

Joint Approach to Underpin Regional Industrialization

Industry experts adopt a Concept Paper on industrial integration



File: A section of regional business community members on a industrial visit to Rwanda

Industry experts from COMESA region have adopted a Concept Paper to strengthen industrial integration in the region. This initiative is aimed at attaining comprehensive industrial integration taking into account other programmes such as the African Continental Free Trade Area (AfCFTA) and 'Made in Africa' initiative by the government of Egypt.

The Concept Paper, which was presented to the experts on 11-12 April 2022 in a virtual meeting, was developed by the COMESA Secretariat and the Government of Egypt following an earlier directive by the ministers of industry. It provides a roadmap for the implementation of the COMESA Industrial Strategy and its attendant Action Plan, which Member States undertook to integrate into their National Industrial Development Plans for implementation.

In the meeting of the Ministers of industry conducted in May last year, countries were required to allocate budgets to implement their industrial development plans in synergy with regional activities and in line

with the Third Industrial Decade for Africa (IDDAIII).

However, the level of implementation of the Action Plan at regional level has been minimal and varied at the national level. The Concept Paper is therefore an attempt to strengthen the efforts of the Egyptian government initiative and COMESA Members States. Its focus is on activities that will contribute effectively to implementing the industrial strategy and raising the economic growth rates of the COMESA region

Its major specific goals include formulating regional initiatives to achieve industrial integration among African countries; increasing the manufacturing value-addition thus linking it to the Gross Domestic Product from the present forecast of 9 percent to at least 20 percent by 2025; and identifying opportunities for the African industrial integration.

The Paper also seeks to activate the role of financial institutions to provide services that contributes to stepping up the pace

of African industrial integration; agreeing on terms of the information exchange by designing an information system platform that includes a map of the African resources to be better utilized for industrial integration and diversifying the industrial base to reduce imports of value-added components.

Further, it seeks to increase intra-regional manufactured exports to at least 25 percent of total manufactured imports to the region by 2026, up from the present 7 percent by using "Made in COMESA" initiative.

Speaking at the opening of the two-day virtual meeting, Monday, 11 April 2022, Dr Kipyego Cheluget, the Assistant Secretary General in Charge of Programmes at COMESA, observed that despite the region experiencing a robust annual real GDP growth of close to 6.5 percent in the past decade, this has not led to economic transformation.

"Many COMESA Member States still specialize in low value-added economic

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Plans to Develop a Regional Agricultural Commodity Exchange Centre

Plans are underway to establish a regional Agricultural Commodity Exchange Centre as part of the implementation of the 2021-2031 strategy of the Alliance for Commodity Trade in East and Southern Africa (ACTESA).

The centre will link small-scale farmers to national, regional and international markets within the Common Market for Eastern Africa (COMESA) the East African Community (EAC) and the Southern Africa Development Community (SADC) tripartite framework and later the African Continental Free Trade Area (AfCFTA).

According to the Chief Executive Officer of ACTESA, Dr John Mukuka, the centre will also provide a platform for buyers and sellers to trade their agricultural products through a team of brokers. Once established the commodity exchange will reduce transaction costs, by accommodating active players in the production, trading, processing and consumption of commodities.

Dr Mukuka said this during a meeting with the Alliance for a Green Revolution in Africa (AGRA) deputy president in charge of policy and state capability Mr. Apollos Nwafor, who was on a visit to COMESA recently. He said the centre will be either physical or virtual and shall include future agricultural commodity markets exchange.

"A physical venue involves brokers meeting for trading sessions in a room or 'exchange floor', and trading by 'open outcry'. A virtual venue is where brokers use remote computer terminals to trade through a central exchange facility to which they are linked electronically," Dr Mukuka explained.

The commodity exchange is expected to improve agricultural productivity which he noted, has gone down and needed a boost by providing access to regional agricultural markets.

