

Experts Review Progress on Liberalization of Trade in Services in COMESA Region

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A section of delegates attending the trade in services committee meeting in Lusaka.

Progress on the implementation of the COMESA liberalization programme on trade in services in the COMESA region was the focus of a three-day meeting of experts in Lusaka, Zambia 10 – 12 October 2022.

This was the 12th meeting of the Committee on Trade in Services (TIS) whose key mandate include trade negotiations amongst Member States. During the meeting, the Committee reviewed the status of negotiations including what has been achieved and the challenges faced. Its goal is to conclude negotiations on the sectors that have been prioritized for liberalization. These are communication, finance, tourism, transport, business, construction and energy-related services.

COMESA Assistant Secretary General Dr Kipyego Cheluget, who opened the meeting noted that even though trade liberalization is a continuous process, the negotiations on COMESA trade in services liberalisation programme has been lagging.

"Trade in services accounts for more than 70 per cent of the global output and 51.1 per cent of labour force and thus playing a significant role in the COMESA economies," he said. "A slow pace of negotiations

cannot deliver effectively the expected results and within the given timeframes."

He proposed to the delegates to move the TIS agenda to the next level by removing restrictive practices that stand on the way of trade liberalization and find alternative solutions to harness the benefits of liberalized services in the region.

He said this will guarantee preferential market access for regional businesspersons in goods and the negotiated services sectors, thus enabling regional businesses and suppliers to expand and strengthen existing value chains as "beyond-the-border" barriers in services are being dismantled.

The advancement of the negotiations on TIS is also expected to reflect the commitment of COMESA towards the creation of a transparent, stable, and predictable environment for trade in services in the region and in the global markets.

More significantly, Dr Cheluget noted, it will place the COMESA Free Trade Area regime among the few in the world that guarantee its membership preferential market access for both goods and services.

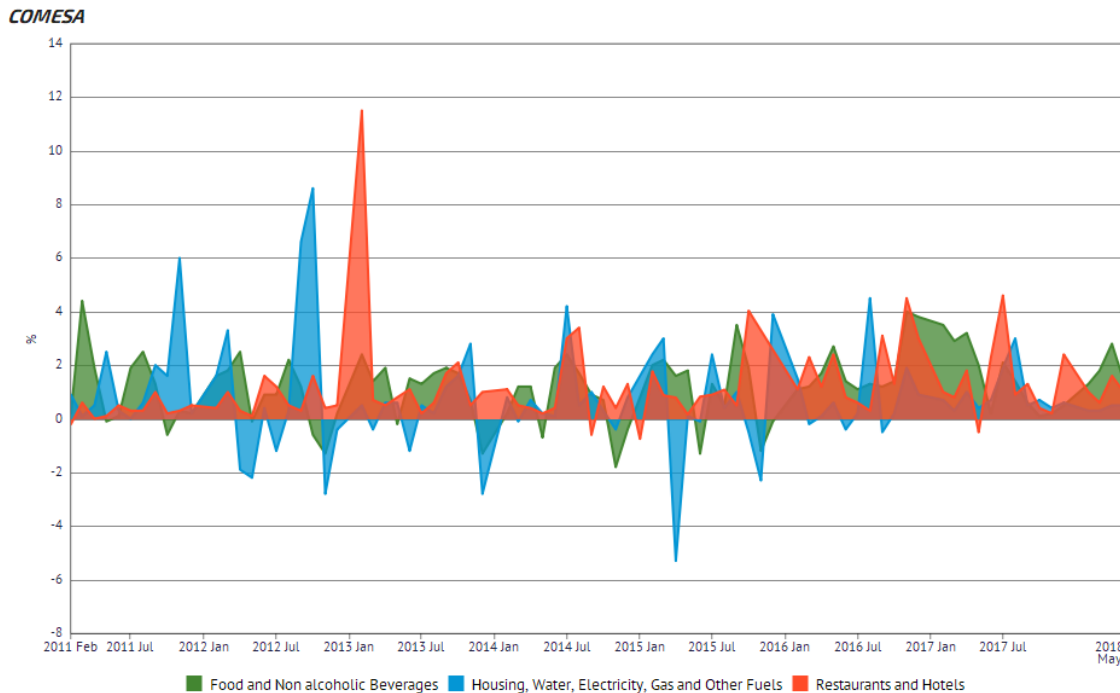
The first session of the meeting was dedicated to updates on initiatives by the Secretariat on the development of programmes to bolster transparency and efficiency in the implementation of the COMESA services trade framework and negotiations.

