

Digitization and unification of Customs' systems in focus as Heads meet

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File- Customs offices as the Kasumbalesa border point between Zambia and DR Congo.

Automation of customs clearance processes, customs connectivity and implementation of a COMESA regional authorized economic operator scheme were key issues in focus during the 9th meeting of the COMESA Heads of Customs conducted virtually on 10 – 12 October 2023.

The meeting provided the Customs chiefs with an opportunity to review the progress COMESA was making in the implementation of the Customs Union and trade facilitation work programme and the impact on intra-regional trade, regional and continental economic integration.

While addressing the meeting, Dr Mohamed Kadah, COMESA Assistant Secretary General in charge of programmes said the unification of the African economic space was urgent and this calls for rationalization of tariff negotiations in COMESA with other regional economic communities, and Africa's integration as a whole.

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COMESA customs territory and not segments of customs territories to realize economies of scale and enjoy the full benefits of market integration," said Dr Kadah.

"We therefore need to re-energize our efforts and support the Tripartite and African Continental Free Trade (AfCFTA) processes at the same time. In this way, our interventions will remain relevant, and we will make incremental progress towards unifying the African economic space, a goal long mooted by our forefathers under the Abuja Treaty."

Further, he said the adoption of modern customs

practices such as the one stop border posts (OSBP's) and the Authorized Economic Operator (AEO), requires institutional reforms for these initiatives to have major impacts on intra-regional trade and deliver expected efficiency improvements at border posts.

AEO refers to a party involved in the international movement of goods, in whatever function, that has been approved by, or on behalf of, a national Customs administration as complying with World Customs Organization or equivalent supply chain security standards.

"Many a times the Customs officers scan 100% of

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COMESA Director of Trade and Customs, Dr Christopher Onyango.

COMESA-SADC- EAC meet to align Rules of Origin

A three-day workshop to update the Rules of Origin for the Tripartite Free Trade Area and align them with the latest Harmonized System (HS) 2022 version, was held Monday 09 - 11 October 2023 at COMESA Secretariat in Lusaka, Zambia. The alignment will help avoid misapplication of the Rules of Origin and facilitate origin determination, thereby ensuring efficient and effective collection of revenue.

The Tripartite brings together COMESA, East African Community (EAC) and Southern African Development Community (SADC).

Rules of Origin serve as critical instruments in advancing the three development pillars of the Tripartite, which include Market Integration, Infrastructure Development, and Industrial Development.

The Harmonized System, maintained by the World Customs Organization (WTO), undergoes updates approximately every five years. These updates are essential to accommodate new products, address global environmental and social concerns, and recognize emerging trade patterns, among other factors.

Consequently, it becomes necessary to ensure that the Rules of Origin for various trade agreements, which are based on the HS, are also updated to reflect the latest HS version. At the opening of the workshop, Assistant Secretary General in charge of Programmes

in COMESA, Dr. Mohamed Kadah called for simplified, transparent and predictable rules of origin for easy trade flow, especially amongst the small-scale traders.

"In preparation for the implementation of the TFTA, it is necessary to ensure that the Rules of Origin are aligned to the latest version of the Harmonized System which is in use by most the Partner/Member States," he said in a statement presented by Director of Trade and Customs, Dr Christopher Onyango.

The workshop was supported by the WTO and the European Union through the EU-WCO Rules of Origin Africa Programme, with participants drawn from the COMESA-EAC-SADC Secretariats as well as implementing agencies from the Tripartite member States.

Dr Kadah urged the Tripartite States to strive to adopt Rules of Origin that are conducive to the emergence of regional value chains as a

springboard to structural transformation and export diversification.

"Besides the Rules of Origin must be flexible enough to allow for producers even from the weakest economies to reap meaningful benefits of regional markets," he added.

Programme Manager at the European Union Delegation in Zambia and to COMESA Ms. Christian Haziyo emphasized the importance of updating the Rules of Origin as 'not just a matter of compliance, but an essential step in cultivating a dynamic and vibrant trade environment that will unlock the immense potential of the region.'

The draft updated TFTA Rules of Origin to HS 2022 version will be submitted for consideration by the TFTA Technical Working Group on Rules of Origin.



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Participants to the inaugural consultative meeting to simplify and standardize trade documents and procedures

Regional consultations on simplification of trade documents conducted in Addis

In an initiative to simplify and standardize trade documents and procedures in the region, the inaugural regional consultative meeting on the implementation of measures outlined in the World Trade Organization's Trade Facilitation Agreement took place in Addis Ababa, Ethiopia, on 27 – 29 September 2023.

