting however, that the existence of the regional competition authorities including the COMESA Competition Commission would bring about jurisdiction challenges.

Hence, the Council decided that COMESA Member States should come up with a position paper on the implementation of the AfCFTA Competition Protocol to ensure that the jurisdiction of the COMESA Competition Commission (CCC) is preserved.

The CCC participated in the negotiations of the AfCFTA Protocol on Competition Policy which was recently adopted. However, the Protocol as adopted contains provisions which may undermine the operations of the Commission and erode the gains already made in enhancing competition and competition related activities within the Common Market.

Notwithstanding, CCC will continue to play an active role in the formulation of a competition protocol at the Africa Continental level that complements regional and national competition law enforcement.

The current focus of the CCC is the determination of conduct harmful to competition in the Common Market; strengthening enforcement of the COMESA Competition Regulations; advocacy and strategic collaboration; and institutional strengthening.

Since the beginning of the year, the Commission has experienced a surge in the number of mergers notified as compared to previous years. As of 31 August 2022, the Commission had assessed 34 mergers and expects the number to surpass those attained in previous years.

In reviewing these mergers, the Commission receives statutory fees from the merging parties which are shared with affected Member States. This is in line with the Rules on COMESA Revenue Sharing of Merger Filing Fees to support the development of competition laws and authorities. Within this year, the Commission has disbursed a total of USD 3,578,064 to Member States.

The Annual meeting of Central Bank Governors from COMESA Member States took place in Egypt on 24 November 2022 with deliberations focusing on the activities of the COMESA Monetary Institute (CMI) and COMESA Clearing House (CCH). The two institutions are responsible for monetary and financial integration of COMESA member countries.

Governors from Burundi, Djibouti, Egypt, Eswatini, Malawi, Sudan, Uganda, Zambia, and Zimbabwe attended the meeting. This was the 26th meeting of the COMESA Committee of Governors and was chaired by the Governor, Central Bank of Egypt, Mr. Hassan Abdalla. In his statement, Mr. Abdalla underlined the responsibility of the Central Banks towards efforts to rescue economies from recession and ensuring recovery and sustainable growth, in the aftermath of the COVID-19 pandemic and climate change.

COMESA Secretary General, Ms. Chileshe Mpundu Kapwepe, in a statement read on her behalf by Mr. Mahmood Mansoor, the Executive Secretary of the COMESA Clearing House, noted that greater monetary and financial stability will facilitate the economic integration and provide sustained economic development.

The meeting agreed to host the Annual Governors Symposium in Zimbabwe in 2023 to discuss; the future of money, Central Banks Digital Currency and other virtual assets and Central Banks in the era of climate change.

The Governor of the Reserve Bank of Zimbabwe, was elected chair of the Committee of Governors for 2023.
New Frameworks to Harmonize Tariffs and Standards for Energy Products in the Region

The Common Market for Eastern and Southern Africa – COMESA has developed regional policy frameworks that will assist Member States to improve the quality of solar products that are allowed into the region and achieve the ease the doing of business across borders due to predictable duty regimes.

This is intended to address the proliferation of low quality of solar energy products which have eroded the confidence in the reliability of solar energy as a viable solution to electrification challenges in the COMESA region. Studies have also revealed that the high level of variances in customs duties across the region has been a hindrance to trade and adoption of off grid renewable technologies.

The frameworks so far developed are the COMESA Model Solar Standards, the COMESA Model Common Customs Tariff Framework for Solar Products and COMESA Model Energy Policy. These were presented to experts in energy, customs and standards from Member States for validation in a workshop conducted in Lusaka, Zambia, on 5 – 7 December 2022.

The model solar standards and customs tariffs are intended to promote common standards across the region to spur trade among the Member States. This will enable manufacturing of products in any country for sale anywhere without fear of standards incompatibility. The model standards have been vetted by the International Electrochemical Commission (IEC) and the African Electrotechnical Standardization Commission (AFSEC).