Notable among these is the establishment of the Online Platform for Trade in Services, which will be used by Member States to exchange offers and requests between them. The platform is being developed with support of the Afreximbank. It was presented to the delegates for review by Mr Emeka Onyia.

The other report shared during the meeting was on the outcomes of the World Bank/World Trade Organization and African Union Commission regulatory audits, which mapped all relevant legislation and regulations for AU Members, including many COMESA Member States.

The recommendations from the Committee meeting will be presented to the COMESA Intergovernmental Committee and the Council of Ministers meeting scheduled next month.

AfDB, COMESA Initiative Towards Harmonized Consumer Price Indices in Africa



COMESA in collaboration with the African Development Bank (AfDB) is conducting a five-day regional workshop in Naivasha, Kenya 10 - 14 October 2022, on harmonizing consumer price indices in Africa. The aim is to improve measurement process of national and regional Harmonized Consumer Price Indexes (HCPIs).

This initiative follows an agreement signed last year between COMESA and the AfDB in which the latter would be the Executing Agency for Statistical Capacity Building Program Phase V (SCB V) which targets 37 African Development Fund eligible countries.

Among the areas of intervention in the SCB V is the support to harmonization of consumer price indices in the target countries and support to RECs for the compilation of regional HCPIs. Through their respective Ministerial mandates, the RECs have continuously advocated for their Secretariats and Member countries to prioritize requirements of the agenda 2063, the global agenda 2030 for sustainable development and regional policies through the production and use of harmonized statistics including HCPIs. This is in recognition of the fact that successful

regional integration requires accurate, reliable, timely, harmonized and comparable data within and across RECs to support policy planning, monitoring and evaluation. Thus, the RECs constitute the cornerstones of the integration agenda and therefore need to build commensurate statistical capacity over time to facilitate the process towards full integration.

COMESA Head of Statistics, Mr. Themba Munalula says it is planned that all AfDB's Regional Member Countries (RMCs) undertake a rebasing of the price reference period of their HCPIs in the near future. Rebasing refers to changing the price reference period of the HCPI to a more recent period.

"In this workshop, the different steps of the rebasing process as well as general procedures to aggregate a consumer price index or to introduce a new set of expenditure weights will be discussed," he said. "The objective is to ensure that all RMCs are tooled with the same level of knowledge and applications, which is a key aspect of a successful maintenance of harmonized concepts, methods and procedures used in the compilation of national and regional HCPIs."

The long-term objective, he added, is to derive a continental HCPI using harmonized individual country national HCPIs. This requires a common methodological approach to ensure the international comparison of inflation, at least within RECs or at the continental level.

He stressed the importance of assisting RMCs and RECs to get a deep knowledge of the general rebasing of a national HCPI using the latest Household Budget Survey (HBS) data available for each of the participating RMCs.

He added: "It is also important to ensure that all RMCs have the same level of understanding of the full process of incorporating a new set of expenditure weights in the HCPI compilation, for the index to continue to reflect as much as possible the evolving patterns of consumer purchases."

This process includes the processing of data from the latest HBS data or from other data sources, the weight estimation process as well as the price-updating of expenditures between the expenditure reference period and the weight introduction month.



States Urged to Upscale Utilization of COMESA Free Trade Preferences

Countries that are members of the COMESA Free Trade Area (FTA) have been urged to upscale utilization of the preferences provided under the FTA regime. The intra-regional utilization rate of the FTA preferences by the Member States is estimated to average 48.4 percent relative to 77 percent on North-South trade.

