



Small scale traders in Addis Ababa, Ethiopia

## Countries Implementing the Simplified Trade Regime Set to Rise

Ethiopia is set to start implementing the COMESA Simplified Trade Regime (STR) and other related trade facilitation instruments, which are critical in strengthening cross-border and COMESA intra-regional trade especially during this time of the COVID-19 pandemic.

Eight other regional States including Burundi, D R Congo, Kenya, Malawi, Rwanda, Uganda, Zambia, and Zimbabwe are already implementing the STR. To give momentum to this, an awareness creation workshop for key stakeholders who will implement the STR in Ethiopia was conducted on June 28 - 29 June 2021 targeting central government, regional governments and border officials.

COMESA launched the STR in 2010 to simplify and streamline the documentation and procedures for the clearance of small cross border traders' consignments, while enabling them to benefit from the COMESA preferential tariffs trading environment.

"Previously, preferential trade regime benefitted the big and established traders who are able to obtain the Certificates of Origin and to complete required customs documents with ease. This excluded small-scale traders," said the Director of Trade and Custom in COMESA, Dr Christopher Onyango who spoke through virtual platform.

He observed that awareness creation for Ethiopian stakeholders was important to not only provide information but to secure stakeholder buy-in leading to the implementation of the STR with its neighbouring COMESA Member States. Implementation of the STR is also expected to stimulate cross border trade among informal small-scale traders.

The implementation of the STR for Ethiopia is supported under the Cross-Border Trade Initiative – Facilitating Small Scale Trade Across borders, a programme financed by the European Union under the 11th European Development Fund (EDF). It is jointly executed by the COMESA Secretariat and the International Organization for Migration (IOM) and the International Trade Centre.

The programme's objective is to increase formal small-scale cross border trade flows in the COMESA/Tripatite region leading to higher revenue collection by governments at the borders as well as increased security and higher incomes for small-scale cross border traders.

Speaking at the workshop in Adama town, the Director General, Trade Relation and Negotiation, Ministry of Trade and Industry, Ethiopia, Mr. Mussie Mindaye said the substantial gains the STR brings forth, cannot be realized by simply opening border areas.

"Poorly designed systems undercut the benefits of STR," he noted.

Accordingly, he said, the awareness creation workshop will support his country's negotiation process through the involvement of the relevant stakeholders, given the high priority accorded to STR process from all sides of the Ethiopia/Djibouti Border.

"The urgency of this awareness creation initiative stems from our engagement to negotiate STR with Djibouti on one hand, and other countries, including Kenya, Sudan and Eritrea and to be concluded in the coming years concurrently," he added.

An operational assessment of the implementation of the STR across border posts in COMESA region shows that it not only helps reduce the costs of trading by small scale traders, but also the constraints they face in accessing relevant customs documentations. Such constraints have in the past encouraged bribery and use of illegal mechanisms while foregoing the benefits of preferential duties being accorded by COMESA.

The STR also supports the capture of much needed statistics about cross border trade.

# Access to Electricity in COMESA Region is 60%



The percentage of the COMESA population with access to electricity is on average around 60%, but projections indicate that it will be around 80% by 2040. This will however depend on heavily investing in energy infrastructure in the next ten years.

According to an update presented at the 10th Annual General Meeting of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA), the total installed capacity for electric power in the 21 COMESA countries is around 92,000 megawatts.

The low level and coverage of physical energy infrastructure is due to insufficient investment in the energy sector, inefficiency and unreliability of existing energy infrastructure services, increased demand for economic and population growth.

In a statement delivered at the AGM, the Egyptian Minister of Electricity and Renewable Energy, Dr Mohamed Shaker, said that the current regional economic growth trends require a corresponding growth in energy infrastructure. Hence the need to address the supply side constraints especially energy infrastructure, to ensure accelerated regional integration and growth.

"Increased investment in infrastructure should be supported by associated policy initiatives that promote generation, maintenance and efficient utilization of infrastructure capacity," he said. His statement was delivered by Dr. Mohamed Omran, Executive Chairperson of the Egyptian Electric Utility and Consumer Protection Regulatory Agency (EgyptERA).