The COMESA Model Energy Policy is meant to provide a framework with key issues that should be included in energy policies at Member States’ level. COMESA developed the Policy in 2008 and has become imperative to review it to cover emerging issues including climate change, e-mobility and renewable energy.

COMESA Director of Infrastructure Mr Jean-Baptiste Mutabazi observed that most COMESA Member States are lagging with regards to the development of energy infrastructure even though commendable progress has been made over the years.

The validation workshop was supported under the Regional Infrastructure Finance Facility (RIFF), which is a World Bank supported project for facilitating an enabling environment and providing credit financing for infrastructure investment in the COMESA and the Trade and Development Bank.

RIFF is a $425 million project co-implemented by TDB and COMESA. The Project aims to promote economic transformation and regional integration in Eastern and Southern Africa by extending long-term development capital to catalyze private sector investment into infrastructure. TDBs share is a credit component of $415 million.

Under the RIFF project, COMESA is providing technical assistance to Member States through the development of various policy and regulatory frameworks, assisting Member States in domesticating these frameworks, facilitating peer to peer learning, and organising capacity building initiatives.

"We stand ready to support our Member States towards the achievement of their goals and aspirations,” said Mr Mutabazi. “I therefore urge Member States with needs that fall within the objectives of the RIFF project to notify the Secretariat of their needs.”

Addressing the workshop, the Director of Energy in the Ministry of Energy in Zambia, Mr Arnold Simwaba, noted that with advancements in solar technology and the reduction in price, solar technology will form part of the energy mix for electricity generation and offgrid solar will also be viable alternative for electrification.

"In order to ensure that our people are protected from poor quality products we need to have standards that the region can use as a benchmark,” he added.
Sub-Saharan Africa, including the COMESA region has continued to record low usage of agriculture inputs such as fertilizer compared to the rest of the world. According to a statement issued at the opening of the Regional Public Private Dialogue on the Future of Fertilizer and Agro-Inputs in Africa held in Lusaka on 7 December 2022, Africa currently uses 22.5kg of fertilizer per hectare while Europe is at 157kg per hectares of land.

COMESA Senior Fisheries and Livestock Officer Dr Yoseph Mamo attributed the low usage to high costs of inputs, low supply and a lack of infrastructure to produce the commodity. “Despite this low usage, there is a positive turn from 2020, as demand for nitrogen fertilizer has increased the fastest in Africa compared with other regions. This shows that there is a huge gap to be used as an opportunity to create jobs and businesses,” he said.

The Dialogue was organized by the African Fertilizer Agribusiness Partnership (AFAP) in collaboration with COMESA’s specialized agency, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA). It is intended to help all parties to understand the major policy regulatory and business environment constraints affecting private sector operations and government priorities for the sector. Both players will agree on joint actions to grow and on a roadmap for the way forward with clear roles and responsibilities for each party.

Dr Mamo emphasized the need for a harmonized regional policy that will help facilitate fertilizer agribusinesses, having a joint procurement system for agro inputs for Member States and development of a viable regional industry through joint industrial parks.

AFAP Chief Executive Officer Mr Micheal Sudarkasa said AFAP has organized the Public Private Dialogues (PPDs) as consultations between governments and the private sector to identify and resolve policy and regulatory constraints to the commercial supply of fertilizer within the region.

The dialogue is therefore part of AFAP’s response to multiple adverse events including COVID-19 that have impacted global supply chains giving rise to fertilizer shortages, escalated fuel prices and inflationary food prices.

“Despite this low usage, there is a positive turn from 2020, as demand for nitrogen fertilizer has increased the fastest in Africa compared with other regions. This shows that there is a huge gap to be used as an opportunity to create jobs and businesses,” Dr Mamo.

“The PPDs will meaningfully contribute to the crafting of an Action Plan during the upcoming African Union’s June 2023 African Fertilizer and Soil Health Summit,” said Mr Sudarkasa. Other speakers at the dialogue included ACTESA Chief Executive Officer Dr John Mukuka and Director at the Africa Secretariat Alliance for African Partnerships (AAP) Prof. Richard Mkandawire among others.