The forum was the first of this nature. It was organized by COMESA through the support of the 11th European Development Fund (EDF) – Trade Facilitation Programme, which is facilitating various capacity-building initiatives. The initiatives span a wide range of areas, including Customs Automation, the Regional Trade Information Portal (RTIP), the Regional Authorized Economic Operator (AEO) program, Coordinated Border Management, and the establishment of a Regional Single Window.

This is a step toward fulfilling the directive set forth during the 42nd COMESA Council of Ministers Meeting held in November 2021. At that meeting, it was decided that the COMESA Secretariat, in collaboration with Member States and Development Partners, should mobilize both technical expertise and financial resources for the implementation of commitments falling under Category C of the WTO Trade Facilitation Agreement.

Category C notifications contain provisions that a developing country designates for implementation on a date after a transition period and requiring the

acquisition of implementation capacity through the provision and assistance of capacity building. Article 70 of the COMESA Treaty addresses issues of trade facilitation covering among other things, the reduction and simplification of trade documents, simplification of procedures, adoption of common standards based on international benchmarks and coordination of trade and transport facilitation interventions based on cooperation at regional level.

"The WTO Trade Facilitation Agreement presents a unique opportunity for COMESA Member States to achieve the full realization of trade facilitation measures outlined in the COMESA Treaty and COMESA Customs Management Regulations," said Dr Christopher Onyango, COMESA Director of Trade.

He added that compliance with the provisions of this Agreement is mandatory for WTO Members who have ratified it, and its implementation holds global and regional benefits.

Participants in this meeting comprised trade facilitation experts from all COMESA Member States. The event was officially opened by Dr. Henok Seyoum Assefa, Senior Advisor to the State Minister of Trade Promotion and Regional Integration in Ethiopia and the COMESA Director of Trade.



Dr Mohamed Kadah

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the commercial consignments passing through most border posts, thereby resulting into long queues and delayed clearances. This can be made worse if a border post has one functional scanner and the impact is felt by AEO traffic, transit goods and goods for home use without regard to the risk status of the consignments," Dr Kadah observed.

To address such challenges COMESA Secretariat is collaborating with Development Partners to upgrade infrastructure at border posts and provide the ICT and other soft infrastructure upgrades to improve the efficiency of processing cross-border traffic.

A report prepared by Customs Experts on the progress so far on several interventions supported by the 11th European Development Fund (EDF 11) Trade Facilitation Programme was presented which covered digital facilitation of trade. These include the establishment of trade information portals, development of a trade and transport corridor monitoring dashboard, the COMESA electronic certificate of origin system, a regional electronic single window, setting up of a COMESA Regional Customs Automation Support Centre and establishment of a interconnectivity platform.

Dr Kadah observed that the region could only reap dividends from the exponential opportunities offered by the application of digital solutions to expedite clearance of goods across borders. He asked Customs officials to support the Automation of Systems to effectively work and to trust the credibility of the inputs into the systems that create risk profiles of traders, transporters and clearing and forwarding agents.

Ministers approve temporal relocation of COMESA court operations from Sudan

COMESA Court of Justice will temporarily relocate its Registry Operations from Khartoum, Sudan owing to the current political instability in the country, which has affected its operations. The decision was made by COMESA Ministers of Justice and Attorneys General during their 26th Meeting held on 22 September 2023 in Lusaka, Zambia. This followed a request by the Court for temporary relocation to Zambia, where COMESA has its headquarters.

Making the request, Judge President of the Court, Lady Justice Lombe Chibesakunda expressed the Court's empathy by the turn of events in Sudan, one of the founding Member States of COMESA.

"Unfortunately, the situation as it stands now underscores the urgency of considering alternative measures to ensure the Court continues delivering on its mandate," she said in her address to the meeting.

The Court has been based in Khartoum, since 2014 pursuant to a 2003 COMESA Decision of the Heads of State, which chose Khartoum, as the Permanent Seat of the Court.

As the judicial organ of COMESA, the Court adjudicates and arbitrates on, among other matters, unfair trade practices, interpretation of Treaty (Protocols and other legislative acts) and ensures that Member States uniformly implement and comply with agreed decisions. The Court has two divisions with a total of 12 Judges all holding high judicial office in their respective countries. The lower Division, known as the Court of First Instance, has seven judges, while the upper division is the Appellate and has five Judges.

Decisions of the Court on the interpretation of the provisions of the COMESA Treaty have precedence over decisions of national courts and are binding on all COMESA Member States.