Speaking at the same meeting, Assistant Secretary General in Charge of Programmes in COMESA, Dr Kipyego Cheluget said the high cost of operating energy infrastructure facilities and inability to prepare bankable projects are major impediment to the expansion of the manufacturing sector the region.

"It is however encouraging to note that most countries have realized that for any meaningful economic and human transformation to be realized, universal access to energy should be at the centre augmented by a strong political will and sustainable policy and legislative framework," he said.

He said COMESA has established specialized agencies including RAERESA

and the Eastern Africa Power Pool (EAPP) to support the region towards energy sufficiency. It has also adopted the COMESA Model Energy Policy Framework which has introduced reforms in the energy sector to enhance energy security, accessibility, affordability and reliability in the region.

As a result, two countries, the Democratic Republic of Congo and Djibouti have recently established their electricity regulators thus joining Ethiopia, Burundi, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe in that group.

Chairperson of the Plenary of the RAERESA, Mr. Daniel Bargoria, who is also the Acting Director General of the Energy and Petroleum Regulatory Authority (EPRA), Kenya, said market governance and regulatory related challenges impacts the implementation of energy projects.

"There is a huge energy gap in the region accounted for by missing links and maintenance backlog thereby calling for narrowing of the gap if the region is to accelerate regional economic development for the benefit of the people," he said.

The meeting also called on RAERESA to continue engaging with the countries which are in the process of establishing their regulators to give impetus to the full establishment of effective energy regulators.

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**"Increased investment in infrastructure should be supported by associated policy initiatives that promote generation, maintenance and efficient utilization of infrastructure capacity,"**  
**Dr Mohamed Shaker**



# Innovation has Maintained COMESA's Performance Trajectory

## Building Capacity of Member States to Report on Climate Change Actions



COMESA staff conducting a virtual meeting with external participants

Amidst the prevailing Covid-19 situation, the implementation of the COMESA regional integration programmes has picked pace, with a notable consistent budget absorption under Member States funding on operational expenditures.

According to a recent performance update by the COMESA Secretariat, there has been an upward trajectory in programme activities in the second quarter of the year as restrictions on movement of people in the region eases. These have been made possible through the adoption and application of information, communication technologies, which have built the organization's resilience to implement its programmes.

"At the Secretariat, we continue to harness the power of ICT through teleworking to deliver on our mandate while safeguarding the health of our staff amid the current third wave of the COVID-19," the COMESA Secretary General Chileshe Kapwepwe said during the recent administrative and budget committee meeting.

She attributed the regions' resilience to some of the measures put forward by the relevant authorities

at national level and through the enforcement of regulations developed by the Secretariat, aimed at facilitating safe cross border trade in goods and services.

COMESA has convened more than 10 meetings in the first half of the year, that brought together technical experts and ministers from various sectors including trade, industry, agriculture, energy, transport, ICT among others. The ministerial decisions informs the implementation of programmes at the regional and national level.

On the other hand, COMESA Cooperating partners have continued to honor their obligations and have extended most projects timeframes to allow the programmes to improve their budget absorptions. The Secretariat has also continued to innovate modalities of implementing programme to increase budget absorption during these extended project timeframes.

Major development partners such as the European Union have allowed the Secretariat to administer their funds using the internal systems and structures after having assessed and found them satisfactory.

The United Nations Framework Convention on Climate Change (UNFCCC) in partnership with the COMESA Secretariat offered a two-day virtual training to technical officers from Member States on the preparation and submission process of new/ updated Nationally Determined Contributions (NDCs).

NDCs are national climate plans highlighting climate actions, including climate related targets, policies and measures governments aims to implement in response to climate change and as a contribution to global climate action. Central to the NDCs is the concept of national determination. The training was conducted on 28-29 June 2021 and covered the Katowice guidance on NDCs, which are also at the heart of the Paris Agreement on Climate Change.

The virtual training complemented a similar in-person workshop on the Enhanced Transparency Framework (ETF) and NDCs for COMESA Member States whose dates will be announced later. Almost all COMESA Member States have ratified the Paris Agreement of 2015 and five already submitted a new or updated NDC in 2020/2021.