This entails support and training to existing national commodity exchanges and

strengthening their systems and improving their operations, then link them virtually or spot market where necessary. This shall be included in the working arrangement with AGRA in their new 2022-2027 strategy.

Other key areas of ACTESA interventions include support to seed companies using COMESA regional seed labels in seed trade, annual renewal of COMESA varieties on its variety catalogue and harmonisation of fertilizer policies/regulations, standards, quality assurance and market development in the Member States. Thereafter, a financing mechanism will be established for bulk manufacturing and procurement of fertilizers and distribution in the COMESA countries.

ACTESA is a specialized agency of COMESA, established in 2009 to facilitate the integration of and improved regional competitiveness of staple food markets across the region with the ultimate goal of achieving broad-based growth and decreased food insecurity.

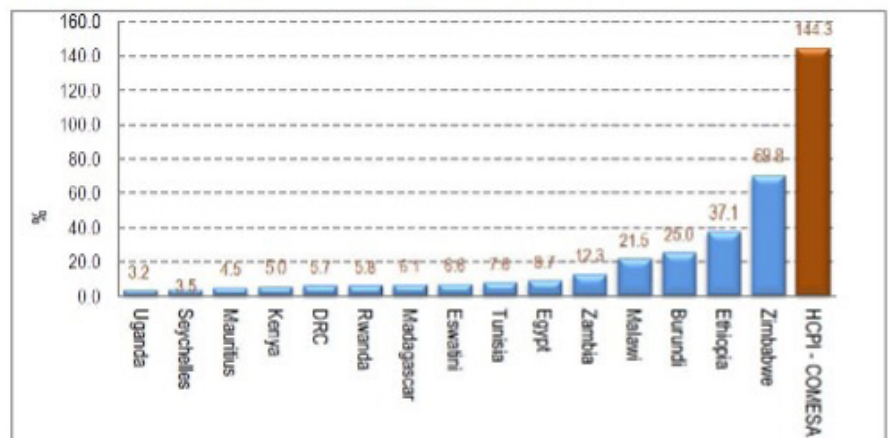
COMESA Region Annual Inflation Rate Stood at 144.3% for February

The annual inflation rate for the COMESA region was recorded at 144.3% in February down from 148.4% registered in January 2022. According to the Harmonised Consumer Price Index (HCPI-COMESA), the figure represents the year-on-year measurement caused by price movements in goods and services.

"Using a particular or common currency, an item that cost 100.00 cents in February 2021 increased to 244.30 cents in February 2022," the latest HCPI-COMESA Monthly News Release states.

Of the participating COMESA countries, Sudan recorded the highest annual inflation rate of +218.1% followed by Zimbabwe at +69.8%.

Figure 1:
Year on year Inflation rates (%) in the COMESA region and in the individual Member States as at February 2022



The HCPI-COMESA comprises of 12 divisions of expenditure which include food and non-alcoholic beverages, alcoholic beverages and tobacco, clothing and footwear, housing, water, electricity, gas and other fuels, furnishings, household equipment and routine household maintenance.



Burundi delegates in one of the sessions during the benchmarking visit at Mauritius FIU

Burundi Set to Establish Financial Intelligence Unit

Burundi is set to join the global agenda cracking-down financial crimes including money laundering by creating its Financial Intelligence Unit (FIU). Towards this goal, COMESA is supporting the country to conform to the international standards set by the Financial Action Task Force (FATF) in line with Burundian needs.

Recently, Burundi FIU Board officials comprising of security and customs officers undertook a benchmarking tour of the FIU Unit in Mauritius. The trip was sponsored by the COMESA Regional Maritime Security (MASE) programme, which covers Eastern and Southern Africa and Indian Ocean (ESA-IO) region. A similar trip is planned to the Uganda Financial Intelligence Authority towards end of April 2022.

