

## Informal Cross-Border Trade on Steady Rise in Zambia



File Photo: small scale trades at Kasumbalesa

The overall import and export values of informal trade volumes in Zambia has significantly increased from USD 13.3 Million in 2019 to USD 77.2 Million in 2021. Similarly, the informal trade export value has risen from USD81.02 million in 2019 to USD 206.08 million during the same period.

This is according to the results of a survey conducted on Zambia's Small Scale Cross Border Trade (SSCBT) which was announced on Tuesday, 3 May 2022 at the COMESA Secretariat. The highest volume of informal export was recorded at the Kasumbalesa border with DR Congo with the main informal export products being fish and fish products and rice being the main informal import product.

The survey results were jointly announced by COMESA and the Zambia Statistical Agency (ZamStats), during a half-day hybrid workshop. The SSCBT data portal on ZamStats was also launched at the event. Also discussed was the possible continuation of SSCBT surveys when

the current funding comes to an end.

The data collection was done by ZamStats in collaboration with the COMESA Secretariat from 2019 to date. It was supported by the 11th European Development Fund (EDF 11), through the Small-Scale Cross Border Trade Initiative (SSCBTI). It followed the General Trade System of compiling international merchandise trade statistics, which requires that all goods leaving or entering the country are recorded as they cross the customs' frontiers.

The Permanent Secretary in Zambia's Ministry of Finance and National Planning, Mr. Trevor Kaunda officiated at the survey results dissemination workshop. He urged all stakeholders to utilize the results for evidence-based policy formulation, decision making and socio-economic analysis.

In his remarks, COMESA Assistant Secretary General - Programmes Amb. Kipyego Cheluget noted that cross-border data flows have enormous potential for driving economic and

social development.

"We have no doubt that these findings will contribute to increasing evidence-based knowledge and inform better trade policy at both regional and national levels," he said.

The Interim Statistician General, Zambia, Mr. Mulenga Musepa expressed optimism for the continuation of the survey and invited other development partners to support the initiative especially in other borders where significant informal trade takes place.

With funding from the European Union, COMESA has been facilitating small scale cross border trade with the aim of formalising and increasing its flows in the region. This is being done through policy and government reforms, institutional capacity building, improved border infrastructure and actions towards removal of barriers to small scale cross border trade.

# Seychelles has a New Representative to COMESA



His Excellency Claude Morel presents his credential to Secretary General Chileshe Kapwepwe at the COMESA Secretariat

Seychelles has appointed His Excellency Claude Morel as the Permanent Representative to the Common Market for Eastern and Southern Africa (COMESA). Mr Morel who is the High Commissioner of Seychelles to South Africa presented his credentials to COMESA Secretary General, Chileshe Kapwepwe, Friday, 6 May 2022 in Lusaka.

Over the years, Seychelles has remained an active participant in various regional integration programmes in trade and customs, gender and social affairs, climate change and the agriculture and industry sector.

Specifically, the exports from Seychelles have continued to grow steadily with a 15.8% increase recorded in 2020 from USD 985m to USD 1,586 million despite the negative impact of COVID-19 on the tourism sector.

Specifically, Seychelles is active in Trade in Services negotiations and is among the Member States that have submitted draft offers in five priority areas namely communication, finance, tourism, transport, construction, and energy related services among others.

Secretary General hailed Seychelles for its commitment to regional integration adding there were opportunities to expand the country's share of intra-COMESA exports which was currently minimal.

Ambassador Morel noted that COMESA's

approach to mitigating the impacts of the COVID-19 crisis has been effective more so in formulating a pathway toward recovery through capacity building, digitalization and targeted support.

"Digitalization, facilitation of information exchanges and being available to support the business community wishing to conduct intra-regional and international trade have proven essential tools against the COVID-19 pandemic," he noted.

He added that COMESA's efforts in the implementation of the African Continental Free Trade Agreement will enable swift economic recovery and improve intra-Africa trade hence the importance of consolidating the nexus between COMESA's and AfCFTA agendas.

He also identified the following COMESA programme as having been most valuable to Seychelles: Regional Integration Support Programme, the Regional Integration Support Mechanism, the Regional Maritime Support Programme, the Technical Assistance Facility and Climate Change programmes.

In August 2021, Secretary General led a COMESA delegation to Seychelles where they met President Wavel Ramkalawan, held meetings with different Ministers and officiated at the launch of the COMESA Federation of Women in Business (COMFWB) National Chapter.

## Building Capacity for Key Stakeholders in the Regional Energy Sector

The project on Enhancement of Sustainable Regional Energy market for Eastern and Southern Africa (ESREM) has conducted a series of events in the region and beyond to promote renewable energy and energy efficiency, foster independent energy regulation and study tour on interconnected power system operations.

The latest was a workshop on the framework for regulatory oversight of the regional electricity market and renewable energy and energy efficiency strategy and action plan for Eastern Africa, Southern Africa, and Indian Ocean (EA-SA-IO).