The Lusaka conference kicks off the Sub-Saharan Africa leg of the PPDs series. Similar conferences will follow in Accra, Ghana for Western Africa, Kampala-Uganda for Eastern Africa and Cairo- Egypt for Northern Africa in 2023.
The Mwami – Mchinji border crossing on the Zambia - Malawi border is the newest One Stop Border Post (OSBP) in the COMESA region. Presidents Hakainde Hichilema of Zambia and Lazarus Chakwera of Malawi launched the OSBP on Thursday 7 December 2022.

The project is part of a broader 48 million Euros Trade Facilitation Programme (TFP) signed between the European Union and COMESA to deepen regional integration, improve inclusive regional economic growth and enhance the competitiveness of the COMESA region.

Five border crossings were identified under the programme. These are Mwami/Mchinji (Zambia/Malawi), Kasumbalesa (Zambia/D R Cong), Chirundu (Zambia/Zimbabwe), Nakonde/Tunduma (Zambia/Tanzania) and Moyale (Ethiopia/Kenya). The focus was on strengthening Coordinated Border Management trade and transport facilitation, concentrating on upgrading transport corridors and border posts.

COMESA Secretariat signed sub-delegation agreements with Zambia and Malawi in November 2020 and January 2021 respectively, to implement the Border Upgrades Projects at Mwami (Euro 1.77 million) and Mchinji (Euro 3.54 million). Subsequently, the two embarked on project implementation including infrastructure upgrading, delivery of ICT equipment and office furniture.

At the launch, the two Heads of State called for increased trade flows to ensure that the benefits are realized in record time for the benefit of both countries and the people. President Chakwera said the facility will also assist both countries to increase revenue collection in other sectors such as tourism.

"This infrastructure should even cement our relationship more and derive the benefits which will enrich both our countries," he said.

President Hichilema called for removal on non-tariff barriers like roadblocks on both sides of the borders saying the OSBP may not yield the desired objectives if trucks are delayed after they cross the border.

"I would like to ask our Home Affairs ministers from the two countries to meet quickly and remove these roadblocks while maintaining the security," President Hichilema said.

COMESA Secretary General Chileshe Kapwepwe hailed the two governments for efficient implementation of their projects.

"As COMESA we look forward to a changed environment for travellers and commercial stakeholders using the Mwami/Mchinji OSBP. Let us make Mwami/Mchinji an example and build on the lessons that we gathered from the Chirundu OSBP," she said.

Mr. Jacek Jankowski, Ambassador of the European Union to Zambia and Special Representative to COMESA, appreciated the cooperation between Malawi and Zambia as a true representation of regional integration.
As the implementation of the African Continental Free Trade Area gets underway, the implications on the courts of justice in the Regional Economic Communities (RECs) and their role will be in focus.

COMESA Court of Justice (CCJ) has therefore taken the initiative to build the capacity of its 12 judges on the AfCFTA, its implications for African integration, dispute settlement and trade remedies. Hence, a three-day training was conducted in Lusaka, Zambia on 5 – 7 December 2022 facilitated by the Trade Law Centre (TRALAC) with support of the Swedish Government.

The session with the Judges covered, features of the AfCFTA as a trade and integration arrangement, co-existence with the Regional Economic Communities, how AfCFTA related disputes will be settled, trade remedies and safeguards in the AfCFTA and the RECs, and the likely implications for the REC Courts.

Currently, the AfCFTA has a comprehensive arrangement covering trade in goods and services as well as dispute settlement which was developed during Phase I of the negotiations. However, it has proven difficult to agree on tariff schedules and rules of origin.

The CCJ is a one of the Organs of the COMESA Treaty, whose mandate is to ensure that COMESA is a rule-based organization through adjudication of all disputes that are referred to the Court and through provision of Advisory Opinions.