

## Snapshot of COMESA accomplishments at the 44th ministerial meeting



Zambia Vice President Mrs. Mutale Nalumango (centre) and ministerial delegations attending the 44th Council Meeting.

The 44th COMESA Council of Ministers conducted today in Lusaka, Zambia on 23 November 2023, provided an opportunity for the Secretariat of the regional bloc to highlight some key accomplishments of its regional integration agenda. These focused on its key pillars: market integration, physical connectivity, productive integration (industry and agriculture) and gender and social integration.

Among the key highlights presented by the Secretary General of COMESA Chileshe Kapwepwe, is the enhanced growth in global and regional trade. In 2022, COMESA's exports to the world increased by 15% while the value of intra-COMESA exports increased by 10%. Imports sourced from the COMESA market were ranked in fourth position and increased by 27% in 2022.

The uptake and utilization of trade facilitation programmes also has notably been successful in terms of automated and digitalized customs systems, the Simplified Trade Regime and the Tripartite online Non-Tariff Barriers reporting, monitoring and eliminating mechanism.

COMESA has also continued to facilitate the smooth movement of vehicles, goods and persons within its Member States and between COMESA and other regions through the implementation of the Yellow Card and the Regional Customs Transit Guarantee (RCTG) Scheme.

In collaboration with the African Export-Import Bank (AFREXIMBANK), an Online Platform for COMESA Negotiations of Trade in Services has been developed. The platform, which was launched at the meeting, aims to expedite the negotiations, providing tools to improve the technical quality of offers and increase the transparency, while at the same time safeguarding the confidentiality of information exchanged between the parties.

**"Prioritization should be based on value addition, diversification and embracing new technologies, all with due consideration to the protection of our environment," she said.**

Ms Kapwepwe attributed the success of the COMESA regional integration to substantial support from development partners, especially the European Union, the World Bank and the African Development Bank.

"Without the assistance of these partners, work under our programmes would be greatly impaired," said the Secretary General in appreciation to these institutions.

Vice President of Zambia, Mrs. Mutale Nalumango, who was the chief guest underscored the need for the region to prioritize and refocus on key areas that contribute to development, productivity, and competitiveness.

"Prioritization should be based on value addition, diversification and embracing new technologies, all with due consideration to the protection of our environment," she said.

The European Union Special Representative to COMESA, Amb. Karolina Stasiak, underscored the need for collaboration to make trade fairer and

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## COMESA Competition Commission disburses USD 1.9m to Member States.

The COMESA Competition Commission has disbursed 1,933,061 to Member States being proceeds from the review of 21 business mergers assessed between January to August 2023.

In reviewing these mergers, the Commission receives statutory fees from the merging parties which are shared with affected Member States. This is in accordance to the Rules on COMESA Revenue Sharing of Merger Filing Fees to support the development of competition laws and authorities.

According to a progress report presented to the 44th COMESA Council of Ministers' meeting, on 23 November 2023, the Commission has allocated USD 29,142,045.07 to Member States since its inception 10 years ago and disbursed USD 26,148,531.35. The Commission is however holding USD 2,993,513.73 that is due to the Member States awaiting the conclusion of their respective administrative matters.

The merger fees distributed by CCC were aimed at strengthening their Member States National Competition Authorities (NCA) to enhance their capacity and competencies. The Council, however, noted that merger fees issued to Member States were not being used for the intended purpose.

In its decision, the Council urged Member States' Governments to comply with the Rules of the Council by channelling all the merger fees resources disbursed by CCC NCAs to ensure that they are utilised to develop, strengthen, and capacitate the NCAs.

Further the Council urged Member States to advise their NCAs and competent authorities to adopt one position when negotiating the African Free Trade Area Agreement (AfCFTA) Competition Protocol. This is crucial in determining the merger notification and dominance thresholds under the AfCFTA Protocol on Competition Policy.

So far, the Commission has collaborated with the Competition Commission of South Africa (CCSA) under the auspices of the African Competition Forum (ACF) on a study focusing on the factors to consider under the AfCFTA Merger and Dominance Thresholds.