The FTA preferences includes the removal of all tariffs and non-tariff barriers enabling the free movement of goods and services produced within COMESA. Currently 16 countries are participating in the COMESA FTA including Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

This has affected the region's ability to handle

external shocks, says Dr Kipyego Cheluget, Assistant Secretary General of COMESA, noting that the FTA was created to build resilience through deepening trade integration among member countries.

Addressing the 7th Meeting of the COMESA Trade and Trade Facilitation Sub-Committee, on 4 October 2022, Dr Cheluget said it was critical that countries implement the FTA in a manner that promotes effective use of the tariff preferences under regional integration by firms and other importers.

"The high prevalence of persistent Non-Tariff Barriers (NTBs) and high compliance costs of Non-Tariff Measures have created a prohibitive intra-trading environment in the region," he said.

It is estimated that imposing one additional NTB is equivalent to effecting at most a tariff of 5.8 percent. Between 2018 and 2020, Dr Cheluget said, it took an average of 1.5 years to resolve a reported NTB in COMESA region. Thus, introduction of additional Sanitary and Phytosanitary and Technical Barriers to Trade measures leads to more trade compliance costs. This makes it even harder for businesses to prosper.

"There is great potential which demonstrates the existence of scope to deepen our trade integration, create more space for business prosperity and fortify the resilience of our

economies," said Dr Cheluget.

Noting that the regional economies had barely recovered from the impact of the COVID-19 pandemic when the Russian - Ukraine conflict started, he said these episodes of external shocks have demonstrated the region's vulnerability by disrupting critical supply and value chains.

"The consequences are apparent in the upward pressure on oil, fertilizers and food prices," he said.

The current COMESA Medium Term Strategic Plan (MTSP 2021-2025) aims at increasing intra-regional manufactured exports to at least 25 percent of total exports by 2026 which is now at about 10 percent.

Based on 2019 trade statistics, the region has potential to increase intra-trade by US\$100.1 billion if all extra-COMESA trade could be diverted to the region. According to a recent study, if at least 50 percent of the current extra-COMESA trade is diverted to the region, intra-trade could expand by US\$50.5 billion.

The three-day virtual meeting was attended by trade experts from COMESA Member States.

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COMESA- Statistics Norway Developing Food Consumption Data Processing Guidelines

In a quest to reach consensus on the content and the form of the Guideline for processing food security statistics from household consumption and expenditure surveys, COMESA and Statistics Norway have conducted a seminar for experts drawn from regional economic communities, international organizations and national statistics offices. Anchored on the theme: Making a Difference in Food Security and Nutrition, the seminar which takes place in Rome, Italy, on 10 – 14 October 2022 and will refine a strategy for developing capacity for food security statistics in National Statistics Offices (NSOs) and discuss potential uses of data.

It seeks: to make significant progress on the development of the guidelines on processing food consumption data; to exchange experiences and ideas for use of the food consumption data in COMESA, Pacific Community (SPC) and others.

Participants will also discuss how to improve training and tools for sustainable capacity building; and to raise these issues with the members of United Nations Committee of Experts on Food Security, Agricultural and

Rural Statistics (UN CEAG) and other interested parties. It is expected that the discussions from the workshop will result into a draft guideline that will be distributed to a wider audience.

The seminar is designed to run parallel with the Committee on World Food Security (CFS) annual October Rome meetings to develop and endorse policy recommendations and guidance on a wide range of food security and nutrition topics. These are developed starting from scientific and evidence-based reports produced by the High-Level Panel of Experts on Food Security and Nutrition (HLPE) and/or through work supported technically by FAO.

The International Fund for Agricultural Development (IFAD), WFP and representatives of the CFS Advisory Group, in which COMESA and Statistics Norway participate.

Experts from COMESA, Statistics Norway, participating NSOs, World Food Program (WFP), Food and Agriculture Organization (FAO), East African Community, Southern African Development Community and World Bank are attending.

50MAWSP Users Discuss Platform's Future, get Tips on AfCFTA

Close to 100 users and key stakeholders of the 50 Million African Women Speak platform (50MAWSP) met on Wednesday 5 October to interact and discuss how best to collaborate and forge a way forward to improve its various aspects, such as its reach, usage and business-to-business (B2B) features.

