

Common Market for
Eastern and Southern Africa



ANNUAL REPORT – 2019

About COMESA

The Common Market for Eastern and Southern Africa -COMESA, is a regional economic community of 21 African Member States that came together to promote regional integration through trade and the development of natural and human resources for the mutual benefit of all people in the region.

COMESA Member States

Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.



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ACRONYMS



AADFI	Association of African Development Finance Institutions
ACBF	Africa Capacity Building Foundation
ACP	African Caribbean and Pacific
ACTESA	Alliance For Commodity Trade In Eastern And Southern Africa
AEO	Authorized economic Operators
AERC	African Economic Research Consortium
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AfT	Aid for Trade
ALLPI	African Leather and Leather Products Institute
AML/CFT	Anti-Money Laundering/ Combatting Financing of Terrorism
ARICEA	Association of Regulators for Information and Communications for Eastern and Southern Africa
ATI	African Trade Insurance Agency
AU	African Union
AU/AGA	African Union Governance Architecture
AUC	African Union Commission
AU-IBAR	Africa Union Intra-African Bureau for Animal Resources
BMGF	Bill and Melinda Gates Foundation
BLO	COMESA Brussels Liaison Office
CAADP	Comprehensive African Agriculture Development Programmes
CABI	Centre for Agriculture and Bioscience International
CAF-RISM	COMESA Adjustment Facility – Regional Integration Support Mechanism
CBC	COMESA Business Council
CBTAs	Cross Border Traders Associations
CBTI	Cross Border Trade Initiative
CCC	COMESA Competition Commission
CCH	COMESA Clearing House
CET	Common External Tariff
C-MRF	COMESA Mutual Recognition Framework
CMR	Customs Management Regulations
CNS/ATM	Communication Navigation Surveillance/Air Traffic Management
CIPE	Centre for International Private Enterprise
CCIA	COMESA Common Investment Area
CCJ	COMESA Court of Justice
COMESA BLO	COMESA Brussels Office
CMI	COMESA Monetary Institute
COMSHIP	COMESA Seed Harmonization
COMSTAT	COMESA Statistics
COMSIS	COMESA Seed Information System
COMWARN	COMESA early warning system
CSA	Climate Smart Agriculture
CSOs	Civil Society Organizations
CTN	Common Tariff Nomenclature
GCCA+	Global Climate Change Alliance Plus
DMROs	Duly Mandated Regional Organizations
DSGE	Basic Dynamic Stochastic General Equilibrium
EAC	East African Community
EACREEE	Eastern Africa Centres for Renewable Energy and Energy Efficiency
EAPP	East African Power Pool
EA-SA-IO	Eastern Africa, Southern Africa and Indian Ocean
ECA	Economic Commission for Africa
EGEE-ICT	Environment in the Information and Communications Technology sector

ECCAS	Economic Community of Central African States
eCO	Electronic Certificate of Origin
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EDF RIP	European Development Fund – Regional Implementation Plan
EREA	Energy Regulators Association of East Africa
ESAAML	Eastern and Southern Africa Anti-money Laundering Group
ESA-EPA	Eastern Southern Africa – Economic Partnership Agreement
ESREM	Enhancement of Sustainable Regional Energy Markets
EU	European Union
FAO	Food Agriculture Organisation
FATF	Financial Action Task Force
FEMCOM	Federation of National Associations of Women in Business in Eastern and Southern Africa
FIC	Financial Intelligence Centre
FIUs	Financial Intelligence Units
FSMA	Food Safety Modernization Act
FTA	Free Trade Area
GLTFP	Great Lakes Trade Facilitation Project
GPS	Governance, Peace and Security
GTWG	Gender Technical Working Group
HACCP	Hazard Analysis and Critical Control Point
ICAAP	Internal Capital Adequacy Assessment Process
ICBT	Informal Cross-Border Trade
ICER	International Confederation of Energy Regulators
ICP	International Comparison Program
IFRS9	International Financial Reporting Standards
IGAD	Intergovernmental Authority for Development
IOC	Indian Ocean Commission
IOM	International Organization for Migration
IPSAS	Public Sector Accounting Standards
ITC	International Trade Centre
KEPHIS	Kenya Plant Health Inspectorate Service
LEAs	Law Enforcement Agencies
MASE	Regional Maritime Security Programme
M&E	Monitoring and evaluation
MoU	Memorandum of Understanding
MNEs	Multinational Enterprises
MS	Member States
MSME	Micro Small and Medium Enterprises
MTSP	Medium Term Strategic Plan
NDC	Nationally Determined Contributions
NIPAs	National Investment Promotion Agencies
NTBs	Not Tariff Barriers
NSDS	National Strategies for the Development of Statistics
OACPS	Organization of the African, Caribbean and Pacific States
OSBP	One Stop Border Post
NSC	North-South corridor
P-IMA	Prioritising SPS Investments for Market Access
PCRD	Post Conflict Reconstruction and Development
PTA	Preferential Trade Area
RCTG	Regional Customs Transit Guarantee
RAERESA	Regional Association of Energy Regulators for Eastern and Southern Africa

RECs	Regional Economic Communities
RECAMP	Regional Enterprise Competitiveness and Access to Markets Programme
REPSS	Regional Payment and Settlement System –
RERA	Regional Electricity Regulators Association of Southern Africa
REEESAP	Renewable Energy and Energy Efficiency Strategy and Action Plan
RFB	Regional Fisheries Bodies
RIA	Regional Investment Agency
RICB	Regional Integration Capacity Building Project
RIP	Regional Indicative Programme
RIIP	Regional Integration Implementation
RISM	Regional Integration Support Mechanism
RKC	Revised Kyoto Convention
RMIC	Resource Mobilization and International Cooperation
RRAs	Regional Regulatory Associations
SACREEE	Southern Africa Centres for Renewable Energy and Energy Efficiency
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool
SAATM	Single African Air Transport Market
SACU	Southern Africa Customs Union
SDC	Swiss Development Cooperation
SEZ	Special Economic Zones
SPS/SQAM-TBT	Sanitary and Phytosanitary Standards/ Standardization, Quality Assurance and Metrology-Technical Barriers to Trade
SSCBT	Small-Scale Cross Border Trade
STR	Simplified Trade Regime
SWIOFC	Southwest Indian Ocean Fisheries Commission
T2FP	Tripartite Transport and Transit Facilitation Programme
TBT	Technical Barriers to Trade
TDB	Trade & Development Bank
TIDOs	Trade Information Desk Officers
TfP	Trading for Peace
TFTA	Tripartite Free Trade Area
TMEA	Trade Mark East Africa
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TTNF	Tripartite Trade Negotiating Forum
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
USAID- RIGO	USAID - Regional Intergovernmental Organizations
WEC	World Energy Council
WIE	Women in Energy
WTO	World Trade Organization
YC-MIS	Yellow Card Management Information System
ZFAWIB	Zambia Federation of Associations of Women in Business
50MAWS	50 Million African Women Speak

Transmittal Message from the **Secretary General**



COMESA has remained a vibrant regional economic community whose footprint straddles about under half of the African continent, consisting of twenty-one Member States. In 2019 COMESA celebrated its Silver Jubilee, which presented an opportunity to reflect on the journey travelled since inception. As a Regional Economic Community, we adopted a multi-dimensional approach focusing on developmental integration covering market integration, infrastructure and industrialization to address both demand and supply-side constraints.

Our programmes are guided by five-year Medium-Term Strategic Plan (MTSP) aligned with continental and global frameworks such as the African Union's Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals.

In 2019, COMESA undertook various capacity building activities at both technical and policy levels to empower Member States to effectively contribute towards the various regional integration pillars. We also facilitated regulatory and policy harmonization working towards convergence in the various sectors. In addition, efforts were undertaken to close both technical and financial gaps through resource mobilization.

Our strategic partners have played an important role at the national, regional and international level through financial and technical support in various ways. We shall continue widening and diversifying our resource base in collaboration with our stakeholders for mutually beneficial relationships.

This report reiterates the need for our region to continue working towards the speedy implementation of our regional integration programmes. This entails fast tracking the domestication of adopted model frameworks, protocols and policies. I trust that this report will inspire all Member States to review their commitment and re-dedicate themselves to the ideals and goals as set out in the COMESA Treaty.

In accordance with the provisions of Article 17, paragraph 8 of the COMESA Treaty, I have the honour to submit the 2019 COMESA Annual Report.

Chileshe Mpundu Kapwepwe
Secretary General
COMESA

Message from the Chair of the
COMESA Authority



2019 was a special year to the Common Market for Eastern and Southern Africa (COMESA). It marked 25 years of its existence, since 1994 when COMESA was created to succeed the Preferential Trade Area (PTA) for Eastern and Southern Africa, established in 1981. As one of the blocs of the African Economic Community under the Abuja Treaty and the African Union Constitutive Act, COMESA's principal focus is to support socio-economic structural transformation in the region. This is achieved through among others, trade and agro-based economic development, investment promotion, physical and digital connectivity and programmes that respond to gender and youth inclusivity and sustainable utilization of natural resources.

Over the years, COMESA has made notable progress towards enhancing economic integration in the region. Beyond achievements in trade liberalization and facilitation in general, commendable progress has also been made in the specific areas of customs management, transport facilitation, trade and project finance and capacity building. Additionally, progress has been made in policy coordination and cooperation in the productive sectors.

Moreover, regional peace, security and stability are the foundations of an environment conducive to regional integration, as well as those of the shared goals of development and prosperity. COMESA is working closely with member states to establish appropriate mechanisms and strategies for conflict prevention and management, peace-building and post-conflict reconstruction. Other major cross-cutting issues are also addressed, including democratic governance and transnational organized crime, such as terrorism, terrorist financing, maritime piracy and money laundering in the region.

At the continental level, COMESA has contributed immensely towards the establishment of the African Continental Free Trade Area (AfCFTA), which came into force on 30th May 2019, premised on the COMESA-EAC-SADC Tripartite Free Trade

Area. These achievements provide impetus for our organization to expand and deepen its regional integration agenda. As such, more needs to be done especially in opening our regional markets, formalizing and facilitating regional integration among the Member States. There is also the need to strengthen capacity, with regards to the development and harmonization of tools of analysis and compliance with international standards in the face of increasing challenges within the global environment.

This report draws attention to the initiatives undertaken by COMESA in 2019, the achievements made thereof, and the challenges encountered. In the process, COMESA has learnt some lessons which will be vital for informing the development and implementation of future initiatives.

COMESA pays tribute to our collaborating partners that have provided financial and technical support towards realization of set objectives. Going forward, our organization will continue to build mutually beneficial relationships with national, regional and international development/cooperating partners to leverage the benefits of inter-dependence and collaborative approaches towards development efforts in the region.

It is our shared obligation to do more to achieve the mandate for which our organization was created and maintain our resilience to uplift the living standards of our people.

His Excellency Andry Rajoelina
President of the Republic of Madagascar
Chairman of the Authority of the COMESA Heads of State and Government



COMESA Vision

COMESA's vision is "to be a fully integrated, internationally competitive regional economic community with high standards of living for all its people ready to merge into an African Economic Community."

COMESA Mission

COMESA's mission is "to endeavor to achieve sustainable economic and social progress in all member states through increased co-operation and integration in all fields of development particularly in trade, customs and monetary affairs, transport, communication and information technology, industry and energy, gender, agriculture, environment and natural resources."

The Objectives of COMESA

COMESA programmes are being implemented in fulfillment of the aims and objectives of the COMESA Treaty which provide in Article 3 of the Treaty that the aims and objectives of the Common Market shall be:

- i- To attain sustainable growth and development of Member States by promoting a more balanced and harmonious development of its production and marketing structure.
- ii- To promote the joint development in all fields of economic activity and joint adoption of macro-economic policies and programmes to raise the standard of living of its people's and to foster closer relations among its Member States.
- iii- To co-operate in the creation of an enabling environment for agriculture, foreign, cross border and domestic investments including the joint promotion of research and adaptation of science and technology for development.
- iv- To co-operate in the promotion of the peace, security and stability among the Member States in order to enhance economic development in the region.
- v- To co-operate in strengthening the relations between the Common Market and the rest of the world and the adoption of common positions in international fora; and
- vi- To contribute towards the establishment, progress and the realization of objectives of the African Economic Community.

Institutional Setup of COMESA

- a) The Authority of Heads of State and Government: This is the supreme organ of the Common Market and is composed of the Heads of State and Government of all the 21 Member States.
- b) The Council of Ministers: This is composed of Ministers from the Coordinating Ministries of all the Member States. It is responsible for overseeing the functioning and development of COMESA and ensuring the implementation of agreed programmes and policies.
- c) The Technical Committees: These are comprised of sector specific technical officials from the Member States. These committees are responsible for the preparation of comprehensive implementation programmes and timetables, which serve to prioritize the programmes with respect to each sector. In addition, they monitor and review the implementation of the programmes on co-operation.

- d) The Committee of Governors of Central Banks: comprises the Governors of Central Banks of all the Member States and they are in charge of the regional finance and monetary affairs.
- e) The Intergovernmental Committee: This Committee comprises principal and permanent secretaries from Member States and is responsible for developing the programmes and action plans in all sectors of co-operation, except in the finance and monetary sectors. It monitors the functioning and development of the Common Market and oversees the implementation of the programmes in accordance with the provisions of the Treaty.
- f) The Secretariat: Consists of members of staff that are representative of the 21 Member States, headed by the Secretary-General, who is appointed by the Authority. The Secretariat of the Common Market is in in Lusaka, Zambia.

COMESA Member States

Our Member are: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

A close-up photograph of a hand holding a fountain pen. The pen has a black barrel and a gold-colored nib. The background is a blurred image of a computer keyboard. The text "Executive Summary" is overlaid on the image in a white, sans-serif font.

Executive Summary

The year 2019 marked a significant milestone in the history of the Common Market for Eastern and Southern Africa as the Regional Economic Community celebrated its Silver Jubilee. This milestone provided an opportunity for the bloc to reflect on the journey travelled in its quest to promote regional integration and uplift the well-being of its citizens, and also to consider future options to effectively deliver on its mandate.

This Annual Report presents programmes implemented and activities undertaken by COMESA in 2019, capturing achievements made and challenges encountered during the course of the year. In implementing the 2019 programme, COMESA continued to work closely with its Member States and development partners to facilitate mobilization of resources. The Member States and development partners provided necessary financial and technical resources to support programmes and projects. Additional programmes and projects were formulated in 2019 and agreements expected to be signed in 2020.

The Report is based on key pillars that drive the regional integration agenda and an outlook which identifies the future course of action and potential hurdles. Predominantly, COMESA continued to facilitate harmonization of policies, standards and regulations in some of its pillars notably Infrastructure, Trade and Gender and Social Affairs to ensure convergence, consequently reducing the cost of doing business.

COMESA continued to support market integration through trade facilitation programmes such as the Simplified Trade Regime (STR), the Great Lakes Trade Facilitation Project (GLTFP) and the NTB Monitoring System. Additionally, the bloc played a key role towards the realization of the Tripartite Free Trade Area (TFTA) and the African Continental Free Trade Area (AfFTA), which have expanded the market and provided more opportunities for trade. These trade facilitation initiatives were supported by infrastructure development and transport facilitation initiatives, which promote the smooth flow of trade and reduction of the cost of doing business.

To ensure peace and stability necessary for regional integration, COMESA continued to implement its Governance, Peace and Security (GPS) programme and Great Lakes Trade Facilitation Project (GLTFP).

Development of Economic Infrastructure is a major concern in developmental integration. COMESA facilitated infrastructure development in the transport, energy and ICTs sectors through providing project development support, supporting feasibility studies, resource mobilization, technical and advisory services.

The COMESA Industrialization Strategy 2017–2026 focuses on nine priority areas including agro-processing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and the blue economy. Benchmarking and experience sharing visits on industrial zone development and management were conducted. Support was also provided on development of joint industrial zones between Zambia and Zimbabwe as a pilot activity.

The COMESA Industrialization Strategy Action Plan and the Local Content Framework were adopted in 2019. Regarding agriculture and animal resources, COMESA continued to be a major partner in the implementation of Comprehensive African Agriculture Development Programmes (CAADP) by supporting Member States through provision of technical assistance and building capacities in the CAADP processes, including evidence-based planning, implementation and monitoring of the national agriculture and food security investment plans, strategies and programmes. This effort enables Member States to attract more investment in agriculture and agribusiness and enhance the realization of the CAADP/Malabo goals and aspirations.

Cognizant of the threat of climate change, COMESA supported Member States in global climate change negotiations, domestication of the global level agreements, institutional, technological, and human capacity building, access to climate finance, private sector engagement and resilience building.

In addition, COMESA supported Member States in their effort to improve production and productivity of livestock and fisheries. Further, support has been given in facilitation of regional trade in livestock and fisheries ensuring

that the products meet the required standards. In the year under report a book on livestock trading and a manual on grades and classification of livestock were produced.

COMESA continued to advocate for gender equality, empowerment of women and youth, and social development, through development of gender mainstreaming tools, training and engaging stakeholders. Partnerships and dissemination of information on implementation of programmes and policy frameworks were some of the important activities at the centre of the bloc's involvement guided by COMESA Council decisions.

The Secretariat continued to coordinate finance and administration services including audits, staff management, recruitment, training, and automation of ICT systems. In addition, the Secretariat facilitated COMESA Institutions and Member States meetings and conferences, procuring equipment and services necessary for the execution of its mandate. Additionally, staff welfare initiatives were undertaken to boost staff morale and ensure a conducive working environment.

During the year under review, COMESA coordinated and supported capacity building in Member States under its various pillars including Trade and Customs, Blue/Ocean Economy, Statistics, Infrastructure, Agriculture, Industry, Gender and Climate Change.

With regards to challenges during the period under review, inadequate financial resources remain a major constraint on the organization's ability to fully execute its mandate. Some programmes, projects and activities lacked financial and human resources to achieve set objectives.

The approved organizational structure provides for additional staff, but these could not be recruited due to budgetary constraints. This notwithstanding, the organization managed to put available resources to best use. This challenge will be mitigated through broadening the base of funding sources.

01



CHAPTER ONE

MACROECONOMIC DEVELOPMENTS IN
THE COMESA REGION

MACROECONOMICS



This section analyses developments in key macro-economic performance indicators in the region in 2019. Generally, the COMESA region experienced a slowdown growth compared to 2018 and this was largely attributed to lower commodity prices over the period. The COVID-19 global pandemic announced in the last quarter of 2019 created unprecedented economic and health crisis in the region.

Economic Growth

COMESA region's average growth slowed down in 2019 to 5.2% from 6.0% in 2018 and is projected to decrease to 0.6% in 2020. The slowdown in growth was experienced in most COMESA Member States except Egypt, Ethiopia, Malawi, Rwanda and Seychelles that registered improved economic growth in 2019 compared to 2018 (Table 1). The impressive growth of above 5% in both years reflected among others, improving growth fundamentals, with a gradual shift from private consumption towards investment and exports. However, the COVID-19 pandemic has completely changed this growth trajectory. Based on IMF estimates of April 2020, it was projected that the COMESA region would grow at a meager 0.6% (Figure1), while new information on the devastating impact of the pandemic suggests a deeper economic contraction for the region.

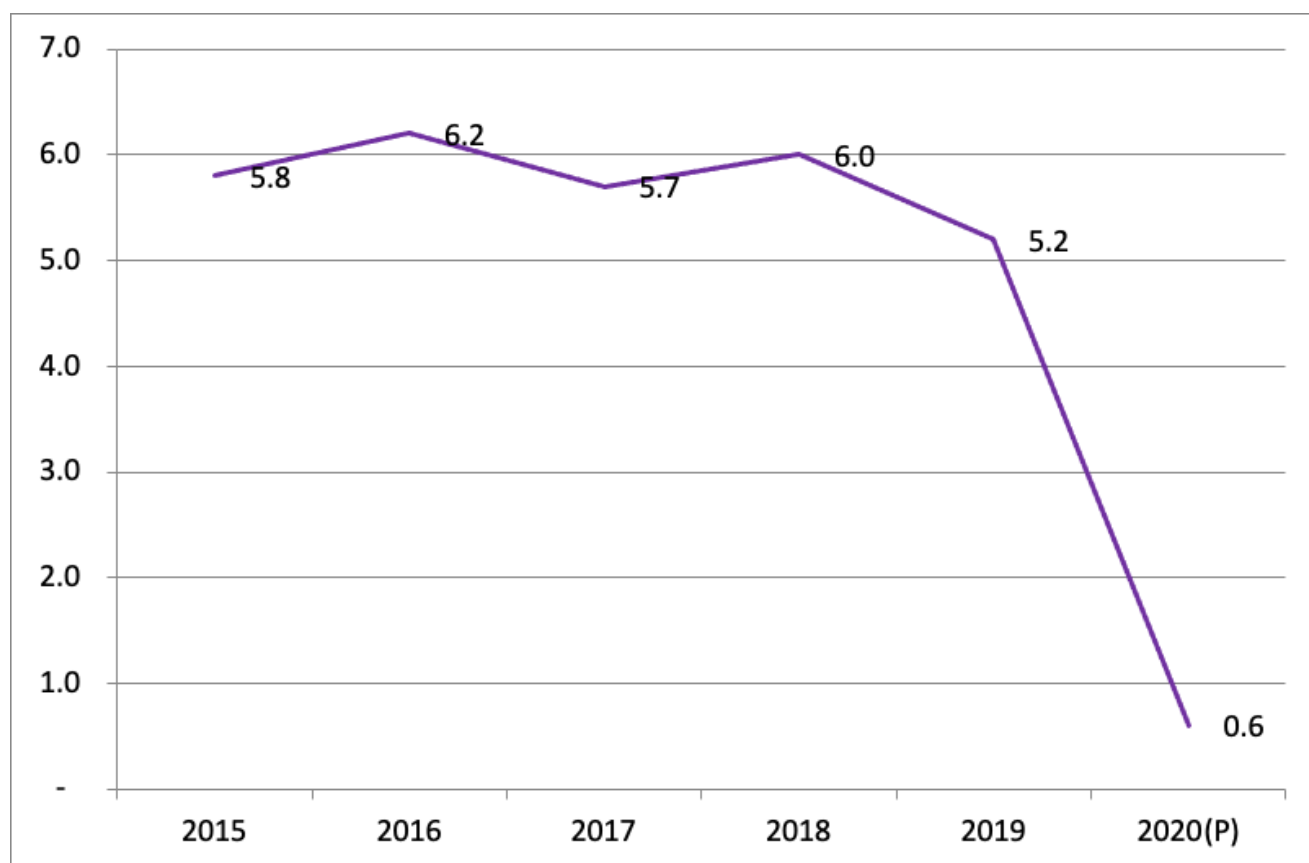
Table 1: Real GDP Growth (%)

Country	2015	2016	2017	2018	2019	2020(P ¹)
Burundi	-3.9	-0.9	0.5	1.6	1.8	-5.5
Comoros	1.0	2.2	4.2	3.6	1.9	-1.2
Congo, Dem. Rep.	8.5	6.9	3.7	5.8	4.4	-2.2
Djibouti	6.5	6.7	5.4	8.4	7.5	1.0
Egypt, Arab Rep.	4.4	4.3	4.1	5.3	5.6	2.0
Eritrea	4.8	3.7	-10.0	13.0	3.8	0.1
Ethiopia	10.4	8.0	10.2	7.7	9.0	3.2
Eswatini	0.4	3.2	2.0	2.4	1.0	-0.9
Kenya	5.7	5.9	4.9	6.3	5.6	1.0
Libya	-1.8	-1.4	6.4	17.9	9.9	-58.7
Madagascar	3.1	4.2	3.9	4.6	4.8	0.4
Malawi	2.9	2.3	4.0	3.2	4.5	1.0
Mauritius	3.6	3.8	3.8	3.8	3.5	-6.8
Rwanda	8.9	6.0	6.1	8.6	10.1	3.5
Seychelles	4.9	4.5	4.4	3.8	3.9	-10.8
Sudan	4.9	3.5	0.7	-2.3	-2.5	-1.2
Tunisia	1.2	1.2	1.9	2.7	1.0	-4.3
Uganda	5.7	2.3	5.0	6.3	4.9	3.5
Zambia	2.9	3.8	3.5	4.0	1.5	-3.5
Zimbabwe	1.8	0.7	4.7	3.5		-7.4
COMESA	5.8	6.2	5.7	6.0	5.2	0.6

Source: IMF REO Sub Saharan Africa April 2020; IMF REO Middle East and Central Asia April 2020; IMF Country Reports

1 IMF projections for 2020

Figure 1: COMESA Average Real GDP Growth (Annual % Change)



a. Monetary Policy and Exchange Rate Developments

In 2019, monetary policy stance varied depending on the extent to which countries are exposed to domestic and external shock. Generally, Central Banks in the region pursued an accommodative monetary policy stance, for economies where inflation pressures were muted.

b. External Current Account Including Grants

External Current Account (ECA) including grants improved slightly in the region, averaging about -4.8 percent of GDP in 2019 as compared to -5.2 % in 2018 (Table 2). The deficit in the ECA for most economies in the region can be attributed to persistent trade imbalances due to a combination of declining export demand and relatively inelastic import bills, and in some cases late disbursement of external aid flows faced by most countries in the COMESA region.

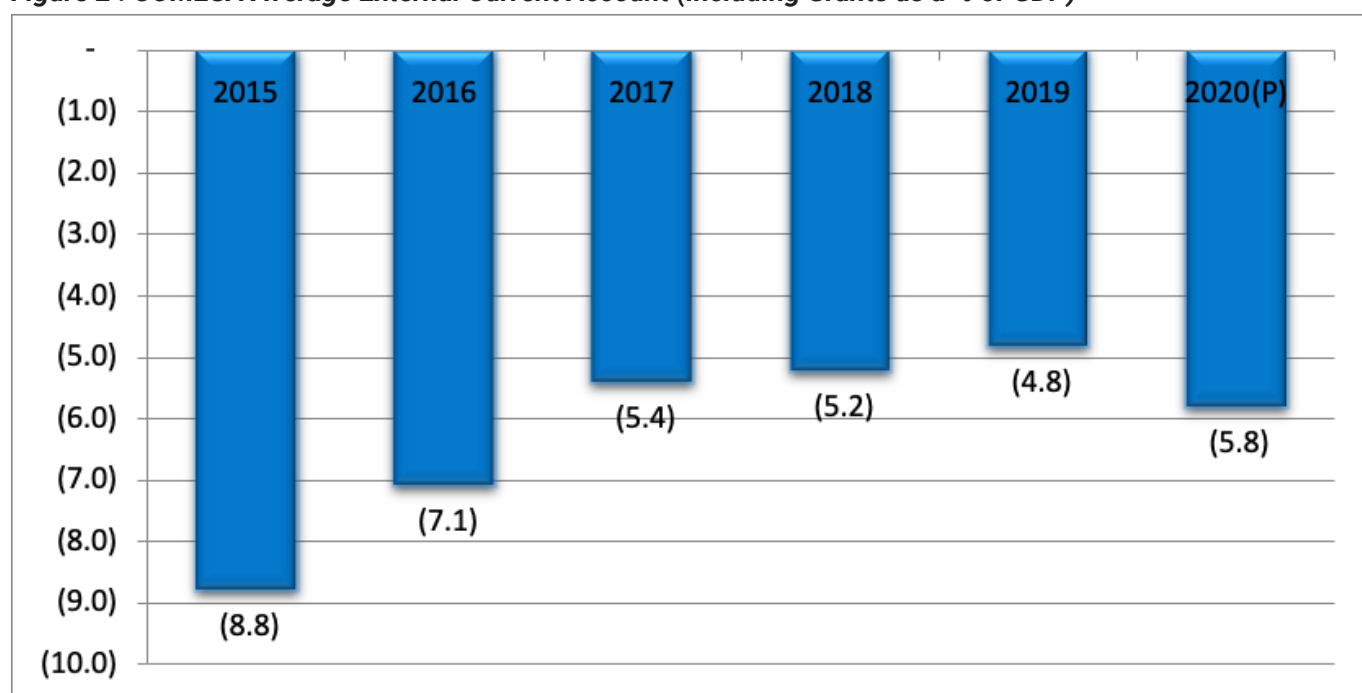
The ECA including grants is projected to worsen to a deficit of 5.8% of GDP in 2020 (Figure 2), primarily due to the effects of COVID-19 pandemic. The disruption of domestic and regional trade and value chains due to lockdowns, together with similar disruptions at global level, will severely affect trade for most countries. Strengthening continental value chains should be a priority given the uncertain global business environment. As the private sector advances its digital transition, it is important for the continent to invest in enhancing essential telecommunication infrastructure, including fiber optics and high-speed Internet, as well as to complete the regulatory (e-Commerce) agenda for digital transition. This will be essential for the emergence and expansion of 21st century value chains in the region. In the medium-long term, the effective implementation of regional integration agenda of the Regional Economic Communities and the AfCFTA will be key to strengthen regional production networks and trade, reduce the continent's vulnerability to external shocks, and consequently lead to improvements in external current account balances.

Table 2: External Current Account (Including Grants as % of GDP)

Country	2015	2016	2017	2018	2019	2020 (P ²)
Burundi	-17.7	-13.1	-14.2	-15.0	-16.4	-17.0
Congo, Dem. Rep.	-3.7	-3.1	-3.3	-3.6	-4.2	-5.4
Comoros	-0.4	-6.5	-2.1	-2.8	-3.8	-5.7
Djibouti	-17.4	-9.4	-4.8	18.0	24.7	-0.8
Egypt, Arab Rep.	-3.6	-6.0	-6.1	-2.4	-3.6	-4.3
Eritrea	-1.4	-2.1	24.0	19.0	12.1	10.2
Ethiopia	-10.4	-9.3	-8.5	-6.5	-5.3	-5.3
Eswatini	18.0	14.3	7.0	2.0	6.2	3.5
Kenya	-6.7	-5.2	-6.2	-5.0	-4.5	-4.6
Libya	-52.6	-24.7	8.0	1.8	-0.3	-6.6
Madagascar	-1.9	-0.6	-0.4	0.7	-2.5	-2.9
Malawi	-8.9	-12.9	-25.6	-20.5	-17.2	-17.9
Mauritius	-3.6	-4.0	-4.6	-5.8	-5.8	-8.4
Rwanda	-13.4	-14.4	-7.5	-8.0	-9.2	-16.2
Seychelles	-18.6	-20.1	-21.0	-18.7	-13.9	-14.3
Sudan	-8.0	-7.6	-10.1	-13.0	-14.9	-15.2
Tunisia	-9.7	-9.3	-10.3	-11.2	-8.8	-7.5
Uganda	-7.3	-3.4	-4.5	-7.2	-9.5	-9.7
Zambia	-3.9	-4.4	-1.7	-1.3	1.0	-2.0
Zimbabwe	-7.6	-3.6	-1.3	-5.9	1.1	-1.9
COMESA	-8.8	-7.1	-5.4	-5.2	-4.8	-5.8

Source: IMF REO Sub Saharan Africa April 2020; IMF REO Middle East and Central Asia April 2020; IMF Country Report

Figure 2 : COMESA Average External Current Account (Including Grants as a % of GDP)



c. Overall Fiscal Balance Including Grants

2 IMF projections for 2020

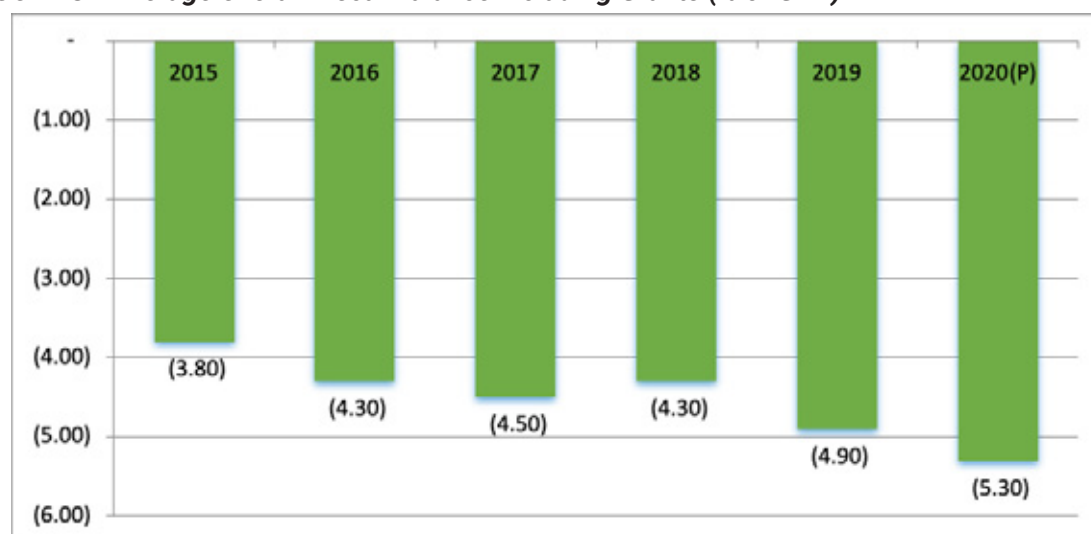
The region's average fiscal deficit including grants as a percentage of GDP widened slightly from -4.3% in 2018 to -4.9% in 2019 as the region continued to increase investment in infrastructure (Table 3). However, the projection of the overall fiscal balance for 2020 is a conservative widening to -5.3% (IMF, April 2020), mainly due to fiscal responses to COVID-19 pandemic (Figure 3).

Table 3: Overall Fiscal Balance Including Grants (% of GDP)

Country	2015	2016	2017	2018	2019	2020 (P ³)
Burundi	-14.9	-9.1	-7.2	-5.3	-6.0	-9.0
Comoros	-10.8	-16.2	0.4	-1.0	-2.2	-3.8
Congo, Dem. Rep.	-3.4	-3.5	1.4	0.0	-2.1	-1.2
Djibouti	-6.6	-6.5	-4.5	-2.8	-0.8	-2.7
Egypt, Arab Rep.	-10.9	-12.5	-10.4	-9.4	-7.4	-7.7
Eritrea	-15.6	-15.8	-6.0	4.2	-1.5	-5.0
Ethiopia	-3.0	-3.2	-3.2	-3.0	-2.5	-3.0
Eswatini	-6.4	-11.7	-7.0	-11.2	-8.0	-8.9
Kenya	-8.5	-8.7	-7.9	-7.4	-7.8	-7.7
Libya	-6	-12	-43.5	-0.2	8.8	-7.2
Madagascar	-4.8	-4.8	-2.1	-1.3	-1.4	-4.0
Malawi	-9.9	-10.3	-7.3	-5.5	-6.4	-6.3
Mauritius	-3.7	-4.1	-1.4	-2.3	-6.5	-10.6
Rwanda	-9.0	-7.4	-2.5	-2.6	-5.2	-8.1
Seychelles	1.1	-1.1	0.5	0.2	0.9	-14.1
Sudan	-3.8	-4.5	-6.5	-7.9	-10.8	-16.9
Tunisia	-2.3	-4.3	-5.9	-4.6	-3.9	-4.3
Uganda	-6.1	-5.9	-3.2	-3.8	-6.7	-6.8
Zambia	-9.5	-6.0	-7.7	-8.2	-7.6	-5.7
Zimbabwe	-1.8	-6.5	-8.1	-4.5	-2.6	-4.9
COMESA	-3.8	-4.3	-4.5	-4.3	-4.9	-5.3

Source: IMF REO Sub Saharan Africa April 2020; IMF REO Middle East and Central Asia April 2020; IMF Country Reports

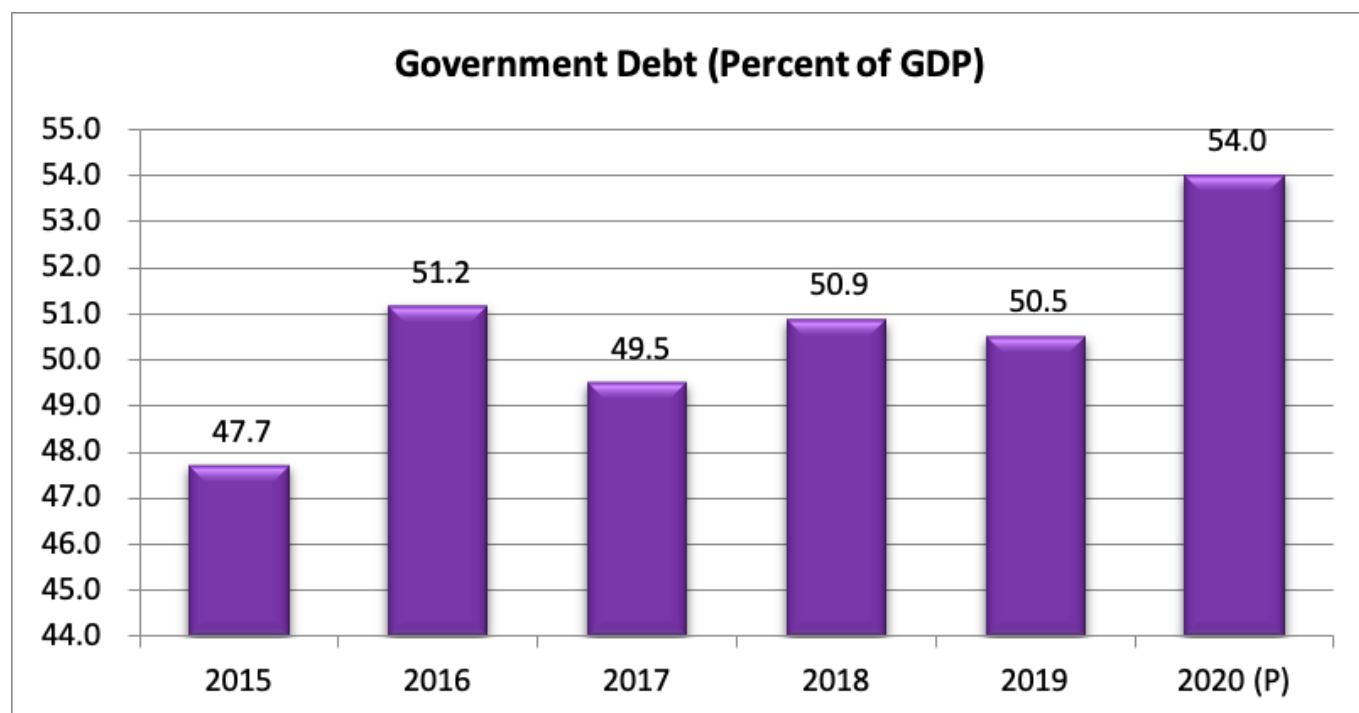
Figure 3: COMESA Average Overall Fiscal Balance Including Grants (% of GDP)



d. Government Debt

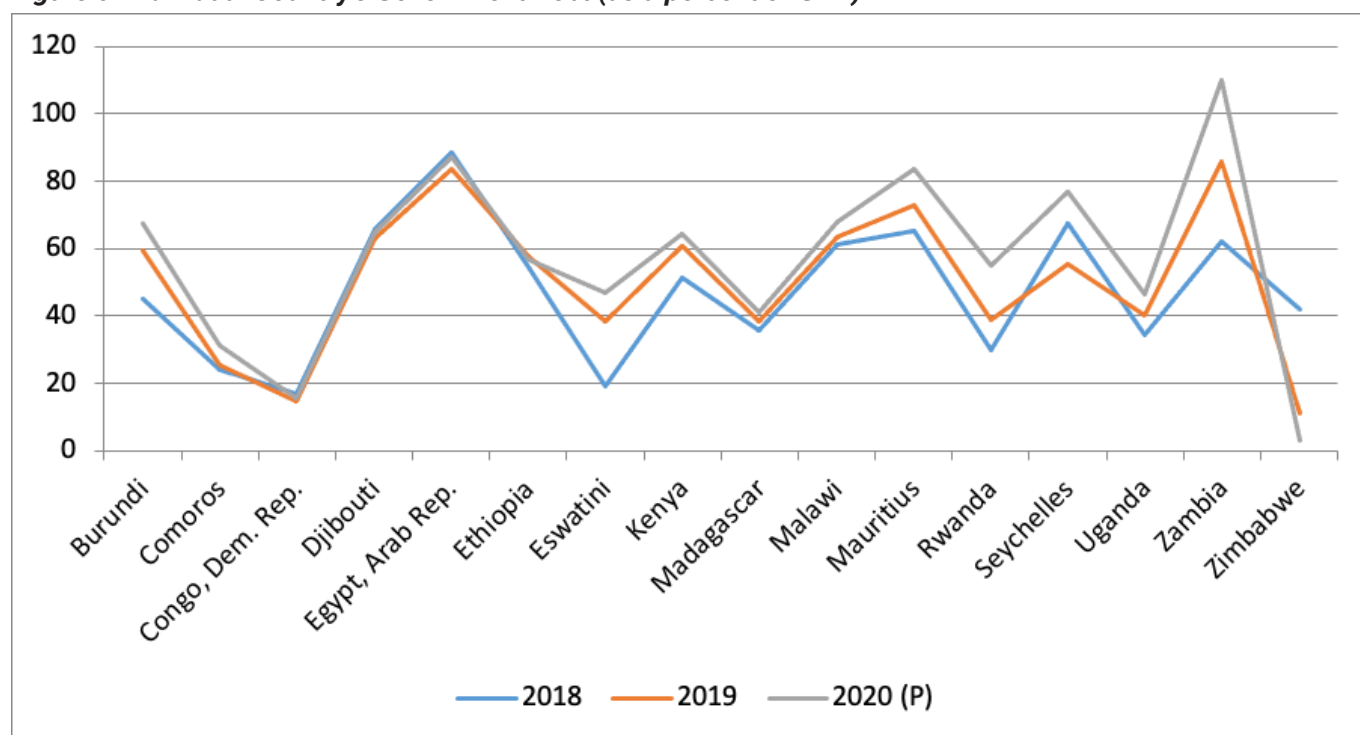
The region's average Government Debt as a share of GDP was 50.5% in 2019 as compared to 50.9% in 2018 (Figure 4). However, this is projected to increase to 54% in 2020 mainly due to the COVID-19 pandemic. The expenditure needs to contain the spread of the Corona Virus, dwindling revenues occasioned by lockdowns and general economic slowdown will exert considerable pressures on government finances forcing almost all the economies in the region to run widening fiscal deficits. Massive fiscal costs could lead to vulnerability of these countries to debt default. This is against the backdrop of deterioration in market conditions that are increasing the rollover risk and difficulties in meeting large foreign debt service payments. The debt to GDP ratio for individual countries portrays a more severe and dire situation with some countries debt to GDP ratio projected to rise past 80% (Figure 5).

Figure 4: COMESA Average Government Debt (as a Percent of GDP)



The increasing debt levels pose a macroeconomic risk arising from an implosion in the stock of external debt and servicing debt if left unchecked. Part of the recommended solutions include debt relief.

Figure 5: Individual Country's Government Debt (as a percent of GDP)



e. Inflation Rate

Region wide average inflation rate was 13.3% in 2019 as compared to 9.2% in 2018 (Table 5) and is projected to increase to 15.2% in 2020 (Figure 6). The projected increase in inflation in 2020 is attributed to among others plummeting commodity prices that will threaten foreign exchange earnings and exert foreign exchange and inflationary pressures;

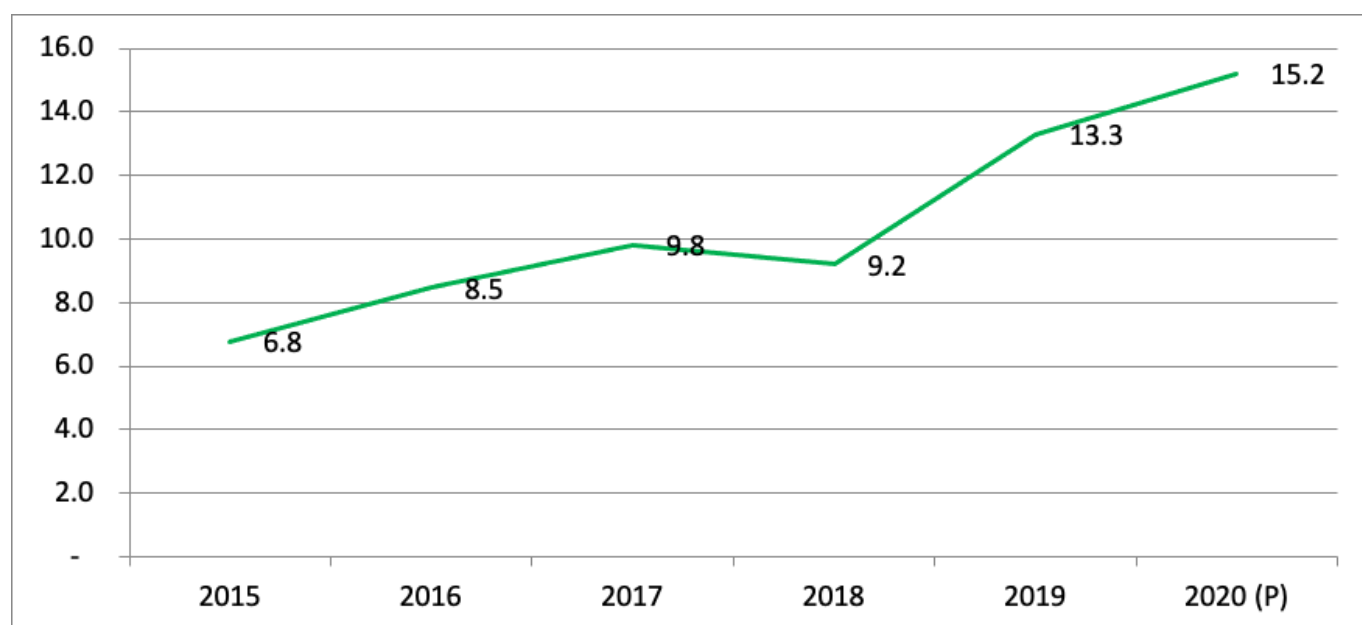
Table 5: Consumer prices (Annual Average, % Change)

Country	2015	2016	2017	2018	2019	2020 (P ⁴)
Burundi	5.6	5.5	16.6	-2.8	-0.7	8.0
Comoros	2.0	1.8	0.1	1.7	3.3	3.0
Congo, Dem. Rep.	1.0	18.2	35.8	29.3	4.8	11.0
Djibouti	-0.8	2.7	0.6	0.1	3.3	2.9
Egypt, Arab Rep.	11.0	10.2	23.5	20.9	13.9	5.9
Eritrea	9.0	9.0	-13.3	-14.4	-16.4	4.5
Ethiopia	9.6	6.6	10.7	13.8	15.8	15.4
Eswatini	5.0	7.8	6.2	4.8	2.6	3.6
Kenya	6.6	6.3	8.0	4.7	5.2	5.1
Libya	14.8	24.0	28.0	-1.2	4.6	22.3
Madagascar	7.4	6.7	8.6	8.6	5.6	5.5
Malawi	21.9	21.7	11.5	9.2	9.4	14.0
Mauritius	1.3	1.0	3.7	3.2	0.5	4.7
Rwanda	2.5	5.7	4.8	1.4	2.4	6.9
Seychelles	4.0	-1.0	2.9	3.7	1.8	4.5
Sudan	16.9	17.8	32.4	63.3	51.3	66.4
Tunisia	4.4	3.6	5.3	7.3	6.7	6.2

Uganda	5.4	5.5	5.6	2.6	2.9	3.9
Zambia	10.1	17.9	6.6	7.0	9.8	13.4
Zimbabwe	-2.4	-1.6	0.91	10.6		
COMESA	6.8	8.5	9.8	9.2	13.3	15.2

Source: IMF REO Sub Saharan Africa April 2020; IMF REO Middle East and Central Asia April 2020; IMF Country Reports

Figure 6: COMESA Average Consumer Prices (Annual Average, % Change)



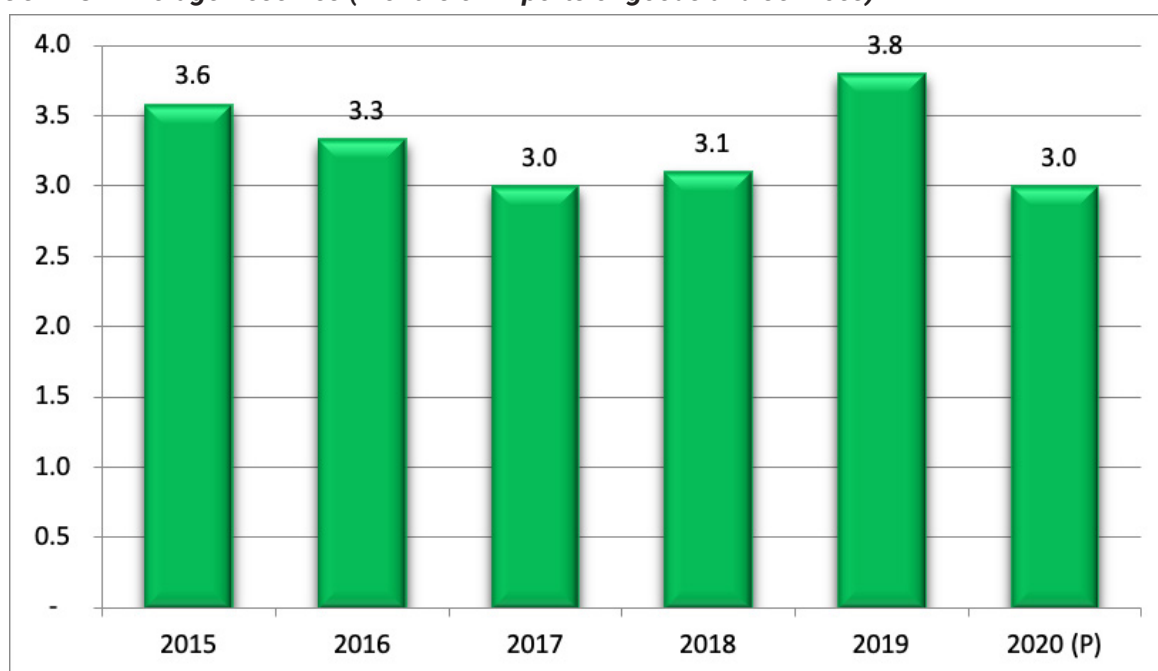
f. Reserve Accumulation

The external reserve position for the region in 2019 was an average of 3.8 months of import of good and services compared to 3.1 months of import of good and services in 2018 (Table 5). Albeit low, the slight improvement in the average level of external reserves in the region can be attributed to prudent monetary and exchange rate policies, during the period. However, the average external reserve position for the region is expected to decline to just 3 months of import of good and services in 2020 (Figure 7). Most countries in the region are likely to run down their reserves mainly due to the following among other things; provision of foreign exchange required to import health related equipment's and drugs; smooth currency fluctuations and import food for food deficient countries.