The NCAs and other competent authorities at national level were called upon to be part of the discussions organized by the Commission to discuss the findings of the study so that COMESA Member States adopt one position when negotiating at the AfCFTA.

## Snapshot of COMESA accomplishments...

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more sustainable with green transition at the heart of this change.

She said: "Green investments held the key to creating more job opportunities for the youth, fostering industrial growth and revitalizing trade relations between Africa and Europe."

In her statement, the World Bank Director for Regional Integration, Dr. Boutheina Guermazi said that in the last two year, the Bank has renewed its partnership with COMESA owing to the regional blocs standing especially in applying regional solutions to the developing challenges of a cross border nature.

At present the World Bank's regional integration portfolio for COMESA Member States is over five billion dollars with the latest programme being the support Great Lakes Trade Facilitation and Integration project with \$8 million dollars grant to COMESA to implement regional economic integration activities.

The African Development Bank, Vice President for the Regional Development Integration and Business Delivery, Ms. Marie-Laure Akin-Olugbade said the Bank's cooperation focuses on regional corridors to facilitate seamless flow of goods, services, capital and people, and promote value addition and to lower transport costs and connect landlocked countries to coastal countries.

She said the Banks active portfolio in the region exceeds \$7 billion and has lately approved \$7 million to advance the COMESA, EAC, SADC Tripartite Free Trade area programmes.

The ministers made a raft of decisions based on recommendations by the COMESA Intergovernmental Committee meeting that preceded the Council meeting. These will inform the implementation of programmes in the coming year and beyond.





curtailed the ability to organise physical meetings. Subsequently, COMESA Secretariat requested for technical assistance from the African Export-Import Bank (Afreximbank) on capacity building in Trade in Services to help speed up negotiations and to harmonize the Trade in Services processes at regional and continental level which was granted.

The platform has been customized for the COMESA region to support and compliment the ongoing negotiations on Trade in Services. Specifically, it will enhance preparation for negotiations by providing a tool to assist Member States representatives to create and edit offers that are of a high technical quality efficiently.

It will also facilitate negotiation of sector specific commitments digitally to complement physical negotiations and minimise delays and better coordination.

"The platform is not meant to replace, but rather to support and enhance physical trade in services negotiations," COMESA Secretary General Chileshe Kapwepwe said at the launch and assured that it will be hosted on the Secretariat's servers to ensure its security and confidentiality.

## Trade in services portal launched to support online negotiations

*Platform has been developed with the support of the AFREXIMBANK*

COMESA has launched a Trade in Services Portal to facilitate online negotiation of offers and requests between Member States under the COMESA Trade in Services liberalization programme.

The launch was conducted during the 44th Meeting of the COMESA Council of Ministers on 23 November 2023 in Lusaka, Zambia.

The portal provides tools to ensure the technical quality of the offers being made and exchanged are transparent and confidentiality in information sharing. It also provides messaging tools for users to interact safely and support the provision of trade in services data collected from all Member States.

The need to develop the portal followed the COVID-19 pandemic, which restricted travels and



EU Special Representative to COMESA, Ambassador Karolina Stasiak (L) exchange signed financing agreement with Secretary General Chileshe Kapwepwe

## EU, COMESA Sign €48.2 million Financing Agreements as new envoy is accredited

COMESA and the European Union have signed two Financing Agreements, totalling EUR 48.2 million, as part of the EU's Neighbourhood, Development, and International Cooperation Instrument, Sub Saharan Africa Program for 2021-2027.

H.E. Ambassador to Zambia and Special Representative to COMESA, Karolina Stasiak and Secretary General of COMESA Chileshe Mpundu Kapwepwe signed the agreement on 20 November 2023 in Lusaka.

The EUR 40 million Trade Competitiveness and Market Access program will focus on enhancing trade competitiveness among COMESA member states, addressing global challenges like climate change and promoting sustainable trade. EUR 8.2 million Trade in Services program aims to boost the overall competitiveness of service-providing enterprises, including those operating on digital platforms.