The three-hour 50MAWSP Stakeholders and Users Webinar was a highly engaging event which brought together high-profile representatives from the implementing regional economic communities (RECs), platform users, national focal points, representatives from 50MAWSP host institutions, representatives from African Continental Free Trade Area (AfCFTA) and representatives of women in business as well as youth.

The COMESA Assistant Secretary General- Programmes Amb. Dr. Kipyego Cheluget opened the event and observed that doing business using digital tools was the way to go, as he encouraged users to provide feedback on improvements they would like to see in order for the platform to serve their needs better.

"More than ever before, we are convinced that any post-COVID recovery planning is incomplete without the integration of digital tools," Amb. Cheluget said. "I am pleased to note therefore that in just over two years since we launched the www.womenconnect.org digital platform for women entrepreneurs, women in business, and women in trade, we have been able to see a degree of transformation in relation to how the platform is used".

The Director for Social Sectors at the East African Community Dr. Irene Isaka challenged



Participants during the National Stakeholders Consultation Workshop held 3rd – 7th October 2022 in Seychelles

Stakeholders in Seychelles Consult on Country's Vulnerability and Resilience Assessment

Over 20 senior officials drawn from selected government ministries in Seychelles participated in a five-day consultative workshop to disseminate the country's specific Structural Vulnerability/Resilience Assessment (SVRA) and identifying the necessary response strategies. Conducted by the COMESA Secretariat through the Governance, Peace and Security (GPS) Unit, the workshop was aimed at sensitizing the participants on the SVRA methodology, expose them to the African Union Conflict Early Warning System (CEWS) Country Structural Vulnerability and Resilience Assessment and Mitigation Strategy.

COMESA has been implementing an early warning system (COMWARN) that provides forecasts on the structural drivers that could lead countries towards higher or lower levels of peace and prosperity. The model, which is anchored on the COMESA Peace and Prosperity Index has the overall goal of supporting member States to build resilience.

At the workshop, participants also deliberated on the necessary response options towards addressing the identified vulnerabilities, strengthening the identified resilience factors

and commencing the process of establishing a national response structure. Countries that are advanced in their efforts to commence the process of utilizing the COMWARN SVAs such as Zambia shared their experiences with Seychelles.

Speaking at the opening of the workshop, Head of the GPS Unit, Ms Elizabeth Mutunga said the workshop enabled the various stakeholders to be well-versed on the COMWARN SVRA methodology and use it for their own work.

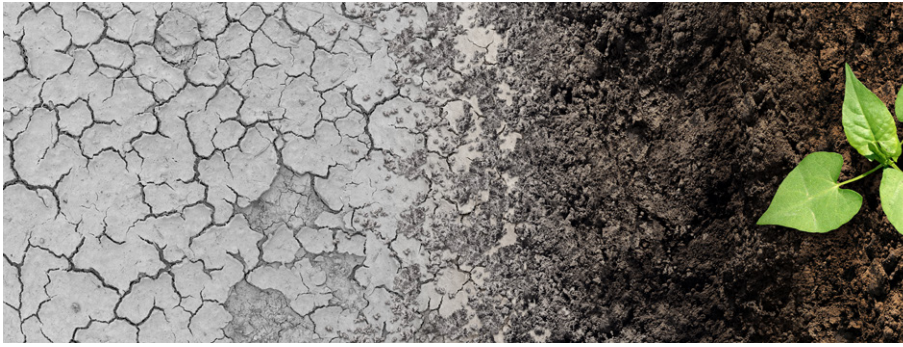
"We have continued to collaborate with the African Union's Political Affairs, Peace and Security Department in advancing the development and implementation of its SVRA methodology which has a comparative focus on economic dimensions of conflict as guided by various decisions of policy makers that called on COMESA to disseminate the Structural Vulnerability/Resilience," said Ms Mutunga.

Outputs of the consultations included the development of a proposed national SVRA response structure and a draft report of the workshop.