The workshop was conducted in Dar es Salaam, Tanzania 17 – 18 April 2022, with participants drawn from Ministries of Energy in Burundi, Kenya, South Sudan, Tanzania and Uganda. Also participating were regulatory authorities from Burundi, Kenya, Rwanda, and Tanzania, Uganda; and a representative from the Energy Regulators Association of East Africa (EREA).

Two reports were discussed including the Framework for Regulatory Oversight of the Regional Energy Market in EA-SA-IO region and the Renewable Energy and Energy Efficiency Strategy and Action Plan.

Following the discussions, key barriers for scaling up renewable energy (RE) and energy efficiency (EE) activities in the region that need to be addressed were identified. They include inadequate and weak enabling environment for RE and EE resulting in failure to attract investments.

The workshop therefore proposed strategic



# Ethiopia - Djibouti Border Trade Set to Rise

Officials hold first joint border trade committee meeting to resolve current impediments



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Small scale cross border trade is set to thrive along the Djibouti- Ethiopia borders following the first joint border trade committee meeting on 27 – 30 April 2022. The meeting was driven by the need to identify and resolve challenges facing the implementation of the Djibouti – Ethiopia Border Trade Protocol signed in 2015.

The meeting, which was conducted at Semera in Ethiopia brought together officials from different ministries and agencies, representatives of regional trade bureaus, customs control offices from Ethiopia and Djibouti and COMESA Secretariat.

Key on the agenda was how to bring the Protocol, into compliance with the COMESA Simplified Trade Regime (STR). The STR is a trade facilitation mechanism for small scale cross border traders dealing in small quantities of goods. It enables their goods to benefit from the removal of customs duty if those goods are on the Common Lists.

Also on the agenda were bilateral negotiations on the Common List of Goods that qualify for preferential treatment under the STR. The delegations agreed to amend the list of tradable goods to make the list compatible with COMESA STR and to include the Harmonized System (HS) code.

The Ethiopian delegation was led by Mr. Mussie Mindaye, Director General of Bilateral

Trade Relations and Negotiations at the Ministry of Trade and Regional Integration, while Mr. Ali Daoud, Permanent Secretary, Ministry of Trade and Tourism led the Djibouti team.

Among the key recommendations from the meeting that formed the next plan of action, was to enhance awareness on the Protocol and the services provided by state agencies at the borders.

To address unfavourable conditions for small scale traders identified at the borders, the meeting proposed the establishment of Cross Border Traders Associations and development of a platform/software that facilitates cross border trade. This is in addition to establishing common border market centers and simplifying procedures to clear the border traders.

“.....  
**Contrary to ordinary trade that benefit from the facilitation instruments, the small-scale traders knowing its informal scheme, has not benefited from the necessary consideration, and faced administrative procedures and technical barriers,”** noted Mr. Abdou

Capacity building workshops will also be organized and experience sharing forums conducted among the two countries' associations and with the other COMESA Member States on implementation of simplified cross border trade. The meeting also agreed on the need to set up Trade Information Desk Office. In his remarks, Mr. Abdou appreciated the joint action plan stating:

“Contrary to ordinary trade that benefit from the facilitation instruments, the small-scale trade has not benefited from the necessary consideration, and face administrative procedures and technical barriers,” he noted.

Similarly, Mr. Mindaye noted that the implementation of the Ethiopia- Djibouti protocol has been lagging and appreciated the joint border trade committee meeting for seeking to address this challenge.

COMESA Secretariat, representative Mr. Tasara Muzorori, encouraged the two States to implement the STR noting that this mechanism, which is operational in several other Member States has impacted positively on the small cross border trade.



# Trade in Services Negotiations Resume as Experts Meet



Trade experts from COMESA Member States are meeting this week to continue with the negotiations on the draft schedules of specific commitments under Trade in Services. This is the 11th Committee Meeting on Trade in Services, the apex forum of the Member States in the subsector.

Since 2009, following the adoption of the COMESA Regulations on Trade in Services, negotiations have been taking place in the priority sectors: business, communication, financial transport, construction, energy-related and tourism services. The sector accounts for more than 70 per cent of the global output and 51.1 per cent of labour force.

The conclusion of the negotiations on the priority sectors, which is in the second phase, will guarantee preferential market access in both negotiated services sectors and goods.

According to the COMESA Director of Trade and Customs Dr Christopher Onyango, this will unlock the opportunities for regional businesses and suppliers to expand and strengthen existing value chains.

"The conclusion of the second phase of the negotiations would reflect the strong commitment of COMESA towards the creation of a transparent, stable, and predictable environment for trade in services not only in the region but beyond including global markets," he said when he addressed the delegates at the opening of the virtual

meeting, Monday 9 May 2022.

Even more significantly, he noted, it would place the COMESA Free Trade Area regime among the few in the world to guarantee its membership unlimited market access for both goods and services.