Central Banks staff attending the CMI workshop

Central Banks validate studies on exchange rate pass-through.

Economists from 12 COMESA countries have validated studies conducted by member Central Banks on the "Exchange rate pass-through to domestic prices". The exchange rate pass-through (ERPT) is the change in local currency domestic prices resulting from one percent change in the exchange rate.

In general, ERPT entails both the direct and indirect channels through which changes in the exchange rate may be transmitted to consumer prices. In their conduct of monetary policy, central banks require an understanding of the transmission mechanism of monetary policy to be able to respond adequately to different shocks.

COMESA Monetary Institute Director, Dr Lucas Njoroge says the extent and timing of ERPT is an issue of interest for monetary policymakers as it is a key ingredient of monetary policy and forecasting models of prices. He was speaking during the validation workshop on 'Exchange rate pass-through to domestic prices', for the studies conducted by Member Central Banks. The workshop took place on 3 - 4 October 2023 in Nairobi, Kenya.

Currently, the region is grappling with a challenging macroeconomic environment, marked by, among others, severe exchange rate pressures owing to multiple global shocks. Surging global oil and international commodity prices compounded by tightening global

financial conditions associated with the war in Ukraine and sanctions on Russia has fast paced market volatility and disrupted capital flows to small open economies, including those in the COMESA region.

It is against this background, the Director noted that, the Committee of Governors of Central Banks directed CMI using staff from member Central Banks to empirically assess the ERPT to better understand the impact of the on-going turmoil in the external environment on inflation. The key finding of the studies is that ERPT is low, incomplete and lagged, which, in general, reflects limited exposure of the respective economies to pressures from exchange rates on the consumer price side.

Among the key common policy recommendations from the studies, were that Central Banks need tailored policy responses to exchange rate shocks in order to moderate exchange rate pass-through pressures. In addition, they should manage future price expectations by increasing their communication with market players. They also need to exercise caution when dealing with excessive exchange rate movements/volatility and should be ready to take appropriate actions, among others. The 12 COMESA member Central Banks that participated from Burundi, Democratic Republic of Congo, Djibouti, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.



Plans to establish a customs automation regional support center

COMESA Secretariat is preparing to establish a Customs Automation Regional Support Centre at its Headquarters, in Lusaka, Zambia. This initiative is being undertaken in cooperation with UNCTAD through a co-delegation agreement.

The Secretariat is also collaborating with the World Customs Organisation (WCO) to enhance the capacities of Customs officials in technical subjects, specifically, the Harmonised System (HS) and Rules of Origin.

This is being done within the framework of the EU-WCO HS and Rules of Origin Africa Programmes, respectively. The aim is to develop a critical mass of regional experts to take charge and control of the expanding roles and demands for customs services. Further collaborating with UNCTAD is in the field of Customs automation including capacity building on ASYCUDAWorld. So far, UNCTAD has conducted three training sessions on ASYCUDAWorld functional courses and two training sessions on technical courses since October last year. These have been supported under the 11th European Development Fund programmes and activities.

A total of 103 Customs and IT officers have been trained since the training on ASYCUDAWorld Technical and Functional Courses started in March 2022. Speaking during the opening of the 9th meeting of customs experts conducted virtually on 10 October 2023, COMESA Director of Trade and Customs Dr Christopher Onyango, underscored COMESA's

commitment to support capacity building in Customs related matters. The objective is to strengthen Customs-to-Customs exchange of information, data analytics, artificial intelligence and machine learning, and the implications of the growing volumes of e-commerce on Customs processes and procedures.

"The implementation of the key activities for realizing the COMESA Customs Union is lagging and the main issues to be addressed are alignment of national tariffs to the COMESA Customs Tariff Nomenclature and Common External Tariff – issues that are within your areas of jurisdiction together with other stakeholders," Dr Onyango told the customs experts. He emphasized the multifaceted role of customs authorities which extend beyond their traditional functions of collecting customs duties and overseeing the flow of goods, animals, personal effects, and public health safety and security.

"Modern customs agencies are increasingly embracing the use of information and communication technology (ICT) to facilitate trade and streamline customs administration processes in response to global challenges," he said.

Key issues in the agenda of the meeting were to review progress in the implementation of the 2021-2025 Customs and Trade Facilitation Work Programme and to consider the working documents that had been developed or validated by the technical working groups.

COMESA partners to host the 2023 IRSK annual conference on diplomacy

The International Relations Society of Kenya (IRSK), the professional body for international affairs and diplomacy in that country in collaboration with COMESA Secretariat will hold the inaugural annual international conference from October 25th to 27th, 2023 on diplomacy.