The core functions of FIUs are receipt and analysis of suspicions transaction and activity reports identified and filed by reporting entities, and disseminate the intelligence to law enforcement agencies and other FIUs, upon request. The FATF is the global money laundering, terrorist financing and proliferation financing watchdog and sets international standards that aim to prevent these illegal activities and the harm they cause to society.

Undertaking benchmarking visit to two advanced FIUs is one of the conditions Burundi has been given in its process to join the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) whilst this shall also aide the country in creation of its FIU. ESAAMLG is a FATF Style Regional Body (FSRB) for Eastern and Southern Africa.

"A well-functioning FIU is a key driving force of every national Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) agenda, among other interventions. This has compelled COMESA to invest support towards creation and strengthening of FIUs in the ESA-IO region to effectively deliver on their AML/CFT mandates, in line with FATF international standards" COMESA MASE Coordinator, Ms. Dalitso Bonongwe, said.

Burundi is a second programme country supported to undertake benchmarking visits. The first was Eritrea whose delegation visited Seychelles in September 2016, when the country was contemplating on creating its own financial intelligence unit.

To promote effective implementation of FATF recommendations, countries are encouraged to acquire membership of FSRBs to ensure

they are guided and monitored towards alignment of their respective AML/CFT policies and procedures to the international standards.

The FATF standards are implemented through measures adapted to countries' varying contexts. Member countries of FSRBs benefit from continuous capacity building opportunities, among other advantages.

COMESA has been implementing the MASE Programme since 2015, supporting 12 countries to strengthen their anti-money laundering regimes. This includes capacity building of their financial intelligence units and law enforcement agencies, strengthening of their anti-money laundering/combating the financing of terrorism laws and enhancing internal and external collaboration.

This year, additional extra-budgetary resources to extend the programme to the whole region has been mobilized. This follows the decision of the 17th Meeting of the COMESA Ministers of Foreign Affairs to extend the programme to other countries.

Stakeholders in the COMESA University Programme Discuss Integration Reports



The Economic Commission for Africa (ECA) and COMESA hosted a virtual workshop with students, staff of two universities that have rolled out the COMESA Masters Programme in Regional Integration to disseminate two ECA reports namely: "Assessing Regional Integration in Africa (ARIA X) focusing on the theme of Services Trade Liberalization and integration within the AfCFTA" and "Governing the interface between the African Continental Free Trade Area (AfCFTA) and Regional Economic Communities (RECs)".

The first report highlights the growing importance of the Services Sector on the continent amidst the challenges the sector continues to face even as services trade constitute one of the protocols of the AfCFTA Agreement. The second focuses on the progress and the challenges regional economic communities have faced in trying to promote trade integration among their Member States.

The reports fall within the framework of ECA's policy strategy of translating ideas and findings (embodied in its knowledge products) to action. The Kenyatta University, Kenya and the University of Mauritius, are the two universities that are most advanced in rolling out the COMESA Masters programme on regional integration, having already enrolled students. This is a postgraduate virtual programme carried out through a collaboration involving 22 universities in COMESA region. The half-day workshop was aimed at showcasing and discussing the key findings and recommendations of the two reports with the stakeholders of the COMESA Universities' programme to facilitate uptake and implementation.

The analyses provided by the reports have the potential to contribute to deepening understanding of various nuances in Africa's regional integration efforts, including concrete policy interventions that could increase the prospects of successfully implementing

the Africa Continental Free Trade Area and regional economic communities level, Free Trade Area, as well as improving Africa's overall integration environment.

The workshop therefore provided an engagement platform with students enrolled in this strategic programme, most of whom are already practitioners or alternatively, are prospective practitioners in various government departments, regional integration organizations and private sector institutions dealing with diverse issues of integration. It served to pitch the reports as dependable resource materials for the research efforts that the students of the COMESA MA Programme on regional integration would be engaging in.

COMESA Region Annual Inflation Rate...

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Other areas of interest are health, transport, communication, recreation and culture, education, restaurants and hotels and miscellaneous goods and services all of which recorded average prices changes during the same period.