Ambassador Stasiak underscored the Trade

Competitiveness and Market Access program's importance, emphasizing EU support for the development and implementation of compliance and due diligence processes. These measures aim to reduce the CO2 footprint of trade, promoting fairer and more sustainable trade with European member states. Secretary General stressed the significance of the Financing Agreements, emphasizing their timely nature in enhancing cooperation efforts.

The European Union will coordinate closely with COMESA and ensure that both regional programs will not only be implemented most efficiently, but also respond to challenges and opportunities, to deliver concrete results and tangible outcomes within COMESA member states.

The signing ceremony followed the accreditation of Amb. Stasiak to COMESA as the Special Representative of the EU.

Welcoming the new envoy, the SG appreciated the EU as COMESA's biggest development partner with an invested grant funding of EUR 381 million to date.

"As you begin your tenure here in Zambia, rest assured of our co-operation and support in the execution of your duties. We look forward to continuing strengthening our collaboration in advancing our regional integration agenda," Ms Kapwepwe said.



Governors at the 27th Meeting of the COMESA Committee of governors of Central Banks in Victoria Falls, Zimbabwe

## COMESA Monetary Cooperation and Integration on course

The annual meetings of the COMESA Monetary Cooperation and Integration was conducted on November 10, 2023, at the Victoria Falls, Zimbabwe, culminating with the 27th Meeting of the COMESA Committee of Governors of Central Banks.

The Governors reviewed and adopted the report of the 27th Meeting of the COMESA Committee of Experts on Finance and Monetary Affairs which preceded this meeting. Their meeting was preceded by the Governors Symposium, the 43rd Bureau of the COMESA Committee of Governors and the experts meeting

Among the key issues in the agenda were progress reports on the activities of the COMESA Regional Payment and Settlement System (REPSS), the COMESA Monetary Institute and the COMESA Clearing House.

Members of the Committee of Governors are responsible of ensuring greater macroeconomic and financial stability, in their respective countries, which facilitate the economic integration efforts and provide for sustained economic development. Such efforts may include policy actions geared towards increased economic diversification, leveraging on the on existing trading regimes to boost regional trade among others.

"Our agenda of pursuing deeper financial and monetary integration requires establishing macroeconomic stability, financial system soundness, introduction of compliance with various international standards and practices in the financial sector to ensure regional harmonization," said Dr. John Mangudya, Governor of the Reserve Bank of Zimbabwe and outgoing chair of the COMESA Committee of Governors.

In her statement the Secretary General of COMESA Chileshe Mpundu Kapwepwe, urged the governors to encourage other Central Banks that are not live on the REPSS system to join.

"This will ensure that the real benefits of implementation of REPSS are realized including but not limited to guaranteeing prompt payment for exports as well as other transfers and eliminating mistrust among traders as there is Central Bank involvement," she said in the statement presented by her Assistant Dr Dev Haman who is also in charge of administration and finance.

Currently, nine member countries are live on the REPSS system, and the value of transactions processed are slowly increasing.

REPSS is a Multilateral Netting System with end-

of-day settlement in a single currency. It provides a single gateway for Central Banks within the region to effect payment in a multicurrency environment. The direct participants of the COMESA Clearing House are the Central Banks of Member States.

The meetings also acknowledged the capacity development activities carried out by the CMI under the Monetary and Exchange Rates Policies sub-committee and the Financial System Development and Stability sub-committee. These are aimed at improving macroeconomic management and the assessment of financial system stability of member countries

Eswatini was elected to take over the Chair for the COMESA Committee of Governors for 2024, with Zimbabwe as Vice Chair, Uganda as Second Vice, Malawi as Rapporteur and Burundi as Second Rapporteur.

Governors, Deputy Governors and delegates from 13 COMESA member Central Banks, namely: Burundi, Djibouti, Democratic Republic of Congo, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Uganda, Zambia and Zimbabwe participated.





## Longstanding non-tariff barriers constitutes 63% of those currently unresolved

Longstanding Non-Tariff Barriers (NTBs) constitute 63,6% of total outstanding NTBs with some of these remaining unresolved for an average period of 5-8 years with the longest being above 12 years and the shortest being 2-4 years.