The three-day event will be a collaborative effort between IRSK, COMESA and the African Centre for the Constructive Resolution of Disputes (ACCORD) based in South Africa.

Various stakeholders including key government officials, diplomats, scholars, policymakers, business leaders, media and members of the civil society are expected to dissect the multiple crises and geopolitical divides that are redefining international relations and diplomacy in the COMESA region. It will feature an exciting blend of speeches, roundtable discussions, interviews, workshops, networking events and cultural exchange activities.

This conference is taking place against the backdrop of multiple crises and unprecedented geopolitical changes that have far-reaching implications on future growth and development for the COMESA region and beyond. The outbreak of wars, a global surge in inflation, security fragility and climate shocks have added significant pressure, exacerbated uncertainty and forced geopolitical changes that will redefine the role of state and non-state actors in the region. Conference participants will get access to insights and expert advice on how state and non-state actors in the COMESA region are responding to the intricate and multifaceted challenges and the opportunities embedded therein.

COMESA DIARY

Date	Activity/Event	Venue/ Format
16 – 18 October	Second Intergenerational Dialogue Forum with COMESA and Partners	Lusaka, Zambia
23 – 27 October	Trade and Customs committee meeting	Balaclava, Mauritius
25 – 27 October	The 2023 International Relations Society of Kenya inaugural annual international conference in Partnership with COMESA & ACCORD	Nairobi, Kenya
30 Oct 01 November	Review of National Laws, Rules, Regulations and policies to conform with the provisions of the YD-Regional workshop – SATSD programme	Cairo, Egypt
31 Oct – 2 Nov	45 th Meeting of the Committee on Budgetary Matters	Lusaka, Zambia
04 – 10 Nov	COMESA Monetary and Integration meetings/ Governors Symposium	Victoria Falls, Zimbabwe
6 – 8 Nov	Single African Air Transport Market Awareness Workshop for the Indian Ocean States under (SATSD) Programme	Port Louis, Mauritius
9 – 15 Nov	2023 Inter African Trade Fair	Cairo, Egypt
21 – 22 Nov	44 th Intergovernmental Committee Meeting	Lusaka, Zambia
23 Nov	44 th Council of Ministers Meeting	Lusaka, Zambia
29 – 30 Nov	National Media Capacity Building Workshop on Regional Integration	Mbabane, Eswatini



President William Ruto of Kenya visits COMESA stand at the Nairobi International Trade Fair

Stakeholders' outreach at the Kenya and Uganda expos

The COMESA Secretariat in collaboration with the COMESA Business Council (CBC) participated in two International Trade Fairs held in Kenya and Uganda in September and October this year. The first was in Nairobi, September 25 – 01 October and the second in Kampala 02 - 11 October 2023.

COMESA's presence is part of an outreach strategy to reach and interact with a wide spectrum of key stakeholders in one venue. These include businesspeople, policymakers, institutions of learning, researchers, students and the public.

Besides sharing information of the ongoing COMESA regional integration programmes, the events provided an opportunity to introduce to the public the newly launched CBC Pre-paid card. This is part of the Digital Financial Inclusion programme targeting the micro small and medium enterprises. The overall goal is to expand the use of the regional digital retail payments platform thereby improving cross border trade.

Kenya's President Dr William Ruto, whose first stop at the Nairobi International Trade Fair was at the COMESA booth was particularly keen with this initiative and asked for more reading material about it which was provided.

The digital platform is low-cost and inherently resistant to fraud. With MSMEs forming the bedrock of the economy and often led by women in agro-industry and trade, the program strives



The COMESA Booth at the 29th Uganda International Trade Fair at the Lugogo Grounds

to empower and uplift these crucial players by transforming them into dynamic participants in the digital marketplace.

This innovative platform promises to streamline transactions, promote transparency, and usher in a new era of efficiency for MSMEs. By lowering transaction costs and providing real-time financial capabilities, the platform is poised to foster increased volumes of intra-COMESA trade and cross-border transactions.

Key issues raised at the trade fairs related to the critical need for regional markets information, access to regional markets for various products

produced in Kenya and Uganda including farm produce and manufactured products. Inquiries on available support from COMESA, including financial and logistics to assist small scale traders access the regional markets were common.

In addition, the COMESA Masters Programme on regional integration also attracted numerous inquiries. The 50 Million African Women Speak Project was part of the initiatives demonstrated at the trade fair in Uganda.

The outreach activities were supported with funding from the EU/ European Development Fund.



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