COMESA Climate Change Unit Programme Manager, Ms. Edith Tibahwa said the virtual training was aimed at enhancing the technical capacities of Member States in their preparation of new/updated NDCs in line with further guidance relevant for the preparation and communication of NDCs.

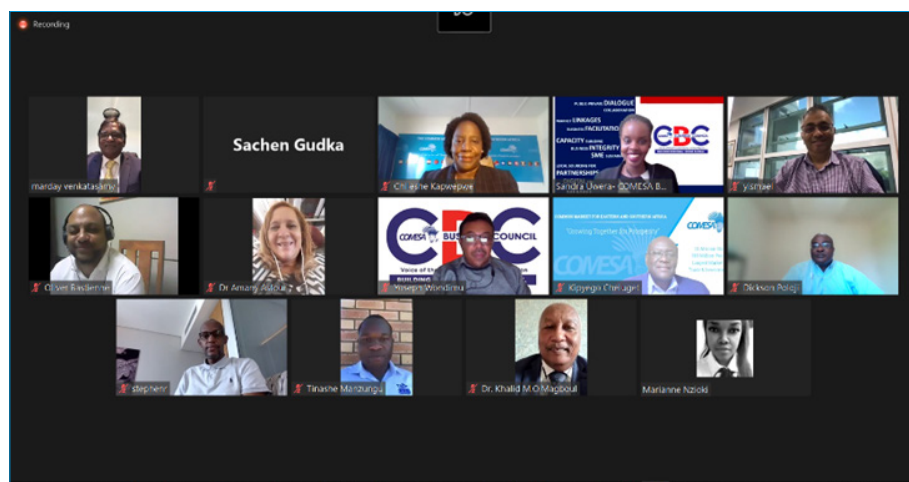
"Specifically, the training aims at familiarizing participants with the process and requirements under the Paris Agreement relevant for the preparation and submission of new/updated NDCs in 2020," she said.

The training was part of UNFCCC's capacity building support to Parties, and was available to those that voluntarily registered.

### COMESA Diary

26 – 27 July 2021	Intergovernmental Committee Meeting
29 July 2021	COMESA Council of Ministers' Meeting

# Covid-19 Pandemic has Aggravated Non-Tariff Barriers to Trade



COVID-19 has exacerbated the non-tariff barrier restrictions on free movement of persons, according to the Chairperson of the COMESA Business Council, Mr. Marday Venkatasamy.

Speaking during the 16th CBC Board meeting conducted virtually on 1st July 2021, Mr. Venkatasamy said this was due to the emerging discriminatory practice of certain approved World Health Organization (WHO) vaccines being a prerequisite for international travel.

"The business community requests an appeal by the African Union against this inequitable practice," he added pointing out that the practice was coming at the time when Africa is exploring ways of developing its own vaccines.

To address some of the current constraints, Secretary General of COMESA, Chileshe Kapwepwe, said the COMESA Secretariat collaborated with CBC in developing regional guidelines on the movement of essential goods and services across the region during the current pandemic period.

"This underscores the importance for consistent involvement and advocacy of the private sector in policy making processes and public-private dialogue to address some of the notable challenges in regional trade," she stated when she

addressed the meeting.

She said digitization of industry remains a core pre-requisite for promoting trade and regional integration especially within this pandemic period, where there is a greater call for improving regional supply chains to advance industrialization and increase trade among COMESA countries.

In a performance report for 2020, presented at the meeting, the CBC had achieved several milestones in the midst of the pandemic including the establishment of the CBC Pharmaceutical and Healthcare Workgroup.

A regional Public-Private Dialogue on Digital Financial Inclusion was conducted in January 2021, which brought together over 200 industry players to deliberate on policy areas for harmonization and to inform the Model COMESA Digital Common Payments Policy for Micro Small and Medium Enterprises (MSMEs).

Besides the CBC Board of Directors, the meeting was attended by Presidents and Chief Executives of national apex private sector Associations and Chambers of Commerce from the COMESA region, key business leaders from Mauritius, Sudan, Kenya, Egypt, Rwanda, Zimbabwe and Seychelles.



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