"A liberalized goods trading regime cannot offer its business community the freedom to expand and exploit existing potentials without complementary services sectors free of unnecessary restrictions and controls," he said.

To support the negotiations, COMESA Secretariat has in the recent past conducted capacity building workshops on Trade in Services targeting negotiators, experts and aspiring professionals. The latest was the Digital Trade in Services training conducted on 25 -27 April 2022 in partnership with the Commonwealth Secretariat.

The Secretariat is also in **involved in** developing programmes to bolster transparency in the goods and services trade frameworks. Notable among these is the establishment of the trade information portal and an online platform for trade in services.

"We would like to see members make deeper commitments in the identified priority areas to make liberalization of services in the region more meaningful," Dr Onyango added. The committee meeting runs until Thursday, 12 May 2022.

## Mainstreaming Climate Change at COMESA

Cross-sectoral climate change issues will be integrated in all COMESA programmes to enable the Secretariat to become a green institution in its programming and operations. This was one of the outputs of a two-day sensitization workshop for all heads of divisions at the institution.

Through this initiative, the organization seeks to implement the Paris Agreement and accelerate the transformative change needed to reach greenhouse gas (GHG) emission neutrality (carbon neutrality) in the second half of the twenty-first century.

Hence the workshop conducted in Lusaka, Zambia 29 – 30 April 2022, was a step towards mainstreaming climate change adaptation and mitigation into the organization and agree on how to implement sustainable practices to reduce the carbon footprint of the Secretariat.



# Building Capacity for Stakeholders in the Energy Sector...



Regional energy experts visiting the Nord Pool

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interventions and actions including the establishment of harmonized common regional RE/EE market for trading in technologies and services in the region. This is in addition to creating an enabling environment for private sector participation and investment in RE/EE across the region.

Earlier in Juba, South Sudan, ESREM project conducted a National Workshop on Regulation to facilitate dialogue between regulation experts from the region and the local energy sector leadership. The workshop was held on 24 – 25 March 2022 as part of the drive to establish an autonomous energy regulator.

Its main objective was to enable the target audience to appreciate the importance of establishing energy regulatory and institutional frameworks in supporting governments' long-term objectives of providing affordable and reliable energy supply and services to its citizens.

The event's participants represented stakeholders in the South Sudan energy sector including the Ministry of Energy and Dams, the Ministry of East Africa Community Affairs, the Ministry of Justice, the Parliamentary Committee on Energy and Dams and the National Revenue Authority.

Other participating entities were the Nile (Exploration and Production) Petroleum Corporation, Chamber of Commerce, the South Sudan Bureau of Standards, the South Sudan Electricity Corporation and the Juba Electricity Distribution Company Ltd (JEDCO) among others.

In another initiative the ESREM project organized a study tour to the Nord Pool Market in Oslo Norway, 28 March – 8 April 2022, on interconnected power system operations and market surveillance.

In the tour were Members of the Eastern Africa Power Pool (EAPP), the Southern Africa Power Pool (SAPP) and their respective regional

economic communities and regulators. The aim was to appreciate the concepts of energy imbalance processes and settlements; ancillary services trading; interconnected pools and market surveillance.

Nord Pool is considered a model market power pool globally, with about 80% of electricity and energy resources consumption in Europe thus provides a good example of regional power trading concept.

The study tour was therefore intended to strengthen the capacities of regional power pools and regional regulatory bodies and human resource to develop an efficient and sustainable regional energy market. This is especially significant as the region implements the Zambia-Tanzania-Kenya power interconnector, which is expected link energy markets of the two power pools (the Eastern Africa Power Pool (EAPP) and the Southern Africa Power Pool SAPP).

## COMESA Diary

Date	Event	Venue/Format
9 – 13 May 2022	11th Meeting of The COMESA Trade in Services Committee	Virtual
9 – 14 May 2022	Retreat for Judges of the COMESA Court of Justice	Lusaka
10 – 11 May 2022.	11th Annual General Meeting of Regional Association of Energy Regulators in Eastern and Southern Africa (RAERESA)	Virtual
10 - 11 May 2022	Third Extra-Ordinary Meeting of the Kenya Sugar Safeguard Sub-Committee	Virtual
10 – 13 May 2022	Regional Infrastructure Financing Facility (RIFF) Capacity Building Workshop on Off-Grid Renewable Energy subsector	Lusaka, Zambia
12 – 13 May 2022	Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) Steering Committee meeting	Lusaka, Zambia
17 – 18 May 2022	Meeting of Programme Technical Steering Committee (PTSC), Project on Enhancement of a Sustainable Regional Energy Market (ESREM) in Eastern Africa-Southern Africa-India Ocean (EA-SA-IO) Region	Livingstone, Zambia



COMESA SECRETARIAT  
COMESA Center  
Ben Bella Road  
P.O. Box 30051



+260 211 229 725



[www.comesa.int](http://www.comesa.int)



[info@comesa.int](mailto:info@comesa.int)



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