Table 6: Reserves (Months of imports of goods and services)

Country	2015	2016	2017	2018	2019	2020 (P ⁵)
Burundi	2.1	1.4	1.3	0.8	0.7	0.7
Comoros	9.2	6.7	6.8	6.9	6.8	5.9
Congo, Dem. Rep.	1.2	0.5	0.4	0.5	0.8	0.9
Djibouti	3.9	5.2	4.3	3.2	3.0	3.0
Egypt, Arab Rep.	5.0	6.6	6.6	5.9	6.3	5.6
Eritrea	2.2	2.0	2.3	2.6	2.3	2.2
Ethiopia	1.9	2.1	2.0	1.7	2.3	2.1
Eswatini	4.2	3.5	3.3	2.8	2.8	3.3
Kenya	5.6	4.7	4.2	4.8	6.0	4.7
Libya ⁶	43.2	70.0	58.6	50.6		
Madagascar	2.8	3.0	3.8	4.3	4.5	3.5
Malawi	3.2	2.8	3.1	3.0	3.2	3.3
Mauritius	7.9	8.3	9.5	10.2	16.4	7.9
Rwanda	3.6	4.1	4.4	4.7	5.5	3.6
Seychelles	4.3	3.7	3.5	3.6	5.3	2.0
Sudan	0.2	0.2	0.2	1.7	1.9	1.2
Tunisia	4.1	3.2	3.1	3.4	3.7	3.0
Uganda	5.3	5.0	4.5	4.1	4.1	3.7
Zambia	3.4	2.4	2.2	2.1	2.2	1.1
Zimbabwe	0.6	0.6	0.5	0.2	0.2	0.2
COMESA	3.6	3.3	3.0	3.1	3.8	3.0

Source: IMF REO Sub Saharan Africa April 2020; IMF REO Middle East and Central Asia April 2020; IMF Country Reports

Figure 7: COMESA Average Reserves (Months of imports of goods and services)

⁵ IMF Projections for 2020

⁶ Data for Libya for 2019 and projection for 2020 is lacking from IMF sources.

CHAPTER TWO

IMPLEMENTATION OF COMESA PROGRAMMES

Market Integration

A key characteristic of regional integration is the establishment of an environment in which there is seamless flow of goods, services, capital, and people. The COMESA market integration objective focuses on trade facilitation through trade liberalization, policy harmonization, transport facilitation, simplification and harmonization of documents and procedures. In addition, the objective entails lowering the cost of cross-border trade through removal of trade barriers. Market connectivity is a practical way of addressing the small size of the markets of individual Member States.

COMESA Trade Developments

Trade in Goods

Total Exports for the COMESA region decreased by 13% from US\$ 128 billion in 2018 to US\$ 112 billion in 2019. COMESA's imports however recorded a marginal increase of 0.5% from US\$ 211 billion in 2018 to US\$ 212 billion in 2019. For the past 5 years, the region has recorded trade deficits with the biggest deficit in 2015 while 2017 recorded the lowest trade deficit. The trend of COMESA global trade for the period 2015–2019 is presented in Table 7

Table 7: COMESA Global Trade in US\$ millions

Flow/Year	2015	2016	2017	2018	2019
Total Exports	90,441	87,152	107,255	128,270	112,134
Imports	202,638	186,841	181,525	210,895	211,975
Total Trade	293,078	273,992	288,780	339,165	324,109
Trade Balance	-112,197	- 99,689	- 74,270	- 82,625	- 99,841

Source: COMSTAT Database and UNCOMTRADE Database

Exports

This export performance is attributable to a decrease in exports of Fuels, Manufactures and Ores and metals between 2018 and 2019. In value terms, exports of crude petroleum oil, medium and light oils declined by 60% from US\$ 31 billion in 2018 to US\$ 21 billion in 2019. 2019 also witnessed declines in exports of manufactures. Among the exporting countries, the largest contributor to this decline was the Democratic Republic of Congo that registered a 60% decrease in exports of cobalt hydroxide in 2019 compared to 2018. Ores and metals are another sector that recorded declines in exports. This was mainly attributed to low prices for copper and Zinc in 2019 and this decline mainly affected the exporting countries such as DRC, Zambia, Eritrea and Madagascar.

Positive growth was registered in exports as follows; fuels (11%), other products not classified (46%) and agriculture raw material (60%). Among the fuel products that significantly contributed to the increase were natural gas, medium oils and preparations and butanes and liquefied petroleum gas. Table 8 depicts COMESA's global total exports by sector for the period 2015–2019.

Table 8: COMESA Total Exports by Sector in US\$ millions

Sector	2018	2019	% change 2018-2019
Manufactures	45,534	38,725	-15
Fuels	36,022	26,781	-26
Food	19,328	19,477	1
Ores and metals	20,020	18,474	- 8
Other products n.e.s.	5,319	6,562	23
Agric raw materials	2,047	2,115	3
Total	128,270	112,134	-13

Source: COMSTAT Database and UNCOMTRADE Database

Imports

The increase in the value of COMESA imports between the period 2018 and 2019 is attributed to the performance of mainly fuels and other products which increased by 23% and 113% respectively in 2019. For fuels, specific countries contributing to this increase were Tunisia, Sudan, Congo DR, and Rwanda whose imports increased in 2019 by a combined value of US\$ 10.1 billion in 2019 compared to values recorded in 2018. Regarding other products, the value of imports increased by US\$1.2 billion and the countries that contributed to the increase were Uganda and Rwanda. Both countries had a combined share of 86% of the other products imported into the region.

The decline in import values was registered in manufactures (1%), ores and metals (13%) and agricultural raw materials (2%) in 2019 over the 2018 levels. Imports of manufactures by Djibouti, Zimbabwe, Ethiopia and Zambia were the main contributors to this observed trend. The decline in ores and metals was contributed by Zambia, Sudan, Ethiopia and DR Congo.

Table 9: COMESA Imports by Sector 2018-2019 Values in US\$ millions

Sector	2018	2019	% Change 2018-2019
Manufactures	130,621	125,844	-4
Fuels	33,003	40,529	23
Food	35,402	33,812	-4
Ores and metals	7,241	6,387	-12
Agric raw materials	3,740	3,618	-3
Other products n.e.s.	888	1,785	101
Total	210,895	211,975	1

Source: COMSTAT Database and UN COMTRADE Database

COMESA's Global Trade by Country

COMESA's trade performance by country for the period 2017 to 2019 is summarized in Table 10.

Table 10: COMESA Global Trade by Country 2017 - 2019 (US\$ millions)

Year	2017		2018		2019		% Change (2018-2019)	
Country	Total Exports	Imports	Total Exports	Imports	Total Exports	Imports	Total Exports	Imports
Burundi	116.7	605.5	125.4	792.6	142.9	888.6	14.0	12.1
Comoros	37.5	221.5	46.0	208.9	49.0	203.6	6.5	-2.5
Congo DR	11,750.9	5,439.1	18,990.6	7,410.3	13,134.9	8,626.0	-30.8	16.4
Djibouti	438.0	1,585.9	971.6	1,569.1	301.3	1,224.0	-69.0	-22.0
Egypt	25,159.7	57,941.1	27,759.4	72,478.4	29,168.9	71,404.7	5.1	-1.5
Eritrea	392.9	447.1	463.3	529.9	110.1	235.5	-76.2	-55.6
Eswatini	1,800.4	1,617.1	1,851.2	1,865.4	2,001.2	1,838.4	8.1	-1.4
Ethiopia	2,284.1	15,733.0	1,544.0	14,909.2	2,144.9	15,806.8	38.9	6.0
Kenya	5,745.7	16,680.5	6,050.4	17,374.8	5,843.7	17,473.3	-3.4	0.6
Libya	17,437.3	9,904.8	27,745.2	16,010.8	16,887.4	10,821.4	-39.1	-32.4
Madagascar	2,125.1	3,593.1	2,355.8	3,660.8	1,934.2	3,559.7	-17.9	-2.8
Malawi	845.1	2,566.8	840.9	2,704.6	896.3	2,884.1	6.6	6.6
Mauritius	2,176.8	5,439.6	1,964.1	5,589.4	1,901.9	5,668.1	-3.2	1.4
Rwanda	968.2	2,616.2	1,085.4	2,626.4	1,177.2	3,142.1	8.5	19.6
Seychelles	591.6	1,348.6	978.7	1,668.5	824.3	1,438.2	-15.8	-13.8
Somalia	302.3	3,413.6	442.2	4,544.2	72.7	1,874.7	-83.6	-58.7
Sudan	5,645.2	11,919.4	3,619.3	10,483.7	4,111.0	10,243.7	13.6	-2.3
Tunisia	14,317.8	20,803.6	15,564.7	22,714.2	16,561.9	33,876.0	6.4	49.1
Uganda	3,629.0	6,500.1	2,799.3	7,779.8	3,553.9	8,739.1	27.0	12.3
Zambia	8,006.8	7,983.3	9,034.7	9,465.9	7,047.2	7,225.0	-22.0	-23.7
Zimbabwe	3,483.6	5,165.1	4,037.9	6,508.4	4,269.0	4,801.6	5.7	-26.2
Total	103,771.1	176,360.0	128,270.0	210,895.3	112,133.9	211,974.6	-12.6	0.5

Source: COMSTAT Database and UN COMTRADE Database

Key Export Markets

The EU maintained top position as the number one export market buoyed by COMESA exports of fuels in 2019 with a marginal increase of 4% from 2018. Intra - COMESA exports ranked second due to increases in exports of light oils, refined copper, raw cane sugar, Portland cement and butanes and liquefied petroleum gas. The United Arab Emirates export market was third followed by South Africa. In 2019, China dropped to fifth from fourth position in 2018.

Table 11: COMESA's Major Export Trade Markets 2018 – 2019 US\$ billions

Market	2018	2019	% Change 2018-2019
EU	43,558	40,701	-7%
COMESA	10,111	10,874	8%
UAE	7,970	8,261	4%
South Africa	14,398	7,789	-46%
China	11,780	6,713	-43%
USA	4,805	4,882	2%
Switzerland	5,200	3,636	-30%
Saudi Arabia	2,448	2,665	9%
Turkey	2,532	2,544	0%
India	1,939	2,202	14%
ROW	23,528	21,865	-7%
Total	128,270	112,133	-13%

Source: COMSTAT Database and UN COMTRADE Database

Key Import Markets

On the import side, the EU market was ranked number one as the major source of imports for the COMESA region with a market share of 24% in 2019. Imports from the EU were mainly refined petroleum oils, medicaments, motor vehicles, durum wheat and coniferous wood sawn. After the EU was China with a market share of 15%, USA (5.6%), COMESA (5.5%) and India (5.1%).



Source: Adobe stock

Table 12: COMESA's Major Source Markets, US\$ billions

Market	2018	2019	% Change 2018-2019
EU	50,471	52,543	4%
China	31,893	31,600	-1%
India	10,814	11,367	5%
COMESA	10,252	11,244	10%
USA	11,753	10,964	-7%
UAE	12,183	9,306	-24%
Saudi Arabia	9,730	9,224	-5%
South Africa	10,337	9,017	-13%
Turkey	7,470	8,997	20%
Russia	7,488	5,844	-22%
ROW	48,505	51,867	7%
Total	210,895	211,974	1%

Source: COMSTAT Database and UN COMTRADE Database

Intra-COMESA Trade

The value of Intra-COMESA total exports registered an increase of 8% from US\$ 10.11 billion in 2018 to US\$ 10.87 billion in 2019. The Intra-regional positive trade performance in 2019 can be attributed to positive growths in Egypt (22.5%), Tunisia (32.2%), Rwanda (28.3%), Libya (131.6%), Malawi (32.4%), Zambia (2.7%), Zimbabwe (31.2%) and Eswatini (10.3%). These countries collectively accounted for 60% share of intra COMESA total exports. Table 13 below illustrates the performance of Intra-COMESA total Exports by country, 2018 – 2019.

Table 13: Intra-COMESA Total Exports by country, US\$ millions

Reporter	2018	2019	% Change 2018 - 2019
Burundi	37.40	37.90	1.3
Comoros	1.04	5.30	407.7
Congo DR	1,114.73	917.89	- 17.7
Djibouti	21.63	12.40	- 42.7
Egypt	2,335.61	2,861.40	22.5
Eritrea	2.08	1.19	- 42.6
Eswatini	206.53	227.77	10.3
Ethiopia	213.91	460.53	115.3
Kenya	1,602.60	1,595.53	- 0.4
Libya	105.68	244.81	131.6
Madagascar	128.58	79.46	- 38.2
Malawi	155.44	205.81	32.4
Mauritius	231.07	238.75	3.3

Rwanda	488.36	626.68	28.3
Seychelles	24.55	20.65	- 15.9
Somalia	11.91	6.29	- 47.2
Sudan	708.18	520.04	- 26.6
Tunisia	641.59	848.48	32.2
Uganda	781.12	600.93	- 23.1
Zambia	1,201.15	1,234.13	2.7
Zimbabwe	97.91	128.45	31.2
Total	10,111.06	10,874.40	7.5

Source: COMSTAT Database

Table 14. shows top intra-COMESA domestic export products and their 2019 and 2018 rankings. Petroleum oils were ranked number one in value terms in 2019, followed by copper ores and concentrates. Refined copper exports took up the third position from the fourteenth position they occupied in 2018, while other vegetables, fresh/chilled and other black tea exports were in fourth and fifth positions respectively.



Table 14: Intra-COMESA Top Domestic Export Products and Rankings 2019-2018

No.	SITC	SITC Description	2019 Values (USD)	R19	R18
1	3346	Petroleum oils & oils obtained from bituminous minerals (other than crude)	1,031.1	1	1
2	2831	Copper ores & concentrates	500.7	2	2
3	68212	Refined copper	308.2	3	14
4	05459	Other vegetables, fresh/chilled	279.3	4	24
5	07414	Other black tea (fermented) & other partly fermented tea, whether/ not flavoured	278.5	5	3
6	06111	Cane sugar, raw, in solid form, not containing added flavouring/colouring matter	276.7	6	8
7	66122	Portland cement	270.0	7	11
8	55141	Mixtures of odoriferous substances & mixtures (including alcoholic solutions)	173.7	8	9
9	0461	Flour of wheat/of meslin	151.4	9	10
10	52232	Sulphuric acid; oleum	150.3	10	7
11	2225	Sesame (Sesamum) seeds	127.1	11	4
12	54293	Medicaments, n.e.s., put up in measured doses/in forms/packings for retail sale	126.6	12	16
13	0019	Live animals, n.e.s.	122.2	13	5
14	84512	Babies' garments & clothing accessories, knitted/crocheted	114.9	14	19
15	89319	Articles for the conveyance/packing of goods, n.e.s.; stoppers, lids, caps & other	113.7	15	15
16	55422	Surface-active washing/cleaning preparations, n.e.s., put up for retail sale	113.6	16	17
17	3425	Butanes, liquefied	112.3	17	113
18	1212	Tobacco, wholly/partly stemmed/stripped	105.9	18	27
19	05423	Beans, other than broad beans & horse beans, dried, shelled, whether/not	100.6	19	21
20	66245	Glazed ceramic flags & paving, hearth/wall tiles; glazed ceramic mosaic cubes & the	98.7	20	36

Source: COMSTAT Database

Internal Market

Progress Reports on the COMESA FTA

The COMESA Trade liberalisation agenda commenced with a programme of tariff reduction in 1984 under the Preferential Trade Area (PTA) for Eastern and Southern Africa. A new programme of tariff reduction under COMESA started in 1994 with the objective of attaining the Free Trade Area (FTA) by the year 2000. Indeed, the FTA was established in October 2000 with nine founding Members. Over the years, other Member States have joined the FTA with Burundi and Rwanda joining in 2004, Libya and Comoros in 2006, Seychelles in 2009, Uganda in 2014 and Tunisia in 2019. D R Congo published an Official Gazette in December 2015 indicating that it would join the COMESA FTA in phases; reducing tariffs by 40% in the first year; 30% in the second year and 30% in the third year. The non-FTA Member States, namely D R Congo, Eritrea, Ethiopia, Eswatini and Somalia have been preparing to join the FTA and a number of activities have been undertaken to that effect. Eswatini is under a derogation which is linked to the realisation of the Tripartite Free Trade Area.

Simplified Trade Regime (STR)

The COMESA Simplified Trade Regime (STR) was launched in 2010 in recognition of the fact that cross-border trade constitutes a significant component of trade in the region. The STR is a cross-border trade regime for small-scale traders importing and/or exporting goods worth US\$2,000 or less per consignment, which are on the Common List of eligible products negotiated and agreed by two neighboring countries. The STR aims to formalize Informal Cross-Border Trade (ICBT) by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that are decentralized to border areas where informal trade is rampant with the view to facilitate ease of access by small traders. The STR reduces costs for small traders and increases the speed of crossing the border by the use of a Simplified Customs Document (SCD) as well as simplified customs clearance procedures. The Trade Information Desk Officers (TIDOs) have been deployed at some border posts to assist small scale traders with information on border crossing procedures and form filling. As at December 2019, Eight COMESA Member States were implementing the STR. These are Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

Non-Tariff Barriers in the COMESA Region

The COMESA NTB programme entails: COMESA regulations on Non-Tariff Barriers; NTBs Online Reporting, Monitoring and Eliminating Mechanism and the COMESA SMS Reporting and Monitoring tool. COMESA is operationalizing the NTBs Regulations as adopted by the 33rd Council of Ministers in December 2014. The COMESA NTBs regulations provide a legal framework for establishment of regional reporting, monitoring and elimination tools, national and regional institutional arrangements for management of NTB programme as well as legal framework for the resolution of identified NTBs. The NTBs reporting tools comprise the internet based online reporting, monitoring and eliminating mechanism available on the website www.tradebarriers.org, short message service (SMS) reporting and monitoring tool as well as use of other methods (telephone, fax, email and using reporting forms).

Fifteen COMESA Member States are utilizing the online mechanism namely Burundi, Egypt, Ethiopia, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe. Member States are encouraged to undertake stakeholder sensitization and awareness programmes to promote utilization of the NTBs reporting mechanisms.

The Secretariat has received support under the EDF 11 to implement activities to support the identification, resolution and monitoring of NTB's. A total of 34 NTBs were reported in the online system during the period from November 2018 to November 2019 while a total of 94 NTBs were resolved. In addition, the Secretariat continued to build the capacity of Member States to implement the NTB Regulations and the online monitoring and reporting system through facilitating formal establishment and operationalization of National Monitoring Committees (NMC) as well as training of NMC and NTBs Focal Points on the utilization of the online system to report, process and resolve NTBs. A total of 214 NMC members were trained in 2019. Member States were assisted to resolve reported NTBs. The key achievements attained include the following:

- i- 41 Focal points and representatives of Cross-border Traders Associations trained on the NTB's online system;
- ii- SMS reporting system for reporting NTB's through a mobile platform was adopted by Member States and implementation was facilitated as follows:
 - o The SMS tool was successfully installed for Zambia and Zimbabwe

- o 74 members of the Zambia and Zimbabwe National Monitoring committees were trained on the SMS tool;
- o Border agencies, clearing agents, truck drivers and cross border traders were sensitized on the SMS reporting tool; and
- o The Public user manual for administration and implementation of SMS system was developed.

Trade in Services

The services sector accounts for more than 70 per cent of the global output and 51.1 per cent of labour force. Services provide opportunities for structural transformation and intermediate inputs that serve as catalysts for enhanced efficiency, productivity and competitiveness in all sectors. Services are important in attracting investment. COMESA has prioritized and negotiated schedules of specific commitments in four priority sectors namely, communication, financial, tourism and transport. Schedules of Specific Commitments for 11 Member States namely; Burundi, Djibouti, Egypt, Eswatini, Kenya, Malawi, Mauritius, Seychelles, Sudan, Uganda and Zambia were adopted by the Council of Ministers and gazetted in 2014.

Sector Specific Commitments

Tourism and Travel related Services

Some Member States have liberalized hotels and restaurants, travel agencies and tour operators and tourist guides. Egypt and Seychelles have not liberalized cross border supply in some services while Sudan has not made commitments on commercial presence for some services. Some of the limitations to market access under commercial presence include; requirement that most employees should be nationals, economic needs test, joint ventures, training of locals, limitations on foreign shareholding, granting of priority to innovative projects and new cuisines. The limitations to national treatment include minimum investment and training of locals.

Transport Services

Transport services have been liberalized in Member States as follows; Uganda has liberalized internal waterways, air, road, rail whereas Malawi has liberalized pipeline transport for the three modes of supply for market access and national treatment. Burundi has liberalized internal waterways. There are Member States that are yet to make commitments on cross border supply and commercial presence for the majority of the transport sub-sectors. Market access limitations under commercial presence include restrictions on foreign shareholding, economic needs test, joint ventures, minimum percentage of wages and salaries of the total paid up wages to be paid to nationals, a requirement that a percentage of crew should be nationals, Chairman and majority of Board of Directors should be nationals and registering of ships as a prerequisite to fly national flags for maritime transport.

Communication Services

Member States are at different levels of liberalization in the telecommunication services subsector under the three modes of supply namely cross border supply, consumption abroad and commercial presence. Malawi has not liberalized commercial presence while Zambia has not made commitments on cross border supply and consumption abroad for some services. Burundi has not opened most of the services under the three modes of supply. Mauritius has liberalized courier services for the three modes of supply. Seychelles has liberalized postal and courier services while Uganda has liberalized courier services for the three modes of supply, except those reserved for the postal corporations under market access and national treatment. Some of the limitations to market access under commercial presence include; limitations on foreign shareholding, licensing by regulatory authorities and acquisition of existing local entities. The national treatment is not granted under commercial presence for remailing items weighing a certain amount of weight.

Financial Services

There are Member States that are yet to liberalize insurance and related services for cross border supply and consumption abroad. Burundi and Uganda have liberalized banking and other financial services for the three modes of supply namely cross border supply, consumption abroad and commercial presence. Most Member States have liberalized banking and other financial services for the three modes of supply under market access and national treatment. Egypt is yet to liberalize cross border supply and consumption abroad while Seychelles has not yet made commitments on cross border supply for most of the services. Malawi is still to liberalize cross border supply and consumption abroad for some services.

Market access limitations are mostly in commercial presence and include; limitations on carrying out business as subsidiaries, economic needs test, limitations on foreign shareholding. In addition, other limitations are compulsory reinsurance with reinsurance companies, requirement that insurance agents act only for insurers licensed in the country and authorization from competent authorities in home country. Furthermore, there are limitations on carrying out business in free zones for foreign branches and agencies and activities confined to certain transactions and clearing interbank transactions through the Central Bank. National treatment limitations include; requirement that majority of members of board of directors and principal officer being residents and /or citizens, percentage of company income be invested in the Member State, training of locals and minimum capital requirements.

Horizontal Commitments

All the 11 Member States whose schedules of specific commitments were negotiated and gazetted, have made commitments in the movement of natural persons and have liberalized the movement of intra-corporate transferees and business visitors. Mauritius, Uganda, Djibouti and Seychelles (for specific sectors/sub sectors in Seychelles) have liberalized the movement of contractual service suppliers and independent professionals under commercial presence. Eswatini, Burundi and Djibouti have liberalized both market access and national treatment while the rest have limitations to either market access, national treatment or both. Seychelles has national treatment limitations under cross border supply and consumption abroad. Sudan does not have any limitation to national treatment under any mode of supply.

Limitations to market access under commercial presence include; local incorporation of foreign companies, requirement for a foreign company to have a branch or management office. Limitations to national treatment include; different tax rates for non- resident firms, minimum investment for foreign investors, number of members of Board of Directors who are residents and limitations on acquisition of land and real estate.

The second round of trade in services negotiations covering three additional services sectors of business, construction and related engineering and energy related services commenced in 2019 and is ongoing.

The COMESA Digital Free Trade Area (DFTA)

The COMESA Digital Free Trade Area (DFTA) is premised on empowering traders to participate in cross-border trade using ICT as a tool to minimize physical barriers. The DFTA has three thrusts, namely E-Trade, E-Logistics and E-Legislation. E-Trade will promote e – commerce by providing an online platform for COMESA region traders to transact online. This platform will enable trade within COMESA FTA inclusive of all tax concessions making it an online market for COMESA region. Digital logistics can help drive a differentiated customer experience and highly optimized and efficient operations. Digital logistics uses ICT as a tool to improve the commercial activity of facilitating transporting goods to customers using instruments such as the COMESA e-certificate of origin

(COMESA eCO) and standardized customs procedures. Digital legislation will address the readiness of laws in member states to cater for digital transactions.

Piloting of the COMESA eCO system in selected Member States is expected to commence in the first quarter of 2020. Thus far, the following Member States have expressed willingness to participate in the DFTA and piloting of the eCO instrument; Burundi, DR Congo, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Seychelles, Uganda, eSwatini, Zambia and Zimbabwe. The regulations for implementing the system were adopted by the 40th Council of Ministers in November 2019. The implementation of most of the elements of the DFTA action plan are being supported under the COMESA EDF11 Trade Facilitation Programme.

Trade Facilitation

Progress Report on the Implementation of the WTO Trade Facilitation Agreement

Regional competitiveness will be improved through implementation of the WTO Trade Facilitation Agreement (TFA) that considers trade and transit facilitation programmes through reducing costs of doing business in line with the COMESA Treaty provisions. The COMESA Treaty provisions address both customs and non-customs issues related to trade, transit and transport facilitation which contribute towards trade promotion. As of 20 November 2019, 13 out of 15 Member States who are members of WTO namely; Burundi, DRC, Djibouti, Egypt, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe had ratified the Tripartite Free Trade Area (TFTA). The status of notification of the designations of their Category A, B, and C measures is depicted in Table 15.

Table 15. Notification of Categories A, B and C and Ratification of the WTO TFA

Country		Category A Notification Done	Category B Notification Done	Category C Notification Done	Ratification Done
1. Burundi	✓	✓			✓
2. D R Congo	✓	✓	✓	✓	
3. Djibouti	✓	✓	✓	✓	✓
4. Egypt	✓	✓	✓	✓	✓
5. Eswatini	✓	✓	✓	✓	✓
6. Kenya	✓	✓	✓	✓	✓
7. Madagascar	✓	✓	✓	✓	✓
8. Malawi	✓	✓	✓	✓	✓
9. Mauritius	✓	✓	✓	✓	✓
10. Rwanda	✓	✓	✓	✓	✓
11. Seychelles	✓	✓	✓	✓	✓
12. Tunisia	✓	✓	✓	✓	✓
13. Uganda	✓	✓			✓
14. Zambia	✓	✓	✓	✓	✓
15. Zimbabwe	✓	✓	✓	✓	✓
Total		15	13	13	14

As of November 2019, Member States updated status on implementation of selected customs and trade facilitation instruments. And the Summary of the updates is shown in Table 16.

Table 16. Status of Member States in implementing customs and trade facilitation instruments (As Nov. 2019)

No.	Instrument	BI	CD	EG	ER	ES	ET	KE	MG	MW	MU	RW	SC	SD	TN	UG	ZM	ZW
a.	CBM	√		√			√	√		√	√	√	√	√	√	√	√	√
b.	TIP	√		√			√	√		√	√	√	√	√	√	√	√	√
c.	CMS	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
d.	Eco	√						√		√	√	√				√	√	√
e.	ESW	√	√	√			√	√	√	√	√	√		√	√	√	√	√
f.	AEO	√	√	√		√	√	√		√	√	√			√	√	√	√
g.	ECTS	√	√			√		√		√	√	√		√	√	√	√	√
h.	TRS	√		√	√	√	√		√	√	√	√	√	√	√	√	√	√
i.	e-Commerce										√	√			√	√		√
J	Other customs and TF systems	√	√	√			√	√	√	√	√	√		√	√	√	√	√
k.	Readiness to Pilot the eCO	√		√		√	√	√	√	√	√	√	√	√	√	√	√	√

NB: "√" denotes Member State implementing the instrument; Malawi is finalising its electronic single window system.

KEY		
·	CBM	Coordinated Border Management
·	TIP	Trade Information Portal
·	CMS	Customs Automation Management System
·	eCO	Electronic Certificate of Origin
·	ESW	Electronic Single Window
·	AEO	Authorized Economic Operators
·	ECTS	Electronic Cargo Tracking System
·	TRS	Time Release Study

Customs Automation (Customs Management Systems)

Currently all COMESA Member States use automated customs clearance and sixteen of them (except Egypt, Mauritius, Ethiopia, Tunisia and Kenya which use other customs management systems) use similar ASYCUDA-EUROTRACE (ASYCUDA ++ or ASYCUDA World). Fifteen of the ASYCUDA users have migrated to ASYCUDA World which is a web-based customs system. Eritrea is still using ASYCUDA++.

Accession to the Revised Kyoto Convention (RKC)

All the COMESA Member States are World Customs Organization (WCO) Contracting Parties while twelve (12) Member States have signed the RKC, which is the mother document for drafting national customs laws, including the Customs Management Regulations (CMR). However, Burundi, Comoros, and Djibouti have not formally started the accession process. Ethiopia is in the review process for accession package and Eritrea officially requested the WCO for technical assistance with the view to creating awareness on developments brought by the RKC and on how to expedite the country's accession process to the RKC. In line with the WCO and the CMR, as of December 2019, all the Member States except Eritrea, had Customs websites.

Application of Risk Management System

The COMESA Customs Management Regulations (CMR) define 'risk management' as the systematic identification of risk and the implementation of all measures necessary for limiting exposure to risk. The task of customs is becoming increasingly complex due to the increase in trade, sophistication of traders, and the multiple and shifting objectives imposed on customs. The COMESA Member States, with the use of ASYCUDA ++ or ASYCUDA World or other alternative automated customs management systems use an automated risk management system which covers the whole declaration-processing path, including cargo and transit. The Secretariat is working closely with the Member States to develop a regional risk management framework strategy which will provide guidelines for risk management, identify, assess and manage risks across the organization by empowering officers at all levels to make risk-based decisions in a structured and systematic manner.

Authorized Economic Operator (AEO) Programme

The COMESA CMR Regulation 39 (1 (b-d)) the Member States agreed that Customs authorities, if necessary, following consultation with other competent authorities to grant, subject to the criteria the status of Authorised Economic Operator (AEO) to any economic operator established in the customs territory. The AEO has the right to benefit from facilitation with regard to customs controls relating to security and safety and from simplifications provided for under the customs rules. The status of AEO shall, subject to the rules and conditions laid down in paragraph (60), be recognised by the customs authorities in all Member States, without prejudice to customs controls. The customs authorities shall, on the basis of the recognition of the status of AEO and provided that the requirements relating to a specific type of simplification provided for in the Common Market Regulations are fulfilled, authorize the operator to benefit from that simplification.

On the status of implementation, fifteen (15) Member States namely: Burundi, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe have implemented recognition of Authorized Economic Operators or compliance programme. However, the names of the simplified programme, selection criteria, the scope of the sectors and the benefits that accruing to the AEO seem to be different. The implementation in most of the member States is in line with AEO spirit in the COMESA CMR. For instance, among the Member States, Zambia offers the Customs Accredited Client programme under which some transporters are given special treatment including: Proceed on special clearance, to pay duty within 5 days (credit facility), and Post inspection audit ⁷.

The Secretariat is working with Member States under the EDF 11 Trade Facilitation Programme to develop and implement a harmonized Regional Authorized Economic Operator Programme and Mutual Recognition Agreements. The Guidelines for Regional AEO Programme was adopted by the 40th Council of Ministers in November 2019. Table 17 provides Member States status of implementation of the AEO Programme.

Table 17. Progress of AEO Programme Implementation in the COMESA Region (Oct. 2019)

Member State	Programme title	Date launched	Status	Scope	Type of operator	No. of operators	Signed MRA
Burundi	AEO	2014	Rolled out	Import/Export	Exporters, Importers, Customs agents, Manufacturers, Warehouses	16 at regional level 0 at national level	EAC signed Action plan with S.Korea
DRC	AEO	---	Not yet implemented	Import/Export	Single type of Operators subdivided into 3 categories: A: Customs simplifications; B: Security and safety; C : Full certificate	---	
Eswatini	Preferred Traders Program (CP)	2018	Rolled out	Import/Export	Importers and exporters	2 at national level	
Egypt	AEO-Egypt	2014	Rolled out	Import/Export	Importers, exporters, Customs Brokers and warehouse keepers	130 operators (exporters, importers), customs brokers	There is one MRA waiting ratification
Ethiopia	AEO	2010	Rolled out	Import/export	Importers, exporters, Customs Brokers Manufacturers, transporters, carriers and warehouse operator and port administrator	52 in total- 25 at Gold Status 22 at Silver Status 4 at bronze status	
Kenya	AEO	2010	Rolled out	Import/export	Importers, exporters, transporters/shippers, clearing agents	19 at regional 196 at national level	EAC signed Action plan with S.Korea
Malawi	AEO	2018	Piloting	Import/Export	Importers exporters, customs operators, warehouse operators and transporters	7	
Mauritius	AEO	2012	Rolled out	Import/Export	Importer/ Exporter	2	
	Qualified TradeNet USER (QTU)	2007	Rolled out	Import & Export	Importers & Exporters	33	

⁷ http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~/_media/29AC477114AC4D1C91356F6F40758625.ashx

Member State	Programme title	Date launched	Status	Scope	Type of operator	No. of operators	Signed MRA
Rwanda	Compliant Trader schemes of two types: (Gold Card Scheme and Pre-clearance Scheme)	2007	Rolled out	Import	Importers, exporters and clearing agents	143	
	AEO	2013	Full	Import/export	Importers, exporters, bonded warehouse owners, and clearing agents	48 at regional level	EAC signed Action plan with S.Korea
Seychelles	AEO	-	Planned	Import/Export	Whole Supply Chain	-	
Sudan	Golden list	2016	Rolled out	import	Importers and Exporters	5	
Tunisia	AEO	2010	Rolled out	Import and Export	Industrial (manufacturers) and Services; Commercial companies, transistors, Warehouse operators, Bonded Warehouse, Importers, transporters, port authorities and Airport	56 in total (4 Full Status of AEO; and 52 Simplification of customs procedures)	13 April 2016 signed under Agadir Agreement with Egypt, Jordan, Morocco
Madagascar	Programme Accélérée de dédouanement (Accelerated-Procedures for Clearance(PAD))	2011	Rolled out	Import	Importers	37	
Uganda	AEO	2013	Rolled out	Import/Export	1.Importers/ Exporters/ Manufactures and Bonded Warehouse 2.Customs clearing Agents Operators; 3. Transporters	66 national level 30 Regional	EAC signed Action plan with S.Korea Action plan signed with China and India
Zambia	Customs Accredited Clients Programme (CACP)	2008	Rolled out	Import/Export	Importers/Exporters	59	
Zimbabwe	AEO	2016	Rolled out	Import/Export	All Economic Operators in the whole supply chain	8 exporters and importers	

Implementation of Customs Union Instruments

The COMESA Authority comprised of Heads of State and Government launched a Customs Union on 7th July 2009 to deepen the integration of economies in the region and to facilitate intra-regional trade and development. In this regard, the COMESA Treaty Article 4 (1a) among others, obliges Member States to adopt a Common External Tariff (CET) as part of their undertaking. During the launch of the Customs Union, Member States were given a transition period of three years to start aligning the national customs laws with the Customs Management

Regulations (CMR) regional customs law, their tariff books with the Common Tariff Nomenclature (CTN) as the harmonized system for coding and tariffs with COMESA CET⁸.

On the Common Market Customs Management Regulations (CMR), a gap analysis study in 2014 between the CMR and the national customs laws of eighteen COMESA Member States highlighted the concrete level of alignment between the COMESA CMR and the respective national customs legislation of the Member States. The Member States registered an overall average CMR alignment of 98.33%. With regard to the Common Tariff Nomenclature CTN, eighteen (18) Member States aligned their tariff nomenclature to the COMESA CTN (based on HS 2012 Version) at an average of 69%. This is an improvement from 2015 when 11 Member States had aligned their nomenclature by an average of 62%.

Significant progress has been made in implementing the road map particularly in the development and implementation of the Common Tariff Nomenclature (CTN) and Customs Management Regulations (CMR). However, outstanding issues still remain on the CET, eighteen (18) Member States aligned their tariff to CET by an average of 34%. Status of Somalia and Tunisia is yet to be studied as they joined COMESA in 2018. Table 16 summarizes the status of Member States participation and alignment to the CMR, CTN and CET.

Table 18: FTA Participation and Status of alignment to COMESA CMR, CTN & CET

Member States	COMESA FTA Membership	STR Implementation	% alignment to the CMR	% alignment to the CTN	% alignment to the CET
Burundi	YES	YES	100%	74%	74%
Comoros	YES	NO	100%	52.5%	2.7%
DR Congo	NO	YES	98%	61.8%	9.6%
Djibouti	YES	NO	91%	95.2%	0.0%
Egypt	YES	NO	99%	86.1%	16.1%
Eritrea	NO	YES	96%	63.5%	26.2%
Eswatini	NO	NO	99%	56.6%	24.7%
Ethiopia	NO	YES	100%	74.7%	9.8%
Kenya	YES	YES	100%	74%	74%
Madagascar	YES	NO	98%	59.3%	10.2%
Malawi	YES	YES	100%	62.8%	68.7%
Mauritius	YES	NO	95%	64.5%	27.9%
Rwanda	YES	YES	100%	74%	74%
Seychelles	YES	NO	100%	55.9%	29.0%
Somalia	NA	NA	NA	NA	NA
Sudan	YES	NO	95%	77.0%	18.0%
Tunisia	YES	NO	NA	NA	NA
Uganda	YES	YES	100%	74%	74%
Zambia	YES	YES	100%	66.6%	66.4%
Zimbabwe	YES	YES	99%	70.7%	7.1%
Average/total	16	8	98.3%	69.1%	34.0%

Source: Compiled by COMESA Staff (2019)

8 The timeline was later extended to 2015 due to implementation challenges some member states were facing.

PROJECTS IMPLEMENTATION

Great Lakes Trade Facilitation Project (GLTFP)

The Project objective is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands. The total project amount is \$79 million distributed as follows: Rwanda \$34 million (loan), D R Congo \$30 million (loan), Uganda \$10 million (loan) and Secretariat \$5 million (grant). The project consists of components that are executed at the national level while others are executed at the regional level to provide for sharing experiences and best practices.

Implementation Status

The Project conducted Training and awareness workshops for close to 1000 various stakeholders at all the 10 project borders on the STR and Minimum Standards for Treatment of Small-Scale Cross Border Traders. It also developed training materials for Training of Trainers (TOTs) who were national officials from both public and private sectors. These TOTs will in turn train other stakeholders in each of the three project countries. The training manuals cover the STR, Customer Care, Gender and Development Concepts for traders and border officials, Gender-Based Violence and Training Delivery and Communication Skills. The manuals will be further edited, simplified and translated into seven local languages that are commonly spoken at the project borders, namely, Kiswahili, Kinyabwisha, Kinande, Kifumbira, Kinyarwanda, Lukonjo and Luo so that the material can be easily understood by the border communities. Some of the major initiatives and achievements through the project include:

- i- Positive trends in small scale cross-border traders crossing the project borders over the last one year;
- ii- Increased STR trade volumes across the project borders during the year, especially with the agricultural products on the common lists;
- iii- Improved STR knowledge and empowerment among cross-border traders as a result of sensitization of cross-border traders and officials;
- iv- Increased numbers and membership of traders in Cross Border Traders Associations (CBTAs) and cooperatives;
- v- Public display of common lists, some in pictorial form for easy understanding by all small-scale cross-border traders;
- vi- Increased appreciation of TIDO services to cross-border traders; and
- vii- Launch of new cross-border infrastructure (e.g. cross-border market and new crossing bridge between DRC and Rwanda at Rusizi1/Bukavu border.

Although the project has produced training of trainers' manuals and trained national officials from both private and public sectors, it has faced the following challenges:

- i- the trained trainers are not training stakeholders at country level;
- ii- Sustainability of the project outputs beyond the World Bank funding, which ends by December 2020;
- iii- Outbreak of Ebola in the region, which slowed down implementation of some activities; and
- iv- Full roll out of the STR, which faced constraints such as unpredictable import export bans, among other non-tariff barriers.

COMESA 11th European Development Fund (EDF 11) Project

Under the 11th European Development Fund (EDF), the Common Market for Eastern and Southern Africa (COMESA) in the context of the Eastern Africa, Southern Africa and the Indian Ocean (EA-SA-IO) region also represented by the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC) and the Southern African Development Community (SADC) signed the Regional Indicative Programme (RIP) on 4 June 2015 in Brussels, Belgium with the European Union.

The COMESA sub-Regional envelope has an indicative allocation of EUR 85 million to assist COMESA, specifically to implement its regional integration priorities. This considers the COMESA region's policy perspective of becoming a fully integrated, internationally competitive regional economic community, with high standards of living for its entire people, ready to merge into the African Economic Community.

Objective 1: €68 million: Reduced cost of cross-border trade, through removal of internal barriers in line with tripartite agreements. It has two components for implementation as follows:

- i- **Trade Facilitation Programme €53 million**, aimed at increasing intra-regional trade flows of goods, persons and services by reducing the costs/delays of imports/exports at specific border posts, through reduction of Non-Tariff Barriers (NTBs), implementation of digital Free Trade Area (FTA), World Trade Organisation (WTO) Trade Facilitation Agreement (TFA), improvements of Coordinated Border Management (CBM) and liberalisation of Trade In Services (TIS), free movement of persons and trade promotion.
- ii- **Small Scale Cross Border Trade Initiative €15 million**, aimed at increasing formal small-scale cross border trade flows in the COMESA/tripartite region, leading to higher revenue collection for governments at the border stations as well as increased security and higher incomes for small scale cross border traders.

Objective 2: €10 million: The Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) programme is aimed at increasing the private sector participation in regional and global value chains, through improved investment/business climate and enhanced competitiveness and productive/innovation capacity.

Objective 3: €7 million: COMESA Capacity Building Programme is aimed at enhancing the capacity of the COMESA Secretariat in procurement, financial management, production and dissemination of harmonized and gender responsive regional statistics. In addition the programme support Member States including private sector capacity to monitor domestication/implementation of regional commitments as well as through a multi-stakeholder dialogue on regional economic integration. The activities under this objective are still under design and formulation stage and are expected to commence before the end of 2020.

For the period under review, the trade facilitation programme has supported implementation of activities under the result areas addressing NTB's, Implementation of the WTO Trade Facilitation Programme, Coordinated Border Management, and Capacity building on SPS and TBT's and Trade Negotiations. The main achievements under these components are the following;

- i- Three national training workshops in Malawi, Zambia and Zimbabwe and two regional meetings of Public and private sector NTBs Focal Points were undertaken to train Member States on how to operationalize NTBs institutions for the elimination of NTB as provided for in the COMESA

- Regulations on Non- Tariff Barriers. Draft Working Procedures to support the implementation of the regulations were developed for adoption by the Member States;
- ii- The SMS reporting tool developed under the AfDB funded Tripartite Capacity Building Programme for Member States was rolled out in Malawi, Zambia and Zimbabwe;
 - iii- Sensitization on the Online Reporting and Monitoring Systems was carried out at national and regional level in the three Member States and COMESA meetings for NTBs Focal Points and Cross Border Traders held in August and November 2019;
 - iv- Regional Guidelines on the COMESA AEO programme was developed and training modules in Risk Management, Post Clearance Auditing and Advance Rulings were developed;
 - v- Burundi, DRC and Zimbabwe were supported in designating their WTO TFA Category C measures and information has been compiled on technical and financial support required by Member States for implementation of their WTO TFA commitments;
 - vi- Baseline Assessment Missions for the status of Trade Information Portals and Customs Management Systems were concluded in Zambia, Malawi, and Zimbabwe;
 - vii- The development of the eCO system has been completed and eCO Regulations to facilitate implementation of the System have been developed;
 - viii- Kenya, Uganda and Rwanda have been supported to identify priority SPS areas for investments. Preparations are completed for harmonization of regulatory limits for aflatoxin in maize; operationalization of COMESA Reference Laboratory network; strengthening of National Plant Protection Organisation and establishment of electronic SPS certification and online information sharing platform. work for capacity building on SPS and TBT issues were completed, and Member States needs have since been compiled for technical support and implementation;
 - ix- The *COMSTAT* database has been enhanced with Statistics of International Trade in Services (SITS) including foreign affiliates statistics (for mode 3 commercial presence); and
 - x- On-going support to the TFTA has resulted in additional ratification of the Agreement and substantial progress in tariff and rules of origin negotiations.