During their meeting last year, COMESA Ministers of Foreign Affairs reiterated the importance of addressing the structural factors to peace and prosperity especially in the light of the COVID-19 Pandemic and encouraged Member States to prioritize efforts that build resilience including adopting the use of COMWARN SVAs.

The Ministers also expressed their appreciation to Kenya, Madagascar, Uganda, Zambia, and Zimbabwe on their efforts to commence the process of utilizing the COMWARN SVAs. They also noted the requests from Mauritius and Seychelles for COMESA to hold national multistakeholder consultations on COMWARN SVAs.

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COMESA Gears up for COP27 in Egypt

Member States meeting for technical preparatory meeting

The 27th Conference of Parties (COP27) on Climate Change will take place in Egypt from on 6 - 18 November and COMESA is gearing up for robust participation. Last week, 6 – 7 October 2022, representatives from 13 Member States met in Harare, Zimbabwe for a preparatory workshop to develop a Regional Position Paper. In the paper, the delegates put together strategic regional priorities and critical thematic issues for submission to the African Group of Negotiators (AGN) for the COP27. The agreed priorities will be included in the negotiating texts of the global discussions.

Zimbabwe's Minister of Environment, Climate, Tourism and Hospitality Industry Hon. Mangaliso Ndlovu, who addressed the delegates said the implementation of the Paris Agreement on climate change requires the region to update its socio-economic policies and implement measures that direct financial flows towards low carbon and development of climate resilience.

"Our region is facing droughts which are negatively impacting the agriculture sector and tropical cyclones are causing infrastructure damage, forcing migration and the loss of life in some areas," said Minister Ndlovu. "High Sea level rise is threatening coastal infrastructures and our people are already facing threats on their well-being and income."

The preparatory meeting also provided a platform for COMESA Member States to brainstorm on the upcoming meeting, identify the most strategic issues for the region and work out regional priorities and positions especially in areas that are still outstanding and contentious. This meeting also helped to strengthen the capacity of Climate Change Negotiators in

preparation for the negotiations.

Some of the critical outstanding issues arising from Bonn Intercessions include the long-term climate financing beyond \$100 billion per year till 2025 pledge, global goal on adaptation, status of loss and damage and its financing modalities, preparations and requirements for global stock take, status of continental and global efforts towards NetZero by 2050 targets.

They also discussed the latest scientific report of the Intergovernmental Panel on Climate Change with special focus on implications for Africa and the COMESA region in relation to adaptation, mitigation and meeting the Nationally Determined Contributions and Paris Agreement goal of 1.5-degree celcius. Discussions included progress made in complying with the provisions of the Paris Agreement and matters on the United Nations Framework Convention on Climate Change COP27 agenda that have bearing on COMESA Member States.

COMESA Climate Change Unit Programme Manager, Ms Edith Tibahwa reiterated the organisation's role in supporting solutions to transboundary issues related to a changing climate given its ability to pool existing knowledge and resources, leverage local and national policies, and giving a voice and robust bargaining position to African countries at international negotiations.

She commended the EU under the African Caribbean and Pacific's Global Climate Change Alliance Plus (GCCA+) for supporting COMESA and other Regional Economic Communities advance their climate change programme.

50MAWSP Users Discuss Platform....

implementing RECs to use the lessons learned from the first phase of the 50MAWS Project to improve the platform, and urged the platform users who attended the webinar to become 50MAWSP ambassadors and "help in orienting other women who are not ICT savvy on how to use the platform."

On her part the Commissioner for Human Development and Social Affairs at the ECOWAS Commission Prof. Fatou Sow Sarr observed that despite the achievements realized in the first phase of the initiative, a lot of work still remained to be done on the platform.

During the event participants were sensitized on the opportunities the AfCFTA has on offer for women in business and how 50MAWSP is the bridge to harnessing these opportunities. Dr. Halima Noor Abdi represented the AfCFTA Secretariat. The webinar also provided a forum for a lively discussion among 50MAWSP users, stakeholders and implementers on ways to improve the platform to serve the needs of women entrepreneurs better. Some of the requests the platform users made were for integration of e-commerce to facilitate transactions on the platform, as well as addition of enhanced interactive tools such as live video streaming and matching of mentors with mentees.