The long standing NTBs are categorised into Technical and Non-technical NTBs; costly additional taxes, import licensing numerous/complex documentation and

registration procedures, and Customs valuation.

Subsequently, COMESA Secretariat has facilitated bilateral and trilateral meetings to resolve NTBs amongst countries involved which include DR Congo, Egypt, Kenya, Malawi, Mauritius, Uganda, and Zambia.

In considering the outstanding NTBs in the Time Bound matrix, Member States have raised concerns

over the long periods taken by Focal Points and National Monitoring Committee to undertake internal consultations to resolve them.

In its meeting on 23 November 2023, the COMESA Council of Ministers' meeting noted that relevant officials failed to attend to the reported NTBs promptly and that majority of the consultations were undertaken during the regional NTB meetings.

The meeting therefore urged National Monitoring Committee members to prioritize processing and resolution of the reported NTBs without necessarily having to wait to make consultations during the NTB Forum.

The Council however noted that Member States had made some progress in trying to resolve them with two resolved during the NTBs Forum and significant progress made in follow up activities to resolve the outstanding ones.

The Council urged Member States to commit to the application of either the general or the detailed Rules of Origin to grant Customs exemptions stipulated in the COMESA Protocol on Rules of Origin. Further, Member States that have not established the dedicated NTBs desks to strive to do so by 31st December 2023.



Assistant Secretary General in charge of programmes Ambassador Dr. Mohamed Kadah ((5th left) with participant to the 17th session of the Council for the Regional Customs Transit Guarantee scheme (RCTG Carnet) at Fringilla Lodge in Lusaka, Zambia

### Ethiopia, Djibouti set to operationalize the Regional Customs Transit Guarantee Scheme

Ethiopia and Djibouti have finalized their preparations to start operating the COMESA, Regional Customs Transit Guarantee (RCTG) scheme. The COMESA RCTG also known as a Carnet is an Insurance Bond or a Bank Guarantee issued by Sureties on behalf of the Principals in Customs Administration to cover any loss of revenue when goods are transiting in the COMESA region. It provides a uniform basis for transit movement where only one Guarantee is issued for the transit of goods in all the countries of transit.

As part of the final preparation stakeholders from the two countries conducted a joint benchmarking visit to Rwanda in October 2023 to share experience on RCTG

operations and implementation of One Stop Border Post.

This was announced during the 17th session of the Council for the RCTG) conducted on 14-15 November in Lusaka, Zambia.

Addressing the meeting, the COMESA Assistant Secretary General responsible for programmes Dr. Mohamed Kadah, appreciated the Customs Administrations and National Sureties from Ethiopia and Djibouti for the progress made and their commitment towards the implementation of the RCTG and requested them to commence operations at the earliest possible time.

He acknowledged the substantial contributions of Customs Administrations, National Sureties, and Clearing Agents to the region over the eleven years of the Scheme's operation.

According to a progress report presented at the meeting, over 1,240 Regional Customs Transit Bonds, amounting to US\$ 718.9 billion have been executed, compared to 1,282 RCTG Bonds amounting to US\$ 994.1 million issued during the same period last year, showing a decrease of 3.3% and 27.7%. At the same time, over 401,120 Carnets were issued for transfer of goods in the Northern and Central Corridors, compared to 330,618 Carnets issued in the preceding year, showing an increase of 21%.

Further, the Number of Clearing and Forwarding Agents and Sureties which are participating in the scheme has reached 1,077 and 51 respectively. Over 70% of the Clearing & Forwarding Agents are Small and Medium-sized businesses; and Since inception, 18 claims have been paid.

Participants of the meeting included Commissioners of Customs Administrations, Deputy Commissioners, Directors of Customs Administrations, Managing Directors, and CEOs of Insurance and Reinsurance companies.

Additionally, representatives from Government Authorities, Transporters, Clearing and Forwarding Associations, and experts from various International Organizations are also in attendance.