During the year 2019, the following activities were undertaken under the Small-Scale Cross Border Initiative project:

- i- Trade Information desk officers were recruited at the four targeted borders of Chirundu, Kasumbalesa, Mwami and Nakonde.
- ii- The Migration Information and Data Analysis system (MIDAS) was launched for Mchinji border.
- iii- Detailed basic border infrastructure needs assessments were conducted at the targeted project borders; and
- iv- Training of Small-Scale Cross Border Trade data enumerators was conducted at targeted borders and enumerators were deployed to collect SSCBT data.

Trade Negotiations

Update on the Tripartite Free Trade Area Negotiations

The Tripartite Free Trade Area (TFTA) is a comprehensive trade regime bringing together EAC, COMESA and SADC member/partner States. To date Twenty-two (22) Member/Partner States have signed and 8 ratified the TFTA Agreement. Sudan, Comoros, Tanzania, Eswatini, Malawi, Zambia and Zimbabwe are all in advanced stages of ratification. All the 10 Annexes to the Agreement have been concluded and adopted and negotiations on rules for 5030 of the 5387 tariff lines representing 93.37% have been concluded. SACU - EAC negotiations have been concluded, SACU-Egypt negotiations are nearing completion and development of guidelines/manuals/regulations/procedures for implementation of the Annexes to the TFTA Agreement is presently ongoing.

Implementation of select priority Tripartite instruments and programs, which do not require ratification, is ongoing which include;

- i- The Tripartite online mechanism on non-tariff barriers,
- ii- the SMS based NTBs reporting system; and
- iii- Transport facilitation and infrastructure programs

Negotiations on Phase II issues commenced in July 2019 with meetings of Technical Working Group (TWG) on Competition Policy and TWG on Trade in Services respectively. So far, draft modalities for the Tripartite Negotiations on Trade in Services and Draft Protocol on Trade in Services have been finalized and are due for submission to the Tripartite Trade Negotiating Forum (TTNF) for consideration and adoption. In addition, the TWG on Competition Policy has developed the Second Draft Tripartite Protocol on Competition Policy.

Update on AfCFTA Negotiations

To date, 54 AU Member States have signed the Agreement while 27 have ratified it. The Agreement entered into force on 30 May 2019. The Heads of State and Government launched the operational phase of the AfCFTA on July 7, 2019 in Niamey, Niger. While much of the work on Phase I of the AfCFTA negotiations has been concluded, discussions are on-going on tariff liberalization, rules of origin, trade in services and trade remedies. The TWG on Rules of Origin has concluded negotiations on a number of items, save for the following as contained in Article 42 of Annex 2 on Rules of Origin: list of rules for some products of Chapter 3 on fisheries, textiles and motor vehicles, the percentage thresholds, and treatment of goods produced in Special Economic Zones (SEZs). The status of completion of the AfCFTA and COMESA, EAC and SADC Tripartite FTA Rules of origin is shown in Table 19.

Table 19: Status of Completion of Chapters: AfCFTA and TFTA Rules of Origin

Fully Completed Chapters		Partly Completed Chapters		Outstanding Chapters	
AfCFTA	TFTA	AfCFTA	TFTA	AfCFTA	TFTA
33 out of 96	87 out of 96	58 out of 96	8 out of 96	5 out of 96	1 out of 96
34.38%	90.63%	60.42%	8.33%	5.21%	1.04%

Trade Policy Research Programme

The activities under this programme in 2019 included organization of the Sixth Annual Research Forum, Implementation of the COMESA innovation programme, monitoring of the implementation of the COMESA Virtual Masters Programme, undertaking research studies and publication of the research outputs. The sixth Annual COMESA Research Forum was held from 2nd to 6th of September 2019 under the theme "Promoting Intra-COMESA Trade through Innovation". Thirteen research papers were presented under the following sub-themes; Technology

Diffusion, Absorption and Trade in COMESA; Innovation Productivity and its Connection to the Innovation Market in COMESA; Role of Intellectual Property Rights in Promoting Investment in Innovation and Trade in COMESA; Role of Governance in Enhancing Innovations and Trade in COMESA; and Innovation and Socio-Economic Transformation Through Trade in COMESA.

Showcasing of Innovations

During the 2019 Annual Research Forum, innovations from the region were exhibited. They included: **BRIISP POWER SYSTEM(BPS)** which is a power system that sustains power almost in its normal range despite being used; **Innovative Africa 360** which involves development of a vaccine that detects vibrio cholera within 5 seconds unlike the current process that takes up to 24 hours; **M-FLOCK** which is a USSD and internet-based application that gives livestock farmers access to information, veterinary, financial, insurance and other livestock value chain services and players; **GIZA MOTO** African Gate (AFGT) which is a counter-trade platform that aims to create value through exchange of goods with the potential of re-exporting to new markets; and **TWENDE CAR POOLING** which is a platform that connects drivers and passengers travelling in the same direction. It reduces travel costs, traffic jam, creates efficiency and collectively reduces carbon footprint.

Some of the previous innovators who had received the COMESA Innovation Awards as well as other international awards and testified that the COMESA award money was instrumental as a source of start-up capital. The 2015 Winner of the COMESA Innovation Awards, on integrated car tracking and monitoring system with alcohol Breathalyzer sensor made it to the Forbes Africa, under 30 List, 2019. The innovators emphasized the role of incubation centres in providing an enabling environment through mentorship and facilitation in patenting and proposed the setting up of incubation centres by the government in collaboration with development partners, the Universities and private sector.

COMESA Virtual Master's Degree Programme in Regional Integration

The 28th COMESA Council of Ministers meeting held in Eswatini in August 2010 reached a number of concrete decisions that were later endorsed by the Summit. Among them was a proposal to set up a professional or graduate school of regional integration. This led to twenty-two universities agreeing to participate in the collaborative masters' programme. COMESA has signed Memorandum of Understanding (MoUs) with Kenyatta University, Kenya; University of Mauritius, Open University of Mauritius; l'Institut Supérieur de Gestion des Entreprise (ISGE) of Burundi; University of Zimbabwe; and University of Zambia. Kenyatta University advertised and admitted students to the programme during the first Semester of 2020-2021 academic year. University of Mauritius advertised for August 2020 intake while University of Zambia is at advanced stage of getting approval to offer the Masters programme.

In 2017, the research unit submitted a proposal to the Organization of the African, Caribbean and Pacific States (OACPS) on "Enhancing COMESA Capacity in Trade Policy Analysis Research and Training for Deeper Regional Integration and Participation in Global Economy" under TRADECOM 11-ACP Trade Capacity Building Programme. Following the successful evaluation of the proposal, a Contribution Agreement for EUR 2,897,530.47 was signed between COMESA and European Union (EU) on 4 July 2019. Through the TRADECOM 11 Trade capacity building project, COMESA will provide EUR 60,000 worth of scholarships for the masters' programme.

The seventh edition of COMESA flagship publication- Key Issues in Regional Integration under the theme "Harnessing Demographic Dividend for Social Economic Transformation and Deep Regional Integration in COMESA through Academia-Industry Linkages" and the 7th series of policy briefs based on the research papers were published.

COMESA Statistics Programme

COMESA's statistics programme works to provide harmonized policy responsive statistics on the COMESA region. Among the developments to strengthen the COMESA Statistics Programme is the existence of the COMESA Statistical Strategy, National Statistical Systems that are a source of COMESA statistics and statistical plans in partner states including National Strategies for the Development of Statistics (NSDS).

Guided by the COMESA 2016-2020 MTSP and COMESA Statistics Strategy for the period 2017-2020 implemented under the framework of the Continental Strategy on Statistics (SHaSA2), the COMESA Statistics Programme continues to make progress in the provision of regular, timely and harmonized statistics for monitoring the efficient implementation of regional integration objectives. The COMESA Statistics Programme with the support of key development partners including AfDB, the EU, and USAID, has been instrumental in building capacity for the generation and harmonisation of sectoral statistics in Member States.

The COMESA Statistics Unit strategic direction responds to the key issues and challenges that are part of the regional integration process through the provision of policy responsive statistics that is timely and reliable. The Unit has six main strategic objectives namely;

1. Strengthen producer/user dialogue;
2. Strengthen statistics to support the 2016-2020 MTSP strategic objectives;
3. Strengthen strategic partnerships;
4. Consolidate the harmonization of statistics;
5. Enhance statistical technical skills, competencies, literacy and structures; and structures;
6. Strengthen technologies and systems as enablers for the statistical system.

In 2019, COMESA strove to advance work on implementation of the COMESA Statistics Strategy through the following areas;

Statistics to Support Market Integration

International Merchandise Trade Statistics

COMESA Statistics Unit participated in technical workshops at national, regional and continental levels where technical support was rendered to ensure harmonization.

Small Scale Cross Border Trade Statistics

The year 2019 realized implementation of development of SSCBT statistics under the 11th EDF COMESA Cross Border Trade Initiative (CBTI) and the Great Lakes Trade Facilitation Project (GLTFP). Key activities under the EDF-11 were;

- i. Sub regional Training of Trainers workshop for five (5) countries namely DR Congo, Malawi, Tanzania, Zambia and Zimbabwe. The main objective of the workshop was to train Master Trainers who are in turn expected to train their respective enumerators and supervisors for SSCBT data collection. Twelve participants were trained.
- ii. Procurement of IT equipment (10 desktop computers, 10 Laser jet printers, 10 routers and 95

Tablets) to be used for SSCBT data collection at the target project borders.

- iii. The key activity under the GLTFP was a joint bilateral SSCBT statistics mirror exercise for Rwanda and Uganda .The exercise was attended by fifteen participants.

Statistics of International Trade In Services (SITS)

The following activities were undertaken during the period under review

- I. Enhancement of the COMSTAT Regional database with new components of Trade in services statistics;
- II. Capacity building engagement with Zambian stakeholders on the development of statistics of international trade in services in accordance with the Manual on Statistics of International Trade in Services (MSITS).

International Comparison Programme

COMESA, in collaboration with the African Development Bank (AfDB) launched the 2017 International Comparison Program (ICP) in February 2017. Under its purview, COMESA was overseeing the implementation of the ICP surveys in both the COMESA and SADC regions. The ultimate objective of ICP data is to be used in the computation of time series Purchasing Power Parities (PPPs). After close to 2 years of data collection for both Price and National Accounts, the AfDB in collaboration with COMESA and AFRISTAT, organized a data validation and closure workshop for the 2017 ICP round in Addis Ababa, Ethiopia on 1 - 5 April 2019. The main objective of the workshop was the validation and editing of all the data across the relevant surveys and National Accounts expenditures for the 50 participating African countries.

Strengthening Statistics to Support the Gender Equality

With the launch of the 11th EDF program on Small Scale Cross Border Trade (SSCBT), COMESA developed a comprehensive statistical framework to ensure engendering of SSCBT with the finalization of border profiling survey questionnaire that has detailed gender disaggregated indicators.

Strengthening the Development of Economic Infrastructure

Under this strategic objective, the 2019 round of the Africa Infrastructure Knowledge Programme (AIKP) Surveys were launched in COMESA Member states.

Strengthening Technologies and Systems as Enablers for the Statistical System

- i. The pilot implementation of SDMX (specifically related to international merchandise trade statistics) with the Zambia Central Statistical Office was completed.
- ii. COMESA participated in a regional Statistical Data and Metadata eXchange (SDMX) training workshop jointly organized by the United Nations Statistics Division (UNSD) and African Union Commission (AUC).
- iii. COMESA continued to lead in the roll out of software tools for compilation of international merchandise trade statistics. Taking the lead in SQL Server migration and as a member of the international technical user group, testing of the EUROTRACE.net version.

- iv. The COMSTAT data portal continued to play a critical role in data dissemination. Based on the ratings under the African Information Highway program, the *COMSTAT* portal hits peaked at 10,956 in the month of January 2019.

Strengthen Capacity Building

The COMESA 2017-2020 Statistics Strategy identifies capacity building as one of its strategic objectives. Capacity building in statistics has been the flagship of COMESA's interventions in Member States. This is evidenced by the fact that 76 experts were trained in 2019 on various statistical subjects.

Strengthening Strategic Partnerships

The following achievements were registered in this strategic objective;

- i. MoU with Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in Trade in services.
- ii. MoU with Trade Mark East Africa (TMEA) on small scale cross border trade SSCBT.

03

CHAPTER THREE INCREASED INVESTMENTS



COMESA Common Investment Area and Foreign Direct Investment

The COMESA Common Investment Area (CCIA) agreement is a promotional tool meant to guide Member States in harmonizing best practices in investment and facilitating private sector development. During the 3rd COMESA Summit held in June 1998 in Kinshasa, the Authority of the COMESA Heads of State and Government decided to establish COMESA region as a Common Investment Area where capital goods and investors can move freely. It is in that context that an agreement for the CCIA was developed, negotiated and finally adopted in 2007. The CCIA instruments is projected to ensure the investment and investor's protection and encourage Member States to carry out reforms and liberalization by opening economic sectors for growth to all investors. Upon implementation, the CCIA is expected to improve the overall ease of doing business environment in the region, cooperation in investment promotion among Member States through Double Taxation Avoidance Agreements and other investment agreements.

COMESA's share of Foreign Direct Investment (FDI) remains very low as a result of a number of reasons notably structural and policy deficiencies. The CCIA aims to change this by promoting COMESA's attractiveness and competitiveness as an investment destination through harmonization of frameworks for investment regulations at Member States level. In addition, the framework has in its provisions dispute settlement mechanisms privileging national and regional conflicts resolution. The revised CCIA is aligned to the Pan African Investment Framework and is expected to provide a platform for the investment chapter as an integral part of the Africa Continental Free Trade Area (AfCFTA). Its next steps towards implementation aims at harmonizing investment best practices and facilitating the private sector development in the region. The CCIA instrument is to be owned by COMESA countries through ratification and domestication processes starting by the public awareness campaign on its benefits that is to begin during the year 2020 with the support of the EU under the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP).


Investment Landscape within the COMESA Region during 2019

Globally, Foreign Direct Investment (FDI) flows recorded a 13% decline in 2018, in value terms, this was from US\$ 1.5 trillion observed in 2017 to 1.3 trillion in 2018 making it a third annual decline in a row (World Investment Report 2019). The reduction in inflows was mainly attributed to the United States' multinational enterprises (MNEs) repatriating earnings from abroad, to make use of the country's introduced tax reforms in 2017 designed for such a purpose⁹.

Despite a decline in global FDI inflows, Africa posted an increase of 10.9% in 2018. This was from US\$ 41.4 billion in 2017 to US\$ 45.9 billion in 2018. Elsewhere in other regions/economies, Asia's inflows grew by 3.6% while Latin America and the Caribbean saw a marginal drop of 5.5% (World Investment Report 2019). Overall, FDI inflows to the COMESA region contracted marginally by 0.5% between 2017 and 2018. In value terms, this was from US\$ 20.1 billion in 2017 to US\$ 19.9 billion in 2018, giving COMESA a share of about 43% of the total FDI inflows into Africa. In the COMESA region, Egypt and Ethiopia were the major recipients of FDI in 2018 together accounting for 50.7% with Egypt having a share of 34.1% followed by Ethiopia with 16.6% of the total. Other countries were Kenya (8.1%), Uganda (6.7%), Democratic Republic of Congo (6.4%), Sudan (5.7%) and Tunisia (5.2%).¹⁰

According to the COMSTATS and UNCTAD reports, COMESA Member States that witnessed significant increases in inflows between 2017 and 2018 were Burundi (201%), Zimbabwe (113%), Comoros (101%), Uganda (67%) and Djibouti (61%). On the other hand, Member Countries that showed notable decreases in inflows were Zambia (48%), Seychelles (34%), Ethiopia (18%), Mauritius (16%) and Madagascar (10%). The average overall investment

9 UNCTAD World Investment Report 2019
10 COMSTAT COMESA Investment Report 2019



as a percent of GDP in COMESA decreased marginally from 26.3 percent in 2015 to 25.5 percent in 2016. However, a number of COMESA countries recorded investment performance of less than 20% of GDP which underscore the challenge facing policy makers in the region to implement a set of policies that would move the economies into virtuous cycle of higher investment and higher growth, in response to the globally challenging economic downturn.

The region needs high and inclusive growth to create enough jobs for its increasing youth labour force. This will require adequate investment in both the production-oriented projects and appropriate infrastructure. It is worth noting that the region's investment inflows are still greatly financed by foreign savings. This is not sustainable in the long run and calls for regional mechanisms to boost Cross-border investment that remains insignificant or not properly recorded by relevant national agencies. It is against that backdrop that COMESA initiated and supported the COMESA Common Investment Area (CCIA) as a supporting regional framework.

Investment Promotion

In 2019 activities were undertaken to raise awareness of the revised CCIA in Member States to support its signing and domestication, and to continue support to Member States on improving their respective business environment. However, planned activities were partially undertaken due to lack of dedicated resources to those activities. Focus was therefore shifted to remote online backstopping and follow up on some previously conducted programmes at the same time contributing to incorporation of the interventions into the planning process of the upcoming Regional Enterprises Competitiveness and Access to Markets Project (RECAMP) and collaborating with other programmes of the Division.

Ease of Doing Business

The COMESA Treaty in its Article 151 provides for the creation of an enabling environment for the private sector within the COMESA region. Under this provision the Treaty states "The Member States agree to provide an enabling environment for the private sector to take full advantage of the Common Market". To this end, the Member States undertake to promote a continuous dialogue with the private sector organs at the national and regional levels to help create an improved business environment for the implementation of agreed decisions in all economic sectors; and provide an opportunity for entrepreneurs to participate actively in improving the policies, regulations and institutions that affect them so as to increase confidence in policy reforms, raise productivity and lower costs at enterprise levels among other measures.

The Ease of Doing Business is an important enabler for attracting increased investment flows that the Secretariat and Member States agreed in 2010 on the Regional Roadmap on Ease of Doing Business with a view to assist COMESA Member States in their efforts to tackle various impediments to private sector development. In 2019, the Secretariat worked with the Union of Comoros, through the focal point Agency, the "Agence Nationale pour la Promotion des Investissements" (ANPI) on the progress being made in the implementation of the adopted Roadmap.

National Investment Promotion Agencies (IPAS) To Promote National Investment Opportunities

The Secretariat together with the COMESA Regional Investment Agency (RIA) facilitated some National Investment Promotion Agencies (IPAs) of Member States to showcase investment opportunities in their respective countries during the two major events of the year 2019. These were; The Annual Investment Meeting (AIM) in Dubai, UAE and the Annual Africa Forum 2019 in Sharm El Sheikh, Egypt.

Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP)

COMESA in partnership with the EU under the 11th EDF Programme began the implementation of the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) with the specific objective to increase private sector participation in sustainable regional and global value chains. The programme prioritizes the following value chain sectors; agro-processing, horticulture, and leather and leather products. This programme will enhance private sector capacity to compete effectively at all levels.

The Blue/Ocean Economy

The Blue/Ocean Economy covers aquatic and marine areas, including oceans, seas, coastlines, lakes, rivers and groundwater. It includes many productive sectors such as fisheries, aquaculture, tourism, transport, shipbuilding, energy, bio-prospecting and underwater mining to accelerate structural transformation. The region's 21 Member States comprise of nine coastal countries, eight landlocked countries and four Ocean States. COMESA envisages achieving blue economy led transformation through increased investments and job creation in the coastal, marine and inland freshwater sectors. In this regard, COMESA Member States have promoted the Blue Economy sector in various ways;

- i- At country and continental level, level, COMESA supported Member States in the development of policies strategies and in strengthening Small Scale Fisheries (SSF) and their regulation to address open access fishery empowerment of local administrations and social organizations.
- ii- Building capacities of the regional and national agencies in implementing appropriate fisheries management policies / strategies and improve fisheries economic data for informed policy making, management, monitoring and evaluation.
- iii- Worked with partners to improve the performance of SSF to reduce post-harvest losses – enhance value chain and value addition by supplying refrigerators to small scale fisheries associations.
- iv- Worked with partners through SMART fish program on diversification of the fisheries value chains into domestic semi-industrial fisheries, improving value added product trade among Member States using the provisions of the COMESA Simplified Trade Regime. The support was in promoting co-management through fishers' associations, community-based management organizations, cooperatives and social enterprises.
- v- In combating Illegal, Unreported and Unregulated (IUU) fishing, COMESA partnered with AU/ Department of Rural Economy and Agriculture (DREA) through the Africa Union Intra-African Bureau for Animal Resources (AU-IBAR) and Regional Economic Communities including IGAD, SADC, EAC and IOC and Regional Fisheries Bodies (RFB) in supporting Joint Fisheries Patrol program through SMART Fish project and ECOFISH program being spear headed by IOC. The RFBs included Lake Victoria Fisheries Association, Lake Tanganyika Fisheries Association, Southwest Indian Ocean Fisheries Commission (SWIOFC)

Fisheries

COMESA region is home to some of Africa's most important fisheries resources. These include, among others, marine resources in the Western Indian Ocean, Southeast Atlantic and Mediterranean, as well as the vast freshwater systems of the Nile, Congo and Zambezi Basins and the Great Lakes including Lake Victoria, Tanganyika and Rift Valley lakes found within them. The development of aquaculture is still nascent in COMESA.



Source: Adobe stock

Countries such as Egypt is leading the industry in Africa with other Member States such as Uganda, Zambia, DR Congo and Zimbabwe also experiencing high growth.

The COMESA Fisheries Programme achieved the following in 2019:

- i. Improved value-added product trade among Member States using the provisions of the COMESA Simplified Trade Regime. This was done in partnership with AU-IBAR through the Fish-GOV project, WorldFish through fish trade, and Indian Ocean Commission through SMART fish and ECOFISH programs on diversification of the fisheries value chains into domestic semi-industrial fisheries.
- ii. Supported Member States in promoting co-management of fisheries resources through fishers' associations, community-based management organizations, cooperatives and social enterprises.

The major challenges to the implementation of Blue Economy programme during 2019 include the following:

- I. Insufficient budget to facilitate follow up actions to support Member States in planning and implementing their Blue Economy Strategies.
- II. Limited capacity to prevent Ocean/Blue Economy risks including illegal, un-reported and un-regulated (IUU) fishing, marine pollution and climate change through integrated approaches to effective regional cooperation on maritime security.

Maritime Security

COMESA is one of four regional organisations implementing the Maritime Security (MASE) programme which is essential to supporting the Blue Economy. MASE, which is under the COMESA Governance, Peace and Security Program conducted various activities in the Eastern, Southern Africa and the Indian Ocean (ESA-IO) region. Its component is aimed at addressing Illegal Unregistered (IUU) financial flows to prevent money laundering by establishing sound laws, regulations and policies to build the region's capacity to analyse, detect and track

financial flows linked with piracy and also to investigate and prosecute financial crimes at all levels. The 16th Meeting of the COMESA Ministers of Foreign Affairs which was held in Antananarivo, Madagascar encouraged countries that are covered under the COMESA MASE Programme to work with the Secretariat to identify capacity needs that can be supported by the Programme. The initiatives of the Programme are guided by the specific needs of respective Member States as identified by the country.

Harness the Benefits of Strategic Partnerships

Regional integration process requires enormous resources hence the need for mobilization of funds to implement the COMESA programmes. COMESA views strategic partnerships as the active engagement of national, regional and international strategic collaborators in regional integration. Strategic partnerships provide opportunities for leveraging resource-mobilization, technical-support and knowledge brokerage capabilities across Member States, the private sector, academia as well as cooperating partners and other stakeholders.

Development Cooperation Report: In 2019, and for the first time, a detailed development cooperation report was compiled and presented to the Policy Organs meetings. The report was prepared and presented in accordance to the requirement of Chapter 35 of the COMESA Treaty, on relations with other organizations and co-operating partners. It highlights the status of cooperation and the support extended to COMESA over the years, from some of the development partners as well as other regional, continental and international organizations that are working with the Secretariat in implementation of the COMESA integration agenda.

Coordination with the African Union: The Secretariat maintained a liaison office at the African Union Commission (AUC), and full-time staff recruited for coordinating the activities of the African Union (AU) and the Common Market. This is in accordance to Article 178 of COMESA Treaty on COMESA contribution to the implementation of the provisions establishing the African Economic Community. To this effect, the COMESA was fully involved and provided the necessary support to the AUC especially in the context of the current debates on the division of labor as well as the implementation of the African Continental Free Trade Area (AfCFTA).

Division of labor: COMESA was involved in the preparation of the first ever continental integration report, support on the Monitoring & Evaluation (M&E) framework, provided technical support and guidance on the retreat of Chief Executive Officers (CEOs) from Regional Economic Communities (RECs), AUC, Economic Commission for Africa (ECA) and African Development Bank (AfDB) among others. This played a key role in the revision of the memorandum of understanding between the AU and RECs. COMESA also participated in the 1st Coordination Summit between the RECs and AU, that took place in Niamey in July 2019.

Cooperation and partnership with other RECs: In order to realize its regional integration objectives, the Common Market may enter into co-operation agreements with other regional communities, subject to prior approval by the Council such as the COMESA-EAC-SADC Tripartite agreement. In addition, COMESA Secretariat entered into cooperation arrangements for the implementation and coordination of some development partner programmes and these include the MoU between the COMESA, EAC, Intergovernmental Authority on Development (IGAD), Indian Ocean Commission (IOC) and SADC under the framework of the Duly mandated Regional Organizations (DMROs). This arrangement is for the implementation of the 11th European Development Fund (EDF) Regional Indicative Plan (RIP). The Memorandum of Understanding (MoU) provides the framework for coordination among the five DMROs as well as coordination and dialogue with the European Union.

COMESA's efforts have continued to expand amongst its partners and other RECs thus building mutually beneficial

relationships, commitment and willingness to share resources. These include;

- i- Improved internal technical capacity and skills transfer, access to resources, and lowered transaction and finance costs;
- ii- Increased use of uniform standards and practices;
- iii- Collective ownership of decisions and obligations;
- iv- Reduction in overlaps (and duplications) in the use of available resources.

Resource Mobilization and International Cooperation (RMIC)

In line with Article, 181 of the Treaty, the Secretariat has maintained continuous and close working relations with relevant African organizations such as the United Nations Economic Commission for Africa (UNECA), the AfDB and other intergovernmental and non-governmental organizations in Eastern and Southern Africa with a view to strengthening the institutional capacity of the Common Market and assisting it in the implementation of the provisions of this Treaty. The Treaty further mandates the Secretary General to mobilize support and cooperate with other international organizations and bilateral and multi-lateral donor agencies whose policies and programmes are compatible with those of the Common Market. This is in addition to initiating and maintaining dialogue with the said organizations and agencies.

To this effect, the Secretariat concluded various bi-lateral and multi-lateral programmes with Cooperating Partners. They included Cooperation with the European Union, the International Trade Centre (ITC) and International Organization for Migration (IOM), the United Nations Conference on Trade and Development (UNCTAD) and Food Agriculture Organization (FAO); Cooperation with the World Bank; Cooperation with the AfDB; Cooperation with the People's Republic of China; Cooperation with Japan, among others

The following was achieved in 2019;

- i. Secured scholarships to COMESA Member States from the Peoples Republic of China;
- ii. Coordinated and concluded the review and amendments of the EU-DMROs High Level Group mandates and rules of procedure for engagements with the EU on the implementation of 11th EDF RIP;
- iii. Coordinated and facilitated the signing of the revised 11th EDF RIP Amendments agreement with the EU;
- iv. Facilitated the finalization of the Tripartite Resource Mobilization Strategy, which was adopted by the 8th TSMC of the Tripartite Ministerial Committee held in Addis Ababa, Ethiopia in June 2019;
- v. Developed a paper on the operationalization of the Common Levy Market and presented to the Ministers of Finance and Central Bank Governors;
- vi. Facilitated and coordinated negotiations and signing of various MoUs between COMESA and Strategic Partners

COMESA Brussels Liaison Office

In supporting the strategic objective to harness the benefits of strategic partnerships, the COMESA Brussels Liaison Office (BLO) has the mandate to develop and maintain constructive and productive institutional relationships between the COMESA Secretariat, the European Union (EU) institutions and the African Caribbean and Pacific (ACP) Secretariat in order to support regional integration and development in the COMESA region as well as to promote common views in other ACP fora. The BLO is also involved in following up trade multilateral issues in Geneva with the World Trade Organisation (WTO) and the International Trade Center (ITC). The COMESA BLO play a supportive role to COMESA Secretariat's programmes and its institutions through preparation, programming and follow up of programmes and projects in partnership with the European Commission under the 10th and 11th EDF respectively. COMESA BLO is instrumental in the identification of projects eligible for funding by the intra-ACP-EU Project Monitoring Units (PMUs) (TBT Programme, All ACP commodities Programme, TradeCom II, ACP-EU PSD, Hub & Spokes and its successor) for the implementation of COMESA programmes.

BLO participates in the Joint East Africa-South Africa-Indian Ocean-(EA-SA-IO)-EU meetings to discuss the 11th EDF Programming and other projects under implementation with support of EDF or intra-EU-ACP resources within EA-SA-IO Region. The COMESA BLO participates also timely to the WTO and ICT meetings in Geneva, Switzerland where issues related to international trade are discussed. Among the achievements of the BLO are;

- i- **Support for Resource Mobilization;** the COMESA capacity building project for an amount of Euros 2,4 million.
- ii- **Multilateral Trade;** the COMESA BLO participates actively in the meetings organized at all levels at the ACP, EU and various other stakeholders in the field of multilateral trade matters in Brussels.
- iii- The COMESA BLO continued to support the Eastern Southern Africa-Economic Partnership Agreement (ESA-EPA) Member States in their implementation process. The support included following up with the EU and the ESA-EPA region on the contentious issues. Timely, BLO is representing the COMESA Secretariat in Geneva for meetings organized by the WTO and the ITC on trade multilateral matters.

COMESA Aid for Trade

COMESA's Aid for Trade Strategy was developed as a response to the Aid for Trade (AfT) initiative that came into existence in 2005 to help developing countries build supply-side capacity and trade-related infrastructure to enhance the contribution of trade to development. The COMESA Adjustment Facility (CAF) is one of the key instruments for implementing COMESA's Aid for Trade Strategy. The CAF is funded by the Regional Integration Support Mechanism (RISM) Programme funded by the EU under the 9th and 10th European Development Fund (EDF) providing over € 111 million in financial support. The objective of the adjustment facility is to improve the implementation of regional commitments and programmes at national level through financial support to Member States. Funding has been directed towards 16 COMESA countries and this has been delivered through untargeted financial support and project support. The countries are Burundi, Comoros, Djibouti, Democratic Republic of Congo, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

Achievements in 2019

In 2019, closure of the 12 projects that had been implemented with funding from the 9th EDF was being

undertaken. The preliminary end of project review indicates over 90% achievement of the intended objectives with an absorption of over 99% of budgeted resources. The results include significant private sector support on productive capacities in the leather, textiles and clothing value chains; improved knowledge of non-tariff barriers and the associated elimination mechanisms; and progress in trade and transport liberalization commitments across countries.

Final external expenditure verifications for nine projects were undertaken while the last two had been initiated for completion in 2020. The expenditure verifications reflect negligible amounts of ineligible costs across projects which indicate strong administrative and financial management of the projects. Based on the commitments made by Member States, the full reimbursement of the unspent resources and ineligible expenditures is expected to be completed in 2020. Implementation under the 10th EDF programme was ongoing. Following disbursement of all untargeted budget support totaling €3.9 million in 2018 (Kenya, Mauritius and Rwanda), activities for 2019 focused on strengthening the delivery of project support. Seven projects were finalized and signed for Comoros, DR Congo, Madagascar, Malawi, Uganda, Zambia and Zimbabwe. Together with the new projects, project implementation covered Burundi, Eswatini and Sudan bringing the total number of ongoing projects in 2019 to 10. The CAF-RISM programme disbursed a total of **€ 4,650,810** as project support. Partnerships with COMESA Institutions and external partners like UNCTAD and ITC complimented the technical support from the Secretariat. The intervention areas defined in all projects are aligned with the COMESA Treaty including the key strategic frameworks like the COMESA Industrialization Policy and SME Strategy. Cross-cutting objectives such as gender and statistics have been mainstreamed in the projects.

Table 20: Summary of Outputs Achieved in Member States in 2019

MEMBER STATE /PROJECT OBJECTIVE	AREAS OF INTERVENTION	2019 RESULTS ACHIEVED (SUMMARIZED)
Burundi Capacity building support to the Bureau Burundais de Normalisation (BBN) on standardization and quality control (€439,384)	<ul style="list-style-type: none"> - Support for coordination of regional integration programmes and - Strengthening the BBN's services to improve market access for Burundian products 	<ul style="list-style-type: none"> - Laboratory equipment and vehicles procured for BBN - Capacity building workshops on regional programmes organized - Awareness activities on standardization organized for the private sector



Source: Adobe stock

<p>Comoros Electronic Single Window (€864,817)</p>	<ul style="list-style-type: none"> - Establishment of an electronic Single Window linking Comoros Customs with key institutions - Technical and operational capacity-building of the National Project Team within the context of the Electronic Single Window and improved functionalities of ASYCUDA World - Developing the electronic SPS certification system for Comoros (with focus on cloves, vanilla, and ylang ylang) - Assessment and review of Comoros SPS certification policy - Support to Focal Point Ministry on regional integration issues 	<ul style="list-style-type: none"> - Regulation on SPS standards' certification analyzed - Structures responsible for certification trained - Renovation of office and procurement of IT equipment for SPS Unit at Ministry of Agriculture (INRAPE) - Technical capacities of phytosanitary inspectors strengthened - The experience of the certification of products shared with other national Comorian structures - IT equipment for the establishment of the Single Electronic Window procured and installed by UNCTAD - The Directorate General of Economy and Trade equipped with office and IT equipment - The technical and operational capacities of officers at the Directorate of Coordination of COMESA activities as well as stakeholders (economic operators, civil society) sensitized on the implementation of regional programme
<p>DRC Capacity building project for implementation of the regional integration of the Democratic Republic of Congo - Phase I & II (€1,100,877.50)</p>	<ul style="list-style-type: none"> - Support to the implementation of Local Sourcing for Partnerships in the DRC - Improve market access conditions for the private sector through implementation of the Simplified Trade Regime and COMESA FTA - Contribute to the strengthening of value chains in the leather sector in the DRC 	<p><i>Local Sourcing for Partnerships Project implemented through:</i></p> <ul style="list-style-type: none"> - Awareness workshops on Food Safety Management Systems as well as field visits - Trainings on general concepts regarding food safety management and traceability systems - Trainings on basic HACCP standards - Consultation between local suppliers and the retail and tourism sectors <p><i>Increased awareness of the economic operators on the STR and COMESA FTA through:</i></p> <ul style="list-style-type: none"> - Sensitization of economic operators on the advantages of the Simplified Trade Regime and the advantages of the FTA, COMESA rules of origin and preferential tariffs <p><i>Customs personnel and other actors strengthened on the implementation of the FTA Rules of Origin through:</i></p> <ul style="list-style-type: none"> - DGDA Officers have been trained on COMESA Rules of Origin and preferential tariffs (9 sites) - Acquisition and distribution of a manual on COMESA Rules of Origin and preferential tariffs adapted to Congolese legislation and customs procedures - Acquisition of computer software and hardware for processing statistical data on trade in the framework of the COMESA FTA

Eswatini Construction of the Manzini Trade Hub and Private Sector Support Project (€1,185,899)	<ul style="list-style-type: none"> - Construction of Phase 1 of the Trade Hub for the provision of an improved environment for MSMEs production and Trade Capacities; - Enhanced Performance of the Leather Value Chain; - Improved Quality Infrastructure Services to support production and trade; - Improved capacities for investment promotion in the country. 	<ul style="list-style-type: none"> - Construction of the Manzini Trade Hub commenced, 64% completion of super structures for Hostels and trading area. - 34 artisans (5 women) trained by ALLPI in vegetable tanning and footwear design. - Training in cluster design and implementation delivered to various government and leather related organisations. - 24 artisans (10 women) incorporated into a vegetable tanning cluster. - Feasibility for the establishment of an industry tannery undertaken. - 34 participants (14 women) from the Eswatini standards Authority Trained in Quality Management Systems.
Madagascar Capacity building project for implementation of the regional integration of the Malagasy Republic (Phase 1) – 7th Call (€373,953)	<ul style="list-style-type: none"> - Building the capacity of institutions in order to advance the regional integration process - Strengthening actions for the resolution of Non-Tariff Barriers issues - Supporting Malagasy companies in order to improve the access of Malagasy export products to the regional market - Development framework for the value chain of the Leather sector 	<ul style="list-style-type: none"> - Training of local artisans on tanning processes organized by ALLPI - Leather sector development strategy elaborated
Capacity building project for implementation of the regional integration of the Malagasy Republic (Phase 2) – 8th Call (€964,842)	<ul style="list-style-type: none"> - Building the capacity of institutions in order to advance the regional integration process - Capacity building support on Trade Remedies - Availability of data for Industrial Production of Enterprises (IPI) - Strengthening of SQC (Malagasy Quality Control Bureau) and its Control Posts - Strengthening of BNM's Standardization Unit and support to the operationalization of its Management Systems Certification Unit - Framework for the development of Madagascar's leather value chain 	Project yet to start – awaiting EU disbursement

Malawi Malawi Enterprise Productivity Enhancement Phase II (MEPE II) - Leather and Textiles (€487,342)	- Leather and Textiles value chains	<ul style="list-style-type: none"> - Leather Design Studio (LDS) launched, construction of ablution block and security bars placed at LDS site; - Procurement of embroidery machines for Lilongwe and Mzuzu textiles; - Trainings undertaken on mentorship and best practices, local and international standards, embroidery, tendering processes and procedures, financial marketing and business management, computer aided designing; - Malawi standards book procured and distributed; - Buyer/Seller meeting undertaken including awareness campaign on cooperative movement, - Market survey on the two sectors and needs assessment of Mzuzu textiles undertaken; - Equipment procured for Mzuzu textiles and Lilongwe textiles; - Malawi Bureau of Standards workshop undertaken.
Malawi Enterprise Productivity Enhancement Phase III (MEPE III) (€920,767)	- Support to the oil seeds, leather and textiles sectors	<ul style="list-style-type: none"> - Tenders for the supply and delivery of office equipment for the leather training centres, Sunflower seed for the support to edible oils sector and training tools for the textiles and garment value chains were concluded with deliveries executed in January 2020. - Tender documents finalised for the launch of invitations to bid for the rehabilitation of classrooms at the leather design studio and the installation of boreholes and water tanks at three training centres. - Initiation of leather design trainings with ALLPI for delivery in early 2020.
Sudan Sudan Regional Integration Implementation Project (€1,249,922)	<ul style="list-style-type: none"> - Capacity of National public and private institutions enhanced to achieve regional integration agenda - Performance of livestock value chain enhanced to increase exports to Egypt and related markets - Trade facilitation and support services enhanced to enhance exports of cement, plastic products and soft drinks to Ethiopia 	<ul style="list-style-type: none"> - Over 100 persons sensitized on COMESA programmes and export potential of the region - Over 80 women owned SMEs trained in standards, product packing, presentation, export marketing and promotion. - Traceability framework established with MoU's and business cases prepared for Kerari. - Training conducted on meat safety and certification - More than 600 SMEs and government officials participated in the training on clustering, design, product development and strategy implementation and review. - Business cases developed for leather institutions for enhanced resource mobilization for cluster development - Trade Expansion Strategy developed and disseminated. - Exchange visits undertaken to Zambia to learn best practices on enhancing coordination of regional programmes

<p>Sudan's Institutional and Productive Capacity Building Project (€2,201,700)</p>	<ul style="list-style-type: none"> - Improved capacities of key institutions to implement, coordinate and monitor common policies, strategies and regulations in line with the regional integration agenda; - Enhanced capacities to collect, compile and analyze statistical data in line with the COMESA Statistics Strategy; - FDI framework strengthened to promote and facilitate both domestic and foreign investments. 	<ul style="list-style-type: none"> - Survey instruments designed to facilitate the commencement of Industrial and FDI statistical surveys. - ICT system procured for the Sudan Customs Authority to accurately capture trade data - Over 80 stakeholders trained on ISPMs and pest risk assessment including on pest detection and pest controls. - Staff from Plant Protection Directorate supported through a benchmarking mission to KEPHIS Kenya to enhance their capacities on how to conduct Pest Risk Analysis. - 40 stakeholders trained on Fruitfly management to help control disease in the production areas in the different States focusing on oil seeds, mangos and potatoes. - 40 trained on food safety and quality control system - Procurement for the leather equipment for Kerari and Sudan University commenced.
<p>Uganda Regional Integration Implementation Project (RIIP II) (€2,766,945)</p>	<ul style="list-style-type: none"> - Improving the doing business environment especially for small scale traders in the context of regional integration. - Increased exploitation of the regional markets through improved market access, value addition, and private sector development. 	<ul style="list-style-type: none"> - IITC (NIMCC equivalent) consultative meetings held on several trade issues. - Survey undertaken to collect data on export and import volumes and values. - Cross border trade and international trade in services statistics collected and compiled. - BEZ Designs for 5 border markets customized and re-launched in commensurate with available funds. - Cluster training workshops on enterprise development and value addition for the grains and cereals cluster conducted. - Two additional CBTAs established at Ntoroko and Lea borders - Equipment and container procured for the establishment of the Trade Information Desk at Ntoroko. - Technical support and training workshops held on sustainability and effective management of Cross Border Trader Association was undertaken for Elegu, Mutukula and Mirama Hills. - NTB reporting system in process of being established and linked

<p>Zambia Regional Integration Capacity Building Project (RICB II) (€2,105,529)</p>	<ul style="list-style-type: none"> - Improve the competitiveness of SME's involved in the production of footwear and leather products - Improve the competitiveness of SME's in the weaving industry. - Strengthen the institutional capacity to facilitate the industrialisation and trade development agenda of Zambia 	<ul style="list-style-type: none"> - New leather curriculum developed with five training institutions assessed on their capacity to implement it. - 51 SMEs trained in production skills, clustering and incubation for leather value chains. - Business linkages established for SMEs in the leather and footwear sector - Hides and skins traceability framework established and over 25 SMEs trained on the implementation of the framework in Namwala and Mongu. - 124 SME's trained in weaving and spinning, entrepreneurship, business network and market penetration. - Procurement is underway to acquire 40-foot container to be set up as a modern handloom fashion centres - Gap analysis commissioned in 5 provinces to provide empirical information on product quality standards, total quality management, awareness of SMEs in regional and international standards and basic machinery maintenance. - 161 stakeholders sensitized on competition, mergers and acquisitions, restrictive business practices, abuse of dominance, consumer protection, and the leniency programme in 5 different provinces; - Metrology gap analysis for textile and leather goods commenced; - Consultative meetings and sensitization undertaken on Trade remedies, AFCFTA, Rules of origins etc undertaken; - Small Scale Cross Border Trade statistics collected and compiled at Chirundu, Mwami, Kasumbalesa and Nakonde borders; - Awareness raised on the Trade Obstacles Alert Mechanism (TOAM) and the Tripartite Non-Tariff Barriers (NTBs) system in Kasumbalesa with the Truckers Association and at Kasesya/Zombe Border in Mbala
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Zimbabwe (€1,791,259.00) Zimbabwe Regional Integration Implementation Project Phase II	<ul style="list-style-type: none"> - Improved capacity to implement, coordinate and monitor common policies, strategies and regulations in line with the COMESA regional integration agenda and the national industrial and trade policies; - Fruitfly management programme for addressing market access conditions for horticultural products; - Enhanced performance of the leather textiles and apiculture value chains 	<ul style="list-style-type: none"> - Training on rules of origins with over 42 government officials trained - Census on industrial statistics completed; - Several trainings on cluster management entrepreneurship; smart tanning methods; and business management and market access in the leather and clothing value chains; - Pest surveillance and monitoring of fruit flies conducted in selected parts of the country; - Business to business linkages for SME's in both the leather and cotton to clothing value chains; and - Procurement of equipment launched and evaluated for leather and cotton to clothing clusters.
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Visibility

In 2019, COMESA participated in the Global Aid for Trade Review conference held in July 2019 in Geneva. This featured member States' experiences in the regional integration process and also highlighted the overall successes of COMESA in private sector development, trade facilitation and in support for the Continental Free Trade Area.

CHAPTER FOUR

STRENGTHEN DEVELOPMENT OF
ECONOMIC INFRASTRUCTURE (ENERGY,
TRANSPORT AND ICTs)





Economic Infrastructure is a precondition and a catalyst for regional integration and economic development. Its development is critical for building productive capacities, lowering production costs and ultimately, fostering sustained economic inclusive growth and human development in any country or region. The high cost of doing business in Africa has negatively affected its competitive edge on the global market. Therefore, bridging the economic infrastructure gaps is an imperative towards accelerated economic growth and development of the COMESA region.

COMESA seeks to address the main constraints to improved infrastructure and services in the region, particularly in relation to energy, transport and ICT infrastructure. It has assisted its Member States in packaging regional infrastructure projects for funding and encouraging Public Private Partnerships (PPPs) in the development of basic infrastructure (energy and water supply, transport facilitation). The three focus areas of economic infrastructure development pillar are energy, transport and ICTs. For each of these COMESA has established policies, programmes and/or instruments, which are worth noting

a. **Energy**

Energy integration is crucial to the deepening of the overarching COMESA regional integration agenda. It plays a critical role in the development process as not only as a domestic necessity but also as a factor of production whose cost directly affects prices of goods and services and the competitiveness of enterprises.

Energy Physical Connectivity

The region has continued to facilitate the implementation of power interconnection and power generation projects including renewable energy projects in different countries. In 2019, several power interconnection projects were at planning stage and others under implementation at regional level. These included; the Zambia – Tanzania – Kenya Power Interconnector (ZTK), Ethiopia-Kenya Power Interconnector, Malawi-Zambia Interconnector, Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA), Uganda-Kenya-Uganda-Rwanda, Rwanda-Burundi, Ethiopia-South Sudan power interconnector, Uganda (Olwiyo) –South Sudan (Juba) and Ethiopia-Sudan Power Interconnector Project. Egypt – Sudan Interconnection and Egypt – Sudan – Ethiopia interconnection.

COMESA's energy sector outcomes include:

- i- Enhanced energy trade;
- ii- Development of energy infrastructure projects for bankability;
- iii- Physical construction of energy projects.