The 50 Million African Women Speak digital platform is an economic empowerment initiative for women which is jointly implemented by three regional blocs, namely COMESA, EAC and ECOWAS. The platform seeks to address the business information needs of women entrepreneurs and provides information or resources on starting and growing a business, market access, access to finance, business management training and financial literacy, among others. It also boasts a social networking component which allows women to network with one another in real-time, showcase their goods and services and to learn from each other. Its first phase was supported with funds from the African Development Bank.



Regional Central Banks Supervisors attending training in Egypt

Regional Central Banks' Supervisors Trained on how to Deal with Challenges in Banking Supervision

The COMESA Monetary Institute in collaboration with the Central Bank of Egypt has trained bank supervisors from Central Banks of Burundi, DR Congo, Egypt, Eswatini, Malawi, Mauritius, Sudan, Uganda, Zambia, Libya, Tunisia and Zimbabwe on how to deal with Challenges Facing Central banks in Banking Supervision.

The training was conducted in Cairo, Egypt on 25 – 29 September 2022 with 37 participants. The training is part of the CMI Work plan for 2022 aimed at enhancing the capabilities of the officials in identifying new trends in risk management and supervision on risk management frameworks and systems, and onsite supervision developments and challenges.

The delegates also firming their skills in Anti-Money Laundering and Combating Financing of Terrorism fundamentals and challenges, and preparation and building of recovery plans, early intervention framework and dealing with weak banks and bank resolution. It also provides an opportunity for networking and experience-sharing on challenges facing bank supervision and how they are dealing with them in their various jurisdictions.

Addressing the delegates, Dr. Naglaa Nozahie, Governor's Advisor for Africa Affairs, Central Bank of Egypt said there is need for the Banking Supervisors to achieve the right balance between micro- and macro-prudential objective of system-wide resilience in evaluating and promoting the

safety and soundness of the financial institutions they supervise, as well as safeguarding the stability of the financial system.

On his part, Dr. Lucas Njoroge, the CMI Director, stressed the need for the supervisors to adequately manage macro and micro risks to have early warning systems and early intervention strategies to avoid banking crises. This entails embracing technology in order to keep up with the digital transformation that the industry is experiencing.

Therefore, he noted, that supervisors have plenty of challenges which they should deal with in order to safeguard their banking sectors and financial stability hence the importance of such training.

COMESA Diary

Date	Activity	Organizer	Venue/Format
10-12 Oct 2022	The 12th Meeting of the Committee on Trade in Services	COMESA Secretariat	Lusaka, Zambia (Hybrid)
11 - 12 Oct 2022	Third Meeting of the Committee of Human Resource Experts	Secretariat	Virtual
11 - 14 Oct 2022	Meeting of the Monetary and Exchange Rates Policies Sub-Committee and validation of research papers on monetary and exchange rate policy issues	COMESA Monetary Institute (CMI)	Nairobi
18-19 Oct 2022	8th meeting of the Heads of Customs Sub-Committee	Secretariat	Virtual
25 - 28 Oct 2022	Meeting of the Financial System Development and Stability Sub-Committee and validation of research papers on financial development	CMI	Nairobi
31 Oct - 2 Nov 2022	Committee on Administrative and Budgetary Matters	COMESA Secretariat	Virtual
31 Oct - 2 Nov 2022	Committee of Legal Officers	Secretariat	
31 Oct - 3 Nov 2022	Trade and Customs Committee meeting	Secretariat	Hybrid
3 Nov 2022	Ministers of Justice Meeting	Secretariat	Virtual
15-17 Nov 2022	Meeting of the Bureau of the COMESA Committee of Governors of Central Banks	CMI	
20-24 Nov 2022	Meeting of the COMESA Committee of Governors of Central Bank	CMI	Cairo
29 – 30 Nov 2022	The 43rd COMESA Intergovernmental Committee Meeting	COMESA Secretariat	Lusaka, Zambia
01 Dec 2022	The 43rd COMESA Council of Ministers' Meeting	COMESA Secretariat	Lusaka, Zambia



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