Former Director of infrastructure Jean Baptiste Mutabazi addressing the delegates

## Rallying Member States to sign the open skies protocol

Slow uptake of the air transport liberalization principles outlined in the 1999 Yamoussoukro Decision, has been attributed to a lack of clear information on its economic benefits. However, a study commissioned by the African Union Commission (AUC) in 2021 has since filled this knowledge gap, facilitating informed advocacy towards implementing Single African Air Transport Market (SAATM).

In recent years, there has been a fresh thrust towards rallying States in the region to secure more Member States sign the Solemn Commitment, thereby ensuring a wider adoption of SAATM. This commitment is expected to unlock the full potential of air transport as an engine of growth and

development across the continent.

Towards this objective, on 6 – 8 November 2023, technical experts in the aviation sector and stakeholders met in Lusaka to discuss the SAATM's benefits, the regulatory framework, and the operational challenges, with the aim of quickening the implementation of the Yamoussoukro Decision (YD).

The YD is the most important air transport reform policy initiative by African Governments aimed at removing the restrictive and protectionist intra-African regulatory regime which hampers the expansion and improvement of air transport on the continent.

The drive for SAATM comes against the backdrop of the vital role air transport plays in economic, social, and cultural development, aligning with the United Nations Sustainable Development Goals. Despite the recognition of its importance, the growth of Africa's air transport has been hampered by restrictive bilateral agreements and regulatory hurdles, which have kept most intra-African air transport markets relatively closed, in stark contrast to liberalized markets outside the continent.

The gathering of technical experts marked a significant stride towards actualizing the SAATM, with an eye on bolstering regulatory capacity and air navigation efficiency across the Eastern Africa, Southern Africa, and Indian Ocean Region.

The workshop was supported by the Support to Air Transport Sector Development (SATSD) programme, an €8 million Grant Contribution Agreement between COMESA and the European Union. The objective of the workshop was to secure more Member State signatures on the Solemn Commitment, thereby ensuring a wider adoption of SAATM. This commitment is expected to unlock the full potential of air transport as an engine of growth and development across the continent.

Since the launch of SAATM in January 2018, 37 Member States have already signed up, which is a clear indication of the commitment that the continent's realisation of its economic growth and integration agenda. This number has grown from 35 Member States in 2021.



## COMESA at the Continental expo

COMESA Secretariat in collaboration with its institutions namely the COMESA Competition Commission (CCC) and the COMESA Federation of Women in Business (COMFWB) was among participants at the 3rd Intra-African Trade Fair in Cairo, Egypt. This was part of the regional bloc's, and its institutions drive to enhance visibility, public awareness and continuous engagement with stakeholders on the regional integration agenda.

The COMESA Secretariat's participation was supported under the European Development Fund (EDF11) Institutional Capacity Building Programme. Sixteen COMESA Member States also participated at the bi-annual event from 9 – 15 November 2023. It was promoted by AFREXIMBANK in collaboration with the African Union Continental Free Trade Area and hosted by the Government of Egypt.



Former Director of Infrastructure and Logistics Mr. Jean Baptiste Mutabazi (centre) is seen-off by Secretary General Chileshe Kapwepwe (4th right), and a section of the staff after retiring on 11 November 2023. During his close to seven years of service in COMESA, he foresaw implementation of various projects encompassing energy, air transport, marine and road transport, as well as ICT infrastructure.



## COMESA DIARY

| Date                  | Activity/Event  | Venue/ Format            |
|-----------------------|---|--------------------------|
| 27 Nov – 01 Dec       | Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) Stakeholder Validation Workshop of the Draft Final Report of the roaming and interconnections study | Nairobi, Kenya           |
| 27 Nov – 01 Dec       | The 12th Meeting of the COMESA Sanitary and Phytosanitary (SPS) Sub-Committee   | Nairobi, Kenya           |
| 29 – 30 November      | National Media Capacity Building Workshop on Regional Integration   | Mbabane, Eswatini        |
| 05 – 08 December 2023 | EGEE-ICT Programme Technical working group and steering committee meeting   | Vic Falls Town, Zimbabwe |
| 07 – 08 December      | 4th Project Steering Committee Meeting of the Trade Facilitation Programme and Consultative Meetings on the Implementation of Border Upgrade Projects                               | Lilongwe, Malawi         |



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