Zambia-Tanzania-Kenya (ZTK) Power Interconnector

Estimates indicate that the total installed power generation capacity in COMESA is around 91,969 megawatts (MW) with Thermal power accounting for more than 69%, and Hydropower at 30%. It has however been observed that although richly endowed with power generating natural resources, only a few of them are harnessed. Consequently, there has been a need to facilitate energy cooperation in the region, a role that COMESA has actively taken on through its support to the development of the Zambia-Tanzania-Kenya (ZTK) Power Interconnector which has immense potential to addressing energy constraints in the region. The ZTK project is a COMESA-EAC-SADC Tripartite Power Interconnection Project stretching about 2300km. The successful completion of the project will help meet the immediate and future power demand in the region by linking the East African Power Pool (EAPP) and the Southern Africa Power Pool (SAPP). The ZTK Interconnector is expected to be completed by 2022. Since 2017, the following milestones have been achieved;

- i- The Final Feasibility Study, the Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) for the Mbeya - Tunduma (Tanzania) to Nakonde – Kasama – Pensulo - Kabwe (Zambia) section were completed including the Conceptual Design for the project;
- ii- The Kenyan scope of the interconnector is 98km, 400kV double circuit line from Isinya to Namanga. It is fully financed, and construction is expected to be completed by April 2020;
- iii- In June 2018, the World Bank approved the \$450m funding for the Tanzanian section of the project; and the Government of Zambia is still working on financial mobilization to finance the remaining sections of the interconnector.

Table 21: Achievements of the North-South Power Transmission Corridor - Zambia - Tanzania - Kenya (ZTK) Transmission Interconnector

NO.	Title	Status	Countries
1	Zambia, Tanzania Kenya Power Interconnector (ZTK)	<p>The project aims to interconnect the three countries and will also create a link between the Southern African Power Pool and the East African Power Pool, making it possible to transmit power from Cape Town to Cairo. A number of achievements have so far been made on the project namely:</p> <p>(a) Complementary market study conducted in 2016 to explore the potential trading volumes and impact of the interconnection on the regional power systems;</p> <p>(b) The Feasibility study and Environment and Social Impact Assessment (ESIA) for the Mbeya (Tanzania) to Kabwe (Zambia) completed in November 2017;</p> <p>(c) The section from Isinya in Kenya to Arusha in Tanzania is under implementation;</p> <p>(d) In June 2018 the World Bank approved \$450m financing for the Tanzania section of ZTK and other related works.</p> <p>(e) In Zambia, the first phase of the 330KV, 400km line from Pensulo to Kasama (Zambia) was commissioned in December 2015.</p> <p>(f) The Kabwe - Pensulo section (300km, 330KV single circuit) and the Kasama -Nakonde section are awaiting conclusion of financing arrangements from the Zambian Government</p>	Zambia, Tanzania and Kenya
2	Ethiopia-Kenya Power Interconnection Project	This is a 500kv High Voltage Direct Current (HVDC), 1,045 km line, 612km on the Kenyan side and 433km on the Ethiopian side. Under Construction.	Ethiopia and Kenya
3	U g a n d a - K e n y a Interconnector (260km)	Under Construction	Uganda and Kenya
4	U g a n d a - R w a n d a , (172km)	Under construction	Uganda, Rwanda,
5	Rwanda –Burundi (143Km)	Under Engineering, Procurement and Construction contract (EPC)	Rwanda - Burundi
6	Rwanda-Burundi-DRC 371km	<p>At various stages of implementation and expected to be completed in 2019.</p> <p>Birembo-Shango-Gisenyi-Kibuye overhead transmission lines (OHTL) - 86%</p> <p>Bujumbura-Kamanyola OHTL - Tender document.</p> <p>Preparation of Goma-Buhandahanda – Engineering, Procurement and Construction procurement</p>	Burundi, DRC and Rwanda

Ethiopia - Kenya Power Interconnector Project

The Ethiopia – Kenya interconnector is 500kV High Voltage Direct Current (HVDC), 1,045km line, 612km on the Kenyan side and 433KM on the Ethiopian side. It is fully financed, and construction is ongoing and expected to be completed in 2020. Other interconnection projects are shown in the table 22 below;

Table 22: Other Interconnection Projects

No	Projects	Progress
1	Libya –Egypt (220KV)	Completed
2	Egypt – Sudan (220KV)	Ongoing
3	Uganda-Rwanda (220KV)	Ongoing
4	Burundi-Rwanda (220KV)	Ongoing
5	Uganda-Tanzania (220KV)	Under preparation
6	Uganda – DRC (220KV)	Under preparation
7	Uganda –South Sudan (400kv)	Under preparation
8	Rwanda-DRC (220KV)	Completed
9	Rusumo Falls – Gitega in Burundi (220KV)	Under construction
10	Rusumo Falls – Kigali in Rwanda (220KV)	Under construction
11	Rusumo -Nyakanazi in Tanzania (220KV)	Under construction
12	Kamanyola at Ruzizi Falls to Bujumbura in Burundi (220Kv)	Under construction
13	Kamanyola at Ruzizi Falls to Kibuye in Rwanda (220Kv)	Under construction
14	Kamanyola at Ruzizi Falls to Buhandahanda in DRC (220Kv)	Under construction

Power Generation

The current 91,969MW installed power generation in the region has risen from 65,791MW in 2016, a figure which is still low given the size and population of the region. In 2018, Egypt inaugurated the world's highest efficiency (65%) gas-fired combined-cycle power plants with a capacity of 14.4 Gigawatt. The COMESA region has also made significant strides in development of renewable energy sources. Examples include the inauguration of the world's largest wind farm in Egypt with a total of 300 wind turbines with an overall wind capacity of 1100 megawatts and building the world's largest solar farm with total capacity 1465MW implemented by 33 international and local investor, 980MW already in commercial phase, the remaining was connected to the grid in 2019. By 2022, the total installed capacity from renewable will be 20% of the energy mix.

In Uganda a solar generation capacity of 50MW was installed in April 2019. In March 2019 Uganda also commissioned the 183MW Isimba Hydro power plant built at a cost of \$568m USD and commissioning of the 600MW Karuma Hydro Power Plant was expected in December 2019.

On the other hand, Zambia inaugurated the first large scale solar PV power plant in the country rated at 54MW at a cost of \$60m USD. In 2019, it awarded 120MW of capacity thus setting a record low price for Sub-Saharan Africa region at 3.99USc/kwh under the GET Fit Programme.

Notable progress has been made in Kenya where the installed generation capacity has risen to 2,712MW. The government has encouraged investment in renewable energy sources in order to increase the share of renewable energy in the energy mix. Of the installed capacity, 72% is sourced from renewable sources, providing a diversified energy mix to the country. Recent additions are the 310MW Lake Turkana Wind Power Plant and 50MW Garissa Solar Power Plant that were added to the interconnected grid in 2018. The current national electricity access is estimated as 75% and the government aims for universal connectivity by 2022. Additionally, there are other power generation projects at regional level both under preparation and construction as highlighted in the next table.

Table 23: Selection of Ongoing Regional Power Development Projects

Country	Name	Capacity	Status
Ethiopia	Grand Ethiopian Renaissance Dam	6000MW	Under construction
DRC	Inga Hydro Power Project	44000MW	Under Preparation
Burundi, Rwanda, Tanzania	Rusumo Falls Hydro Power Project	80MW	Under Construction
Burundi, DRC, Rwanda	Ruzizi III Hydro Power Project	43 MW	Under Construction
Zambia, Zimbabwe	Batoka Gorge Hydro Power Project	2400MW	Under preparation

Energy Policies and Regulations

COMESA-WEC Energy Survey

COMESA and the World Energy Council (WEC) signed a Memorandum of Understanding in 2018 to promote collaboration on matters relating to Energy. Subsequently, COMESA participated in the annual energy survey conducted by the WEC. The survey has a list of 42 energy issues affecting the energy system, covering four categories as follows;

- i- Macroeconomic risks
- ii- Geopolitics
- iii- Business environment
- iv- Energy vision and Technology

Following the survey, a map highlighting some key energy issues of concern and solutions in the COMESA region was produced. These included the need for improvement of energy market design, energy-water nexus, illiquid capital markets, low energy accessibility and the role of regional integration and renewable energy in providing solutions.

Capacity Building for Member States in Electricity and Renewable Energy

The Arab Republic of Egypt hosted a training programme covering electricity and renewable energy issues for COMESA Member States from 4 to 8 August 2019. An invitation was extended to all Member States to nominate candidates to participate in the training. A total of 15 participants from 12 countries participated in the training. Topics covered included renewable energy policy, financing of renewable energy and field visits to training centre, solar and thermal power plants in Egypt.

Project on Enhancement of Sustainable Regional Energy Markets (ESREM) in the EA-SA-IO Sub-Region

In May 2017, COMESA and the European Union signed an agreement for the implementation of the Seven Million Euro Project on Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Region. The implementation of the project is being facilitated by the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA). ESREM Project aims at enhancing sustainable regional energy markets conducive to investment and promoting sustainable development.

The ESREM implemented a high number of capacity building activities for national regulatory authorities, regional associations (RAERESA, EREA and RERA) and Power Pools (EAPP and SAPP) through training, practical learning and exposure to international regionally integrated energy markets through study tours. Further, through collaboration with the International Confederation of Energy Regulators (ICER) a training programme for Women in Energy was conducted to promote capacity building through mentorship in the region.

The achievements registered by the ESREM Project in 2019 by result area as follows;

Result 1: *A regionally harmonized energy regulatory framework*

- i- Development of a framework for regulatory oversight of the regional energy market is in progress.
- ii- A framework of collaboration with the Council of European Energy Regulators (CEER) was developed, and implementation of the collaboration programmes started, to continue up to the end of the project. The objective is to ensure that the Regional Regulatory Associations (RRAs) in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) region are exposed to international best practices regarding regulating regional energy markets; and
- iii- Development of a detailed transformation roadmap for the transformation of Regional Electricity Regulators Association of Southern Africa (RERA) into a Regional Regulatory Authority, is currently in progress.

Result 2: *Enhancement of regulatory capacity of the national regulatory authorities and strengthening capacity of the regional regulatory associations and power pools*

- i- Communication and visibility programmes continued to be implemented targeting training of communication experts, including communication officers in participating RECs. About 40 journalists from the East African Community and IOC regions were sensitized on the programme and regional energy situation in general.
- ii- Training needs assessment for Women in Energy (WIE) was conducted in conjunction with the Regional Regulatory Associations (RRAs) in the EA-SA-IO region to establish the baseline and training programmes required to be implemented.
- iii- Training programme on regulatory issues for newly established regulators within the EA-SA-IO region in short course programmes offered at institutions such as the University of Cape Town, South Africa; the Florence School of Regulation in Florence, Italy; and Public Utility Research Centre (PURC)/World Bank. International training on utility regulations and strategy, Gainesville, Florida United States of America (USA) was implemented for member regulators in Energy Regulators Association of East Africa (EREA) of EAC, Independent Regulatory Board (IRB) of the Eastern Africa Power Pool (EAPP), Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) of COMESA and Regional Electricity Regulators Association of Southern Africa (RERA) of SADC.
- iv- Training Seminars on Comprehensive Power Market Concepts, Nord Pool Training Academy, Oslo, Norway and Copenhagen, Denmark, were undertaken for COMESA, Eastern Africa Power Pool (EAPP) and Southern African Power Pool (SAPP).
- v- Study Tour and Specialized Training on Wholesale and Retail Market Monitoring for Chief Executive Officers and Senior Officials from EREA (EAC), RAERESA (COMESA), RERA (SADC).
- vi- Through the above training programmes, a total of 43 officials were familiarized to international best practices in energy regulations and power trade.
- vii- Three Peer Reviews for RAERESA, RERA and EREA were completed.

Result 3: *Development and harmonizing the strategy on Renewable Energy and Energy Efficiency for EA, SA and IO Regions*

- i- The COMESA, EAC and SADC Energy Divisions and the regional Southern Africa Centres for Renewable Energy and Energy Efficiency (SACREEE) and Eastern Africa Centres for Renewable Energy and Energy Efficiency (EACREEE) developed a Synthesized Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) for Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Region. The draft EA-SA-IO REEESAP document to the RECs, Member States and other key stakeholders was validated on 21-22 August 2019 in Lusaka, Zambia.

b. Transport

COMESA has worked to develop effective transportation networks. The objective is to improve efficiency of the interconnectivity among countries to facilitate trade and movement of factors of production. The COMESA Transport policy provides a framework for Member States to develop national policies which enhance the regional agenda. The framework aims at providing for seamless regional physical connectivity, and the smooth facilitation in the provision of transport services.

Transport Physical Connectivity

Regional Corridor Development

COMESA recognizes the critical importance of regional transport corridors made up of routes that link the region's seaports to major inland markets as well as offer connections to its many landlocked countries. Owing to the high volumes of goods that are transported along the main routes, transport corridors are an important conduit for the region's international commerce and therefore require due attention.

Apart from the physical infrastructure aspect of transport corridors which include roads, railways, warehouses, border posts, and seaports, there are institutional frameworks built on agreements between respective governments which establish policies to lessen transit and border delays and integrate regional road and rail networks. In this regard, efforts are underway by COMESA to support the establishment of the Port Sudan and Djibouti Regional Corridors. The Port Sudan Corridor will directly serve Ethiopia and Sudan, and later Uganda. Thereafter, it will extend beyond the regional bloc to Central Africa Republic, Chad and South Sudan. The Djibouti Corridor will serve Djibouti, Ethiopia, Sudan, Uganda and South Sudan. Ongoing support to facilitate development of the corridors has included preparation of corridor agreements, strategic plans to guide implementation and capacity building to improve awareness of COMESA transit transport facilitation instruments and appreciation of resultant benefits among corridor States.

North – South Corridor

The North-South corridor (NSC) is the main traffic artery linking the Tripartite (COMESA, SADC and EAC) and the conduit for deepening economic integration of Eastern and Southern Africa. The corridor links the port of Dar-es-Salaam (Tanzania) to the Copperbelt sub-region (Southern DR Congo and Northern Zambia) and connects the Copperbelt to the southern ports of South Africa specifically the Port of Durban. The corridor system, with its branches, services eight countries; Tanzania, DR Congo, Zambia, Malawi, Botswana, Zimbabwe, Mozambique, and South Africa. The NSC programme aims to improve both the state of physical transport infrastructure and the regulatory environment and supports regional energy sector projects within the corridor, specifically power

transmission interconnectors. COMESA as a lead REC facilitated project preparation for the first identified critical links to enhance efficiency of the NSC. Detailed engineering designs and drawings, environmental and social impact studies, economic evaluation, and tender documents were finalised for the following links on NSC:

- 64km Pandamatenga – Nata (Botswana)
- 111km Palapye – Martins drift (Botswana)
- 234km Kamuzu International Airport Turn Off – Mzimba Turn Off (Malawi)
- 120km Bulawayo – Gwanda (Zimbabwe)
- 200km Gwanda - Beitbridge (Zimbabwe).

The Member States in whose territory the links fall under are in the process of mobilizing resources for construction works. The project preparation and packaging were supported by Member States, AUDA/NEPAD and the African Development Bank Regional Offices – Pretoria.

Lamu Port - South Sudan – Ethiopia Transport (LAPSSET) Corridor

The Lamu Port - South Sudan – Ethiopia Transport (LAPSSET) Corridor was approved in 2012 as a Presidential Infrastructure Champion Initiative (PICI) under the AU with Kenya as the Champion. The main objective of the LAPSSET project is to create an economic zone across the Corridor States through trade promotion, transport linkage, alternative ways of accessing the sea and enhancing regional integration. The project comprises of a Standard Gauge Railway (SGR) network as one of its components which will provide vital regional links between Kenya, Ethiopia and South Sudan. The costs of construction of the LAPSSET Corridor Railway and procurement of rolling stocks are estimated at US\$ 7,1billion. The African Union has adopted the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) corridor project. The project will now not only connect Kenya with Ethiopia and South Sudan, but with other African countries once it is completed. (*more on: <http://www.lapsset.go.ke/>*)

Northern Corridor Standard Gauge Railway

The Northern Corridor SGR project was approved by the East African Community Secretariat. The Partner States for the project namely Uganda, Kenya, Rwanda and South Sudan have signed and ratified the SGR protocol for developing the railway connecting Mombasa to Kampala, Kigali and Juba. The agreement is that each country will develop railways within its territory while the overall objective is to jointly develop and operate a modern, fast, reliable, efficient and high capacity railway transport system as a seamless single railway operation among the Partner States.

The first 609 km of Phase 1 of the standard gauge railway between Mombasa and Nairobi was completed in 2017 having commenced in 2013 and is currently operational. The project entered the second phase in 2018 linking Nairobi to the border town of Malaba between Kenya and Uganda. Phase 2 of the project has been divided into three sub-phases namely; Nairobi - Naivasha (120km), Naivasha - Kisumu (262km) and Kisumu - Malaba (107km). Phase 2 was launched in October 2019. The section between Nairobi and Naivasha is estimated to cost USD1.5billion, funded by the Government of Kenya and the China Export Import Bank. The entire project is estimated to cost USD8billion. The 120 km Standard Gauge Railway (SGR) linking Kenya's capital Nairobi to the resort town of Naivasha will convert the country into a trading, industrial and logistics hub. The line opened for operations in October 2019. A 400-hectare dry port and industrial park has been established. In line with the East African Railway Master Plan, the SGR line will eventually link with Uganda, Rwanda, Burundi with a branch from Kampala to Nimule a border with South Sudan. The 273km section of Uganda's SGR project will cost about \$2.18

billion. This new transport infrastructure will be a catalyst for regional integration through improved connectivity and reduced cost of doing business.

Establishment of Port Sudan Corridor

The COMESA Treaty accords great importance to trade facilitation through the Protocol on Transit Trade and Transit Facilities. Trade facilitation is therefore one of the priorities of the COMESA under the Market Integration Pillar. The corridor framework provides opportunities for harmonization of operating procedures, policy, skills, infrastructure and equipment, hence improves the management of international traffic and supports regional integration. Corridor Management Institutions (CMIs) have an important role of managing corridor activities on a daily basis, providing the necessary focus required for corridor efficiency improvement. Benefits to be realized from the corridor framework include improved transit times, cargo tracking and information dissemination, improved utilization of resources and an overall reduction in the cost of doing business. These will be enhanced through application of COMESA transit transport facilitation instruments which are very specific to regional needs. The Port Sudan Corridor is a multimodal corridor with a diverse stakeholder corridor base including non-COMESA Member States.

Achievements on Port Sudan Corridor include the following:

- i. The Port Sudan Draft Corridor Strategic Plan and Financial Strategy were validated during the 1st Port Sudan Corridor Stakeholders Workshop in Khartoum, in January 2019. The Strategic Plan addresses infrastructure and economic profiles of Corridor States, corridor infrastructure status and gaps, performance review, stakeholder analysis and the corridor work programme. The Financial Strategy on the other hand, supports the Strategic Plan and addresses key funding and financial sustainability issues of the Corridor, proposing funding sources and financial policy recommendations to ensure sustainability of the Corridor Management Institution.
- ii. The Draft Corridor Agreement was presented and circulated at the first Stakeholders Workshop in January 2019 in Khartoum, Sudan for their consideration and inputs. The Agreement provides the framework of cooperation among the corridor States.

Capacity Building

A training workshop on corridors, one stop border posts and transit facilitation instruments was offered to Corridor States in October 2019. The workshop, which was held in Lusaka, Zambia was attended by participants from the Corridor States namely Central Africa Republic, Chad, Ethiopia, South Sudan and Sudan. In addition, Zambia and Zimbabwe also participated for experience sharing, based on Chirundu One Stop Border post.

Eswatini Rail Link

The Eswatini Rail Link is a trans-boundary project between Eswatini, and South Africa based on the Inter-Governmental Memorandum of Understanding between the two countries and the Inter Rail MoU between Transnet Freight Rail and Swaziland Railway signed in August and November 2012 respectively. The estimated cost of the new the 146km railway line link is USD1.34 billion. It will have 50km in South Africa and 96km in Swaziland connecting at Lothair Junction in South Africa and Sidvokodvo Junction in Eswatini. The project is intended to create additional railway capacity between the two countries in order to support modal shift from road to rail, improve integration of over-border logistics between the two companies and promote economic development. (More on: <https://www.esrl.net/>)

COMESA Seamless Upper Airspace Project

The main objective of COMESA Seamless Upper Airspace Project is to assist the region in implementing a seamless upper airspace and deployment of regional satellite-based air navigation technology in line with ICAO's

requirements to migrate to satellite-based Communication Navigation Surveillance/Air Traffic Management (CNS/ATM) systems which will improve operational efficiency, safety and cost effectiveness of aviation while mitigating the negative impact on the environment. The project was funded by the African Development Bank (AfDB) through a USD9.6million grant to undertake feasibility studies to evaluate the technical, financial, operational, legal and institutional options of implementing the project. This will aid the COMESA region in meeting ICAO operational and safety requirements, improving coordination in the use of the airspace between the civil and military aviation, establishing the regional coordination framework through the setting up of the Oversight Regulatory Agency. The studies were successfully completed resulting in the draft Agreement establishing the Agency and Regulations. The deliverables are pending review by technical experts following reservations from some Member States. Some of the recommendations from the Project studies have been incorporated into a new Aviation Sector Support Programme funded under EDF11.

The Project Implementation Unit was closed on instruction from the AfDB following expiry of the Grant Disbursement Period.

Establishment of a Navigational Line between Lake Victoria and the Mediterranean Sea

The Establishment of a Navigational Line between Lake Victoria and the Mediterranean Sea (VICMED) project is a Presidential Infrastructure Champion Initiative (PICl) project championed by the President of Egypt. The project was funded by the AfDB and coordinated by Egypt as Champion and COMESA Secretariat. The objective of the project is to establish a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea. The navigational route will form the backbone of the envisaged development corridor and an anchor for many other economic activities with spatial impact. The strategic objectives of the project are to achieve;

- i. Socio-economic integration and cohesion
- ii. Sustainable integrated multimodal transport system
- iii. Enhance trade and tourism
- iv. Reduce poverty among Nile Basin footprint countries.

COMESA Member States participating in the project include; Burundi, DR Congo, Ethiopia, Egypt, Kenya, Rwanda, Sudan and Uganda. Non-COMESA countries participating in the project are South Sudan and Tanzania. Recent activities under the project have included capacity building for stakeholders of the footprint countries and facilitation of various studies to support implementation of the project.

A capacity building course on *Inland Water Transport Challenges and Opportunities* was offered to footprint countries in Suez, Egypt.

Transport Policies and Regulations

EU Support to Air Transport Sector Development

COMESA successfully coordinated the formulation of the €8million Air Transport Sector Development Programme to be supported by the EU under 11th EDF. In formulating the programme, COMESA worked with aviation experts from other concerned RECs (EAC, SADC, IGAD and IOC) in liaison with the European Union Delegation to Zambia. The overall objective of the programme is to contribute to the promotion of regional integration and equitable economic growth in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region through the development of the air transport sector. The specific objectives of the program are to support activities aimed at supporting air transport market integration within the framework of the Single African Air Transport Market (SAATM) in

line with the African Union Agenda 2063; enhancing the legal, policy and institutional frameworks and business environment through sector reforms to strengthen governance and management capacity of the aviation sector; and facilitating the provision of seamless operations in EA-SA-IO region to improve air navigation efficiency in a liberalized and integrated air transport market.

The program was approved by the European Union headquarters in Brussels and is now pending signing of the Agreement with COMESA as the contracting Authority on behalf of the Tripartite.

Tripartite Transport and Transit Facilitation Programme (T2FP)

Under the COMESA-EAC-SADC Tripartite Arrangement, and with support from the EU -11th EDF Programme, COMESA is party to the Tripartite Transport and Transit Facilitation Programme (T2FP), whose purpose is to develop and implement harmonised road transport policies, laws, regulations and standards for efficient cross border transport and transit networks, transport and logistics services, systems, and procedures in the tripartite region. The T2FP is designed to assist Member States to domesticate and implement the agreed harmonised regional road transport regulations, standards and systems in a coordinated and synchronised manner.

In 2019, Phase 2 of the program continued to be implemented which involved, among other things:

- i- Establishment of the statutory basis for a harmonised regional legal framework;
- ii- Building institutional capacity in the member States;
- iii- Revising the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Specifications to incorporate changes to the Agreements and the adopted content of the Model Laws; and
- iv- Hosting Requirements for the TRIPS were published and validated by the Tripartite.

c. Information and Communication Technologies

The COMESA Treaty, particularly under article 84 and 96, provides a collaboration framework among Member States. It requests inter alia, the adoption of common policies in the provision of ICT services and the maintenance of inter-State infrastructure at a high standard for efficient Inter-State traffic within the Common Market. To facilitate the implementation of the provisions of the Treaty, COMESA has developed Model ICT Policies and bills to help countries develop their own national policies and regulations in a harmonized manner. In this regard, many countries in the region have domesticated the model policy guidelines and regulations and set up independent regulators. The MS had also established the regional regulatory association "Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA) to foster regional cooperation and facilitate information sharing.

ICT Physical Infrastructure Connectivity

COMTEL Project

COMTEL is a regional project of COMESA which aims at establishing a regional Information and Communications Technology (ICT) infrastructure connecting member States. The Project was started in the late 90s has been on the table for almost 20 years without being implemented mainly due to lack of potential financiers and lack of cooperation from key stakeholders. In view of this, the Secretariat carried out an assessment of the viability of the COMTEL project taking into consideration the emerging industrial trends. The report established, among others, that due to the favorable enabling conditions brought about by market reforms in the ICT sector; there had been a tremendous increase in number of terrestrial installations and marine fiber optic cables investments by both public and private entities and the infrastructure gap is quickly closing in the region in the form of fibre optic

backbones being developed in the member countries. The report on COMTEL was presented to the 12th Meeting of Ministers of Infrastructure. The meeting decided that the Secretariat should call a meeting of all COMTEL stakeholders to decide the strategic direction of the project. The meeting is expected to take place in the fourth quarter of 2020.

ICT Policies and Regulations

COMESA has developed Model ICT Policies and bills for adoption by Member States. The model policy and regulatory framework has addressed areas of common interest in the sector including; competition promotion, sharing and access to passive infrastructure, quality of service, consumer protection, licensing and authorization, access and interconnection, net neutrality, Internet governance and cybersecurity. Regulators in the region have domesticated policy guidelines and regulations developed by COMESA. However, harmonization of policies still remains fragmented across the region thus hampering the realization of cost-effective access to ICT services in the region. Efforts are required to further open up other market segments and harmonization of various regulatory instruments in order to achieve a unified digital market. COMESA has also spearheaded the implementation of The COMESA Digital Free Trade Area concept (DFTA) which is about empowering traders to conduct cross-border trade using ICT as a tool to minimize physical barriers.

Enhancement of ICT Governance and Enabling Environment in EA-SA-IO Region

COMESA with the support of the EU 11th European development fund (EDF) is set to commence implementation of the programme for the Enhancement of Governance and Enabling Environment in the Information and Communications Technology sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean Region (EA-SA-IO). The programme overall objective is to contribute to the deepening of regional integration of the EA-SA-IO region by contributing to the growth of the ICT sector to strengthen trade, economic and social ties. The program approved budget is 8 Million Euros.

The programme will support the achievement of the following objectives: -

- i. Regionally coordinated public and private sector ICT policy development;
- ii. Enhanced policy and regulatory environment for competitive markets and gender sensitivity for sustainable development;
- iii. Improved infrastructure connectivity and access to ICT.

The programme had been approved by the EDF committee and awaits signing of Contribution Agreement in late 2020.

ARICEA Secretariat and Regional Cybersecurity Centre

The establishment of the Secretariat of the Association of Regulators for Eastern and Southern Africa (ARICEA) which will be hosted by Rwanda is in progress. Once all the prerequisites are finalized the Secretariat is expected to be operational within a period of one year. COMESA is also in the process of establishing a regional cybersecurity centre that will be a centre for capacity building and exchange of information.

05

CHAPTER FIVE INDUSTRIALIZATION



The main focus of COMESA's productive integration sector has been in the areas of industry, investments and agriculture. As one of the blocks of developmental integration, industrial development has been placed as one of COMESA's drivers to economic diversification.

Industrial Strategy

The Council of Ministers adopted the COMESA Industrial Strategy 2017–2026 in November 2017. The strategy is focused on nine priority areas which are; agro-processing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and the blue economy. Agriculture remains an important sector in sustaining most economies of COMESA Member States. To this end, COMESA supports the implementation of the CAADP Malabo Declaration for accelerated agricultural growth and transformation for shared prosperity and improved livelihoods, African initiative to drive agricultural development in the continent. COMESA collaborates with its partners including AUC-DREA, AUDA-NEPAD, and other technical institutions to support effective implementation of CAADP Malabo Declaration.

In 2019, the following was accomplished:

- i- Participated in a training of trainers' (ToT) workshop held in Kigali, Rwanda in February 2019 and contributed to the review and refinement of technical guidelines and data tools for CAADP Biennial Review (BR) reporting;
- ii- In collaboration with AUC/DREA and other RECs, trained Country CAADP Focal Points on BR technical guidelines and data tools in Accra, Ghana from 12-15 April 2019 as part of capacity building in preparations for the 2019 CAADP BR reporting;
- iii- Collaborated with AUDA-NEPAD for technical elaboration of the COMESA Regional Agriculture and Food Security Investment Plan (RAIP). The AUDA-NEPAD technical inputs have been incorporated into the final RAIP which will be presented at the high-level business meeting planned for the year 2020.
- iv- In collaboration with AU/DREA, UNECA and FAO, supported the development of the framework for Boosting Intra-African trade (BIAT) in Agricultural Commodities and Services, and associated Guidelines for the development of Regional Agricultural Value Chains (RAVCs).
- v- Contributed to the development of the Action for the Regional Enterprises Competitiveness and Access to Markets Programme (RECAMP) that is focusing on the three regional value chains- Agro-processing; Horticulture; and Leather and Leather Products. The programme is being funded by EU and its implementation will commence in 2020.
- vi- In collaboration with other RECs, supported Member States to prepare the 2nd (2019) CAADP BR reports as part of the mutual accountability for actions and results articulated in the CAADP Malabo Declaration. This process enables each Member State to assess progress, identify constraints and formulate actions to improve on the CAADP implementation and impacts. The BR reports also help to trigger continental, regional and national level action programmes to collectively drive agriculture transformation in Africa.

Summary of the Performance of the COMESA Member States as Per the 2019 CAADP BR Reports

Overall Performance

Out of the 18 Member States that reported on the progress in implementing the CAADP Malabo declaration for the 2019 cycle, 15 made positive progress between the first (2017) and second (2019) biennial cycles, and 1 out of the 18 COMESA Member States is on track towards achieving the CAADP Malabo commitments by 2025.

Performance in terms of the seven Malabo Commitments translated into seven thematic areas is indicated in Table 24.

Table 24: Thematic Areas of Malabo Commitments

	CAADP Malabo Commitments	Country on-track towards achieving the commitment
1	Commitment 1: Recommitment to the Principles and Values of the CAADP Process	Rwanda
2	Commitment 2: Enhancing Investment Finance in Agriculture	No country is on-track
3	Commitment 3: Ending Hunger by 2025	Uganda
4	Commitment 4: Halving Poverty through Agriculture by 2025	Burundi, Rwanda and Tunisia
5	Commitment 5: Boosting Intra-African Trade in Agriculture Com-modities and Services	Eritrea, and Madagascar
6	Commitment 6: Enhancing Resilience to climate variability	Burundi, Ethiopia, Rwanda, Sey-chelles, Tunisia, and Uganda
7	Commitment 7: Enhancing Mutual Accountability for Actions and Results	Malawi, Mauritius, Rwanda, Uganda, Zambia

The agriculture programme experienced limited resources to undertake activities. Most of the activities, were mainly driven through collaboration with AUDA-NEPAD, who provided technical support specifically to the alignment of Member States National Agriculture and Food Security Investment Plans (NAIPs) to the Malabo declaration.

Livestock Programme

COMESA works with Member States veterinary authorities, regional economic communities and global organizations such as the African Union Inter-African Bureau for Animal Resources (AU-IBAR), United Nations Food and Agriculture Organizations (FAO) and World Organization for Animal Health (OIE) in improving livestock production and productivity. Through projects such as Sustainable Development of Livestock for Livelihoods in Africa (Live2Africa), Animal Genetic Resource Conservation and control and eradication of *Pestes Des Petitis* Ruminants (PPR), COMESA in partnership with AU-IBAR supported Member States in strengthening veterinary services and animal production.

Major Supports and Achievements

- As a part of implementation of Live2Africa project, in partnership with AU-IBAR and Member States including RECs, livestock value chains for each region were identified.
- Animal Resource Information System (ARIS II) in COMESA was rolled out. Trainings on ARIS have been held at continental level.
- COMESA-AU-IBAR supported conservation and better utilization of Animal Genetic Resources and Apiculture development in the region – Apiculture exhibition was organized in Ethiopia and Rwanda
- Assessment on the potential of livestock marketing, volume of export and import, export and import destination were conducted. Major challenges, opportunities and policy options for improvement were identified.
- Conducted evaluation of livestock and related facilities (Quarantine facilities, Feedlots, Market establishments, meat and meat product retailers and veterinary institutions) were done.
- Mapped live animal and meat exporting and importing enterprises to establish basic data on

volume of import and export destination.

- Conducted Experience Sharing Visit to feedlots and meat processing plant of the Frigorifico Boran Foods Plc; a subsidiary of the Allana Group of India in Adamitullu, Ethiopia on 25th July 2019.
- Facilitated Business to Business (B2B) meetings between Egyptian importers from Egypt Chamber of Commerce and exporters from Ethiopia, Kenya, Uganda and Sudan - 23 to 25 July 2019, Addis Ababa, Ethiopia.
- Completed development of regional grades and standards for live animals (beef cattle and small ruminant) and meat to facilitate or ease trade without physical presence of the purchaser.
- Two books were prepared and published. These are Livestock Trade in COMESA and Manual for the Harmonized Grading and Classification of Cattle, Goats and Sheep for Meat in the Common Market for Eastern and Southern Africa.
- As a part of Regional Enterprise Competitiveness and Access to Markets Programme (RE-CAMP) supported by European Union through FED/2019/407-838, the livestock program is supporting to enhance livestock value chain mainly Dairy, Poultry, Beef and live animal trade.

Sanitary and Phytosanitary Standards/ Standardization, Quality Assurance and Metrology-Technical Barriers to Trade SPS/SQAM-TBT

The Sanitary and Phytosanitary (SPS) Programs are designed to promote a harmonized risk based regulatory environment and strengthened biosecurity systems that enhance food and nutrition security and facilitate agricultural trade, exports and investments. During the 2019 period, the program reinforced partnerships with member States and development partners, particularly the European Union and USAID, technical agencies such as the Standards and Trade Development Facility, Australian Biosecurity Agencies, Centre for Agriculture and Bioscience International (CABI), FAO, and the private sector through the COMESA Business Council (CBC). Through these partnerships nearly 8 million USD has been mobilized for capacity development programmes. Priority activities have been undertaken contributing to the four result areas of the 2016-2020 SPS strategy, and the parallel TBT areas;

- i- Public and private sector capacity development needs prioritised and addressed
- ii- Regional leadership, coordination and collaboration on SPS issues
- iii- Reduced trading costs associated with SPS measures
- iv- Priority SPS risks managed

While work is ongoing to implement the programme, notable key progress has been as follows;

- i- **Prioritising SPS Investments for Market Access (P-IMA)**; piloted in five COMESA Member States; Kenya, Uganda, Ethiopia, Malawi and Rwanda. High level inception workshops and capacity building activities were carried out in the countries mentioned above except Ethiopia.
- ii- **Capacity development on the United States Food and Drug Administration (FDA) Food Safety Regulations**; Preventive Controls Qualified Individuals (PCQI) technical training under Food Safety Modernization Act (FSMA) was undertaken in Kenya and Madagascar, with outstanding work in five other countries. Further, an assessment of laboratories in Kenya, Madagascar, Zambia, Ethiopia, Rwanda, Uganda and Malawi was undertaken to align with FSMA requirements was undertaken.

- iii- **The Plant Health Technical Working Group;** The group comprising heads of national NPPOs was set-up and operationalized.
- iv- **The COMESA Breaking Barriers (BB) project,** which supported analysis of costs associated with SPS measures on specific trade flows between 4 pairs of MS borders (Kenya/Uganda, Zambia/Malawi, Egypt/Sudan, and Zambia/Zimbabwe was undertaken.
- v- **Lessons from the BB project;**
 - Agricultural goods traded under the Simplified Trade Regime (STR) face an unpredictable SPS regulatory environment, regional standards (e.g. fish standards) have not been translated into harmonized procedures for inspection and certification behind and at the borders, which increases costs for small scale traders, forcing traders into informal routes that are sometimes unsafe for women traders,
 - OSBPs have not performed as they should and have not improved efficiency of SPS measures. There is evidence of multiple border checks by the various SPS/TBT agencies,
 - SPS measures implemented at most of the borders are not risk based, and do not serve any legitimate health objective, capacity for risk assessment is inadequate and national food control systems do not have the risk assessment function.
- vi- *COMESA Mutual Recognition Framework (C-MRF) for conformity assessment;* in maize and maize products. The C-MRF comprises 4 technical pillars (sampling protocol; aflatoxin PT scheme; maize grading scheme; laboratory competence capacity building) and supported 6 Member States with substantial trade in maize to develop and implement a Mutual Recognition Agreement for conformity Assessment on grains in order to address NTBs, which were constraining trade in maize.
- vii- *Pest listing, pest risk analysis;* harmonization of phytosanitary import conditions: NPPOs were facilitated to consolidate and harmonize lists of quarantine pests for prioritized commodities, with the aim of harmonizing phytosanitary measures. NPPOs have been supported to build capacity for pest risk analysis and adopt harmonized risk-based approaches. The draft regional PRA guide was submitted for adoption by the SC.
- viii- *Risk profiling, risk assessment;* Training was provided on microbiological and chemical risk assessment and further work is on-going in harmonization of mycotoxin regulations at the regional level. Key achievements under this programme include; (i) improved understanding of how to apply risk-based approaches in developing, implementing and enforcing food safety regulations, (ii) improved understanding of how to apply the FAO/WHO risk assessment methodology.
- ix- *Integrating biosecurity within regional supply chains. The Australia-Africa Plant Biosecurity Partnership (AAPBP);* capacity development programme was conducted using Australian expertise to strengthen the skills and capacity of professionals in plant biosecurity agencies and institutions. The initiative was led by Australia's Plant Biosecurity Cooperative Research Centre (PBCRC).
- x- *Green Pass and Mini-Labs Certification System (Cross Border Trade Initiative Programme);* Pilot level activities on selected commodity and borders were commenced towards development and implementation of the Green Pass modalities and establishment of mini-lab verification facilities

The 9th SPS Sub-Committee meeting; was convened in June 2019 in Nairobi, Kenya. Among the main resolutions were: the need for the Secretariat to establish the food safety and animal health Technical Working Groups as well as facilitate the respective mandates as required by the SPS Agreement; promote nutrition sensitive policies and to diversify diets away from mycotoxin sensitive food staples; to extend mutual recognition to other sectors significant for trade; expand the COMESA PT programme to include other parameters and countries, to generate contamination data and enable risk profiling on a more sustainable basis and the need to harmonize disease control strategy in order to effectively combat the spread of transboundary diseases.



06

CHAPTER SIX

FOSTER GENDER EQUALITY AND SOCIAL
DEVELOPMENT



Promoting gender equality is an important part of the development strategy that seeks to enable people, both women and men, to improve their standards of living. COMESA recognizes that its vision can be achieved by addressing gender issues that support inclusive economic development that calls for people-centered regional development interventions that take into consideration values of social justice. COMESA's work in promoting social inclusiveness of vulnerable groups specifically women and the youth is aligned with the international development agenda, enshrined under AU Agenda 2063 and Global Agenda 2030/ United Nations-SDGs. COMESA pursues dedicated programmes and projects that are expected to address gender aspects in the following areas;

- i- Gender Equality and Women Empowerment;
- ii- Social and Cultural Affairs; and
- iii- Youth Empowerment -

In 2019, the Secretariat continued to advocate for gender equality, empowerment of women and youth, and social development, through development of gender mainstreaming tools, training, engaging stakeholders. Progress was made in the following areas;

i. *Support for the Small-Scale Cross Border Trade*

Women are the majority of the traders in Small-Scale Cross Border Trade (SSCBT) in the COMESA region. Small scale cross border trade contributes significantly to intra COMESA and intra Africa trade though it is commonly considered as informal with various forms of difficulties compared to the large-scale cross border trade in the region. To ease some of the problems and concerns of SSCBTs, regional and national consultations were conducted on the implementation of the COMESA Simplified Trade Regime (STR) and Traders Charter. The efforts further included popularizing the COMESA Simplified Trade Facilitation Tool and the Minimum Standards for the Treatment of SSCBT among the intended users – traders and service providers, in the targeted Member States.

In 2019 under the EDF11 SSCBT Initiative, technical support was provided to the five result areas of this project. These were:

- a. Strengthening availability of gender disaggregated data on Small Scale Cross Border Trade through development of gender sensitive data collection tools and analysis mechanisms, border gender profiling tools, training of border officials and data collectors drawn from different borders.
- b. Construction of gender sensitive border infrastructures and facilities under which gender-sensitive assessments were done in targeted borders.
- c. Strengthening traders' associations and cooperatives for cross border traders, under which capacity building including developing training of trainers' materials
- d. Improvement and implementation of trade facilitation tools on SSCBT under which documentaries for awareness creation among traders and border officials were developed.

Various training sessions were conducted for traders and border officials in the three countries under the Great Lakes Trade Facilitation Project (GLTFP). The training focused on STR, Traders Charter, gender concerns at the borders, customer management and on prevention and management of gender-based violence at these borders. Some of the successes of the project in 2019 include the creation of a portal on COMSTAT with data disaggregated by sex on SSCBT, improved knowledge and use of the STR and appreciation of the services of Trade Information Desk Officers (TIDOs).

ii. Strengthening Gender Mainstreaming and Empowerment of Women

To strengthen gender mainstreaming, COMESA continued to expand the resource base by developing various gender planning tools and training materials. The tools include: Comprehensive Framework for the support of Women and Youth Cross Border Traders; Manual on COMESA Trade and Gender Online Course; and Gender Planning Guidelines, Checklists and Indicators. In addition, the Division, in partnership with UNCTAD conducted the second edition of the eight weeks on-line course on Trade and Gender. The course was conducted in English and French from 14 May to 20 July 2019. For the English edition: among 95 selected participants from different member States, 87 enrolled and 61 (70%) completed the course. For the French edition: among 52 selected participants from COMESA member States, 45 enrolled and 27 (60%) completed the course.

iii. Establishment of a Gender Technical Working Group (GTWG) In the COMESA Secretariat

The Gender Technical Working Group (GTWG) to facilitate gender mainstreaming in the COMESA Programs at the Secretariat and COMESA Institutions was established. Members of the GTWG are focal persons from the Divisions, Units and Institutions. These focal persons will regularly follow up on gender mainstreaming in respective programs and projects in the Secretariat and in the COMESA Institutions. The GTWG had its first meeting during the year under review. During the meeting, the groups' Terms of Reference on the duties and responsibilities were reviewed and agreed. In addition, the GTWG reviewed and provided comments on the draft Gender Planning Guidelines, Checklists and Indicators.

iv. Popularization of COMESA Policies and Programmes on Gender and Social Affairs

COMESA continued to promote the implementation of the COMESA Gender Policy, HIV and AIDS Policy, Health Framework, Youth Programme, other Gender and Social Affairs policy and programme frameworks, and on the need for Member States to submit annual reports based on the COMESA Gender Reporting Guidelines. Sensitization meetings were conducted with stakeholders in 16 Member States (Comoros, DR Congo, Djibouti, Egypt, Ethiopia, Eswatini, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe). The stakeholders sensitized were drawn from government ministries private institutions including representatives of financial institutions and members of chambers of commerce, FEMCOM Chapters, women's organisations, media groups and others.

v. Youth Program

Following, the Heads of States decision that Secretariat should establish a Youth Unit to manage programming on youth by addressing concerns and challenges of the young people in the region, the Secretariat engaged the Swiss Development Cooperation (SDC) and the African Union Governance Architecture (AU/AGA) on possible partnership to operationalize the COMESA Youth Initiatives. The three parties (COMESA, AU/AGA and SDC) designed a three-year USD600,000 joint three-year project on Youth Engagement in Democratic Governance and Socio-economic Development Processes in Africa. The project includes components of the COMESA Youth Programme. Two project officers; one based at the COMESA Secretariat and another at AU AGA Secretariat were recruited to coordinate the implementation of the project. Implementation of the project started in the second quarter of 2019 after the signing of the grant agreement on 30 May between COMESA and the Swiss Agency for Development and Cooperation (SDC).

Activities implemented include a regional capacity strengthening Bootcamp for Youth Leaders from 10 selected COMESA Member States¹¹ and a Continental Youth Consultation on the African Union theme for 2019.



vi. *Social Charter*

The Secretariat disseminated the Social Charter to all Member States for their signature and ratification. Sensitization was conducted in Eritrea, Uganda and Zimbabwe. Mauritius, Malawi, Madagascar and Seychelles have since signed the Charter.

50 Million African Women Speak Project

The 50 Million African Women Speak (50MAWS) Project is a social networking platform which enables African women in business to share business opportunities and learn from each other and overcome some of the challenges they face. The project is supported by the African Development Bank (AfDB), and is jointly implemented by COMESA, the Economic Community of West African States (ECOWAS) and the East African Community (EAC) in 38 countries.

In 2019, the following was achieved:

- Fifteen national content developers from 15 COMESA Member States (Comoros, Djibouti, DR Congo, Egypt, Eritrea, Eswatini, Ethiopia, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Tunisia, Zambia and Zimbabwe) were recruited to collect, generate and develop relevant content to be uploaded on the platform. The content collection, development, review and upload of the 50MAWSP commenced in June 2019.
- The Global launch of the 50MAWS networking portal www.womenconnect.org and a mobile App at 50MAWSP was conducted on 26th November 2019 in Kigali, Rwanda during the Global Gender Summit (GGS).
- Country stakeholder engagements conducted in 15 Member States (Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Eswatini, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Tunisia, Zambia, and Zimbabwe). In each Member State, Country Teams were formed from stakeholders comprised of public and private sectors and women focused civil society groups.

The table below highlights the composition of the project country teams in the 15 Member States.