Based on the main components of expenditure, the transport division recorded the highest annual inflation of +351.8 while housing, water, electricity and gas registered the average price change of +201.3% with education recording the least average price change of +63.8% for the region. COMESA countries that participate in the HCPI are Burundi, the Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

COMESA Diary

Dates	NAME OF MEETING	VENUE
19 April 2022	Meeting of the Portfolio Committee of Harmonization of Legal and Regulatory Frameworks RAERESA	Hybrid
20 - 22 April 2022	RECamp Technical Working Group	Hybrid
20 April	Meeting of the Portfolio Committee on capacity Building, Information Exchange, Energy Statistics & Database Meeting RAERESA	Hybrid
21 April 2022	Meeting of the Portfolio Committee on Renewable Energy RAERESA	Hybrid
21 April 2022	Validation Workshop for the Draft COMESA Communications Strategy 2022 - 2025	Virtual
22 April 2022	Meeting of Permanent Secretariat and AfDB Country Managers on Zambia and Zimbabwe Industrialisation Programme	Physical/Hybrid



AU, COMESA Rolls out Resilience Building Programme in Member States



Participants at the Joint AU/COMESA Training of Trainers Workshop Kenya

In a programme meant to assist countries to have a structured system to prevent conflicts while promoting the consolidation of peace, 26 officials from five COMESA/AU Member States have been trained on methodologies to support the building of resilience in Member States. These include the COMESA Structural Vulnerability Assessments (SVAs) and the African Union Country Structural Vulnerability and Resilience Assessment (CSVRA).

The training was held on 11 – 13 April 2022 in Nairobi, Kenya with participants from Kenya, Madagascar, Uganda, Zambia and Zimbabwe. It was conducted jointly by the African Union Commission (AUC) Political Affairs, Peace and Security (PAPS) Department and the COMESA Governance, Peace and Security (GPS) Unit.

The five countries have already hosted national multi-sectoral consultations on the Structural Vulnerability Assessment (SVA) methodology, while Zambia has already advanced to undertake the AU CSVRA process to develop her mitigation strategy. Kenya, Madagascar, Uganda and Zimbabwe have agreed in principle to the process, including working towards establishing response strategies to address structural vulnerabilities identified through the methodology.

One of the key presentations at the training was a detailed SVA methodology, that included country-specific forecasts to enhance the officials' understanding of structural vulnerability and resilience drivers to peace and prosperity.

"Through the training the participants will be able to examine opportunities that can contribute to promoting and sustaining peace and prosperity, identify medium to long-term strategies and critical stakeholders required to address and mitigate violent conflict, underdevelopment, among others," said Ms Elizabeth Mutunga, Head of the GPS Unit at the COMESA Secretariat.

To support continental conflict prevention efforts, COMESA's Conflict Early Warning System (COMWARN) has collaborated with the Continental Early Warning System of the African Union (AU-CEWS) in the development and implementation of its structural vulnerability/ resilience assessment methodology which focuses on economic dimensions of conflict as guided by policy makers.

The training of trainers' programme began robustly in 2019 with the intention of building a pool of SVA trainers in each Member State. The

momentum was however slowed down by the outbreak of the COVID-19 pandemic. The trainings and national consultative platforms have created opportunities for the AU to popularise the AU's Continental Structural Conflict Prevention Framework tools and processes. These will complement the SVA processes such as national multi-sectoral consultations and training of trainers through additional support to Member States to conduct sub-national consultations with different stakeholders at grassroots levels.

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activities, and trade in primary products and natural resources. Production of hydrocarbons and minerals, both capital and technology intensive, and with few forward and backward linkages to the rest of the economy has contributed to limited job growth in the region," he noted.

Head of Egyptian delegation at the meeting, Mr Mohamed Abdelkarim stressed the need for all COMESA Members States to collaborate in achieving the regional and continental industrialization objectives.



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