Table 25: Members of the Country Teams¹² for 50MWSP in 15 Member States

Country	Lead Institution that houses the project	Country Team Members
Comoros	Gender Promotion Commission	<ul style="list-style-type: none"> ▪ Public Sector: Commission for Gender, Ministry of Youth, Employment, Labour, Training and Professional Integration, Sports, Arts and Culture, Ministry of Economy, and PME; ▪ Private Sector: Chamber of Commerce, FEMCOM; ▪ Civil Society Organizations (CSOs); Network of Women & Development Association, Youth Entrepreneurs Association, Women in Media Group.
Djibouti	Ministry of Economy, Finance and Industry, responsible for Trade, SMEs, Crafts, Tourism and Formalization	<ul style="list-style-type: none"> ▪ Public Sector: Ministry of Commerce; Ministry of Agriculture; Ministry in charge of Social Affairs; Ministry of Women and the Family; Ministry to the Presidency in charge of Investments. ▪ Private Sector: Djibouti Chamber of Commerce; ▪ CSOs: National Union of Women of Djibouti (NUFD); Woman Initiative; Women entrepreneurship.
DR Congo	Ministry of Gender	<ul style="list-style-type: none"> ▪ Public Sector: Minister of Foreign Affairs and Regional Integration; Ministry of Commerce; The Minister of Agriculture; ▪ Private Sector: New Chamber of Commerce National DRC; FENAPEC (National federation of SMEs in Congo); AFEECO (Association of Women Entrepreneurs); ▪ CSOs: CONAFED (cadre permanent de concertation de la femme congolaise) CAFCO AFIA MAMA(AMA); ▪ Financial Institutions: FINCA; Afriland First Bank CD.
Egypt	Micro, Small and Medium Enterprises Development Agency (MSMEDA)	<ul style="list-style-type: none"> ▪ Public Sector: MSME, Ministry of Investment & International Cooperation, Ministry of Interior, General Organization for Export and Import Control, Ministry of Youth, Trade Agreement Sector; ▪ Private Sector: PAFDOIS, Engineering Consultants Group, Businesswomen Egypt 21, El Fakher For Import & Export Company, Federation of Egyptian Industries; and ▪ CSOs: African Women Club, National Council for Women, Egyptian Feminist Union.
Eritrea	Ministry of Trade and Industry	<ul style="list-style-type: none"> ▪ Public Sector: Ministry of Trade and Industry, MMR, Ministry of Agriculture, MLSW; ▪ Private Sector: Eritrean National Chamber of Commerce, Eritrean Women in Agribusiness Association; and ▪ CSOs: National Union Eritrean Women, National Union of Eritrean Youth & Students and SMCP.

¹² Libya and Somalia are not in the table because the project has not yet been introduced in these countries.

eSwatini	Deputy Prime Minister's Office: Gender Department	<ul style="list-style-type: none"> ▪ Public Sector: DPM - Gender (b) Ministry of Commerce Industry and Trade; ▪ Private sector: Federation of eSwatini Business Community (b) Federation of eSwatini Employers and Chamber of Commerce (BWAS) (c) Association of the eSwatini Business Community Commercial Amadoda; ▪ CSOs; (a) FEMCOM Chapter, Coordinating Assembly of Non- Governmental Organization (CANGO); and ▪ Others: Centre for Financial Inclusion, European Union and United Nations Family.
Ethiopia	Ministry of Women & Children Affairs	<ul style="list-style-type: none"> ▪ Public Sector: Ministry of Women & Children; Ministry of Trade; ▪ Private Sector: Ethiopian Chamber of Commerce, Ethiopian women Entrepreneurs Association; and ▪ CSOs: Centre for Accelerated Women's Economic Empowerment, New Millennium Hope Development organization.
Madagascar	Ministry of the Population, the Social Protection and the Promotion of Women	<ul style="list-style-type: none"> ▪ Public Sector: MAE: Ministère des Affaires Etrangères, MCC: Ministère de la Commerce et de la Consommation; ▪ Private Sector: FCCIM: Fédération des Chambres de Commerce et d'Industrie de Madagascar (Federation of Commerce and Industry Rooms of Madagascar), AROMANIA: Arômes de la Mania, APB: Association Professionnelle des Banques (Professional Association of Banks), APIMF: Association Professionnelle des Institutions de Microfinance (Professional Association of Microfinance Institutions) ; and ▪ CSOs: CNFM: Conseil National des Femmes de Madagascar (National Council of Women of Madagascar); FVTM: Fikambanan'ny Vehivavy Tantsaha Madagasikara (Female Farming Association of Madagascar).
Malawi	Ministry of Gender	<ul style="list-style-type: none"> ▪ Public Sector: Ministry of Trade ▪ Private Sector: Private Women Investment Cooperation (SMEA); ▪ CSOs: WOMEN ASSOCIATIONS (NABW, ABWNET), LOCAL NGOs (GCN, NASFAM); and ▪ Others: UN Women, Care Malawi.
Mauritius	Ministry of Gender Equality, Child Development and Family Welfare.	<ul style="list-style-type: none"> ▪ Public Sector: Ministries (Foreign Affairs & International Cooperation, Business Enterprise, Defense and Rodrigues, Local government, ICT) & Innovation and Economic Development Board; ▪ Private Sector: Mauritius Chamber of Commerce ii) Mauritius Business Enterprise iii) Businesswomen's Association of Mauritius; Banks and other Private institutions; and ▪ CSO/Women Associations: AMFCE (Association Mauricienne Femmes Chefs d'Entreprise), EFOI Mauritius and WIN Mauritius.

Seychelles	Ministry of Family Affairs	<ul style="list-style-type: none"> ▪ Public sector: Ministries (Family Affairs, Foreign Affairs, Entrepreneurship and Youth Leadership and Empowerment); ▪ Private Sector: Association of Chamber of Commerce and Industry; ▪ CSOs: Citizens Engagement Platform (Social and Economic Commission); and ▪ Others: Gender Commission.
Sudan	Ministry of Social Welfare and Social Security	<ul style="list-style-type: none"> ▪ Public Sector: Ministries (Security and Social Development; Trade; Industry; Investment; Agriculture); Supreme Council for Youth and Sports; Central Statistical Organization; ▪ Private sector: Sudanese Confederation of Employers; FEMCOM; Central Bank of Sudan; Savings & Social Development Bank; Omdurman National Bank - Khadiga bent Khowailed branch; Al Baraka Bank – Alzaharaa branch; Al Amal Women's Foundation; Foundation for Microfinance; ▪ CSOs: Sudanese Women General Union; Hawaa Organization; UNESCO Chair for Women, Science and Technology; National Union of Sudanese Youth; Organization of righteousness and communication; Sanad Charity Foundation; Labena Foundation; Voluntary Women in Business Organization; Al Rahma Organization for Development and Humanitarian Aid; World Peace and Development Organization; Organization for Combating Harmful Habits of Mother and Child Health; African Charity Association for Motherhood and Childhood.
Tunisia	Ministry of Women, Children and Senior Citizens	<ul style="list-style-type: none"> ▪ Public Sector: Ministries (Women, the Family, Children and Seniors; Commerce; Industry and SMEs; Agriculture; Vocational Training and Employment; Communication Technologies and Digital Economy; Tourism; Development, Investment and International Cooperation; Social Affairs); ▪ Private Sector: National Chamber of Women Entrepreneurs, Chamber of Commerce and Industry of Tunis, Tunisian Union of Agriculture and Fisheries; and ▪ Financial Institutions: National Solidarity Bank, National Agricultural Bank.
Zambia	Ministry of Gender	<ul style="list-style-type: none"> ▪ Public Sector: Ministries (Commerce, Trade and Industry; Gender) ▪ Private Sector: Chamber of Commerce; ▪ CSOs: ZAFWIB (FEMCOM); and ▪ Others: Smart Zambia; Zambia Cooperative Federation.

Zimbabwe	Ministry of Gender	<ul style="list-style-type: none"> ▪ Public Sector: Ministry of ICT, Ministry of Trade; ▪ Private Sector: ZNCC Women Desk/Zimtrade; Financial services- Bankers Association of Zimbabwe, Micro finance Association of Zimbabwe, IPEC; ▪ CSOS: Women's associations/Organizations, FEMCOM, Women's Coalition, Local NGOs, National Association of NGOs (NANGO), Zimbabwe Women Resource Centre Network; and ▪ Others: International NGOs, UN-Women.
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Trade expo at the inaugural launching of the 50 Million African Women Speak Platform, Lusaka, Zambia, February 2019.

CHAPTER SEVEN

ENSURE REGIONAL AND SECRETARIAT READINESS



Regional activities require an efficient and effective Secretariat that is fit for purpose while implementing the COMESA regional integration agenda. As the executive organ of COMESA, the Secretariat acts as the facilitator, coordinator, catalyzer, and as a proactive initiator of integration programmes. Hence the region is dependent upon high levels of institutional capability delivered through the following.

Climate Change Programme

Climate change is a cross-cutting issue that adversely impacts socio-economic development efforts in the region. COMESA is implementing the Intra-ACP GCCA+ COMESA Climate Change Project which is a 4-year €7,15m grant in partnership with the EU. The overall objective of the project is to increase the resilience of the COMESA region to climate change and achieve SDG #13 - *Take urgent action to combat climate change and its impacts*. Specifically, the project aims at improving regional and national adaptation and mitigation responses to climate change challenges faced by COMESA countries at operational, institutional and financial levels. The COMESA Climate Change Programme has been instrumental in supporting Member States in the following areas;

- i- Global climate change negotiations under the auspices of the United Nations Framework Convention on Climate Change covering issues at the political, economic, financial, legal and technical levels;
- ii- Domestication of the global level agreements at the national level;
- iii- Building institutional, technological, and human capacity to articulate and develop implementable climate actions and report on commitments made by the Member States under the Paris Agreement of 2015;
- iv- Access to climate finance, private sector engagement; and
- v- Resilience building in the areas of climate information services, multi-hazard early warning and response system, and national resilience frameworks aligned to the COMESA Regional Resilience Framework.

Upscaling Climate Smart Agriculture (CSA)

The biggest impact of climate change in the region has been on food security. More than 90% of agriculture in the region is rain-fed and hence vulnerable to climate change. CSA is a proven technique for farmers, both small and large, to significantly enhance productivity during droughts and erratic weather conditions. The Programme is implementing five CSA upscaling projects, each with its special characteristics that are amenable for replication throughout the region.

Table 26: Status of Upscaling Climate Smart Agriculture in Member States

MEMBER STATE	ACTIVITIES
ESWATINI	The project supports rural small holder farmers to produce quality baby and conventional vegetables by transferring more efficient and sustainable drip irrigation, cold chain technology and local and export market linkages through the National Agriculture Marketing Board (NAMBoard). Four Irrigation Schemes: Mavulandlela; Intamakuphila; Mpatheni and Nhletsheni are participating. Rehabilitation of Mavulandlela cold chain facility was completed and the Intamakuphila cold facilities will be completed in 2020. 141 farmers (68F) were linked to markets and sold 351 tonnes of baby and conventional vegetables.

MADAGASCAR	<p>The project focuses on promotion of an ecosystem approach to adaptation among rural small holder farmers to mitigate climate impacts and improve food security. This is being done in two ecosystems of the Vakinankaratra region of Madagascar.</p> <p>in 2019, 1,028ha was put under CA by 1,744 farmers (563F); 61 (16F) Nursery workers, were trained and supported with materials; 557,351 tree seedlings, 8,508 fruit trees and 239,877 linear meters of hedgerow were planted. 1,607 farmers planted bio-pesticides and pest repellent plants. To improve food security and incomes, 285 farmers were provided with seeds of fodder plants and orange fleshed sweet potato vines. 50 farmers were trained in market gardening, composting, use of biopesticides and repellants. 12 schools got training in CA, Agroforestry and best agricultural practices, reaching out to 1,965 students. Demonstration plots were also established at the 12 schools.</p>
SEYCHELLES	<p>The project is about creating 'Water Smart Farming' by harvesting rainwater and efficiently utilizing it for sustainable production. The project mobilised farmers and commenced the procurement of water storage tanks, pumps and fittings. Construction of the tanks will be undertaken and completed in 2020.</p>
UGANDA	<p>The Uganda project focuses on organising rural small holder farmers into cooperatives that can negotiate better agreements with suppliers and buyers for the benefit of all. The project also engages and empowers rural schools on CSA. The project is being implemented in the eastern part of Uganda in 7 districts: Budaka, Bugiri, Busia, Buyende, Kamuli, Kaliro and Namutumba.</p> <p>In 2019, 45 executive members of 15 cooperatives and 42 members of school management boards from 14 schools were oriented on CSA. Training in CSA was provided to 21 District Commercial, Agricultural and Education Officers to effectively supervise, mentor and monitor activities of the cooperatives and the schools. A study tour for 46 members of Cooperatives was undertaken to the central region to learn about value addition and agro-processing.</p>
ZIMBABWE	<p>The project aims at building the capacity for Up-scaling CA and Agroforestry into the curricula of 10 national agricultural colleges so that the trained agriculture teachers can pass the knowledge to the students. 435 students and lecturers were trained in CA, Agroforestry, planting vegetables and herbs, composting, leadership and farm management.</p>

Capacity Building in Climate Change

Member States face many challenges in tackling climate change such as low capacity to articulate their adaptation and mitigation responses and to effectively engage in the global climate change discourse. Other challenges faced include mobilising resources and accessing technologies with which to actualise the commitments they made to reduce their emissions of Greenhouse gases when they ratified the Paris Agreement. The Programme supports Member States through the following;

- i- The Programme supports the unified African position at the global climate change negotiations. During the year, 46 (11F) experts were trained on the critical issues for the region and came up with an agreed position for the negotiations.
- ii- A regional meeting was jointly organized with the EAC for 32 negotiators from both RECs to develop position papers on the priorities of the region. The papers were presented to the African Group of Negotiators for the development of the unified African position that was considered and approved by the African Ministerial Conference on the Environment to guide African negotiators at the 25th Conference of Parties (COP 25) that was held in Madrid, Spain in December 2019.
- iii- The global Paris Agreement reached in 2015 required countries to publicise their voluntary

greenhouse gas emission reduction pledges. On ratifying the Paris Agreement, the pledges became binding. These commitments known as Nationally Determined Contributions (NDCs). To support Member States, training on NDC Target Indicator Tracking was given to 51 participants from 17 Member States. This will facilitate them to monitor and report on the progress they are making in implementing the Paris Agreement

- iv- To enhance implementation of climate actions by the countries, a practice-oriented pilot training was organized on developing bankable project proposals and mobilising capital for the investments. 11 participants from 6 Member States participated. UNEP and World Bank experts facilitated some of the sessions.
- v- Three Member States requested for and received approval for funding to address issues hindering the achievements of their NDCs. Activities supported include NDC review, enacting climate change legislation, project development, setting up a National Climate Change Fund and climate proofing infrastructure.

Building Resilience

The forecast increase in frequency and severity of the impacts of climate change demand that Member States divert increasing resources from other pressing needs to mitigate the disasters. Hence the need to build resilience into national and regional structures and systems. To this end, the Programme convened an inter-REC meeting that brought together the AUC, SADC, EAC and the IOC representatives and experts from the UNDP, UNECA and UNEP. The purpose was to benefit from the experiences of others in the development of the COMESA Regional Resilience Framework that would guide the Member States in the development of their own national frameworks. A regional dialogue was held for decision makers from 14 Member States to sensitize them on resilience approaches in regional integration and national development. This led to increased awareness on the benefits of resilience and improved understanding of the linkage between policy and resilience. Building on the outcomes and recommendations of these two meetings, the COMESA Regional Resilience Framework was developed. A validation meeting was organized in November where further refinements to the Framework were made. The final draft of the Regional Resilience Framework will be presented to the Policy Organs in 2020 for approval so that implementation can commence in tandem with the COMESA 2021-2025 Medium Term Strategic Plan.

Enhancing Visibility

Publicizing the achievements is an important Programme component. Three side events were organized at high level continental and global forums. The first was during the Africa Climate Week in March 2019 in Accra, Ghana to show-case COMESA's CSA projects in Member States to promote resilience of agriculture and food systems. Two side events were organized on the margins of COP 25 in Madrid, Spain. One was organized in collaboration with the AUC, EAC, ECCAS, IGAD and ECOWAS Secretariats to show-case Africa's efforts on resilience building. The other was held in collaboration with the EAC, ECOWAS and NDC Partnership to take stock of African countries' NDC implementation, share experiences, best practices, opportunities and associated challenges.

Governance, Peace and Security

The nexus between peace, security and regional integration cannot be stressed enough, particularly for the African continent which has witnessed numerous intra and inter conflicts. The COMESA Programme on Governance, Peace and Security aims to promote peace, security, stability and enhanced democratic governance through effective national and regional institutional mechanisms and structures. The Programme has been guided by respective decisions of the COMESA Ministers of Foreign Affairs to develop a robust peace and security architecture covering the full spectrum of the conflict life cycle. These include programmes on conflict prevention, conflict management and post conflict reconstruction and development. In addition, COMESA implements two cross

cutting programmes, namely a programme on democracy and elections and a programme on maritime security.

COMESA recognizes that regional peace and security are pre-requisites to social and economic development and vital to the achievement of regional economic integration agenda of COMESA. Interventions of the programme are focused on;

- i- Conflict prevention; early warning and Democracy and Governance.
- ii- Post conflict reconstruction and Development for Peace; Trading for Peace.
- iii- Maritime security; Strengthening Anti-Money Laundering/ Combatting Financing of Terrorism (AML/CFT) regimes of Member States to align to International Standards as set by FATF.

Conflict Prevention, Early Warning and Democracy and Governance

A major achievement was made towards improving the accuracy and reliability of the COMESA early warning system (COMWARN). This was done through incorporating the systematic analysis of dynamic data into the model as directed by the 14th Meeting of the Ministers of Foreign Affairs. For greater synergy with national early warning systems, COMESA continued its national multi-stakeholders' consultations in one additional country, Kenya as directed by the 15th Meeting of the Ministers of Foreign Affairs, which was held in Antananarivo in October 2016. This brings to a total number of countries that have undertaken the consultations to five, namely Kenya, Madagascar, Uganda, Zambia and Zimbabwe. Efforts were made to assist Member States to incorporate COMWARN analysis into national early warning systems, which was done through Training of Trainers (TOTs) from the five countries. A total of twenty-five officials from the five countries were trained. To enhance sustainability, COMESA has developed resources including training manuals and a primer for COMWARN. This includes a compendium of data and data sources as used by COMWARN.

A key factor affecting the peace and conflict dynamics in the region has been issues related to the democratization process. COMESA has continued to support the holding of democratic elections in respective Member States. This was done in response to respective Decisions of the COMESA Ministers of Foreign Affairs. COMESA made efforts to support the Member States to consolidate democracy, COMESA observed General Elections in Comoros in March 2019. This was done in close collaboration with the African Union, East African Standby Force among others. COMESA also deployed a pre-elections assessment mission to Comoros ahead of their March 2019 election.

Post Conflict Reconstruction and Development (PCRD)

COMESA continued to support Post Conflict Reconstruction and Development (PCRD) in a number of Member States through its Trading for Peace (TfP) programme, which is designed to address PCRD by promoting peace through economic development. The overall objective of the Trading for Peace Programme is to build peace and reduce the potential for conflicts and deepen integration of COMESA countries that have emerged from conflicts. The programme has been mobilising extra-budgetary resources to support and implement its PCRD activities. Among the initiatives undertaken is infrastructural support to the Trade Information Desks (TIDs) that were originally installed by the Programme in previous years; as well as other capacity building programmes targeted at small scale cross border traders, Cross Border Traders Associations and border officials.



Regional Maritime Security Programme (MASE)

COMESA is one of four regional organizations implementing the Maritime Security Programme (MASE) programme. Its component is aimed at addressing financial flows to prevent money laundering by establishing sound laws, regulations and policies to build the region's capacity to analyze, detect and track financial flows linked with piracy and also to investigate and prosecute financial crimes at all levels. MASE initiatives are guided by the specific needs of respective Member States and are therefore customized according to their capacity building priorities.

During the year under review, the following were achieved;

- i- Admission of Ethiopia Financial Intelligence Centre (FIC) into Egmont Group of FIUs. This shall enable Ethiopia to benefit from unlimited information sharing on a secure web and continuous capacity building opportunities.
- ii- Easing information sharing amongst Madagascar Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) through development of a Numeric Platform for information exchange.
- iii- Supporting Mutual Evaluation (ME) of Tanzania, making it a third country supported under the programme to undertake its ME after Madagascar and Seychelles. Mutual Evaluation assesses how well aligned a country's AML/CFT laws are, policies and procedures, to Financial Action Task Force (FATF) standards.
- iv- Conducted joint COMESA-INTERPOL Capstone workshop, which brought together over 60 officials from various LEAs of all 12 MASE programme countries, training them in illicit financial flows, money laundering and financial investigation mechanisms. Other achievements include training of FIU analysts, sensitization of reporting entities and other stakeholders.

Member States have supported the implementation of the programmes in several ways including;

- a. Improved AML/CFT compliance in all countries supported by MASE, most notably efforts by Comoros to complete transfer of its FIU from the Central Bank and thus attain functional independence as required by the Financial Action Task Force.
- b. The consolidation of democracy for Comoros, which held successful elections in March 2018.

Governance, Peace and Security Cross-Cutting Issues

The COMESA Early Warning System (COMWARN), is a data driven and theory informed system that supports resilience to Member States by monitoring indicators that are modelled to provide forecasts on structural drivers to peace and prosperity. These indicators are in eight baskets, economic, social, education, military, environment, governance and health. Within these baskets, several of the indicators are gender disaggregated. Women participation in parliament as well as workplace gender equality, women in Judiciary among others are also monitored. Apart from COMWARN, COMESA has established a Committee of Elders which comprises 9 eminent persons that are appointed ensuring at least 30% gender representation.

Table 27: Progress made in GPS in relation to the Objectives of 2016-2020 MTSP

Progress made in relation to objectives of 2016-2020 MTSP	
Objective: Ensure regional /Secretariat readiness	
Initiatives: Develop mechanisms and tools to address conflict, insecurity and instability in the COMESA Region	
MTSP Measures	Progress made in 2019
Tools for conflict prevention such as COMESA early warning system fully operational	25 Officials from Five member states, Kenya, Madagascar, Uganda, Zambia and Zimbabwe trained on COMESA Early Warning (COMWARN) tools; COMESA has improved the COMWARN model by incorporating into the Model dynamic data



Number of jurisdictions and stakeholders such as Financial Intelligence Units (FIUs), Law Enforcement Agencies (LEAs) strengthened to fight transnational	<ul style="list-style-type: none"> □ Electronic information sharing platform developed for Madagascar, □ 68 LEA officials from MASE programme countries trained in illicit financial flows, ML/TF, international standards and investigations, □ 34 border personnel of Kenya sensitized on financial related crimes on the border posts, ML/TF, national laws and their respective obligations, □ Ethiopia joined Egmont Group of FIUs, □ Tanzania Mutual Evaluation done, □ 66 AML/CFT stakeholders of Comoros trained on undertaking National ML/TF Risk Assessment, □ Eritrea admitted as ESAAMLG Observer, □ 3 ICT officials from Ethiopia FIC trained at South Africa FIC, □ 9 officials from various government agencies of Burundi held consultations with COMESA and EAC in a joint high-level mission undertaken to Burundi, □ 3 MOUs on information sharing signed by Comoros with 3 other countries (Cabo Verde, Cote D'Ivoire and Senegal), □ 44 officials from various AML/CFT stakeholders of Madagascar trained on addressing mutual evaluation requirements, FATF international standards □ Completion of progress reporting template, capacity needs assessment for LEAs of Comoros, Djibouti and Zambia undertaken.
Initiative: Support Member States to consolidate democracy and good governance	
MTSP Measures	Progress made in 2019
Elections observed by COMESA	Elections observed in Comoros in July 2018
Utilization of recommendations	A total of 22 recommendations given to authorities in Zimbabwe and DRC during the pre-election's assessment missions in the countries and 11 of these appeared to have been fully or partly adhered to.
Number of pre-elections assessment missions undertaken	Two undertaken in Zimbabwe in May 2018 and DRC in November 2018
Initiatives: Utilize the COMESA Committee of Elders to support the prevention, mitigation and resolution of conflict	
MTSP Measures	Progress made in 2019
Number of preventive diplomacy missions undertaken	One undertaken in Comoros in July 2018

Legal and Corporate Affairs

The Legal and Corporate Affairs Division is tasked with the responsibility of providing legal advisory services and other related legal services such as litigation, drafting of legal instruments in the implementation of the 2016-2020 MTSP in relation to all COMESA Programmes and administrative and institutional matters. The services of the division are provided to all COMESA Divisions/Units, Institutions and specialized agencies. The Division spearheads implementation of two programmes namely, the COMESA Intellectual Property Rights and the Free Movement of Persons Programmes. In 2019, the Unit undertook the following activities;

- i- Revision of Secretariat contract templates;
- ii- Negotiation and conclusion of Donor Funded Agreements securing funding for activities for the Migration Programme;
- iii- Capacity building of a newly admitted member to Common Market on legal requirements under the COMESA Treaty; and
- iv- Conclusion of annexes under the Tripartite Free Trade Area Agreement.

Strategic Planning, Research and Policy Harmonisation

In contributing to Regional and Secretariat Readiness, the role of the Research, Strategic Planning and Policy Harmonisation Unit is to take the lead in strategy management. In developing and formulating strategic plans and work programmes, the SPR Unit supports Divisions/Units, and COMESA Institutions to ensure alignment with the overall organizational strategy and harmonization of COMESA strategies across sectors. Consequently, the Unit supports the creation of a strategic culture which calls for all individual and collective actions to work towards attainment of set objectives. Further, the Unit reviews Council decisions, work plans and medium-term strategies and collaborates with budget and finance and monitoring and evaluation to ensure Efficiency, Effectiveness and Economy (3E). In cognizance of global and continental developmental agendas with which COMESA's strategic orientation is aligned to, the Unit coordinates reporting on issues related to Sustainable Development Goals (SDGs) and the African Union Agenda 2063.

In 2019, the Unit undertook the following activities in support of strategy management at the Secretariat,

- a. Facilitated the Mid-Term Review of the 2016-2020 COMESA Medium Term Strategic Plan to assess how effective the MTSP had been in supporting the implementation of the COMESA integration agenda
- b. Undertook the quarterly assessment of implementation of the 2019 Work Plan for programmes highlighting achievements for the reporting period, challenges as well as solutions and recommendations.
- c. Compiled a compendium of Council Decisions and the status of implementation for the period 2013-2018.
- d. Coordinated the preparation of the 2018 COMESA Annual Report
- e. Continued to support and take part in activities with the aim to improve alignment of the strategy with efforts at the continental and regional levels.
- f. Updated the 2019 Country Briefs on the status of COMESA integration and programmes.

- g. Participated in the formulation of the Capacity Building Programme Objective 3 under the EDF 11 and the COMESA-USAID Regional Intergovernmental Organisation (RIGO) System Strengthening Programme.

Preparatory work and necessary assessments for the successor 2021-2025 MTSP was undertaken by engaging stakeholders.

Information and Networking

The Information and Networking Division is responsible for implementation and maintenance of the Common Market's Information systems, IT infrastructure and IT system support services (Chapter 20, Article 139 of the Treaty). It is also responsible for assisting COMESA's main pillars to use ICT as a tool to enhance Trade and regional integration.

The key achievements of 2019 are as follows;

- i- Completion of the implementation of a state-of-the-art equipment for the 50 Million African Women Speak project and configuration of the Microsoft cloud. This has allowed real-time data replication of the 50 Million African Women Speak project servers on a remote location out of the country.
- ii- Configured the Veeam backup system and daily backups of the 50 Million African Women Speak servers.
- iii- Provided a seamless working environment in COMESA through maintenance and support of all IT infrastructure, e-mail services and information systems.
- iv- Finalized the installation and configuration of SolarWinds and Nagios (IT monitoring and management tools to be used by the Systems administrators and the network engineers)
- v- Completed the Electronic Certificate of Origin System in collaboration with the Division of Trade. A Decision of Council on the implementation of the electronic Certificate of Origin was issued and rolling out the system begun in Member States.
- vi- Enhancements to the Financial System (SunSystems) and Human Resources System (SmartHR) to provide assurance on the integrity of financial reports, improve efficiency and reduce human intervention on preparation of financial reports as well as staff emoluments.
- vii- Prepared the Digital Agenda Interventions and initiatives proposal which was forwarded to the AU.
- viii- Improved the conferencing environment by offering paperless tools for all COMESA meetings throughout the year.

Key Challenges in 2019

Limited financial resources affected the building of a state-of-the-art datacenter, consultancy support for software development and necessary software licenses. This also affected finalization of the implementation of Skype for Business to conduct virtual meetings with the Member States.

Corporate Communications

The Secretariat uses contemporary communication channels to disseminate information and knowledge about regional integration programmes. The aim is to keep Member States, cooperating partners, stakeholders in general, the general public and COMESA staff informed about the key activities of on-going implementation of regional integration programmes. These include opportunities and benefits that Member States derive therefrom.

In 2019, the Secretariat's communication activities were focused on three objectives: to enhance access to information on the COMESA regional integration agenda, its opportunities and benefits among stakeholders for increased visibility and understanding; to demonstrate the value of regional integration through COMESA, for increased cooperation among Member States and to streamline COMESA's communication structures for the effective realization of COMESA's mandate.

Production of Publications: The Secretariat produced assorted publications including newsletters, booklets, projects/programmes reports, annual reports, and all other published works in both electronic and hard copy versions. Copies of the publications were provided in digital form and uploaded on online platforms such as the COMESA website. Hard copy versions are distributed to institutional libraries, delegates during COMESA events and missions by staff as well as during expos and trade fairs.

Among the key publications produced in 2019 were the 2018 Annual Report, Key Issues in Regional Integration Vol 6 and 7, and related Policy Briefs, 37 editions of the digital eComesa Weekly Newsletter, four editions of the quarterly COMESA Newsletter, COMESA Gazettes, Statistics Strategy, the COMESA Coffee Table Book for the 25th Anniversary, the ESREM Newsletter Vol 1, COMESA Calendars and diaries.

COMESA Media Awards 2019: The Annual COMESA Media Awards for 2019 was conducted with a call for submission of entries, made in the second half of 2018. Entries were received from nine Member States in the three categories namely; print, radio and television. A total of 15 entries qualified for adjudication and the following were identified as the winning entries:

- i- Print Category: Mr. Chimangeni Banda from Zambia National News Agency (ZANIS)
- ii- Television Category: Ms. Mona Sewilam from *ON Network* in Egypt
- iii- Radio Category: Mr. Moses Hayvarimana from Burundi National Radio

The winners will be recognized and awarded during the next COMESA Summit of Heads of State and Government.

Visibility and Outreach: To enhance visibility, awareness and direct engagement with stakeholders, the Secretariat participated/co-hosted publicity events in Member States key among them, trade fairs and expos and the COMESA Silver Jubilee celebrations;

- i- *Trade Fair and Expos:* Among them were the SOURCE21 COMESA International Trade Fair and High-Level Business Summit held in July in Nairobi, Kenya, the Uganda International Trade Fair held in Kampala and the Eswatini International Trade Fair in August 2019.
- ii- *COMESA @25 Anniversary:* This activity was hosted in Zambia on 28 November 2019 and attended by delegations from the Member States led by Ministers and their representatives. Also, participating were the international organizations and diplomatic missions, private sector and business community in Zambia. Activities to mark the event included a high panel discussion reflecting on the 25 years of COMESA existence, awards to outstanding innovators in science and technology, corporate



social responsibility, recognition of long serving staff, sports activities (golf and football), gala, and media and outdoor publicity among others.

News and Information Sharing: In 2019, the Secretariat generated over 100 news articles which were published in newsletters, COMESA online platforms and through the regional press. The news and information mainly covered progress on the implementation of all COMESA led programmes and activities within the region.

Media Relations: During the period under review, 100% of COMESA public events in Zambia were covered by the media while approximately 70% of such events were covered in other member States in print, and electronic media. Over 25 short video clips on COMESA events coverage were produced internally and disseminated through online platforms including local and regional media.

Community Relations: the Secretariat continued an existing practice of knowledge sharing on regional integration with the local community targeting learning institutions. In 2019, students from three Zambian learning institutions were hosted at the Secretariat. These were; Rusangu University, Munali Girls Secondary and Ndola Trust School. The Corporate Communications Unit coordinated the study visit with resource persons drawn from the Division of Trade and Governance Peace and Security Unit.

Production of Documentaries: Seven documentaries were produced showcasing the various interventions of COMESA within Member States. Among them are:

- i- COMESA – Easing Trade Across Borders - Implementation of ASYCUDA World in Comoros. (<https://www.youtube.com/watch?v=fS-bnPb-kXM>)
- ii- Double Win for Malawi as Leather and Textile projects are Launched: (<https://www.youtube.com/watch?v=h7zdpfZm1io&t=108s>)
- iii- COMESA @25 Video - Journey of Integration:.. <https://www.youtube.com/watch?v=VRPWaXdOaAU&t=61s>)
- iv- Supporting COMESA Exports to the USA: (https://www.youtube.com/watch?v=I-P1GJR_EIE)
- v- Up Scaling Cassava Clusters- A FEMCOM/COMESA Initiative: (<https://www.youtube.com/watch?v=DrbVSmWvk-A&t=180s>)
- vi- The ESREM- EA-SA-IO project: (<https://www.youtube.com/watch?v=o3tXxhjarfM>)

Internal Audit

Internal Audit Unit contributes to Regional and Secretariat readiness through the provision of independent and objective assurance services on the adequacy of COMESA's risk management, governance practices and internal controls in meeting organizational objectives. It also provides consultancy services upon request designed to add value and improve operations. In 2019, the Unit focused on the following specific areas:

- i- Assisted Management to address high inherent risk areas in the area of Trade and Customs and Monitoring and Evaluation.
- ii- Supported Management to enforce compliance in the area of project management, sub granting, general services and financial reporting.
- iii- Assisted COMESA Institutions that are funded by Member States in strengthening of internal controls and risk management structures.

The Unit also undertook audits and consultancy services as directed by management. Key achievements during the period were as follows;

- i- Identified risks in the area of work programming that are likely to impact on the effectiveness of COMESA Programmes

- ii- Proposed internal control improvements on areas where both operational and strategic risks were not being adequately managed
- iii- Sensitized Programme Managers on compliance requirements of the sub- delegation and sub-granting manuals which are pivotal in the management of the 11th EDF resources.
- iv- Prepared the Secretariat for the 2018 external audit.

These engagements and activities had an overall positive effect on the Secretariat's readiness to minimize and mitigate business disruption in the achievement of its mandate.

Human Resources Management

Human Resources and Administration provides support to the entire COMESA Secretariat as well as the Member States on issues related to human resources, knowledge and information services, conferencing, procurement and general support services which in turn allow Divisions, Units, Projects, Programs to effectively operate. In 2019, the division undertook the following activities in supporting the MTSP Objective aimed at Ensuring Regional and Secretariat Readiness.

Talent Acquisition- Recruitment: In 2019, the following recruitments were conducted:

Table 28: Staff Recruitments

	Position	Office
1.	Director Agriculture and Industry	Secretariat
2.	Director Trade and Customs	Secretariat
3.	Head of Brussels Liaison Office	Secretariat
4.	Senior Trade Officer	Secretariat
5.	Head of Procurement	Secretariat
6.	Assistant Resource Mobilization and International Cooperation	Secretariat
7.	Internal Auditor	Secretariat
8.	Social and Cultural Affairs Officer	Secretariat
9.	Chief Executive Officer	FEMCOM
10.	Senior Economist	COMESA Monetary Institute
11.	Senior Consumer Welfare Officer,	COMESA Competition Commission - CCC
12.	Senior Human Resource and Administration Officer	CCC
13.	Senior Legal Officer and Manager: Enforcement and Exemptions	CCC

14.	Internal Auditor	COMESA Court of Justice
15.	Project Leader	Cross Border Trade Initiative
16.	Infrastructure Expert	Cross Border Trade Initiative
17.	Trade Data Analyst Procurement Expert	Cross Border Trade Initiative
18.	Trade Facilitation/Team Leader	Trade Facilitation Program
19.	Trade in Services Program Expert	Trade Facilitation Programme
20.	Phyto Sanitary (SPS) Food Safety or Health Plant Specialist	Trade Facilitation Programme
21.	Technical Barriers to Trade (TBT) Standardization. Quality Assurance, Accreditation and Metrology (SQAM) Expert	Trade Facilitation Programme
22.	Coordinator Border Management (CBM) program Expert	Trade Facilitation Programme
23.	Project Manager	TRADECOM11 -ACP
24.	Trade Expert	TRADECOM11 -ACP
25.	Research Economist	TRADECOM11 -ACP

Organizational Assessment: With the support of USAID- RIGO, the Secretariat undertook an Organizational Assessment by contracting ACBF Consultants. The review had 25 recommendations and were prioritized into a COMESA Solutions Package & Implementation Plan (SPIP). A final set of seven priorities was selected to;

- i. Strengthen the COMESA Organizational Structure
- ii. Support the Human Resources Unit to update the Recruitment and Selection Manual
- iii. Institutionalize a culture that promotes a continuous Business Process Management (BPM)
- iv. Improve the Strategic Planning and Implementation Process
- v. Improve COMESA's Capacity to Track and Report Strategic and Operational Performance Using Information and Communications Technology (ICT)
- vi. Improve the Capacity of the Procurement Unit to play a strategic role, and manage procurement processes in COMESA
- vii. An ICT System that serves COMESA's Core Business Effectively and Efficiently

The Review of the COMESA Organizational structure was completed. However, due to the need to align it to the MTSP and the Reforms at the AU, the Council of Ministers directed another review.

Automation of the Payroll System: An audit of the SMART HR payroll system was completed and while review the operations of the system continued in collaboration with the Information and Networking and Budget and Finance Divisions.

Performance Management System: The performance of staff continued to be assessed using the Balanced

Scorecard which in turn informed contract renewals and training decisions. Where coaching or additional support was required to improve performance, it was provided.

Training and Development: Several staff were trained on specific disciplines or attended training/workshops. Some of the training include the following International Financial Reporting Standards (IFRS) and Investment Promotion Agencies (IPAS), Project Management and Finance Management.

Medical Scheme: Madison Life was contracted to provide a Medical Insurance cover to all staff.

Organization Culture Transformation Initiatives: To commemorate International Women's Day. The COMESA Health Day was also marked at the Secretariat medical tests conducted on site.

Internships: COMESA Secretariat provided an Internship Programme for COMESA citizens young upcoming professionals. A total of 21 students from Egypt, Ethiopia, Kenya, Sudan, Uganda, Zimbabwe and Zambia were engaged.

Procurement and General Services

The Procurement and General Services Unit has continued to work towards effective facilitation of other stakeholders within and outside the Secretariat to enable them to achieve the strategic objectives in the MTSP. These included an approved Procurement Plan; supported the onboarding of the staff recruited and relocation of staff back to their home at the expiry of their contracts; facilitated meetings; maintenance of COMESA Centre, residences and other Organizational assets; created an online supplier database and conducted supplier market survey

Conferences Services

The following was accomplished under Conference Services;

- i- Recruitment and selection of external interpreters and translators.
- ii- Developed quality management tools, focusing on ensuring standardized translation, interpretation, document control and the sharing and archiving of reports.
- iii- Transformed historic hard copy reports and selected documents into electronic versions for archiving in databases on the Intranet in collaboration with the Information Resource Centre.
- iv- Developed a Conference Management Handbook.

Information and Knowledge Resources

The Information Resource Center collect and manage relevant information resources to support COMESA programs. In 2019, the Center continued to digitize all collections in an effort to seamlessly avail knowledge and information resources to staff, Member States and stakeholders. The Intranet was revamped as an internal digital repository housing all COMESA Secretariat records and documents. The Liberty library system, which houses information for public access was set up ready for launching in 2020 for web-based access.

08

CHAPTER EIGHT

COMESA INSTITUTIONS

Over the years, COMESA institutions have been strengthened in systematic, effective and sustained ways as they are essential in addressing the development deficits of the region. Institutions were established as part of achieving the aims and objectives of COMESA. To date, COMESA has 10 institutions and four specialized agencies. The specific role of COMESA institutions is to promote regional cooperation and development. Article 175 (1) of the Treaty outlining the relationship between the Institutions and COMESA stipulates that, “each Institution of the Common Market shall in the implementation of the provisions of its Charters take into account the objectives, policies, programmes and activities of the Common Market.”

Trade Development Bank (TDB)

Established as an autonomous specialized institution in November 1985, the Trade & Development Bank (TDB) has emerged as a world-class development finance institution, which advances socio-economic development and regional integration across its Member States by financing and fostering trade. With African and non-African shareholders it aims to be a sound financial intermediary of global and regional capital into the region. The Bank achieves this goal by supplementing activities of national development agencies of Member States, and by cooperating with other public and private sector (national and) international institutions interested in socio-economic development. The Bank is focused on sustainably and effectively extending development capital and specialist financial services to qualifying entities, and as per TDB’s Charter, membership is composed of, or open to Member States (or their designated institutions); African Institutions; other African or non-African States (or their designated institutions), and any African/non-African Public/Private Institution, or Corporate Body.

Regional Coverage, Highlights and Impacts in 2019

The Bank continues to improve its portfolio diversification, new business generation, and sub-regional presence under a hybrid coverage-product model.

Some of TDB’s most impactful interventions in 2019 included:

- i. In **East Africa**, the Bank secured mandates exceeding USD 2.50 bn, notably the USD 1.5 bn and USD 1bn transactions as Initial Mandated Lead Arranger (IMLA) for the Republics of Kenya and Tanzania, respectively;
- ii. In **Southern Africa**, new relationships translated into closing the maiden deal in the Kingdom of eSwatini; supporting private sector growth, foreign exchange earnings and employment creation;
- iii. In **North East Africa**, growth was driven by focus on letters of credit (LC) confirmation and discounting with the Commercial Bank of Ethiopia, and the financing of two Ethiopian Airlines Airbus A350-900 aircrafts;
- iv. In **Franco-Lusophone Africa**, the Coral South – Mozambique project was 1 of 3 landmark deals. In this regard, TDB participated in the first phase of Coral South floating liquefied natural gas (FLNG) project with a long-term debt capex facility of USD 100.00 million. This deal won the Infrastructure Deal of the Year award at the 2019 African Bankers’ Awards.

Performance Highlights in 2019

- i- **A 20% growth in total assets over 2018 to USD 6.69 billion, exceeding by 7% the USD 6.27 billion level planned for 2019 in the Bank’s 6th Five-Year Corporate Plan (FYCORP VI).** Of the USD 1.13 billion net asset growth in 2019, USD 675.48 million is attributable to Project Finance loans, whose net balance increased to USD 2.11 billion, up 47% from USD 1.43 billion in 2018.

Net Trade Finance loans grew by USD 132.99 million, a 5% increase from USD 2.73 billion in 2018 to USD 2.87 billion in 2019. Both project finance and trade finance loans grew as a result of disbursements net of repayments made during the year;

- ii- **A net profit for the year 2019 of USD 151.30 million which is an increase of 17% from USD 129.33 million realized in 2018.** This compares favourably with the annual budget of USD 135.81 million. The profitability achieved exceeds the USD 146.10 million level projected for 2019 in FYCORP VI by 4% and is attributable mainly to the increased interest income as well as the turn-around in fee income;
- iii- **The Non-Performing Loans (NPL) ratio** stood at 2.33% with attractive returns on capital of 11.03%, Return on Assets of 2.55%, and Net Asset Value (NAV) figures growing at double-digit rates;
- iv- **A 17% growth in shareholders' funds to USD 1.39 billion from USD 1.19 billion in 2018.** This compares favourably with and surpasses by 7% the USD 1.29 billion projected for 2019 in FYCORP VI.

Of the USD 197.71 million increase in total equity over 2018, USD 78.73 million was in the form of capital subscriptions including share premium while USD 114.82 million is from retained earnings for the year;

- v- **A dividend distribution of USD 36.31 million is proposed for 2019, representing a pay-out ratio of 24% of the 2019 net profit.** A further sum of USD 30.57 million is held in Fair Value and Management reserves which were created in 2018.

The fair value reserve arose on adoption of IFRS 9 by the Bank while the management reserve was created with Board's approval for cushioning incidents of significant losses;

- vi- **The Bank welcomed its 16th and 17th institutional shareholders.** Denmark's Investment Fund for Developing Countries (IFU) became the first European institutional investor to subscribe to TDB's Class B shares with an investment of USD 20.00 million, and the African Economic Research Consortium (AERC), one of the world's top African think tanks, became the first of its kind to join as a Class B shareholder;
- vii- **As a testament to existing shareholder confidence in TDB's positive impact to the region, the Republic of Rwanda and the Federal Democratic Republic of Ethiopia signed Special Capital Increase subscription agreements;** re-investing USD 50.00 million and USD 25.00 million, respectively in Class A shares.

Also, Rwanda Social Security Board (RSSB) purchased USD 4.00 million worth of additional Class B shares. Including the recapitalization of dividends, new equity raised in 2019 amounted to USD 114.44 million, which is USD 71.10 million the

above the FYCORP VI target of USD 43.35;

The Table 29 below represents shareholding as at February 2020.

Table 29: TDB's Shareholding as at June 2020

AFRICAN SOVEREIGNS & MEMBER STATES			
Burundi		Mauritius	
Comoros		Mozambique	
Djibouti		Rwanda	
Democratic Republic of Congo		Seychelles	
Egypt		Somalia	
Eritrea		South Sudan	
eSwatini		Sudan	
Ethiopia		Tanzania	
Kenya		Uganda	
Madagascar		Zambia	
Malawi		Zimbabwe	
MEMBER COUNTRIES			
People's Bank of China		Development Bank of Belarus	
INSTITUTIONAL SHAREHOLDERS			
African Development Bank		National Pension Fund, Mauritius	
African Economic Research Consortium (AERC)		National Social Security Fund, Uganda	
Africa-Reinsurance Corporation		OPEC Fund of International Development	
Arab Bank for Economic Development in Africa		Rwanda Social Security Board	
Banco Nacional de Investimento		Sacos Insurance Group, Seychelles	
Investment Fund for Developing Countries (IFU)		Seychelles Pension Fund	
Mauritian Eagle Insurance		ZEP-RE/PTA Re-Insurance	
TDB DIRECTORS, STAFF AND PROVIDENT FUND			
TDB Directors & Stakeholders Provident Fund	0.11	Staff Provident Fund	

viii-

TDB continued its winning streak by garnering prestigious awards such as the *Best Foreign Bank, Kenya* award from **EMEA Finance – Banking Awards 2019**, and the *Africa Investor – Africa Infrastructure Investment Award 2019* as part of the **Ai Regional Infrastructure Investment Initiative of the Year**;

The Bank published its premier 2019 Sustainability Report – a comprehensive illustration of the Bank’s corporate social responsibility (CSR) and Environmental, Social and Governance (ESG) policy framework. The report reflected the Bank’s solid and sustainable financial performance and firm commitment to projects and programs that meet the UN Sustainable Development Goals (SDGs), the African Union’s *Agenda 2063* and the 2015 Paris Climate Summit Agreement.

Equipped with a commitment to quality growth, the Bank continues to strengthen its institutional management via its risk complex and human capacity development initiatives. In 2019, TDB achieved an overall score of 97% and a notation of AA (Excellent) as part of the 9th Peer Review process conducted by the Association of African Development Finance Institutions (AADFI), in recognition of its efforts in promoting good corporate governance and risk management practices. Likewise, various new lines of business are being developed, to complement and enhance current operations, and ultimately step-up the Bank’s impact in the region. On-going engagement continues with Angola, Botswana, Namibia, Tunisia, as well as with Luxembourg and Germany.

African Trade Insurance (ATI) Agency

The African Trade Insurance Agency (ATI) was established in 2000. The main objective of the ATI is to provide political risk cover to companies, investors, and lenders interested in doing business in Africa. ATI's financial instruments, insurance products and services, are making a difference in assisting African countries to build new infrastructure and facilitate investments in sectors such as transport and telecommunication networks, power generation both in urban and rural communities, water and sanitation, hospitals and also supports the growth of small and medium-sized enterprises.

Key performance indicators, financial highlights and exceptional growth of the Agency include the following:

Business Performance

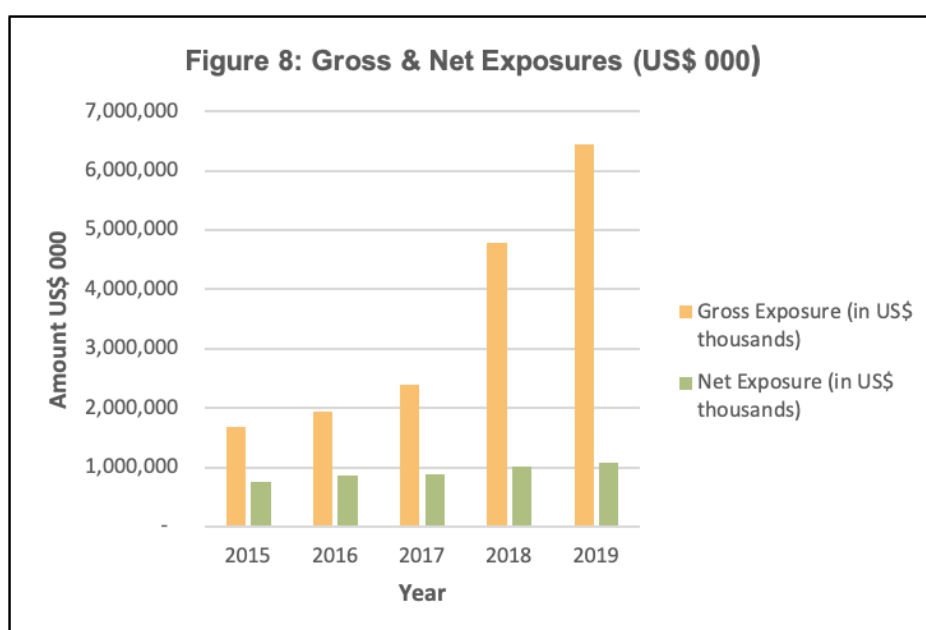
As at 31 December 2019, ATI's portfolio exceeded US\$50 billion supporting trade transactions and investment projects across Africa in sectors such as transport, agribusiness, energy, exports, housing, infrastructure, manufacturing, financial services, mining and telecommunications amongst others. During the period under review, ATI posted positive records in key performance areas and made significant improvement in its operational processes and membership outreach, while concluding new strategic partnerships.

ATI Gross and Net Exposures

During FY 2019, ATI's Gross Exposure amounted to US\$6.4 billion compared to US\$4.8 billion as at 31 December 2018, a 35% increase. Net Exposure grew from US\$ 1 billion in FY2018 to US\$1.1 billion in FY2019. The following table shows the evolution of ATI's gross and net exposures over the last five years.

Table 30: Evolution of ATI's Gross and Net Exposures Over the Last Five Years

Year	2015	2016	2017	2018	2019
Gross Exposure (in US\$ thousands)	1,690,910	1,945,681	2,391,438	4,786,842	6,449,273
Net Exposure (in US\$ thousands)	744,268	870,485	877,999	1,006,804	1,073,640

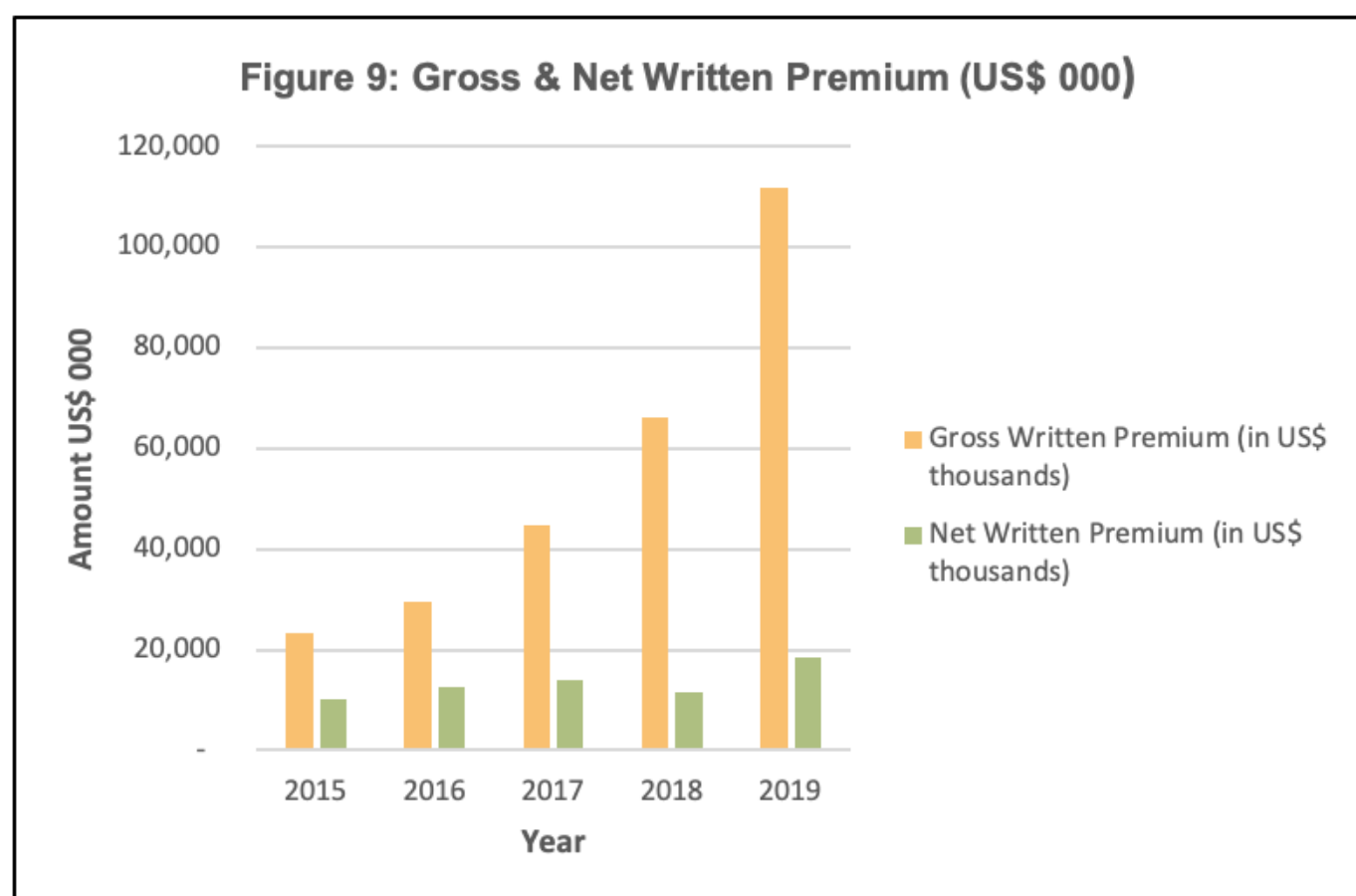


Gross and Net Earned Premiums

ATI is financially robust and delivered a comfortable net written premium in FY2019 compared to prior years as indicated in the table below. ATI generated a Gross Written Premium¹³ of US\$111.9 million compared to US\$66.1 million in FY2018. This represents an increase of 69%.

Table 31: Gross and Net Earned Premiums

Year	2015	2016	2017	2018	2019
Gross Written Premium (in US\$ thousands)	23,256	29,545	44,792	66,154	111,892
Net Written Premium (in US\$ thousands)	10,162	12,779	14,056	11,718	18,648



Profitability

ATI's FY2019 financial results show a net profit and an eight-year growth trend.

Table 32: ATI Net profits

Year	2013	2014	2015	2016	2017	2018	2019
Profits (in US\$ millions)	1.5	3.4	4.7	2.4	10.0	11.9	27.9

Increase in ATI's equity capital

In the year under review, ATI has seen a constant increase in its equity investment from Member States and Institutional Shareholders which currently stands at US\$350 million in total equity representing a 33% growth with capital from new Member States and Institutional shareholders such as Ghana, Nigeria, Togo, Niger and CHUBB

¹³ The gross amount of insurance underwritten

Ltd as well as capital increases in the Agency from Benin, Cote d'Ivoire and Madagascar. It is expected that as new countries acquire membership, the Agency's capacity to support business in Africa will be significantly improved.

ATI Investment and Credit Rating

For the last ten (10) consecutive years, the African Trade Insurance Agency has been assigned by Standard & Poor's 'A' rating for both its Counterparty and Insurer Financial Strength Ratings. During the year under review, Standard & Poor's Ratings recently re-affirmed its 'A' rating in April 2020 amidst the unprecedented market turbulence of the COVID-19 global pandemic. ATI's robust capitalization, risk management and financial performance, growing membership base and strong policy relevance in Africa were projected by Standard & Poor's as well as support rendered to its Member States through the socio-economic challenges of the COVID-19 Global Pandemic.

This makes ATI the second highest rated institution in Africa with an A/Stable credit rating from S&P and A3/Stable second credit rating from Moody's which come in confirmation that ATI's capital base, financial performance and business model remains robust to support its Members States. There is no doubt that these ratings will encourage more utilization of ATI financial products and services by banks, importers, exporters and investors worldwide.

Membership Expansion

Country Membership expansion within and outside the African Region remains a key priority for ATI's growth and development strategy. ATI's growth strategy, which is aimed at expanding the institution's outreach and membership base, places ATI in an ideal position to access better markets and achieve even greater results in the years to come. In this regard, ATI welcomed the Governments of Ghana, Nigeria, Togo, Niger, Chad, Egypt, Senegal and Angola between 2019 and 2020 as new members of ATI. Under the category of Non-African Governments and Institutional shareholders, ATI had the pleasure of also welcoming the Federal Government of Germany through its Development Bank (KfW), the Kingdom of Spain's Export Credit Agency (CESCE), the Republic of India through its Export Credit Agency (ECGC), West African Development Bank (BOAD), CHUBB Ltd and AXA XL as new shareholders in ATI.

With the financial support of the African Development Bank (AfDB), the European Investment Bank (EIB) and the German Government through its Development Bank (KfW), most of these African Governments were able to subscribe for their allotted shares in ATI with the support of these Development Financial Institutions in the forms of concessional loans and grants.

Conclusion

ATI stands on a solid ground and has tremendously increased its capacity to support trade, investment and economic growth of its Member States and the region at large. In view of expanding its operations in fulfilment of its continental mandate, ATI wishes to urge all the remaining COMESA Member States and other African Governments to accede to the ATI Treaty in order to reap from the benefits and opportunities of ATI Membership, Guarantees and insurance products tailored made to de-risk trade, investment in Africa. Given the socioeconomic uncertainty around these unprecedented times of the COVID-19 pandemic with Governments on the edges of sovereign defaults, ATI can guarantee its Member States of its continued support with its robust financial portfolio and business model tailored to provide risk mitigation solutions to enable investors, lenders, contractors, suppliers, importers and exporters implement their investment projects and commercial transactions in Africa. (<http://www.ati-aca.org>)

COMESA Competition Commission

The COMESA Competition Commission (CCC) was established in 2004. Its mandate is to promote and encourage competition in the region by preventing restrictive business practices and other restrictions that deter the efficient operations of markets, thereby enhancing the welfare of the consumers and protecting consumers against offensive conduct by market actors. The Commission provides technical assistance and capacity building to Member States to promote national competition laws; harmonization of Member States' national laws with regional regulations; support to Member States in promoting and protecting consumer welfare; and facilitation of the exchange of information and expertise. This effort stems from the recognition that the regional competition authority can only be effective if the national competition authorities are effective.

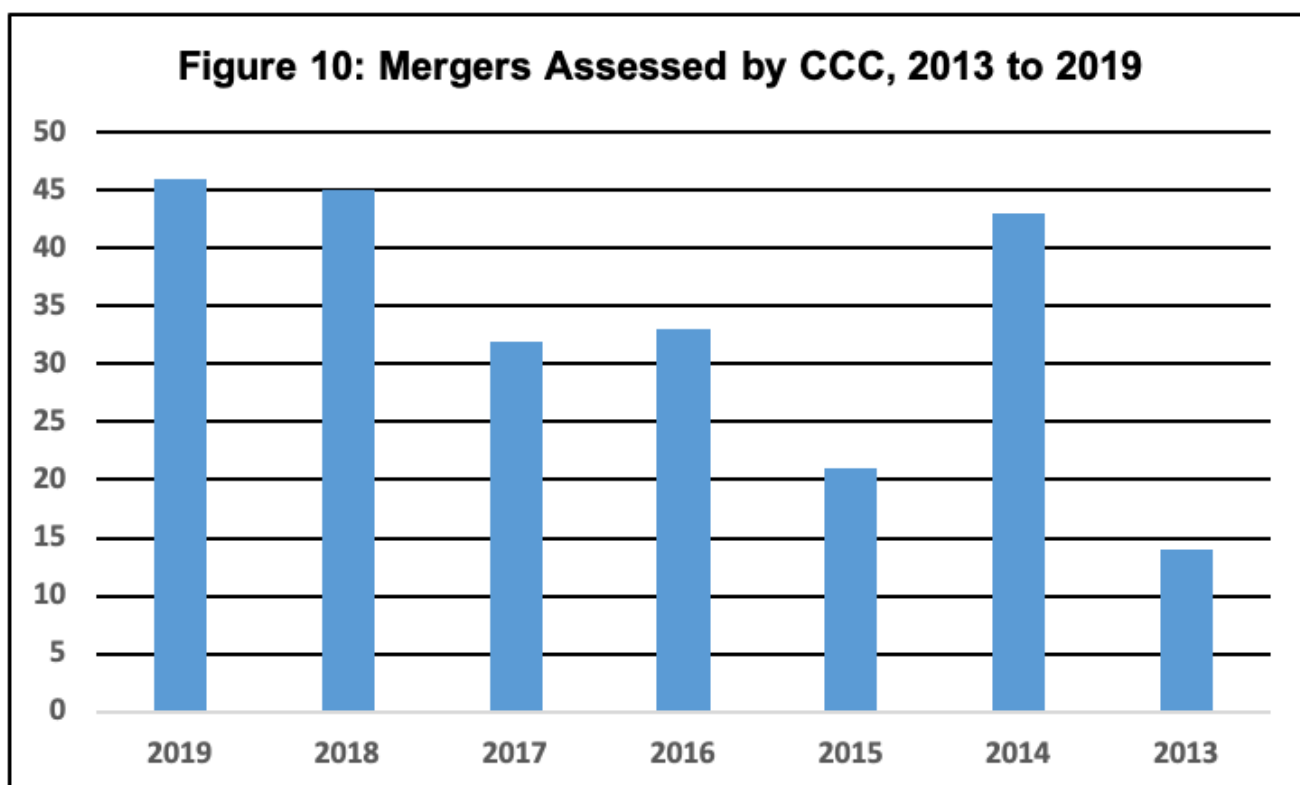
The CCC's key focus areas under the Regulations include investigation of anti-competitive business practices and conduct; assessment of mergers and acquisitions; and embarking on consumer protection initiatives. The activities implemented by the CCC are categorized under the following Strategic Issues:

a. **Determination of Conduct Harmful to Competition in The Market**

The Commission's goal under this strategic issue is to effectively and timely assess mergers and restrictive business practices in order to avert any likely competition harm in the Common Market. To effectively deliver on this mandate, the Commission constantly engages Member States through bilateral cooperation agreements to enhance their understanding of the Regulations. Therefore, the CCC made the following achievements:

i. *Merger Assessment*

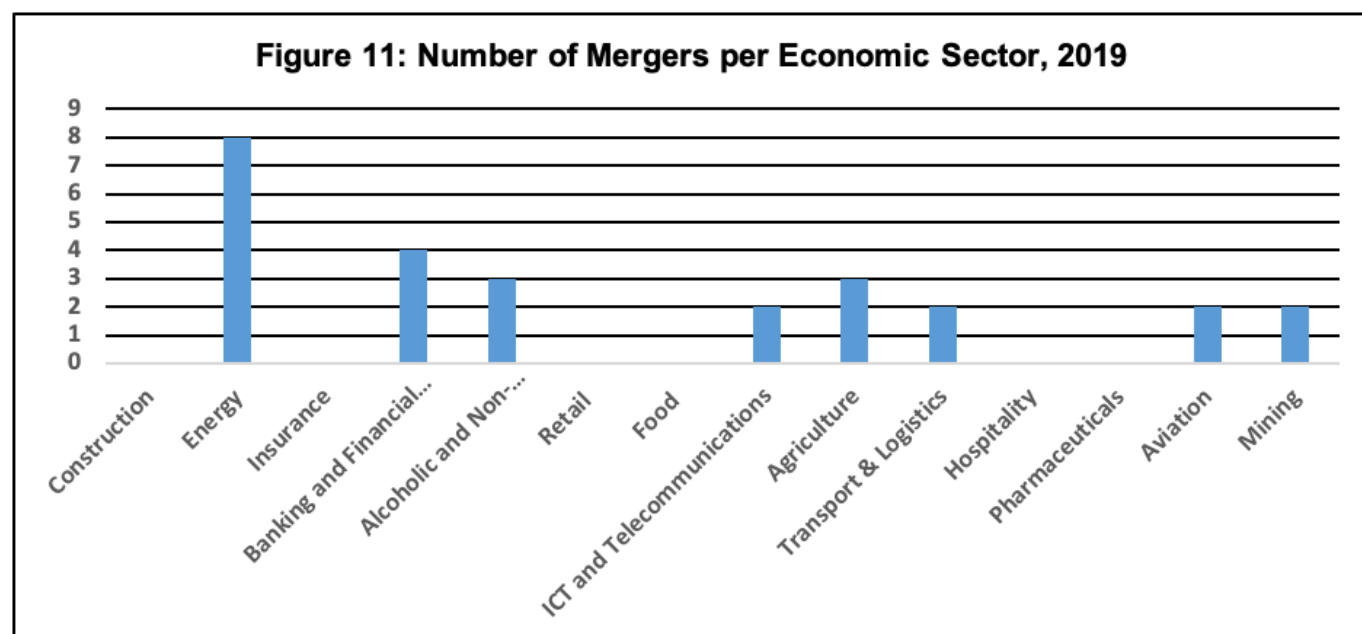
In 2019, the CCC assessed and approved a total of 46 mergers which were cleared within the statutory period of 120 days provided for in the Regulations. The mergers assessed by the Commission affected all the Member States across various economic sectors. Below are graphical summaries on the CCC merger assessment.



Source: Compiled by the CCC

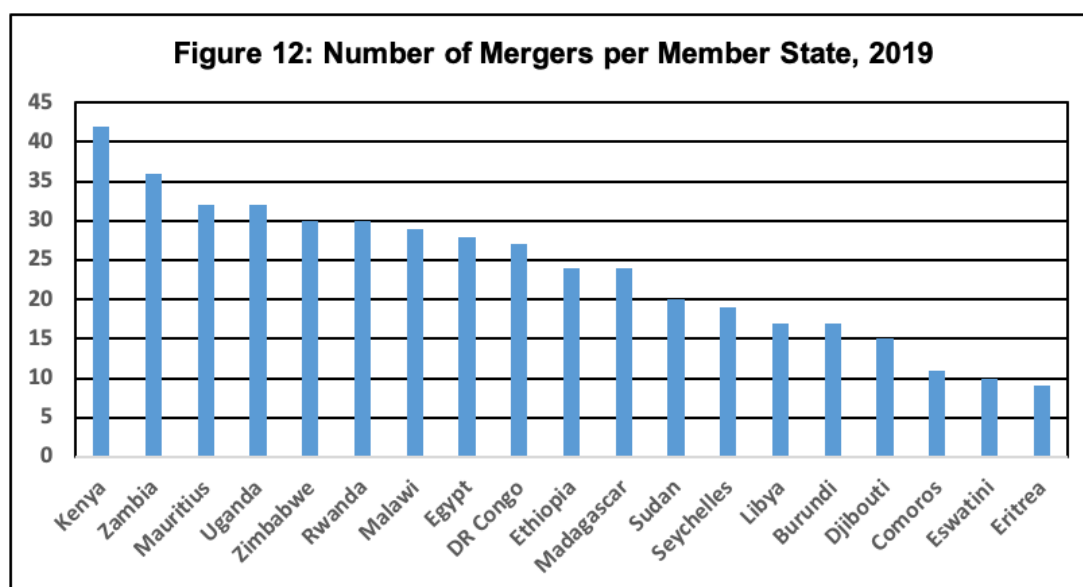
There has been an upward trend in the number of mergers assessed by the CCC since inception in 2013. The mergers assessed in 2019 represented a growth of over 200% from those assessed in 2013¹⁴. The upward swing has been occasioned by a number of factors including increased awareness of the Regulations, confidence in the regional competition regime by the stakeholders, increase in the dynamism of the economic activity in the Common Market and beyond and the go towards enhanced liberalization in most Member States.

In terms of the economic sectors most affected by merger assessed in 2019, energy was most prominent with eight merger transactions followed by banking and financial sector with four mergers. Other keys sectors affected by mergers included alcoholic/non-alcoholic beverages, mining, agriculture, ICT/Telecommunication, and aviation. A summary on the sectors affected by mergers in 2019 is presented in Figure 11 below.



Source: Compiled by the CCC

The mergers assessed in 2019 affected the majority of the Member States with Kenya recording the highest with 42. The least affected was Eritrea which reported nine mergers. A detailed summary on mergers per Member State is presented in Figure 12 below:



Source: Compiled by the CCC

14 The CCC reviewed 46 mergers in 2019 and 14 mergers in 2013

ii. *Restrictive Business Practices*

Restrictive business practices are conduct, arrangements and agreements by business firms that prevent or hinder firms from competing freely in the Common Market. These practices are so obviously inimical to the single market integration agenda as they result in the partitioning of the Common Market. In the period under review, the CCC continued to assess four restrictive business practices cases. The restrictive business practices cases which the CCC assessed in 2019 affected the following economic sectors: sports, media and marketing rights; services (barcodes); and alcoholic and non-alcoholic beverages.

iii. *Bilateral Cooperation Agreements with Member States*

Bilateral Cooperation Agreements with the Member States are important to enhance the efficiency and effectiveness with which the Regulations are enforced especially when dealing with anti-competitive conduct that disproportionately affects a particular Member State. A summary of the engagements with MS is provided in table 33 below:

Table 33: CCC and Member States Bilateral Cooperation Agreements, 2019

Member States	Date & Venue	Purpose
Kenya	13 th – 15 th March 2019, Lilongwe, Malawi	Engaged the Competition Authority of Kenya (CAK) in a discussion on the finalization of Merger Notification Thresholds Guidelines that will result in the end of double notification of regional mergers to Kenya
Zambia	9 th May 2019, Lusaka, Zambia	Developed and Signed a Joint Work Plan for implementing the Cooperation Agreement between CCC and Competition and Consumer Protection Commission (CCPC) Zambia
Sudan	11 th -12 th December 2019, Khartoum, Sudan	Finalised negotiations and signed the Cooperation Agreement on the Enforcement of Competition Law with the Sudan Competition Council. Also developed and signed a Joint Work Plan for implementing the Cooperation Agreement.

The Commission has up to date concluded 11 Bilateral Cooperation Agreements and shall continue to engage Member States to ensure that it has Bilateral Cooperation Agreements with all the Member States¹⁵.

iv. *Joint Market Study with Selected Member States*

The CCC engaged the World Bank Group on a project aimed at screening for cartel conduct in the Common Market. The screening exercise involved an analysis of market players and market structure in the identified sectors in the Common Market. The CCC engaged Member States and received information from the following Member States who participated in the screening exercise: DRC, Eswatini, Egypt, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Zimbabwe and Zambia.

v. *Consumer Protection*

In March 2019, the CCC concluded an investigation of a consumer violation case concerning Ethiopia Airline. The violation concerned a refusal by the airlines to honor in full a \$100 voucher that was given to the passengers for missing their flight. In its conclusion of the case, Ethiopian Airlines agreed to reimburse the affected customers as a result of the intervention of the CCC.

In July 2019, the CCC collaborated with the African Dialogue Consumer Protection Conference in

¹⁵ <https://www.comesacompetition.org/?cat=14>

implementing an activity called “Internet Sweep” on consumer welfare violations. The activity sought to analyze disclosure of the terms and conditions in e-commerce and other purchases. The practices identified from the exercise was summarized and submitted to African Dialogue Internet Sweep Coordinators. Consequently, in line with the goal of the Sweep, the Coordinators are expected to flag traders that fail to disclose important terms and conditions for potential further enforcement actions; and also distribute public information, consumer education and business guidance on the matter.

B. Strengthening Enforcement

The Commission seeks to build its capacity and that for the National Competition Authorities in Member States to effectively enforce both the Regulations and the national competition laws. To this end, the main activities implemented under the 2019 Annual Work Programme are summarized as follows:

Technical Assistance and Capacity Building

Table 34: CCC Technical Assistance and Capacity Building Initiatives, 2019

Member State/Organization	Date & Venue	Activity	Purpose
Comoros	20 th to 21 st February 2019	Sensitization and training on competition law/policy for Government officials and lawyers in Comoros. CCC assisted Comoros (Ministry of Economy) to develop an Action Plan for the Operationalization of the national competition authority under Comoros technical assistance.	Sensitize Government officials and lawyers on competition law enforcement Support the operationalization of the national competition authority to enhance Comoros effective competition law enforcement
Ethiopia	29 th July – 27 th September 2019, Nairobi, Kenya	Attachment of two (2) officials from TCCPA to CAK	TCCPA officials to learn the operations of a competition authority including competition case assessment
	25 th August – 7 th September 2019, Nairobi, Kenya	Attachment of One (1) Deputy Manager from TCCPA to the CAK	
	29 th July – 27 th September 2019, Lusaka, Zambia	Two (2) officials from TCCPA were attached to the CCPC	
	25 th August – 7 th September 2019, Lusaka, Zambia	One (1) Deputy Manager of the TCCPA was attached to the CCPC from 4 th -17 th August, 2019	
Uganda	21 st to 23 rd October 2019 Lilongwe, Malawi	Eight (8) Uganda Government Officials including officials from the Ministry of Industry and Cooperation, Ministry of Justice were sponsored for a benchmarking mission on implementation of the regional and national competition laws	The objective is to guide Uganda in its ongoing process of development of national competition and consumer protection laws and establishment of comprehensive legal and institutional frameworks.
	25 th to 26 th October 2019 and Lusaka, Zambia		
	6 th to 7 th November 2019. Kampala, Uganda	National Sensitization Workshops on the Regulations (Government Officials and Private Sector)	Sensitive government officials and private sector on the Regulations

EAC	17 th to 18 th October 2019	EAC Benchmarking Exercise on Regional Competition Law enforcement	Initiate cooperation on competition law enforcement between the CCC and EAC and to assist capacity building of EAC staff once EAC Competition Authority is operational.
Democratic Republic of Congo, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Uganda, Zambia and Zimbabwe (incl. Board Members of the CCC)	21 st to 22 nd August 2019, Livingstone, Zambia	COMESA Mergers Assessment Workshop	Trained Board of Commissioners of the Commission & officials from Member States' National Competition Authorities on merger assessment under the Regulations. Established a COMESA Merger Working Group that will strengthen the efforts by the Commission to enforce the Regulations by facilitating sharing of information and best practices between the Commission and the Member States
Democratic Republic of Congo, Egypt, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Uganda, Zambia and Zimbabwe;	24 th – 26 th June 2019 in Nairobi, Kenya	COMESA Regional Workshop on Restrictive Business Practices	Provided case handlers from NCAs with practical approaches to strengthening anti-cartel enforcement programs.

a. **Advocacy and Strategic Collaboration**

The CCC's advocacy and strategic collaboration activities aim at enhancing the visibility and public awareness of the benefits of competition and competition law enforcement within the Common Market. The key stakeholders engaged by the CCC in this respect included various government officials, the business community, consumers groups, business reporters and the legal fraternity in the Member States. The CCC also engaged stakeholders outside the Common Market.

Table 35: CCC's Advocacy and Strategic Collaboration Activities, 2019

Engagement in Member States			
Member State	Date & Venue	Activity	Purpose
Malawi	15 th March 2019, Salima, Malawi	Joint Commemoration of the World Consumer Day with the CFTC	The purpose was to engage the business community and consumers on the consumer protection provisions of the Regulations
Zimbabwe	23 rd – 27 th April, 2019, Bulawayo, Zimbabwe	Zimbabwe International Trade Fair	Dissemination of advocacy materials on the Regulations and sensitizing the business community on the Regulations
Kenya	15 th - 21 st July, 2019 in Nairobi, Kenya.	Source21 - COMESA International Trade Fair and High-Level Business Forum	Dissemination of advocacy materials on the Regulations and sensitizing the business community on the Regulations
	9 th – 10 th September, 2019, Nairobi, Kenya	Business Reporters Workshop	Disseminated information on CCC's implementation of the Regulations and sensitized the media on its role in competition law enforcement

	14 th – 18 th August, 2019, Mombasa, Kenya	Co-sponsorship of the Law Society of Kenya Annual Conference	Sensitize legal practitioners on the provision and implementation of the COMESA Competition Regulations
Zambia, Seychelles, Rwanda, Kenya	5 th – 10 th May 2019 Livingstone Zambia	10 th African Dialogue Conference and International Consumer Protection and Enforcement Network (ICPEN) Annual Conference	sensitized stakeholders on CCC's progress in enforcing Consumer Protection provisions of the Regulations Learnt international best practices, shared experiences and discuss strategies to strengthen collaboration with other competition agencies
Mauritius	7 th – 11 th October 2019 Port Louis, Mauritius	10 th Anniversary Celebrations for the Competition Commission – Mauritius	Attended and made presentations on competition law

Engagement with International Organizations

Institution/Organization	Date & Venue	Activity	Purpose
International Bar Association	6 th - 7 th June 2019 in Tokyo, Japan	International Bar Association 15 th Annual Competition Conference	Engaged global competition law practitioners on international best practices in competition law enforcement
United Nations Conference on Trade and Development (UNCTAD)	10 th – 12 th July, 2019 Geneva, Switzerland	18th Session of the United Nations Conference on Trade and Development (UNCTAD) Intergovernmental Group of Experts on Competition Law and Policy in	
COMESA-EAC-SADC Tripartite Free Trade Area Secretariat	24 th to 29 th July, 2019 in Nairobi, Kenya 4 th to 10 th August, 2019 in Zanzibar, Tanzania.	Tripartite Free Trade Area Meetings on Development of Competition Policy	Contribute to the drafting of the Tripartite Protocol on Competition
African Competition Forum (ACF) Secretariat (Co-ordinated by the Competition Commission of South Africa)	23 rd – 26 th July, 2019, The Gambia	ACF Workshop on Market Definition	Train officials from COMESA Member States and other African competition agencies on merger analysis so as to enhance enforcement capacity across the African continent
International Competition Network	14 th – 17 th May 2019 Cartagena, Colombia	International Competition Network (ICN) Annual Conference	network and hold discussions with Global Competition Agencies on international best practices in competition law enforcement

b. Institutional Strengthening

The effectiveness of the CCC to execute its mandate under the Regulations is enhanced by regular capacity building of its Board of Commissioners which enhances corporate governance and effective decision making by the Board on competition cases. To this end, the Commission implemented the following activities in line with its 2019 Annual Work Programme.

Table 36: CCC's Capacity Building Initiatives for the Board of Commissioners, 2019

Activity	Date & Venue	Purpose
Attendance of four (4) Members of the Board of Commissioners at the 10th African Dialogue Conference and ICPEN Annual Conference	5 th – 10 th May 2019 in Livingstone, Zambia.	Learn international best practices, share experiences and discuss strategies to strengthen collaboration with other competition agencies
Attendance of four (4) Board Members at the COMESA Regional Training Workshop on Restrictive Business Practices	24 th – 26 th June 2019 in Nairobi, Kenya	Member trained on the procedures for the assessment of restrictive business practices under the Regulations
Attendance of eleven (11) Board Members at the COMESA Regional Mergers Workshop	21 st to 22 nd August 2019 in Livingstone, Zambia	Member trained on merger assessment procedures under the Regulations
Held four (4) Meetings of the Committee Responsible for Initial Determination	7 th – 10 th February, 2019, Johannesburg, South Africa; 2 nd – 3 rd May, 2019, Lusaka, Zambia; 30 th – 31 st July 2019, Nairobi, Kenya; 8 th to 9 th October 2019, Port Louis, Mauritius	Issues Decision on competition cases in line with stipulated timelines under the Regulations
Implemented an Electronic Board Management System and trained Board members on the system	21 st November 2020, Livingstone, Zambia	Moving towards paperless Board management system.

Critical Issues and Recommendations

The Commission encountered a number of set-backs in the implementation of the 2019 Annual Work Programme. For instance, Parliamentary and Presidential Elections in selected Member States resulted in the CCC postponing its activities pending the ushering in of new Governments. To this end, the following activities could not be implemented:

- Training of Staff Members of the Competition Authority of Democratic Republic of Congo (CONAC) which was scheduled to take place in July, 2019 but was postponed on request of the Democratic Republic of Congo officials;
- The COMESA Judges Workshop which was scheduled to be held in Malawi was postponed since it coincided with the parliamentary and presidential elections;
- Engaged Eritrea for the fourth time to set up dates for a fact-finding mission to Eritrea;

- d. The Commission had scheduled to hold bilateral meetings with the Trade Competition and Consumer Protection Authority in Ethiopia, but this was postponed on request of the Ethiopian government officials.
- e. Signing of the MOU on Competition Law Enforcement Cooperation with Zimbabwe Competition and Tariff Commission.

The Commission continues to urge Member States who have not yet enacted competition legislation and established competition authorities to enhance efforts to do so. This is important to ensure that there is effective implementation of the Regulation and curb cross-border anti-competitive practices that are likely to frustrate the single market imperative. (<https://www.comesacompetition.org/>)

COMESA Clearing House

The COMESA Clearing House (CCH) was established in 1984 and headquartered in Harare, Zimbabwe. The objective of the CCH is to facilitate the settlement of trade and services payments amongst Member States. The COMESA Clearing House was established in accordance with Article 73 of the COMESA Treaty for the facilitation of the settlement of trade and services payments among Member States. However, with the liberalisation of current accounts and the repeal of exchange control restrictions, the need for the COMESA Clearing House to restructure its services to be more relevant to this liberalized market setting, was identified by COMESA Governors of Central Banks. The Clearing House was thus mandated by its Central Bank Governors, the Ministers of Finance, the Council of Ministers and COMESA Heads of State and Government, to design and implement, among other facilities a Payments System designed to reduce costs of regional transactions in a liberalized foreign exchange regime.

The Clearing House therefore introduced the Regional Payment and Settlement System – REPSS which allows Member States to transfer funds more easily within COMESA. REPSS is built on open standards and is also accessible to Non-Member States. REPSS is run by the COMESA Clearing House, headquartered in Harare, Zimbabwe, and hosted at the premises of the Bank of Mauritius. REPSS is a Multilateral Netting System with End-of-Day Settlement in a single currency (US\$ or Euro), with the system allowing for settlement in a multicurrency environment (US\$, Euro or any other specified currency). The main aim of the system is to stimulate economic growth through an increase in intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform. Local banks access the payment system through their respective Central Banks. Any participating bank is therefore able to make payments to and receive payments from any other participating bank. The linkages through Central Banks avoid the complex payment chains that may sometimes occur in correspondent bank arrangements. The system operates through member countries Central Banks and their corresponding banking systems.

The system guarantees prompt payment for exports as well as other transfers. It further eliminates mistrust among traders as there is Central Bank involvement. This in turn increases trade within the region. The REPSS platform allows reduction in costs with the resulting savings channeled to other economically beneficial projects within COMESA. REPSS enables the building of trust and confidence amongst traders and commercial banks of the region and facilitates the transacting under documentary collections (ICC Publication no. 522) and ultimately on open accounts where the opening of Letters of Credit would no longer be required. Once the region moves to trading under open account, savings could reach US \$400 million under documentary collections/open account trading. Further, such trust will in future promote trade among countries in the region, thus increasing trade significantly.

The system is operational in 9 Member States namely at the Central Banks of DRC, Egypt, eSwatini, Kenya, Malawi, Mauritius, Rwanda, Uganda and Zambia. It is hoped that the rest of the COMESA Member States will join the system in due course, in line with COMESA's variable geometry approach to implementation of its programmes. Internal preparations are underway at the Central Banks of Burundi, Djibouti, Sudan and Zimbabwe for completing their preparedness for going live on the system. The use of REPSS continues to grow gradually with the total value of transactions processed as at December 2019 standing at over USD131 million and this is expected to increase with greater use of the system by participants.

The COMESA Authority of Heads of State & Government, at its Twentieth Summit held on 18-19 July 2018 in Lusaka, Zambia, inter alia: (i) COMMENDED the Central Banks of the Democratic Republic of Congo, Egypt, eSwatini, Kenya, Malawi, Mauritius, Rwanda, Uganda and Zambia for transacting on the COMESA Regional Payment and Settlement Systems (REPSS); (ii) COMMENDED the Central Banks of Burundi, Djibouti, Sudan

and Zimbabwe for their preparedness for live operations; (iii) URGED Central Banks live on REPSS to conduct sensitization workshops amongst their commercial banks and other stakeholders in order to promote the use/uptake of the system; (iv) URGED Member States to have their Intra-COMESA trade settled through REPSS; and (v) URGED Central Banks that have not yet met the prerequisites for joining REPSS to do so in earnest.

The Clearing House continues to explore other services that would add value to REPSS, particularly the blockchain platform and trade finance facilities in conjunction with financial institutions like the Trade and Development Bank (TDB) and African Export-Import Bank (Afreximbank). Further, the Clearing House continues to play an important role in promoting trade through REPSS in support of COMESA's overall objective of regional integration.

COMESA-Regional Investment Agency

The COMESA Regional Investment Agency (COMESA RIA) was launched in 2006 in Cairo, Egypt, with the key objective to make COMESA one of the major destinations for regional and international investors while simultaneously enhancing national investment. The Agency undertakes investment promotion, facilitation and advocacy. COMESA recognizes increased investments as a key strategic objective of its regional integration agenda. This is because increased investments lead to productivity improvements which in turn lead to increased economic growth and materialization of the market-driven concept of regional integration. Efforts have therefore been undertaken to position the region as a competitive investment destination specifically through the COMESA-Regional Investment Agency (RIA). The specific objectives of COMESA-RIA are as follows:-

- i- To make COMESA one of the major destinations for regional and international investors while simultaneously enhancing national investment.
- ii- To carry-out other activities in investment promotion, facilitation and advocacy.

The Agency undertakes investment promotion, facilitation and advocacy. In this regard, COMESA RIA has been instrumental in carrying out various promotional activities, image building and awareness activities to highlight the region's and its Member States' comprehensive reform efforts, investment opportunities and business environment.

a. **COMESA RIA as an Information Hub For Investors And FDI Stakeholders**

Furthermore, the specialized institution has continued to position itself as an information hub for investors and regional and international stakeholders through the preparation of various general and country specific FDI and business environment-related research studies and promotional materials. The following achievements were made in the period under review;

- i- Developed 2 regional publications
- ii- Development of 2 country specific business and investment publications
- iii- Strengthened portfolio of high-quality promotional tools at the disposal of NIPAs
- iv- Availability of an updated and all-in-one reference for improved quality and speed of responsiveness to investor inquiries;

In line with the goal aimed at establishing COMESA RIA as an information hub for investors and FDI stakeholders for the COMESA region, RIA in collaboration with Member NIPAs developed the following investment publications and FDI studies;

- i- [*2019 COMESA Investment Handbook*](#). The publication is developed to provide detailed information on COMESA region and its Member States such as the COMESA Treaty, COMESA Institutions, and benefits of investing in the region. In addition to a comprehensive overview of COMESA Member States' economic trends, trade and investment figures, legal and regulatory framework and incentives offered to investors in various sectors.
- ii- [*2019 COMESA Investment Teaser*](#). The publication identified more than 300 investment

opportunities different sectors of strategic importance to COMESA Member States. Most of the projects had sufficient project documentation including feasibility studies, pre-feasibility and project concept papers. To enhance visibility and awareness, the projects were availed to targeted investors and FDI stakeholders through a carefully designed and implemented communication campaign using RIA's online portal, social media channels, newsletters, investment forums, among other tools. This publication was produced to ensure the availability of sufficient information on investment opportunities and projects in the pipeline in COMESA Member States.

- iii- [Two Practical Guides to Doing Business in Tunisia and Uganda](#). The two guides give an overview of each country's investment and business climate that is important for investors to recognize during their investment decision making process.

a. COMESA Region as an Active Investment Destination

On the investment promotion front, the following activities were undertaken by RIA in line with the goal of establishing the COMESA region as an attractive investment destination.

- i- Partnered/promoted 4 international investment focused events and 3 trade, competitiveness and development events.
- ii- Facilitated the participation of 7 Member States' NIPAs in regional and international business-related events and conferences; DR Congo (2), Egypt (2), Eswatini, Ethiopia, Mauritius (2), Seychelles, Sudan.
- iii- Promoted 4 business and investment related events in 4 COMESA Member States.
- iv- Availed 11 speaking engagements for high-level officials from COMESA Secretariat, COMESA institutions and Heads of COMESA NIPAs.
- v- Implemented comprehensive social media campaigns for 3 Member States through COMESA RIA's social media channels; Burundi, Comoros and Madagascar.

Table 37: RIAs Promotional Events

Activity	Impact
Hannover Messe 2019, 1 – 5 April 2019, Hannover, Germany	Through the fair, COMESA RIA managed to provide COMESA NIPAs an exhibition space at no cost, resulting in enhanced visibility for COMESA through attending to questions and requests from participants regarding the policies, actions, programmes, incentives and facilities offered by the treaty, etc
Partnership with Annual Investment Meeting, 8 – 10 April 2019, Dubai, UAE	Negotiation with the organizer and mobilization of COMESA Member NIPAs resulted in an active participation of COMESA region in the event. highlights of the participations are: <ul style="list-style-type: none"> - Participation of 6 COMESA Member NIPAs in AIM exhibition - Featuring RIA and COMESA logos as event partners on the event's website and promotional materials

Partnership to organize Agri-Business Roundtable; Global competitiveness for export-led growth, support Egypt's Agriculture sector, 9 April 2019, Cairo, Egypt	COMESA RIA supported the organization of Egypt Agribusiness Roundtable which was attended by high-level representatives from the Egyptian Government. To fully utilize the opportunity and maximize the benefits of the roundtable, the main discussion points and outcomes were published in a special Agriculture Supplement in one of the reputable African speaking magazines, aiming at highlighting the key investment opportunities in Egypt.
The World Forum for Foreign Direct Investment, 17 – 19 June 2019, Sydney, Australia	Partnership with the event organizer resulted in a higher visibility for COMESA RIA and COMESA Members through availing speaking engagements for CEOs and Heads of COMESA NIPAs, as well as featuring RIA's logo in all summit's online and printed materials.
Tunisia Investment Forum (TIF 2019), 20 – 21 June 2019, Tunis, Tunisia	COMESA RIA mobilized event delegates through the Promotion of the event among COMESA RIA's database of FDI stakeholders and online platform. In addition, RIA developed a promotional publication dedicated to promoting business and investment environment in Tunisia among forum's participants and beyond.
Africa Blue Economy Forum (ABEF2019), 25 – 26 June 2019, Tunis, Tunisia	Greater visibility for COMESA region, COMESA Secretariat and RIA through featuring RIA and COMESA logo on the event website and printed promotional materials.
International CEO's Economic Summit, 9 – 11 July 2019, Brussels, Belgium	Availed speaking engagements for CEOs and Heads of COMESA NIPAs. In addition to featuring COMESA RIA logo on the event website and printed materials.
Promotion through social media channels and online portal	COMESA RIA designed and implemented a 2-week country-specific social media campaign (Burundi, Comoros and Madagascar) on its LinkedIn and twitter accounts, with a total viewership of around 7,500 views per country. The campaign highlights general positive developments, sectoral selling messages, and a selection of investment opportunities. In addition to distributing four of the COMESA RIA's electronic newsletter to its network, including "End of Year" highlighting 2019 achievements and most significant business news to around 10,000 subscribers in its database. COMESA RIA disseminated investment, business news and information on regulatory frameworks, incentives, procedures, and investment opportunities in the COMESA region. During the period under review, the COMESA RIA website received around one million visits and ten million hits.

b. Capacity Building Activities For COMESA Member States NIPAs

RIA conducted regional workshops for improved overall capacity of Member National Investment Promotion Agencies (NIPAs). RIA organized a two-day regional seminar during the period 3 – 4 September 2019. The participating CEOs agreed on the following;

- i. enhancing intra-agency collaboration through sharing successful experiences and best practices adopted by COMESA NIPAs to promote, attract and retain investments,
- ii. collaboration in the promotion of regional value chain projects,
- iii. adopting certain broad lines for future investment promotion strategies taking into consideration challenges facing FDIs in the region,
- iv. promoting the exchange of investment promotion missions and roadshows with the objective of increasing intra-COMESA FDI flows.

Africa Leather and Leather Product Institute

The main mandate of the Africa Leather and Leather Product Institute (ALLPI) is to facilitate the development of the leather sector in Africa in general and in the COMESA Region in particular. In addition to programmes facilitated by the Secretariat to enhance productive capacities and technological capabilities in the region, the COMESA specialized institution now expanded to serve the entire continent. The Africa Leather and Leather Product Institute (ALLPI) headquartered in Addis Ababa, Ethiopia was established in 1990 to facilitate the development of the leather sector. The Institute has been a key driver of training of personnel for the leather industry in ALLPI Member States, promoting research and development technology transfer and collaboration with relevant premier Institutions across the value chain, plus enhancing investment and trade competitiveness throughout the Value Chain in ALLPI Member States. A key thrust of the institution is centered on capacity building activities in technical and soft skills essential for the development of the leather sector. The ALLPI encompasses the spirit of globalization and spearheads the regional set goals in meeting the tenets of Agenda 2063 and the Continental Free Trade Agreement realms. This initiative has attained a major milestone as the institute is accepted as a major reference point in the development of the leather sector both at regional and global level. As such, key to its refocused drive is ensuring appropriately aligned policies, skills development and SME support to spur the regional leather value chain success pursuing a road map covering 2017-2026 leather sector strategy. Notable impacts of ALLPI at country level include the following;

- a) Enhanced skills development at various nodes of the leather value chain;
- b) The quality and design of footwear and leather goods has significantly improved, as the SME have adopted new technical production techniques;
- c) The SMES' business approach has been transformed as business linkages with suppliers of leather and other accessories have been created;
- d) Improved collaboration and networking between government, private sector, academia and other leather value chain actors, and
- e) Enhanced knowledge base to influence policy and interventions designing among others.

The Institute implemented 92 different leather sector activities in 15 countries that encompassed technical and soft skills development of 160 SMEs covering Footwear design, Craftsmanship and export readiness; vegetable tanning; adherence to quality standards, Tanning clinic and tannery operation, cluster design, implementation and governance. ALLPI reviewed its 21 specialized short-term training modules and developed Vocational (Level I to III), Diploma and BSc level Curricula in leather technology for four countries. Other activities conducted at country level included strategy formulation, business plan designing for incubation/service centers, facilitating 63 SMEs participation in national and regional trade fairs, etc. ALLPI in all its activities gives due consideration to gender mainstreaming. In addition, ALLPI also conducted 37 crosscutting activities during the reporting period that included 12 project proposals development and submission to development partners, establishment of linkages with 11 regional and global institutions and 8 policies and guidelines development; engaging in 4 research project activities and others.

Some of the recorded and expected outcomes of ALLPI interventions at Member States level encompassed, improved value addition, and productivity, quality, and increased intra-trade in the region. The SMEs' business approach have been transformed, as SMEs have created business linkages with suppliers of leather and other accessories; SMEs competitiveness and growth enhanced; contributed to cleaner production systems and a

cleaner environment; efficient and effective implementation of the Cluster and Incubation programs; improved collaboration and networking between Government, private sector, academia and other leather value chain actors, and enhanced knowledge base to influence policies and interventions among others.

The 3rd Meeting of the Ministerial Committee on Industry held in Nairobi, Kenya 20th – 21st June 2019 after reviewing ALLPI report made the following decisions:

- i- ALLPI to become a knowledge and innovation based institution to support SMEs and to enhance their competitiveness;
- ii- ALLPI to support adoption of cleaner production technologies and appropriate environment conservancy;
- iii- ALLPI to adopt E-commerce and to strengthen the trade portal currently in use by linking it with other regional platforms.

The ALLPI accomplished activities for the year 2019, as measured by the key performance indicators, are presented in the Table 38.

Table 38: ALLPI Key Performance Indicators

Item	Target for the year	Actual	Variance (+/-)	Comments
Capacity Building Member States				
Production Skills	100	91	-9	Footwear and leather goods making trainings were conducted: Mauritius – 25 participants DR Congo – 30 participants Malawi – 11 participants Malawi- 25 participants
Training in vegetable tanning	50	41	-9	Zimbabwe-13 Participants Eswatini-28 Participants
Cluster Management	100	28	-72	Eswatini -26 Participants DR Congo-2 participants
SMEs, information managers, tannery supervisors and technicians training	95	-	-95	Delay in Member States contributions have impacted on timely implementation of activities; however, the following training programs are scheduled before close of year: 40 SMEs to be trained in adherence to standards 15 Information managers to be trained in regional data collection 20 tannery technicians in tanning clinic 20 tannery supervisors in tannery operation
Curriculum Harmonization	1	1	-	21 specialized short-term training modules were revised

Strategy and Policy Support to Member States	No specific target was set, as it was considered to be demand driven	5	-	Reviewed the Zimbabwe strategies Validated launch and unpacked the Mauritius Strategy Designed the strategy of FLEMEA, Uganda; Designed the Madagascar leather sector strategy
Capacity to implement strategies enhanced	30 participants	46	+16	17 from public and 29 from the private sector are invited for regional consultative forum where best practices in strategy implementations are shared
Facilitate SMEs participation in national Fairs	55	63	+8	10 Participated during the 11 th Edition All Africa Leather Fair; 4- SMEs showcased their products during the Commonwealth meeting in Nairobi; 20 SMEs showcased their products during APPSIC 2019 Conference, organized by Kymbogo University, Uganda in collaboration with ALLPI; 29 SMEs invited to showcase their products during the ALLPI regional consultative Forum.
ALLPI work showcased in regional and international forums through paper presentations	3	5	+2	ALLPI participated in 5 regional international forums through paper presentation. Two times at Africa Union, Addis Ababa. ACP meeting Dakar, Senegal. Commonwealth SMEs Association meeting, Nairobi. EAC meeting, Arusha, Tanzania.
Hold the regional Consultative Forum	1	1	-	Preparations are underway to hold the 13th Regional Consultative Forum.
Design a regional roadmap on occupational health and standards	1	1	-	A regional roadmap on occupational health and standards is towards finalization.
Design a regional roadmap on effluent and environment management upgrading	1	1	-	A regional roadmap on effluent and environment management upgrading is towards finalization.

Fund Raising				
Number of Proposals to be submitted	6	12	+6	<p>COMAID (RISM funded projects)</p> <p>DRC 8th Call - € 366,360</p> <p>Madagascar 7th Call - . €298,200.00</p> <p>eSwatini 8th Call - €300,000.00</p> <p>Zimbabwe 8th Call -€150,000.00</p> <p>Other Fundraising proposals submitted to donors:</p> <p>Proposals to support continental projects were developed and submitted to potential partners that include:</p> <p>BADEA – US\$ 700,000.00</p> <p>EU: Regional enterprise competitiveness and access to markets programme (RECAMP)</p> <p>Component: Enhanced competitiveness in leather value chain</p> <p>BASF: Africa Shoe Concept; 1 million pairs</p> <p>ISDB: US\$ 2,721,010.00</p> <p>Eximbank</p> <p>Solidaridad- US\$ 278,250.00</p> <p>Switzerland US\$ 100,000.00</p> <p>ACP - US\$ 31,551.25</p>
Develop an intimate relationship with development partners	10	11	+1	<p>Solidaridad South Africa</p> <p>Solidaridad East Africa</p> <p>Style Modainpelle Company (Mpa Srl)</p> <p>Informa Egypt LLC</p> <p>French delegation</p> <p>ILO</p> <p>Olymia India</p> <p>Islamic Development Bank</p> <p>Trade and Fairs Consulting GmbH</p> <p>ALLPI participated on IULTCS 2019 in Germany</p> <p>BASF</p>
BADEA Technical Assistance Support	1	1	-	Footwear and leather goods making equipment for 6 beneficiary countries for a total sum of 400,000.00USD under BADEA Technical Assistance Support project is on shipment.
MOUs Signed	No set number, as this is demand driven	3	-	<p>Ege University, Solidaridad East Africa</p> <p>Style Modainpelle Company (Mpa Srl)</p>

Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM)

With the specific mandate to support women in business in the region, a COMESA specialized institution, the Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM) was established in 1993 and is headquartered in Lilongwe, Malawi. The Federation of National Associations of Women in Business (FEMCOM) is one of the COMESA Institutions established to meet appropriate Treaty provisions under Article 155.;

A key priority of FEMCOM at country level has been focused on strengthening of women-owned business enterprises working through the FEMCOM National Chapters and Young Women Entrepreneurs Associations. The work undertaken by FEMCOM has been critical to ensuring that the region has viable and robust women owned enterprises which contribute to economic development. The support to national chapters extends mainly to enhancing productivity of female owned SME's in identified value chains, networking and exchange of information, and access to credit and capital through partnerships with the Trade and Development Bank and NEPAD to mention but a few. The following activities were implemented in 2019;

a. **Strengthening of FEMCOM Institutional and Financial Capacity**

Capacity strengthening of the Secretariat: FEMCOM successfully recruited Ms. Ruth Negash as the new Chief Executive Officer replacing Mrs. Katherine Ichoya who completed her term.

FEMCOM AGM and Board Meetings: The Board and AGM were convened from 17th to 18th June 2019 in Mauritius which made resolutions including the appointment of the new CEO. FEMCOM also convened a retreat for the Board members from the 18th to 19th October 2019 in Salima, Malawi which retreat considered the progress made in the review of the FEMCOM Charter and the Medium Term Strategic Plan. The Board also reviewed progress on the establishment of the FEMCOM office Complex.

Branding of National Chapters: FEMCOM developed Chapter guidelines which will help in the harmonisation of the vision and mission.

Construction of the FEMCOM Complex: Pursuant to the COMESA Council Decision of 2018, a Task Force was established to foresee the implementation of the FEMCOM office complex. The Task Force is comprised of representatives of FEMCOM Secretariat, COMESA Secretariat and Government of the Republic of Malawi (Ministry of Trade, Foreign affairs, Ministry of Public Works, Ministry of Finance and Ministry of Gender.)

Capacity strengthening of the FEMCOM Chapters: In order to strengthen the capacity of the National Chapters, FEMCOM Secretariat has supported the development of the Medium-Term Strategic plans for the Chapters in Malawi, Uganda and Zambia. Furthermore, Chapters in Malawi, Uganda, Sudan, Tunisia and Zambia have appointed their liaison officers who are working closely with FEMCOM Secretariat.

Revision of the FEMCOM Charter: FEMCOM chapters proposed amendments to the current charter as per the COMESA Council of Ministers. The amendments were circulated to all chapters for their inputs.

Mid Term Review of the FEMCOM Medium Term Strategic Plan: FEMCOM undertook a review of its 2016-2020 Medium Term Strategic Plan focusing on assessing how effective the MTSP has been in supporting the realisation of FEMCOM agenda. The outcome of the review shows that FEMCOM is on track in the implementation of the programs and strategies

b. Trade and Investment Facilitation

Cassava and textiles cluster: FEMCOM supported the FEMCOM Chapter in Zambia to renovate its cassava processing plant under the Cassava Cluster project. Further, it supported the Chapter in the development of a proposal on textiles and they have mobilized textile equipment. Video documentaries on the textiles cluster project in Nairobi and Cassava cluster in Lusaka, Zambia and Busia, Kenya were produced with support of the Corporate Communications Unit at the Secretariat.

The Business Incubator for African Women Enterprises (BIAWE): Worked with AUDA-NEPAD to install equipment at the Kenya Business Incubation Centres and will be working closely to deliver and install in Burundi and Eswatini. The project will use the equipment during the business incubation process. A total of 61 women were trained in entrepreneurship development (marketing, business planning and contract management) in Eswatini.

c. Access to Credit and Capital

The Trade and Development Bank for Eastern and Southern Africa signed an MoU with FEMCOM for the development of the guarantee scheme while AUDA-NEPAD have provided their inputs for the development of the mandate letter on the credit guarantee.

The BIAWE fund will provide €100,000 for setting up of the credit guarantee scheme. TDB will use the funds to complement its interventions on credit guarantee in the 4 pilot COMESA Member States (Burundi, Eswatini, Kenya and Sudan).

d. Advocacy, Public Awareness and Branding

Provision of Technical Advisory Services to FEMCOM Chapters: FEMCOM provided technical advisory services to its Chapters in Zambia, Malawi, Sudan, Tunisia and Uganda.

Visibility activities: School Greening Initiative and Media coverage: FEMCOM Secretariat working in partnership with the Malawi National Chapter supported the greening exercise at Chitipi Primary school in Lilongwe. FEMCOM also worked with COMESA Corporate Communications unit to cover its activities in the website's newsletter to publish the implementation of its activities.

ZEP-Re (PTA Reinsurance Company)

ZEP-RE (PTA Reinsurance Company) was established by an Agreement signed by Heads of States and Governments on 23rd November 1990 in Mbabane, Swaziland. The signatory Member States to the Agreement include Angola, Burundi, Comoros, Djibouti, D.R. Congo, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, Somali, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe. ZEP-RE's key mandate is to promote and develop the insurance industry of the region. ZEP-RE is headquartered in Nairobi, Kenya and operates three regional hubs namely the Southern Africa Hub based in Harare, Zimbabwe, the Eastern and Central Africa Hub based in Nairobi, Kenya and the Western Africa Hub based in Abidjan, Côte d'Ivoire.

Shareholding

ZEP-RE currently has 37 shareholders comprising: 6 governments, 13 government owned insurance and reinsurance companies, 15 private companies, 2 COMESA institutions (the COMESA Secretariat and the Trade and Development Bank) and 2 development finance institutions.

2019 Performance

ZEP-RE underwrote US\$ 207 million in premium income compared to US\$179 million underwritten in 2018, a 16% growth in business. This was a positive milestone given the fact that growth was achieved against a backdrop slow growth in most of the region's insurance markets. The Company's posted an underwriting profit of US\$ 29 million compared to the underwriting profit of US\$ 10 million in 2018. The increase in underwriting profit was mainly due to a deliberate strategy that focused on profitable underwriting aligned to top line growth. The table below details movement in key performance areas between the years 2017 and 2019.

Table 39: Key performance areas

	2019	2018	2017
Gross Premium	207,109,631	178,534,940	152,132,360
Net Premium	147,431,792	126,591,577	114,155,893
Net Claims Incurred	83,378,583	74,804,948	55,551,349
Underwriting Profit	5,631,308	1,821,135	12,400,636
Total Assets	435,025,979	383,975,277	373,417,620
Shareholders' Funds	262,319,535	229,745,883	227,451,079
Net Profit	28,765,485	10,144,760	23,852,766
Combined Ratio	96.1%	98.5%	88.9%

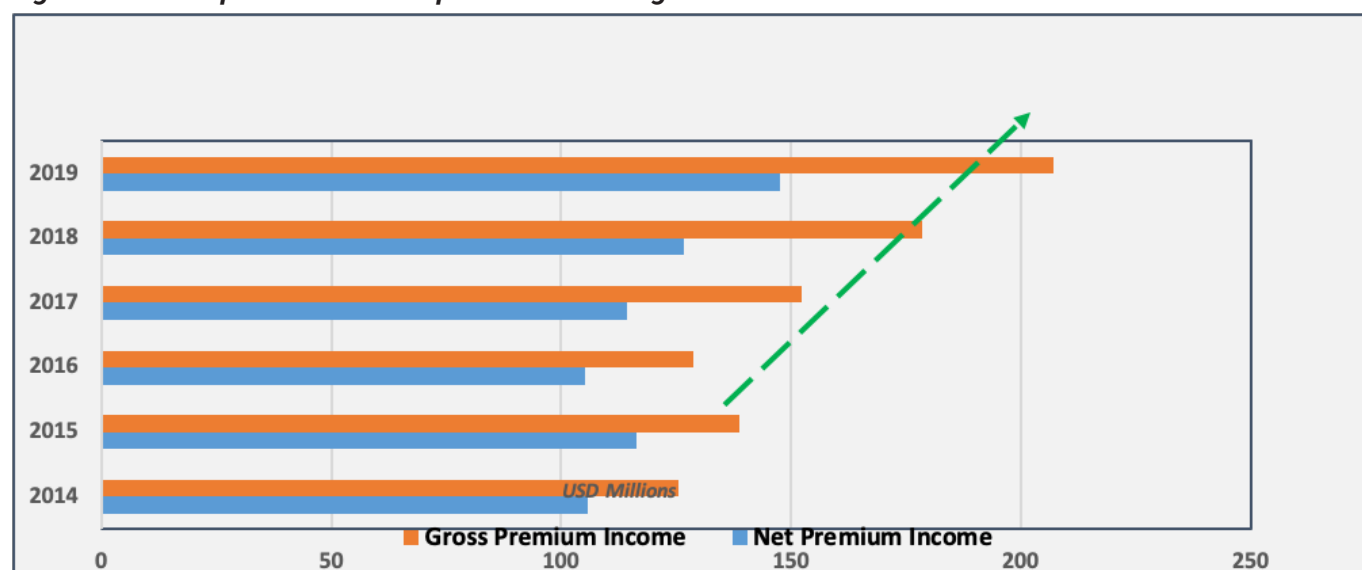
Territorial Spread of Business

The COMESA region still forms the core market of ZEP-RE. The table below show that as at 31st December 2019, business from the COMESA region represented 75% of all the business underwritten by ZEP-RE.

Table 40: Business from COMESA Region

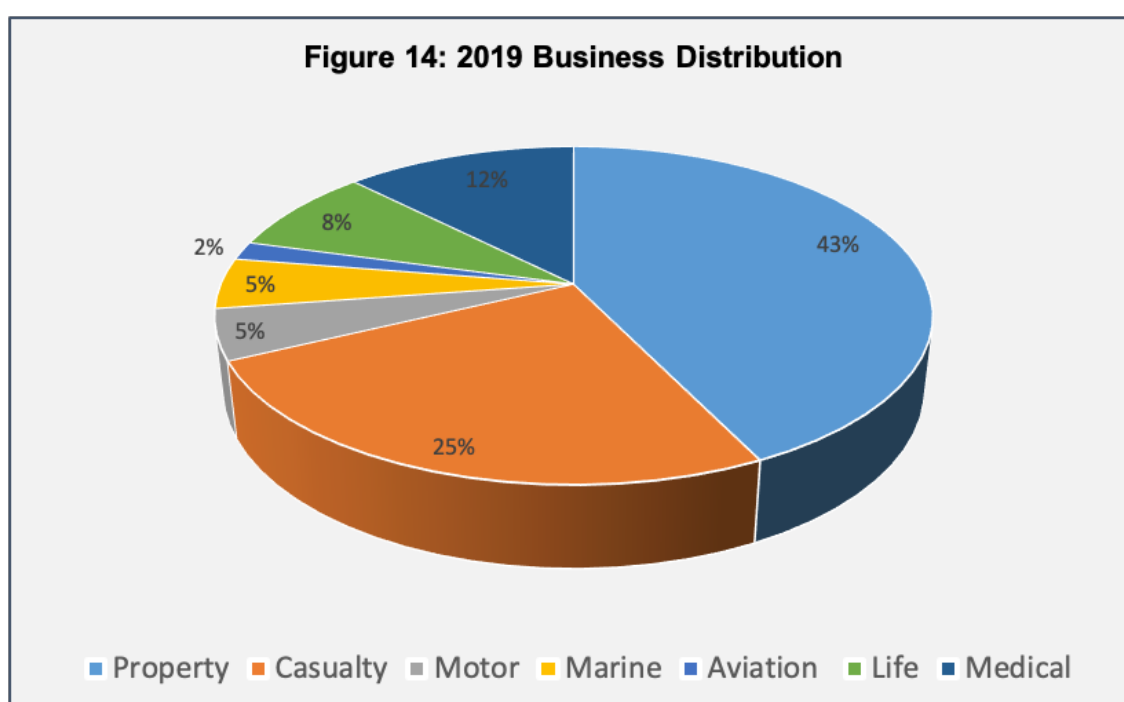
Region	2019		2018	
	Gross premium USD	%	Gross premium USD	%
COMESA	155,386,981	75	133,292,294	75
Non – COMESA (Africa)	25,025,582	12	21,349,960	12
Other regions	26,697,068	13	23,892,686	13
Total	207,109,631		133,292,294	

Figure 13: Gross premium and net premium income growth



Business spread

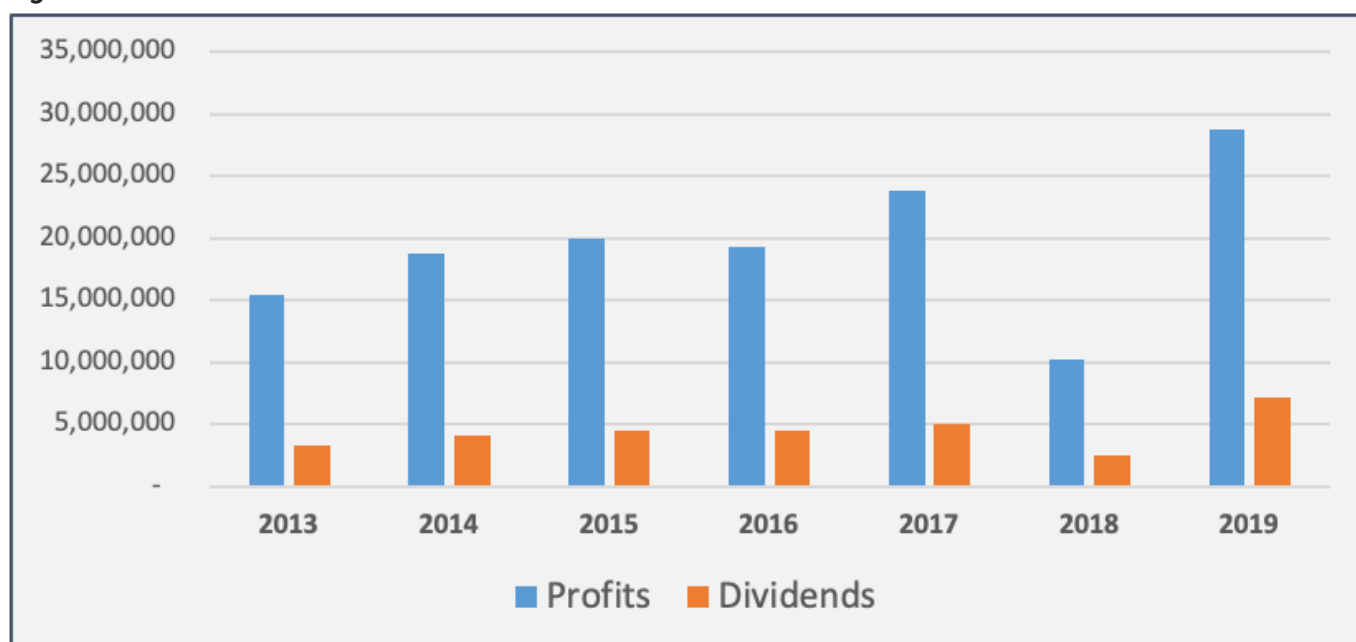
A spread of business underwritten by ZEP-RE in 2019 is shown in the chart below. Property was the largest class of business underwritten followed by casualty, medical and life.



Profit and Dividends

Increased business and profitability by ZEP-RE translates into returns for shareholders, growth in equity and an increase in the assets of the Company. Dividends so far paid out against profits are shown below: -

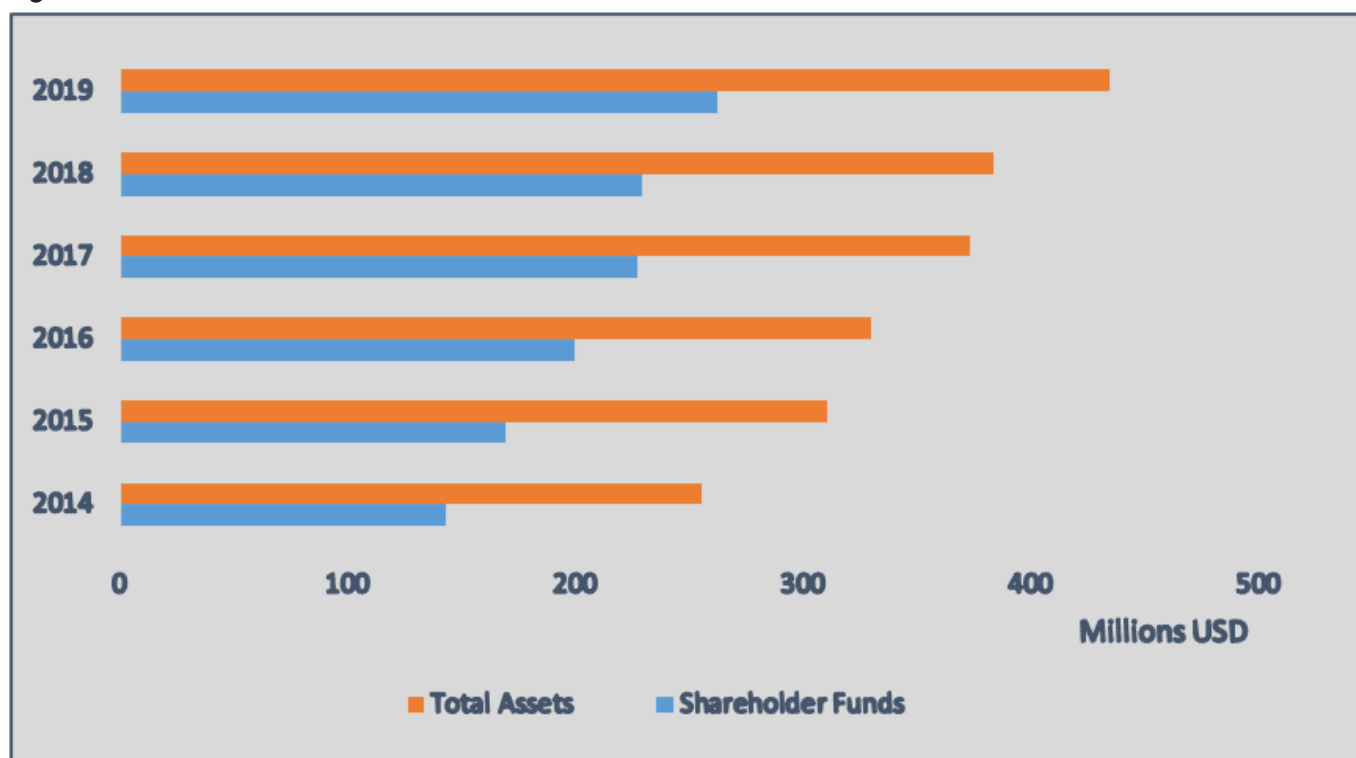
Figure 14: Profit and Dividends



Assets and Shareholder Funds

The Company has managed to sustain steady growth in its equity and total assets, a critical component that enables the Company to service the insurance industry of the region effectively.

Figure 15: Assets and Shareholder Funds

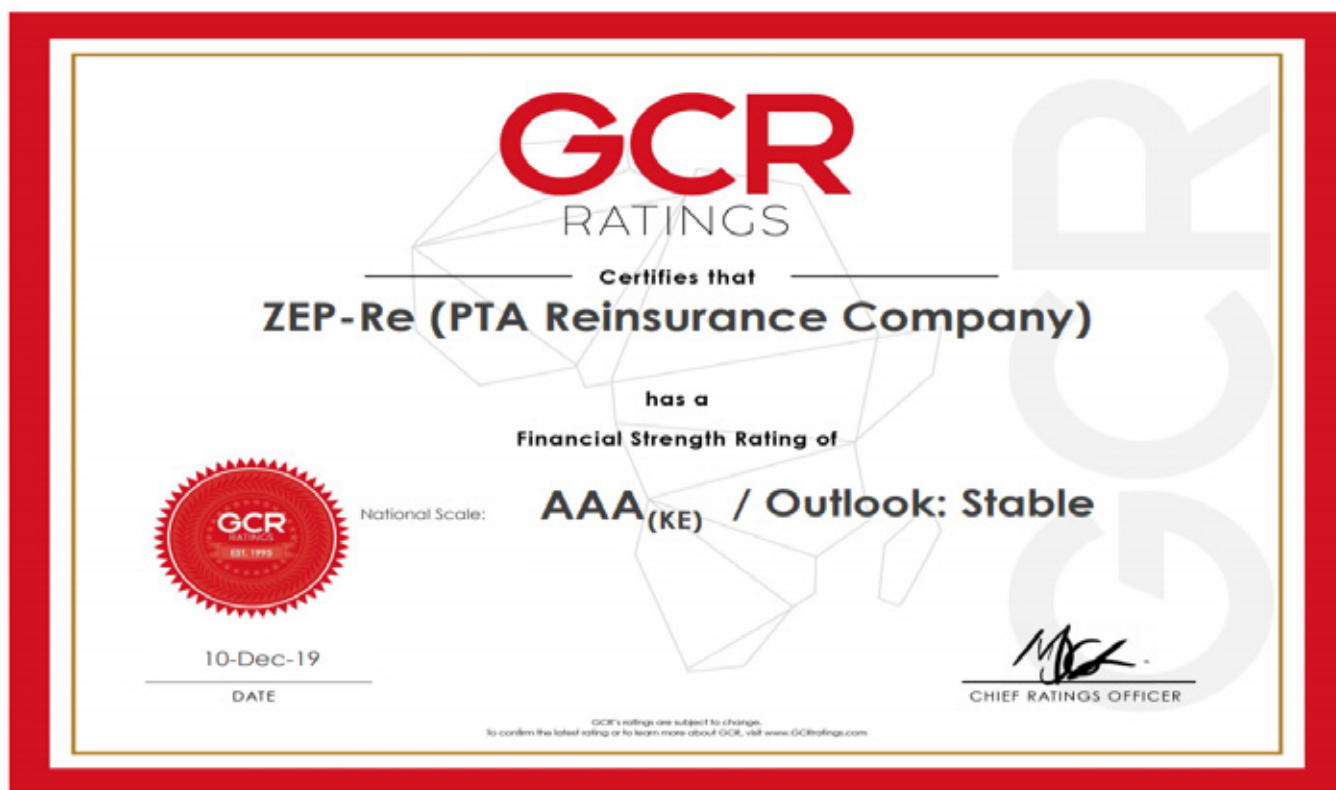


Rating

AM Best Rating; In 2019 ZEP-RE retained its AM Best financial strength rating of “B++” and an issuer credit rating of “bbb”. The good rating was mainly due to ZEP-RE’s excellent risk-adjusted capitalization, resilient underwriting profitability, and an improved regional competitive position.



GCR Rating: The Company improved its claim paying ability rating of “AAA” from Global Credit Rating (GCR) agency of South Africa, the highest rating threshold available for any company on the African continent.



Focus going forward

Strategic Focus: in 2019 the Company's started the implementation of a new long-term strategy aimed at ensuring the Company becomes a leading reinsurance service provider on the African continent. To achieve this goal the Company has set itself an ambitious goal of becoming a USD 1 billion premium company by 2026. The Company intends to achieve this goal through business leadership in our markets and expansion into new business frontiers with a view to building a solid base.

Business consolidation and growth: ZEP-RE's business focus is to consolidate its position in the key traditional markets and diversify into non-traditional growth markets that offer good profitable business. This strategy is being effect through three key hubs based in Abidjan (serving the western Africa business), Harare (serving the southern Africa business) and Nairobi (serving the eastern and central Africa and international business).

Member States Support and Participation

The Company intends to also continue with its strategy of involving and interesting participating and non-participating COMESA Member States respectively in its activities. The Company recognizes that the goodwill and active participation of Member States of the region have been key in assisting ZEP-RE achieve the goals so far realized. ZEP-RE is grateful to the support received from COMESA Policy Organs including the decision of the 40th COMESA Council of Ministers which resolved as follows:

(i) *Implementation of COMESA Authority Resolution on premium retention*

Member States were requested to implement the Resolution of the COMESA Authority of Heads of State and Government which directed that *".....In order to enable consistent and sustained growth of the African insurance and reinsurance market, COMESA Member States should implement policies that enable the maximum retention of premiums to enhance investments within Africa...."*.

To action the above Resolution, Member States were urged to designate relevant authorities in their territories to work with ZEP-RE in developing policies that will promote local content and retention of premiums including the domestication of business lines where there is adequate local capacity to insure the risks and the implementation of rules requiring key economic sectors and major infrastructure projects should first exhaust local insurance and reinsurance capacity before they risks are placed out of the region.

(ii) *Facilitation of ZEP-RE activities*

Signatory Member States to the ZEP-RE establishment agreement were requested to facilitate the business activities of ZEP-RE in their territories by allowing the Company to operate without hindrance. This was meant to help ZEP-RE discharge its mandate in the region.

(iii) *Forex allocation and facilitation of movement of funds by Member States*

In order to support the activities of ZEP-RE and to enable the Company meet its ongoing obligations (payment of claims and investment of funds across the region), Member States were requested to prioritize the Company's forex allocation requests and allow easy movement of funds into and out of their respective territories.

(iv) *Developmental impact activities*

Member States currently not partnering with ZEP-RE in developing insurance products with high social impact were encouraged to collaborate with the Company to develop insurance products.

(v) *Non-Participating Member States*

Member States not participating in the activities of the Company were urged to consider and join the activities

of the Company either by acceding to the establishment agreement, subscribing for shares and or facilitating the business and operational activities of the Company in their territories. ZEP-RE is currently following up the respective Member States to implement the above decisions.

ZEP-RE Academy

As part of enhancing the training mandate under its charter, ZEP-RE established a training Academy with a view to improving and formalizing the training of insurance personnel in the region and creating a certification process for insurance training across the region. The Academy is being run in partnership with the College of Insurance in Kenya with ZEP-RE providing the training while the College of Insurance oversees the examination and certification process. In 2019 the Academy undertook and certified over 100 insurance personnel in the region with trainings held in Kenya and Tanzania. The Academy has embarked on the next training phase which in addition to the certification course is also focusing on regulators, policy makers and CEOs of the region to equip them with knowledge to maneuver challenges currently affecting the region's industry.

Developmental Initiatives

In exercise of its developmental mandate within the jurisdiction of its charter and as part of its value proposition within the markets in which it operates the Company executed the following initiatives in concert with the above institutions.

Engagement with COMESA Secretariat on Financial Inclusion: Engagements were held with the COMESA Secretary General on how to enhance financial inclusion within the COMESA region;

Support of Development Initiatives in the Region: The Company was involved in several development initiatives in the region including;

- i- Support for the Country wide Social Security/Pension and Affordable Housing schemes In Rwanda.
- ii- Technical support and provision of reinsurance cover to the Farmer Input Support Programme (FISP) in Zambia. Currently over 1 million farmers benefit from the FISP programme.
- iii- Local servicing support for credit life and casualty for low income households (micro insurance) in Kenya, Zimbabwe, Uganda, Rwanda and Mozambique.

Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)

ACTESA was established in 2009 to support Comprehensive African Agriculture Development Programmes (CAADP) efforts through agricultural commodity trade. ACTESA is a critical specialized agency of COMESA agency of COMESA that integrates small farmers into national, regional and international markets. ACTESA supports boosting of intra-regional agricultural trade through supporting small-scale farmer's access to agricultural input, output and financial markets through;

- i- Delivering comprehensive and evidence-based policy findings and improving the policy environment for investment and agricultural trade;
- ii- Providing market linkage support, easing smallholder farmers access to, and strengthening market services and facilities;
- iii- Building capacity for the commercialization of smallholder farmers.

In 2019, the ACTESA Draft Strategy 2020-2030 was developed. The new strategy shall strive to boost intra-regional agricultural trade through supporting small-scale farmer's access to agricultural input, output and financial markets.

COMESA Seed Programme

A major programme in the MTSP is the COMESA Seed Programme, which is implemented within the framework of the COMESA Seed Harmonization (COMSHIP). Quality and improved seed is a critical input to boost agricultural productivity, however availability of quality and improved seed in the COMESA region in terms of variety, accessibility, and volume currently stands at a meagre 23%. This is mainly caused by the lack of harmonized national seed policies in the COMESA and SADC regions which manifests in diverse and complex seed trade laws and regulations for seed production, certification, variety release and phytosanitary measures for seed import and export. The total seed being traded in the COMESA-EAC-SADC Member States averages USD1.4 billion, equivalent to less than 2% of global seed trade. With a harmonized seed trade system, growth in the seed sector could reach USD5 billion in the next five years and more than double staple food production and trade.

The COMESA region is home to major seed producing countries in Africa including Egypt, Kenya, Malawi, Uganda, Zambia and Zimbabwe, however, the levels of seed supply remain stagnant as regional access to seed is limited by the lack of harmonisation in seed laws and the current state of different laws in the various jurisdictions, this subsequently affects the procedures and systems applied in the value chain. This leaves seed companies with no alternative for marketing and supply other than their domestic markets to which they are limited to focus on, as they fail to penetrate regional markets where a great demand exists. It is vital to note at this instance for the purposes of further clarification, that seed companies are limited by the high costs involved in entering new national markets. Integrating these individual markets into one COMESA-wide market is a fundamental prerequisite for improved small-holder productivity as well as growth of the region's private sector operating in the seed industry. COMESA has made considerable progress in the harmonized seed trade regulations within COMSHIP which requires domestication of the COMESA Seed Trade Harmonization Regulations and testing of the COMESA Seed System. The overall goal of COMSHIP is to implement COMESA Seed Trade Harmonisation Regulations leading to increased seed production, reliability, trade and competitiveness of the seed industry in the COMESA region.

In 2019, the status of COMSHIP was as follows;

- a. COMSHIP has been officially launched in 18 COMESA Member States namely; Burundi,

Comoros, Djibouti, DR Congo, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Mala, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda Zambia, Zimbabwe and only remaining with Libya, Tunisia and Somalia.

- b. Eight COMESA Member States of Burundi, Egypt, Malawi, Rwanda, Kenya, Uganda, Zambia and Zimbabwe have completely aligned their national seed laws to the COMESA Seed System. Five other COMESA Member States of Djibouti, Eritrea, DR Congo, Ethiopia, and Eswatini are advancing steadily in domesticating the COMESA Seed Trade Harmonisation Regulations as they have draft COMESA aligned national seed laws / regulations awaiting official gazette at national level. The remaining eight COMESA Member States, namely Comoros, Madagascar, Libya, Mauritius, Tunisia, Somalia, Seychelles and Sudan are yet to align and domesticate the COMESA Seed Trade Harmonisation Regulations.
- c. COMESA Seed Training Programme was developed and implemented and so far with 270 delegates (23% female) were trained from 13 COMESA Member States, namely Burundi, Djibouti, D.R Congo, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe, of which 6 are members of SADC and 7 are members of EAC
- d. COMESA Variety Catalogue in on-line with 73 varieties regionally released. The programme developed and printed 4.5 million COMESA Seed Labels and 2,500 Regional Seed Certificates to be utilized by seed companies for large seed assignment crossing the borders and in-country seed trade in smaller packages.
- e. To make the private and public sector accountable in COMSHIP, the COMSHIP Mutual Accountability Framework (COMMAF) has been developed in close collaboration among COMSHIP partners, namely COMESA Member States, Seed Companies, Non-Governmental Organisations and Farmer Organisations.
- f. The programme is developing the COMESA Seed Information System (COMSIS), in closed collaboration with the African seed Access Index (TASAI) and Integrated Seed Sector Development aimed at measuring changes in seed sector performance in COMESA Member States.

COMESA Business Council

The COMESA Business Council (CBC) is a business member organization, and a private sector institution of COMESA established in 2005. It is the recognized regional apex body of the Private Sector and Business Community in the COMESA region. With the vision of, *"Building Regional, Going Global"*, CBC has three service pillars which are; Business Policy and advocacy, Business Facilitation and Membership development.

a. Business Policy and Advocacy

A summary of business and advocacy activities carries out by the CBC in 2019

Table 41: Summary of CBC activities

Name	Activity	Output/Results
Source 21 COMESA High-Level Business Summit	CBC in partnership with the Kenya Association of Manufacturers, and the Government of Kenya together with COMESA convened the Source 21 COMESA International Trade Fair and High-Level Business Summit in July 2019.	One (1) Business Declaration adopted to inform quality sourcing in COMESA. 500 high level business delegates participated, including four Heads of State, regional corporations, 13 Ministers and diplomatic missions.
Inter- COMESA Institutional Collaboration	CBC collaborated with ZEP-RE and ATI and TDB who sponsored the Source 21 High Level Business Summit while CCC and CCJ exhibited at the Trade Fair. In November 2019, CBC partnered with the FEMCOM-Zambia Chapter, ZFAWIB and trained 9 women led SMEs on digital tools and online marketing.	Four young entrepreneurs were supported to promote their products in the Source 21 International Trade Fair and pitch their business expansion proposals to financial institutions and manufacturers.
Three studies carried out to inform business policy	CBC completed the following studies to inform business policy: i. A mapping assessment study titled, <i>"Promoting Agro-Industry Supply Chains along the Transport Corridors of Eastern and Southern Africa"</i> , with a focus on agriculture. ii. A business case report titled, <i>"Tobacco Sustainability in Africa: A Business Outlook on the Social, Economic and Environmental Impact of Tobacco Farming in the Eastern and Southern African Region"</i> , with a focus on tobacco farming. iii. A survey report titled, <i>'Business Trader Observer (BTO); An annual survey of business impediments along trade and transport corridors in COMESA'</i> . The survey focused on four sectors: consumer goods, seeds and grains, pharmaceuticals and tobacco.	Three studies completed: The Agro Industry study informed the technical input of the Source 21 High-Level Business Summit, and Business Facilitation Handbook. The "Tobacco Sustainability in Africa" report has informed advocacy agendas at national, regional levels and international levels. The Report has been used to define and provide input to national and regional advocacy agendas.
CBC Business Integrity Project on anti-corruption compliance for businesses.	Anti-Corruption Compliance training of 41 SMEs conducted in Zambia.	The CBC Regional Code on anti-corruption compliance was completed, to be adopted by the CBC Board and Annual General Assembly.

5 Policy positions presented and adopted by the policy makers	<p>In 2019, CBC presented policy position reports to the following meetings:</p> <ol style="list-style-type: none"> 3rd Industrial Technical Committee and Council of Ministers Meetings held in June 2019. Trade and Trade Facilitation and Heads of Customs meetings held in Kenya, in October 2019. Intergovernmental Committee and Council of Ministers meeting in November 2019. Senior Finance Expert Meeting in December 2019. 	Five sectoral position papers were adopted by the above policy making platforms.
Joint Advocacy with members.	<p>CBC partnered and participated in various meetings and conferences organized by key industry stakeholders and partners to advance advocacy agendas and leverage partnerships. This included the following meetings;</p> <ol style="list-style-type: none"> Scaling Digital Financial Inclusion in Africa meeting. 4th Global Anti-Illicit Trade Summit which structured practical solutions to tackle illicit trade on the African continent. African Continental Free Trade Area (AfCFTA) Trade in Services Signaling Conference. Leaders in Regional Digital Payment Systems in Africa - peer to peer learning meeting for RECs Uganda - Tanzania Business Forum. Regional Preparatory Workshop of Women Business Leaders for the Great Lakes Investment and Trade Conference 	<p>CBC advocacy positions presented in different national, regional and continental platforms.</p> <p>This has increased awareness on some of the advocacy positions and also of CBC, throughout the region.</p>
CBC Digital Financial Inclusion Project for MSMEs	<p>CBC is implementing the Digital Financial Inclusion Project for MSMEs which focuses on establishing a regional integrated digital common payment scheme that lowers transaction costs for Small and Medium Enterprises (SMEs). The following are some of the project outputs of 2019:</p> <ol style="list-style-type: none"> CBC Advisory Committee: A multi- stakeholder advisory committee was constituted. Business Case Development: Field work was carried out in 5 countries in 2019, with 4 countries earmarked in 2020. Engaged other stakeholders as partners for peer learning and other collaborations in implementing the Project: ITU, SADC Bankers Association, World Bank, Econet Wireless, Vodacom and COMESA Clearing House, Coca Cola and Bayer. Trained the 140 SMEs on digital tools, online market platforms and BIZNET E-market in Uganda, Zambia and Zimbabwe. 	<p>149 SMEs in five countries trained on digital technical skills and developing online enterprise presence on various marketing platforms.</p> <p>Set up an Advisory Committee of 12 members from the mobile industry, banking sector, financial and ICT regulatory bodies, manufacturing industry and SMEs to drive the project.</p>

b. Business Facilitation

CBC developed platforms and activities that promoted partnerships and linkages amongst businesses. Furthermore, inform businesses on various trade opportunities available in the region and beyond. The following activities were carried out in 2019;

Table 42: Business Facilitation

Name	Activity	Result/ Output
a) Provision of Market Information	10 Trade and market briefs developed and disseminated:	Ten technical papers on products and market intelligence developed and four market surveys and reports generated.
b) Business Facilitation Handbook	Developed a Business Facilitation Handbook.	Handbook launched during the Source 21 High-Level Business Summit. To be validated and relaunched in 2020
c) Business Linkages Platforms	Two Business Linkages platforms: including The Source 21 International Trade Fair July 2019, and Local Sourcing for Partnerships Business Linkages meetings in Uganda and Zimbabwe	Buyer-supplier platforms established
d) Strengthened stakeholder engagements at an international level	Linkages and partnerships facilitated with: <ul style="list-style-type: none">- Confederation of Indian Industries,- Schweppes Zimbabwe and- Mauritius Economic Development Board (EDB) and Exporters	<ul style="list-style-type: none">- MOU signed with Confederation of Indian Industries.- The Mauritius Economic Development Board joined CBC as members.- Schweppes engaged in Digital Financial Inclusion Project for Enterprises.

c. Membership Development

This focuses on strengthening collaboration between CBC and the business community at national level to effectively provide services to the business community. The following are the key results achieved between January and November 2019;

Table 43: Membership development results

Name	Activity	Result/ Output
Strengthening enterprise competitiveness through training.	Local Sourcing for Partnerships training carried out in Zimbabwe and Uganda in partnership with the Private Sector.	140 SMEs trained on basic standards and food safety management systems in both Uganda and Zimbabwe
Membership Communication	Published bi-weekly reports, business insiders, research papers, newsletters and policy briefs that are widely disseminated.	55 BIZNET newsletters developed and disseminated.

d. Institutional Development

The focus is on strengthening the operational and management framework of the institution with a vision of meeting institutional sustainability. The following was the scope of focus for the year 2019.

Table 44: 2019 scope of focus in institutional development

Name	Activity	Result/ Output
CBC Staff Retreat	Staff retreat to improve CBC's operational efficiency.	Performance Improvement RoadMap developed
CBC Digital Services Strategy	CBC Digital Services Strategy developed	Digital Services Strategy developed
Partnerships and support	Young professional program initiated to support young graduates to gain exposure on issues of regional integration and private sector development.	Young Professional Program – one intern recruited for six months.
Strengthening Corporate Social Investment	Visited the Vision of Hope, a social welfare organization that focuses on serving the specific needs of underprivileged female youth on the streets in Zambia	CBC staff contributed food, and other personal care supplies to the organization.

e. *Financial Summary Report*

CBC's financial position remained strong during the period January to December 2019. It raised a total of US\$1,825,492.00 for programs. The total consolidated expenditure during the period was US\$1,315,097.00. CBC development partners included; the private sector membership, United States Agency for International Development (USAID), Centre for International Private Enterprise (CIPE), African Development Bank (AFDB), Bill and Melinda Gates Foundation (BMGF) and the International Trade Centre (ITC).

The COMESA Yellow Card Scheme

The Regional Third-Party Motor Vehicle Insurance Scheme, Annex II to the COMESA Treaty was established in 1986 under the provisions of Paragraph (e) of Article 85 of the COMESA Treaty. The Scheme became operational in 1987 following the signature by specific COMESA Member States of the Protocol on the establishment of the Regional Third-Party Motor Vehicle Insurance Scheme, commonly known as the COMESA Yellow Card Scheme. The main objective of the Scheme is to facilitate the movement of vehicles, goods, people and services within the COMESA region. This is by eliminating barriers that inhibit trade facilitation through provision of a compulsory third-party motor vehicle insurance scheme that provides at least minimum guarantees as those required by the laws in force in the territories of visited Member States. Currently, the Yellow Card Scheme is operational in 13 COMESA and non-COMESA Countries, namely; Burundi, Djibouti, DR Congo, Eritrea, Ethiopia, Kenya, Malawi, Sudan, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. Over 250 Insurance companies participate in the scheme.

The Yellow Card Scheme has over the years implemented initiatives aimed at enhancing operational efficiency resulting in unprecedented growth which include;

- i- Inclusion of additional third-party property damage cover for member Countries where such cover may not be included in the minimum compulsory third-party insurance cover;
- ii- Inclusion of emergency medical expenses cover for driver(s) and passengers of insured visiting motorists;
- iii- Establishment of the Reinsurance Pool in 1998 to offer reinsurance cover for participating member insurance companies for extended risk exposure for underwriting regional risks and fund management services to the Scheme; and

- iv- The automation of the Yellow Card Scheme operations through the development of the Yellow Card Management Information System (YC-MIS) and the digitalization of the Yellow Card operations in line with the vision of the COMESA Secretariat to streamline COMESA applications into a robust e-trade application that would encompass all COMESA trade facilitation tools.

a. *Operational Performance of the COMESA Yellow Card Scheme In 2019*

Key achievements of the Yellow Card Scheme in 2019 include the full implementation of digital Yellow Card platform in all Member States. The Digital Yellow Card will inject efficiency in the operation of the scheme by ensuring that all Yellow Cards are issued through the system and hence provide real-time data access by all participating parties including law enforcement agencies in Member States. This eliminates challenges facing the scheme such as forgery and delayed confirmation of Yellow Cards, among others. The claims management module and the Mobile Yellow Card application have been developed and ready for roll out soon. Over 168 insurance companies and 3,900 users are utilizing the system daily. Angola, Eswatini, Mozambique, and South Sudan are expected to join the Scheme in the near future.

During the 2019 period, over 210,686 Yellow Cards were issued to travelling motorists, generating a total annual premium income of US\$11.2 million and over 800 claims for road accidents victims caused by visiting motorists were handed.



Source: Adobe stock

Figure 16: Digital Yellow Cards Issued in 2019

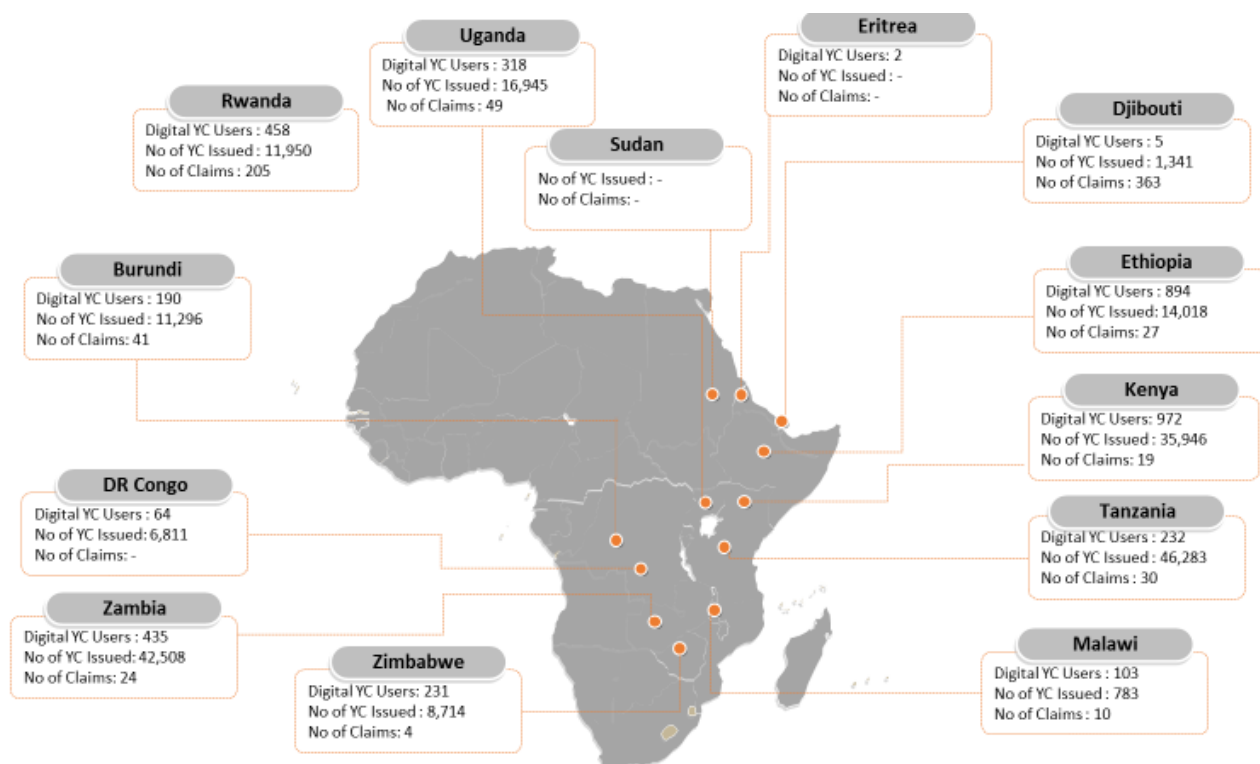


Figure 17: Premium Income Generated in 2019 in US\$

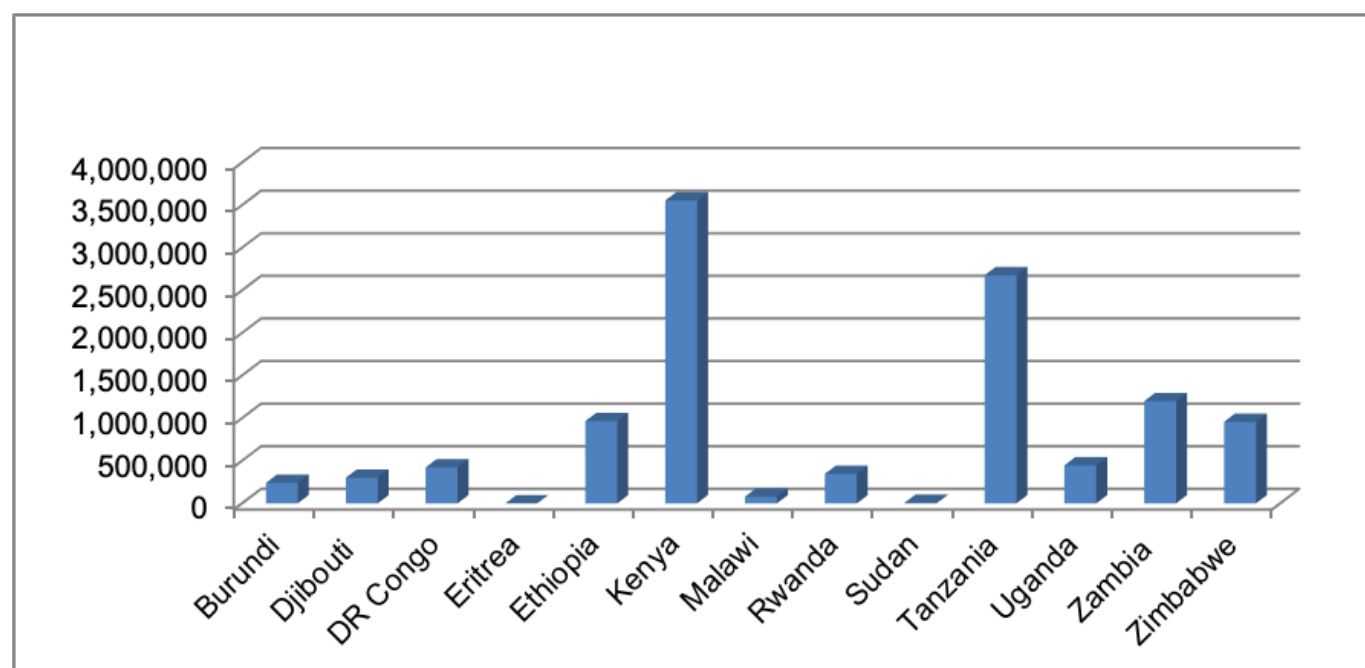
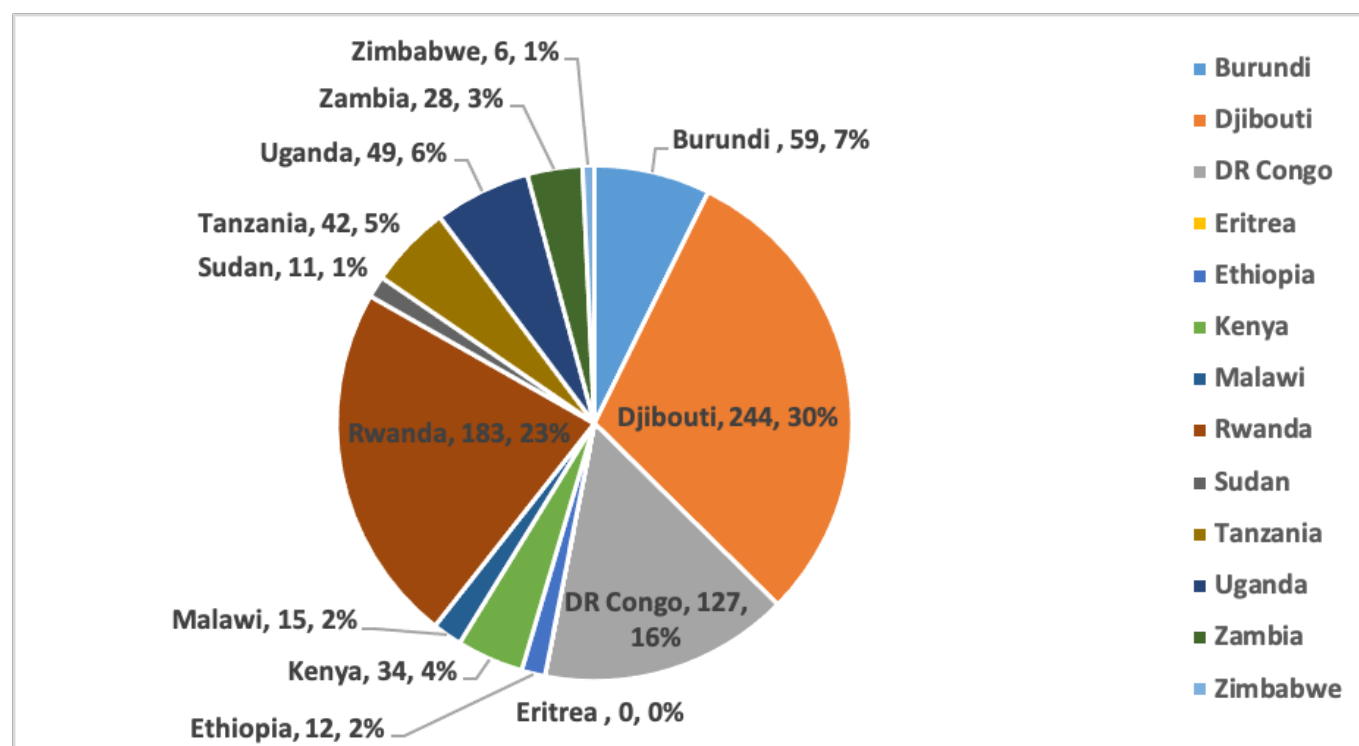


Figure 18: Number of Yellow Card Claims in 2019



b. Yellow Card Reinsurance Pool

As at 31st December 2019, the Yellow Card Reinsurance Pool's total assets had increased to US\$16.59 Million with an investment in money markets of US\$11.77 Million. Below is a summary of the outlook of the Pool's financial standing.

Figure 19: Yellow Card Reinsurance Pool Financial Performance

	December 2019	December 2018
	US\$	US\$
Gross premium income	3,968,641	3,322,142
Reserve fund	9,785,612	9,474,077
Total assets	16,594,644	14,475,366
Capacity subscription	50,000	50,000
Short-term investments	11,774,051	10,790,195

c. Yellow Card Scheme Expansion Plans

Owing to the success of the Scheme, several countries within and outside the COMESA region have expressed interest to join. To this effect, engagements are at advanced stages with South Sudan, Eswatini and Angola on the modalities of ensuring that these interested countries adopt and join the Yellow Card Scheme. An additional notable expansion prospect is to Mozambique owing to the potential increased trade links with Malawi, Zambia and Zimbabwe.

d. **Yellow Card Scheme Medium Term Strategic Plan 2018- 2022**

The Yellow Card Scheme medium term strategic plan 2018-2022 with fifteen strategies which include to strengthen the Yellow Card Institution and Governance structure of the Scheme.

The Regional Customs Transit Guarantee (RCTG)

The RCTG Carnet is a component of the COMESA Protocol on Transit Trade and Transit Facilities, Annex I of the COMESA Treaty. The RCTG Agreement was signed by the Heads of State and Government of the Preferential Trade Area (PTA), (now COMESA) Summit, held in Mbabane, Swaziland (now ESwatini), in November 1990. The development on the modalities of operations commenced in 2002 and Scheme became operational in the Northern Corridor countries in 2012. The Scheme provides a uniform basis for transit movement throughout the region, where only one guarantee is used to cover goods in transit through all transiting Member States.

The main objective of the RCTG Scheme is to provide to customs administrations with security to recover duties and taxes from importers and exporters should the goods in transit be illegally disposed of for home consumption in the country of transit. In addition, the Scheme provides a uniform basis for transit movement throughout the region, where only one guarantee is used for the transit of goods through all transiting Member States. There are currently 13 COMESA Member and non-Member States who have signed and ratified the RCTG Agreement and joined the Scheme, namely: Burundi, Djibouti, DR Congo, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, South Sudan, Sudan, Tanzania, Uganda and Zimbabwe. All the member countries except Madagascar have established the National Sureties and signed the Inter-Surety Agreement. Currently, the RCTG Scheme is operational in five countries; namely: Burundi, Kenya, Rwanda, Tanzania and Uganda. Therefore, the impact of the implementation of the RCTG Carnet in the region has been very significant.

Progress Made In The Implementation Of The RCTG Scheme In 2019

- i- African Export-Import Bank (AFREXIMBANK) has expressed their interest in joining the RCTG Scheme and engagements are ongoing;
- ii- Provided technical support to Member States Customs Administrations, National Sureties and Clearing and Forwarding Agents;
- iii- Conducted Actuarial study on determining the minimum and maximum premium rate on the RCTG Bond;
- iv- RCTG Carnet has been digitalized and phase 1 was rolled out on 8th November 2019;
- v- Revised RCTG Instruments;
- vi- Trained Customs and IT Experts in Burundi, Kenya, Rwanda, Tanzania and Uganda on the operations of the RCTG Carnet;
- vii- DR Congo has made a commitment to finalize the preparations for the commencement of operations by mid-2020; and
- viii- Zambia has not yet joined the Scheme, as Clearing and Forwarding Agents raised concern on loss of business, this has stalled the operations in the North-South Corridor.

Performance of the RCTG Scheme in 2019

In 2019, a total of 718 Regional (RCTG) Bonds with guarantees amounting to US\$ 384 million were executed by clearing and forwarding companies and 343,352 Carnets were issued for the movement of goods in the region as shown below:

Figure 21: Amount of RCTG Bonds Executed (US\$)

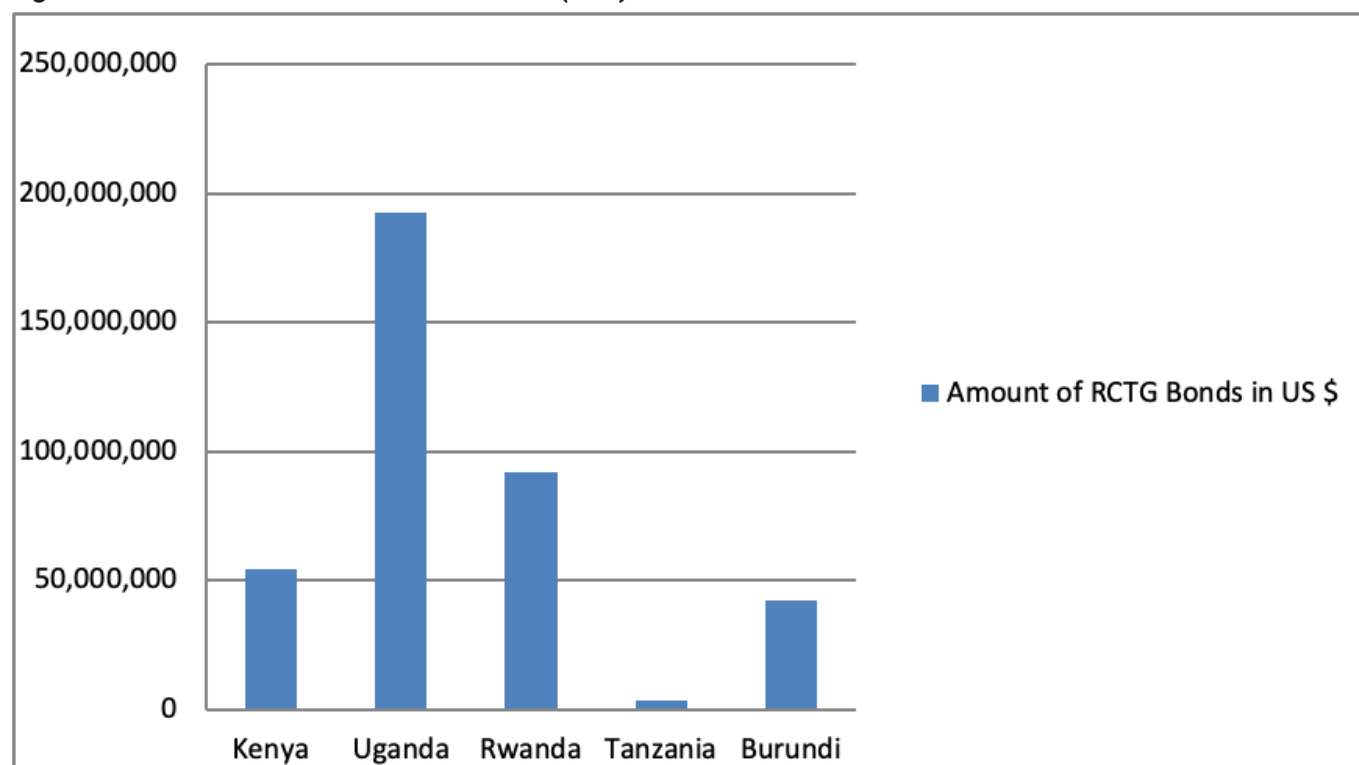
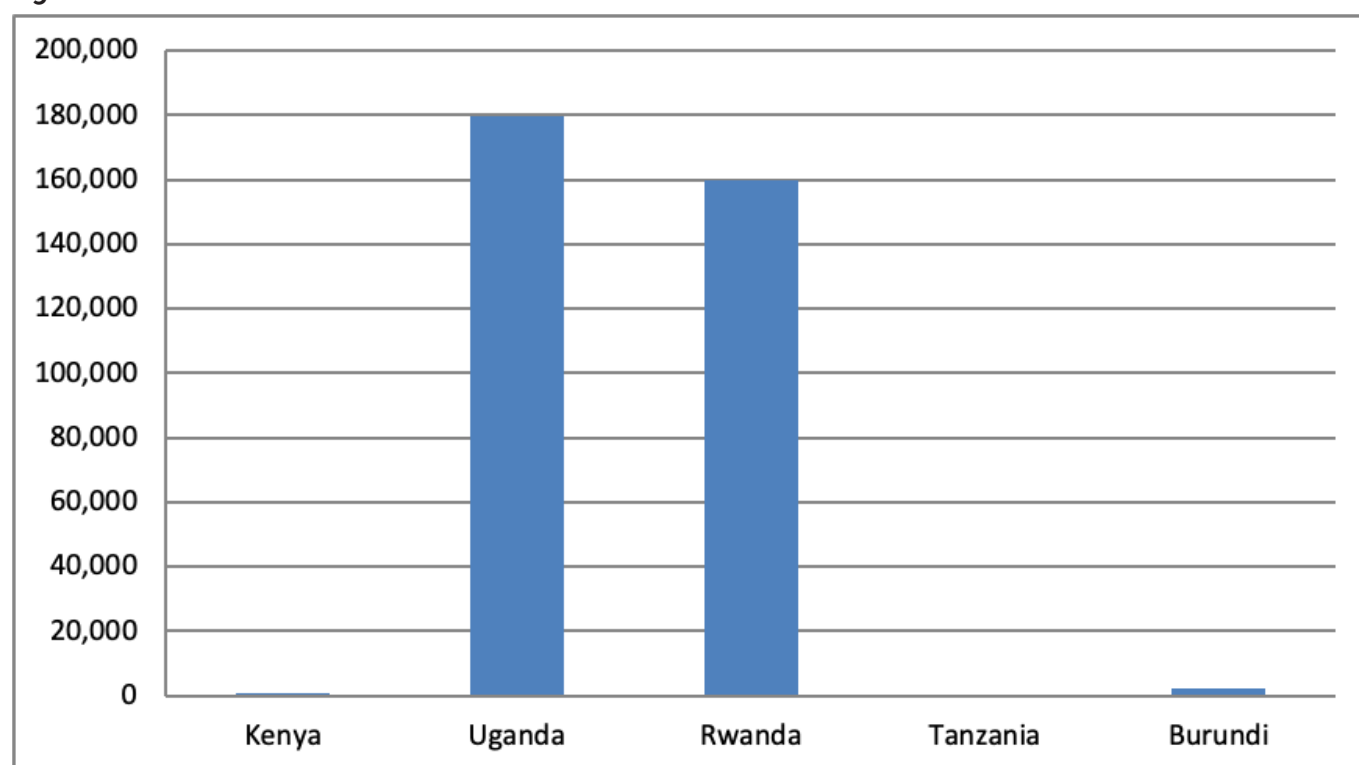



Figure 22: Number of RCTG Carnet Issued



Challenges

Despite good progress made in the operations and implementation of the RCTG Carnet in the COMESA region, the scheme is being faced by the following challenges:

- 
- i- Zambia has not yet joined the Scheme, as Clearing and Forwarding Agents raised concern on loss of business, and this has stalled the operations in the North-South Corridor;
 - ii- Delay by Ethiopia to commence the operations of the Scheme in the Djibouti Corridor;
 - iii- Infrastructure, power and internet connectivity issues at some border posts;
 - iv- Lack of capacity for Small and Medium Clearing and Forwarding Companies to carry out regional operations; and
 - v- Attempt by regional groupings to copy the RCTG Scheme.

COMESA Monetary Institute

The COMESA Monetary Institute (CMI) was established in 2011 to undertake all technical and preparatory activities required to enhance the COMESA Monetary Cooperation Program. Since then, CMI has focused on undertaking capacity building and research activities related to improving macroeconomic management and financial stability in the region with the aim of enhancing the Monetary Integration Program. The capacity building and research activities undertaken in 2019 and their impact on improving macroeconomic management and financial stability in Member States are outlined in the Table 45.

Table 45: Impact on Improving Macroeconomic Management and Financial Stability

Activity	Impact on Macroeconomic Management and Financial Stability in Member States
Workshop on Improving Fiscal Reporting in Developing Countries Using International Public Sector Accounting Standards (IPSAS) in collaboration with IMF's Regional Technical Assistance Centers for Southern and Eastern Africa (AFRITAC South and AFRITAC East). 21 st -25 th January 2019, Pretoria, South Africa.	The training contributed to enhancement of the implementation of COMESA Macroeconomic Convergence Programme.
Training on Basic Dynamic Stochastic General Equilibrium (DSGE) Modelling and Time Series Analysis. 4 th -8 th March, 2019, Nairobi, Kenya	The training contributed to enhancement of the implementation of COMESA Macroeconomic Convergence Programme
Training on Transmission Mechanism of Macro Prudential Shocks to the Financial System. 18 th -22 March 2019, Nairobi, Kenya.	The training helped member countries analysts to understand the transmission mechanism of macro prudential shocks to the financial system and assists to safeguard the financial system. It contributed to enhancement of the speedy implementation of the COMESA Financial System Development and Stability Plan
Training on Fiscal Stress Testing for Central Banks and Ministries of Finance. 8 th -12 th April 2019, Nairobi, Kenya	The training helps in understanding of the potential threats to fiscal position of member countries. It contributed to the implementation of COMESA Macroeconomic Convergence Programme.
Training on On-site and Off-Site Review of Credit Risk with Special Emphasis on IFRS9 and ICAAP. 29 th April-3 rd May 2019, Nairobi, Kenya	Assisted in properly identifying and assessing credit risks in member countries; understanding the exposure of a financial institution to default risk; and emphasized the importance of using the new internationally recognized approaches such as IFRS9 and ICAAP. The training will contribute for enhancing the speedy implementation of the COMESA Financial System Development and Stability Plan
Training on Application of Econometric Software to Cross Sectional Survey Data Using Financial Inclusion Data and its Implication on Financial Stability. 22 nd -to 26 th July 2019, Nairobi, Kenya	The training helped participants from member countries to better understand the Financial Access Landscape, regionally and internationally and improve the measurement of financial inclusion. The training will contribute for enhancing the speedy implementation of the COMESA Financial System Development and Stability Plan
Training on Modelling Expected Credit Losses under International Financial Reporting Standards (IFRS9). 26 th -30 th August 2019, Nairobi, Kenya.	The training enabled participants to have practical knowledge of modelling Expected Credit Loss models which is a requirement for the implementation of IFRS9. The training will contribute for enhancing the speedy implementation of the COMESA Financial System Development and Stability Plan

Training on Active and Passive Reserve Management in Collaboration with Central Bank of Egypt. 15 th -19 th September, 2019, Cairo, Egypt	Enables member Central banks to use international reserves in an efficient and optimal manner. The training will contribute for enhancing the implementation of COMESA Macroeconomic Convergence Programme.
Validation Workshop of a User's Guide on Analyzing Banking System Interconnectedness and Systemic Risk Using Network Analysis. 7 th -11 th October, 2019, Nairobi, Kenya.	The Guide is an important tool for member countries for analyzing banking system interconnectedness which is important in understanding direct exposures between banks that can lead to contagion through domino effect and cause instability in the entire financial system. The training will contribute for enhancing the speedy implementation of the COMESA Financial System Development and Stability Plan
Validation Workshop on Early Warning Models for Banks' in Financial Distress: An application of Multinomial Panel Data Analysis. 4 th - 8 th November 2019, Nairobi, Kenya	The Guide is an important tool for supplementing the existing off-site supervisory monitoring systems and on-site examinations with new statistical models to predict banks with an early stage of capital distress and banks' rating downgrade or upgrade. The training will contribute for enhancing the speedy implementation of the COMESA Financial System Development and Stability Plan
Validation Workshop of Country Specific Studies Conducted by Member Central Banks on "Empirical Analysis of the Effects of Key External Shocks on Selected Macroeconomic Indicators" the studies were validated from 30 th September to 2 nd October 2019 in Nairobi, Kenya	The studies informed policy to ensure macroeconomic stability in Member States, and hence will contribute for enhanced achievement of macroeconomic convergence in the COMESA region.
Validation Workshop of Country Specific Studies Conducted by Member Central Banks on "Impact of Macroeconomic Developments on Financial Stability". The studies were validated from 11-13 November 2019 in Nairobi, Kenya	The studies informed policy to ensure financial system stability in Member States, and hence contribute for enhanced achievement of the COMESA Financial System and Stability Plan
Macroeconomic Developments in the COMESA Region in 2018.	The study informed the progress made the achievement of macroeconomic convergence in the COMESA region

COMESA Court of Justice

The COMESA Court of Justice was established in 1994 under Article 7 of the Treaty as one of the Organs of COMESA. The Court's primary function is to uphold the rule of law in the enforcement of the Treaty. The Court adjudicates and arbitrates on, among other matters, unfair trade practices, interpretation of the Treaty (Protocols and other legislative acts) and ensures that Member States uniformly implement and comply with agreed decisions. The core mandate of the Court is to ensure adherence to the rule of law within the COMESA region. (<http://www.comesacourt.org>)

Table 46: Summary of CCJ Activities

<p>COURT SESSIONS</p> <p>The Court is committed to the timely disposal of cases filed and to the avoidance of case backlog. Towards this end, several Court sessions including arbitral and taxation proceedings were held in 2019.</p>	<p>The Court held eleven sessions between January and November in respect of the following matters:</p> <ul style="list-style-type: none"> □ Appeal No. 1 of 2018; □ Taxation Cause No. 1 of 2018; □ Taxation Cause No. 1 of 2019; □ Arbitration Cause No. 1 of 2018; □ Taxation Appeal No. 1 of 2019; □ Appeal No. 1 of 2019 arising from Reference No. 1 of 2017; □ Revision Application No. 1 of 2019; □ Miscellaneous Application No. 2 of 2018; □ Taxation Cause No. 1 of 2018 (Re-Taxation); and □ Restoration Application No. 1 of 2018.
<p>PUBLICITY SEMINARS</p> <p>The dissemination of information and raising awareness among members of the public within the COMESA Region is one of the Strategic Objectives of the Court under the MTSP 2016-2020.</p> <p>In 2019, the Court adopted a new strategy of participating in relevant activities of regional and international bodies with a view to reaching a wider audience. This was further enhanced through the support of the Corporate Communications Unit of the COMESA Secretariat.</p>	<p>The Court took part in the following activities:</p> <ul style="list-style-type: none"> □ In conjunction with the Coordinating Ministry of the Republic of Uganda, published a Court User's Manual and the same was launched during a one-day publicity seminar in Kampala; □ Participated in the Commonwealth Lawyers Association Conference in Livingstone, Zambia; □ Participated in the Source21 COMESA Trade Fair and High-Level Business Summit in Nairobi, Kenya; and □ Participated in the Law Society of Kenya Annual Conference in Mombasa, Kenya.

<p>CAPACITY BUILDING/ CONFERENCES</p> <p>The Court took part in various activities aimed at building the capacity of Judges and Members of Staff, promoting judicial best practices and improving service delivery.</p>	<p>These activities were as follows:</p> <ul style="list-style-type: none"> ❑ Four Judges of the Court attended an accelerated course on arbitration offered by the Chartered Institute of Arbitrators (CI Arb) and passed the assessment and examination thereby qualifying as Fellows of the Chartered Institute of Arbitrators (FCI Arb); ❑ Senior Management Staff of the Court attended an Enterprise Risk Management Training; ❑ Held a retreat for Judges whose theme was entitled "The contribution of COMESA Court of Justice in ensuring the achievement of the aims and objectives of the COMESA Treaty". ❑ Participated in the Trade Law Centre (TRALAC) Annual Conference; ❑ Participated in the African Arbitration Association Conference; ❑ Attended training on Judicial Case Management & Ethics; ❑ Attended an International Conference on Role of Case Management System for Justice: System Integration, Performance and Country Development; ❑ Attended the Commonwealth Magistrates and Judges Association Annual Conference; and ❑ Participated in the Fourth African Judicial Dialogue organized by the African Court on Human and Peoples' Rights.
<p>MEETINGS</p>	<p>The Court held two Administrative Meetings: the Twenty Seventh Administrative Meeting held in January and the Twenty Eighth Administrative Meeting held in September.</p> <p>The Court took part in various Policy Organs Meetings including Audit and Budgetary Sub-Committee Meeting, the Twenty Second Meeting of the Ministers of Justice and Attorneys General and the Fortieth Meeting of the Council of Ministers.</p>
<p>INSTITUTIONAL STRENGTHENING</p> <p>The review of the organizational structure of the Court is of utmost urgency as the Court cannot adequately deliver on its mandate without the requisite human capital. This is an ongoing exercise that the Court aims to have completed in 2020. In the interim, in 2019, the Court took steps to strengthen its human resource complement under the current structure.</p>	<p>The Information Technology Officer and the Assistant Registrar were confirmed in their positions after successfully completing one-year probation as per the Staff Rules and Regulations. Interviews for the positions of Internal Auditor and Clerk of Court were finalised.</p> <p>Various contracts that were due for renewal were renewed.</p>

<p>ICT OPTIMIZATION</p> <p>The Court recognizes the immense potential of ICT as a key enabler in the administration of justice. It has therefore continued to implement its ICT Optimization strategy for the dispensation of justice and to make administrative processes both efficient and effective as envisaged in the MTSP 2016-2020.</p>	<p>In early 2019, the Court implemented an online Evidence Management System, Case-Lines that eliminates the need for paper in court by introducing an entirely digital platform with tools which allow the creation and presentation of a fully digital bundle including multi-media evidence. It has collaborative tools for enhanced pre-trial preparation and provides secure conferencing for virtual hearings. It allows lawyers to file applications and evidence in a secure environment from their own offices, saving costs of travel, copying and transporting paper files, and at the same time cutting the risk of losing or misplacing files.</p> <p>From July 2019, the Court started using its own domain name www.comesacourt.org for email addresses for Honourable Judges and Court Staff. This has enhanced the security and privacy of communication between the Judges and the Registry, and vice versa, as well as amongst Judges.</p>
<p>CHALLENGES</p> <p>In 2019, the Court faced several challenges that made it difficult for it to operate from its Permanent Seat in Khartoum, Sudan.</p>	<p>These challenges were two-fold;</p> <ul style="list-style-type: none"> □ The banking issues occasioned by the economic embargo imposed against Sudan continued to adversely affect the operations of the Court; and □ The political situation that pertained from the end of 2018 and continued for the better part of 2019 affected some of the Court's planned activities.

CHAPTER NINE

FINANCIAL REPORT



Secretary General's report

Introduction

- 1 I have the pleasure of submitting this report to the Council of Ministers for the financial year 2019, together with the audited financial statements of COMESA Secretariat for the year ended 31 December 2019. This submission is in accordance with Article 169 (4) of the COMESA Treaty.
- 2 These financial statements incorporate resources provided by Member States; Cooperating Partners and other income in accordance with Article 166 (3) and Article 168 (3), of the COMESA Treaty.
- 3 Accordingly, audited financial statements on each source of funding are available on a request submitted to the Secretary General.

Strategic Context

- 4 The financial statements provide a complete overview of the finances of the Secretariat for the financial year 2019 this includes information on the financial position of the Secretariat, how the budget has been implemented, as well as the financial commitments and obligations that the Secretariat has been undertaking. COMESA's work is guided by plans that have three (3) time horizons: the long-term vision expressed in the founding Treaty, a medium-term horizon – usually five (5) years expressed in the Medium-Term Strategic Plan (MTSP) and an annual planning cycle. Medium term strategic plans provide a framework with which detailed annual work programmes and budgets are developed. They also form the basis for in-depth multi-year plans for specific sectors. The MTSP is aligned with continental and global frameworks such as the African Unions Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals
- 5 The Medium Term Strategic Plan (MTSP) 2016-2020 is COMESA's roadmap for pursuing and achieving the economic integration goals of the region over the medium term. The Strategy's overall goal is aligned to the long-term goals of COMESA, which are enshrined in the COMESA Treaty. As such the Strategy seeks to create a fully integrated and internationally competitive regional economic community. The MTSP therefore articulates the following strategic priorities or objectives:
 - Strengthen Market Integration;
 - Attract Increased Investments;
 - Strengthen the Blue Economy;
 - Harness the Benefits of Strategic Partnerships;
 - Strengthen Development of Economic Infrastructure;
 - Industrialisation;
 - Foster Gender Equality and Social Development;
 - Ensure Regional and Secretariat Readiness; and
 - Strengthen Regional Knowledge and Skills.
- 6 In order to reflect the multiannual nature of the Secretariat's activities, the accounts include explanations

of the key financial figures and their evolution. The financial year 2019 was characterized by major programme achievements and some challenges for the Common Market.

Notwithstanding the immense benefits of regional programmes to the development efforts of the region, more work is required to ensure that programmes and initiatives that are developed add value and directly address challenges facing our Member States. Nevertheless, COMESA has made noteworthy progress towards beneficial economic integration in the region. Beyond achievements in trade liberalization and facilitation in general, commendable progress has been made in the specific areas of customs management, transport facilitation, trade and project finance and capacity building. Additionally, progress has been made in policy coordination and cooperation in the production sectors.

- 7 Activities of the Secretariat are intended to contribute towards Member States' pursuit of a more balanced and harmonious development of production and marketing structures; raising standard of living of people; fostering closer relations among Member States; creating of an enabling environment for trade and investment; promoting peace and security and stability; towards the attainment of sustainable growth and development; and strengthening of relations between the Common Market and the rest of the world.
- 8 As the executive organ of COMESA, the Secretariat acts as the facilitator, coordinator, catalyzer, and often as a proactive initiator of integration programmes by supporting the design of policies, strategies, regulations, programmes, projects, intervention and instruments for consideration and approval;
 - (i) Providing technical support in the coordination, monitoring and evaluation of the implementation of the regional agenda;
 - (ii) Supporting the liaison between the COMESA region, other RECs and strategic partners; and
 - (iii) Implementing decisions and directives that are so directed to the Secretariat and COMESA Institutions.
- 9 In upholding the above functions, the activities of Secretariats various Divisions and Units are intended to contribute towards Member States' pursuit of a more balanced and harmonious development of production and marketing structures; raising the standard of living of people; fostering closer relations among Member States; creating an enabling environment for trade and investment and promoting peace, security and stability, all driving towards the attainment of sustainable growth and development; and strengthening of relations between the Common Market and the rest of the world.
- 10 COMESA Secretariat faces a number of organizational challenges and constraints that have affected its overall effectiveness and efficiency. In efforts to address the identified challenges and constraints, COMESA in collaboration with development partners (namely; EU and USAID) in 2019 undertook organizational assessments to identify areas that require to be improved specifically in terms of structures, staffing, systems and processes that will support the Secretariat to undertake its mandate as the key facilitator of regional integration efforts.
- 11 The impact from the implementation of the 2019 annual plan and budget by the Secretariat should thus be seen from positive trends on the following: -
 - (i) Strengthening Market Integration;
 - (ii) Attracting Increased Investments;

- (iii) Strengthening the Blue / Ocean Economy;
- (iv) Harnessing the Benefits of Strategic Partnerships;
- (v) Strengthening Development of Economic Infrastructure (Energy, Transport and ICTs);
- (vi) Laying a framework for Industrialization;
- (vii) Fostering Gender Equality & Social Development;
- (viii) Ensuring Regional and Secretariat Readiness; and
- (ix) Strengthening Regional Knowledge and Skills Capacity

Oversight over operations of the COMESA Secretariat

- 12 COMESA has four organs with decision-making powers, as established by the COMESA Treaty. These are:
 - (i) The Authority of Heads of State and Government: the preeminent Policy Organ of the Common Market;
 - (ii) The Council of Ministers: the second highest Policy Organ of COMESA, charged with ensuring a well-functioning Common Market in accordance with the provisions of the COMESA Treaty;
 - (iii) The COMESA Court of Justice: the premier judicial organ of COMESA; and
 - (iv) The Committee of Governors of Central Banks: empowered under the Treaty to monitor and ensure a well-functioning Monetary and Financial Cooperation regional system.
- 13 In order of hierarchy in servicing the Authority, the COMESA region has the Intergovernmental Committees, the Technical Committees, the COMESA Secretariat (with 14 specialist COMESA institutions) and the Consultative Committees make recommendations to the Council of Ministers, which in turn makes recommendations to the Authority.
- 14 Composed of Ministers from the Coordinating Ministries of all the Member States, the Council has the responsibility of providing policy guidance on issues of regional integration and in that regard Council has consistently made decisions that have assisted in providing policy certainty to both the Member States and the Secretariat. In keeping with the principles of good corporate governance, the Council of Ministers provides oversight over the operations of the COMESA Secretariat by giving direction to the COMESA Secretariat through, among other activities:
 - (i) Approval of COMESA Secretariat's annual budget and annual financial statements;
 - (ii) Enacting of Staff Rules and Regulations and Financial Regulations of the COMESA Secretariat; Review technical reports on the implementation of policy, rules and regulations by the COMESA Secretariat; and
 - (iii) Appointing of external auditors and receiving reports of the external auditors.

- (iv) In between meetings of the Council of Ministers, the Bureau of Council attends to oversight matters, within the framework of the Treaty and as provided within other specific policies, rules and regulations. Bureau of the Council comprising of Chairman, Vice-Chairman and Rapporteur oversee the functioning of the Secretariat in between meetings of the Council of Ministers. These are rotate among the members of the Council for a term of one year. For 2019, the following Member States constituted the Bureau:

- (i) Madagascar: Chairperson
- (ii) Burundi: Vice Chairperson
- (iii) Ethiopia: Rapporteur

- 15 Administrative and Budgetary Committee and its subcommittee and Intergovernmental Committee undertakes technical work and provides relevant advisory to the Council of Ministers.

2019 Performance Overview

Operations

- 16 COMESA region's average growth slowed down in 2019 to 5.2% from 6.0% in 2018. COMESA continued to support market integration through trade facilitation programmes such as the Simplified Trade Regime (STR), Great Lakes Trade Facilitation Project (GLTFP) and the NTB Monitoring System. Additionally, the bloc played a key role towards the realization of the Tripartite Free Trade Area (TFTA) and the African Continental Free Trade Area (AfCFTA), which expand the market and provide more opportunities for trade. These trade facilitation initiatives were supported by infrastructure development and transport facilitation initiatives, which promote the smooth flow of trade and reduction of the cost of doing business.
- 17 The COMESA Authority comprising of Heads of State and Government launched a Customs Union on 7th July 2009 to deepen the integration of economies in the region and to facilitate intra-regional trade and development. In this regard, the COMESA Treaty Article 4 (1a) among others, obliges Member States to adopt a Common External Tariff (CET) as part of their undertaking under the Treaty. Significant progress has been made in implementing the road map particularly in the development and implementation of the Common Tariff Nomenclature (CTN) and Customs Management Regulations (CMR). However, outstanding issues still remain on the CET, eighteen (18) Member States aligned their tariff to CET by an average of 34%.
- 18 COMESA facilitated infrastructure development in the transport, energy and ICTs sectors through providing project development support, supporting feasibility studies, and resource mobilization, technical and advisory services.
- 19 COMESA recognizes increased investments as a key strategic objective of its regional integration agenda. This is because increased investments lead to productivity improvements which in turn lead to increased economic growth and materialization of the market-driven concept of regional integration. In 2019, work continued to promote the COMESA Common Investment Area (CCIA) agreement which is a promotional tool meant to guide Member States in harmonizing best practices in investment and facilitating private sector development. The CCIA instruments are projected to ensure the investment and investor's protection and encourage Member States to carry out reforms and liberalization by opening economic sectors for growth to all investors. Upon implementation, the CCIA is expected to improve the

overall ease of doing business environment in the region, cooperation in investment promotion among Member States.

- 20 The COMESA Industrialization Strategy 2017–2026 focuses on 9 priority areas including agro-processing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and the blue economy. The COMESA Industrialization Strategy Action Plan and the Local Content Framework were adopted in 2019. The COMESA region through the MTSP anticipates improving the performance of manufacturing value added performance and perhaps more significantly, to increase agricultural productivity and agro-processing manufacturing, including through interventions in the COMESA Industrial Policy (2015) and COMESA Industrial Strategy (2017), both of which were highly sought after by a number of Member States for domestication.
- 21 In 2019, the COMESA Gender and Social Affairs programmes continued to advocate for gender equality, empowerment of women and youth and social development throughout the region through partnerships and dissemination of policy frameworks to mention a few.
- 22 To ensure peace and stability necessary for regional integration, COMESA continued to implement its Governance, Peace and Security (GPS) programme and Great Lakes Trade Facilitation Project (GLTFP). Owing to the need to mitigate the devastating effects of climate change in the region which affect economic activity, COMESA is implementing the Intra-ACP GCCA+ COMESA Climate Change Project in partnership with the EU. The overall objective of the project is to increase the resilience of the COMESA region to climate change and achieve SDG #13 - Take urgent action to combat climate change and its impacts in order to reduce poverty and promote sustainable development.
- 23 Effective and efficient implementation of COMESA programmes is underpinned by a number of critical issues; adequate financial resources to fully execute the organisations mandate, strengthened strategic partnerships, continues capacity building at Member State level and the sustenance of robust and effective controls across management systems.

Financial results

- 24 The Secretariat recorded an operating surplus of COM\$ 2,016,933 (2018: COM\$ 766,824) as at December 2019.
- 25 In the year 2019, the Secretariat recognised total income of **COM\$15,410,230** which is an increase of 8.1% from the income of COM\$16,232,959 recognised in 2018.
- 26 Analysis of the income recognised in the year is presented in Table 2 below:

Table 2: Funds received through the COMESA Secretariat towards implementation of COMESA programmes in the period 1 January to 31 December 2019 (in COM\$)

	2019	2018	Change%
Member States Contributions	14,853,958	15,347,801	(3.3%)
Other income	556,272	885,158	(37.2%)
Total income	15,410,230	16,232,959	(5%)

- 27 A total expenditure COM\$13, 479,725 is reported in 2019 against an amount of COM\$15,874,007 in 2018, i.e. a reduction of 15.1%. Against the budget for the year, the Secretariat achieved a utilisation rate of 87% (Budget: COM\$16,077,114; Actual: COM\$12,455,622 excluding depreciation of COM\$1,024,103 and finance costs of COM\$362,614) on funds provided by Member States.
- 28 Assets under the control of Secretariat have increased from COM\$69,639,122 in 2018 to COM\$71,478,824 in 2019, i.e. 2.64%. Included in these funds are outstanding amounts due on assessed annual contribution of COM\$21,861,290 (2018: COM\$17,681,903).

Looking beyond 2019

- 29 I wish to appeal to all Member States, to review your country's commitments to regional integration and re-dedicate yourselves to the ideals and goals set out in the COMESA Treaty. There is more that needs to be done especially in opening markets, formalizing and facilitating regional integration among us. We need to strengthen our capacities especially with regards to development, harmonization of tools of analysis and compliance to international standards.
- 30 To support implementation efforts and ownership at national level, there is need to build on capacity building efforts employed by COMESA Secretariat and its specialized institutions. The continuous capacity building should leverage on existing capacities and support determined priorities, policies and desired results.
- 31 We have learnt from our past experiences and this places us in a good position to anticipate our future prospects and we have proved ourselves in adapting to the inevitable global challenges that we are facing.

Chileshe Mpundu Kapwepwe
Secretary General
Lusaka, Zambia

Statement of Financial Position

As at 31 December 2019

<i>In COMESA Dollar</i>	2019	2018
Assets		
Non-current assets		
Property and equipment	26,252,316	25,816,651
Capital Work in Progress	3,668,032	5,400,320
Intangible assets	521,871	79,900
Member states contribution receivable - repayment plan	3,156,776	4,173,247
Investment in equity	2,373,776	2,354,953
Total: Non-current assets	35,972,770	37,825,071
Current assets		
Member states contributions receivable	18,809,792	13,583,392
Grants receivable	1,042,542	1,110,658
Amounts due from other COMESA Entities	364,758	364,758
Amounts due from related parties	505,723	244,078
Contributions receivable for Economic Partnership Agreement	0	0
Advances under Sub delegation	10,966,771	5,814,260
Other receivables	795,658	1,059,238
Cash and cash equivalents	40,155,170	44,479,127
Total: Current assets	72,640,415	66,655,512
Total: assets	108,613,185	104,480,582
Accumulated funds and liabilities		
Accumulated funds and reserves		
Reserve fund	8,189,264	10,001,782
Accumulated funds	50,551,031	46,714,417
Revaluation reserve	8,046,382	8,299,272
Total: Accumulated funds and reserves	66,786,677	65,015,471
Non-current liabilities		
Capital grants	1,954,888	1,713,737
Net equity	325,720	0
Total: Non - current liabilities	2,280,608	1,713,737
Current liabilities		
Trade payables	974,565	651,480

Amounts due to COMESA entities	2,344,720	2,456,407
Amounts due to related parties	335,712	569,866
Trust Creditors	984,702	911,952
Post-employment benefit	11,590	5,370
Deferred revenue	33,704,919	31,809,618
Accruals and provisions	1,189,688	1,346,681
Total: Current liabilities	39,545,897	37,751,374
Total: liabilities	41,826,506	39,465,111
Total: accumulated funds and liabilities	108,613,185	104,480,582

Statement of income and expenditure

<i>In COMESA Dollar</i>	2019	2018
Income		
Member States contributions	14,345,018	13,873,612
Other Member States contributions	642,481	1,565,168
Grants contributions	17,617,914	21,600,147
Grant Overhead contributions	109,502	53,830
Other income	446,770	831,328
Total income	33,161,685	37,924,084

Expenditure by function		
Member States funded		
Executive management	-1,931,301	-2,650,688
Human resources and administration	-3,270,009	-3,720,929
Budget and finance	-1,612,847	-1,689,888
Trade and customs	-933,200	-1,248,398
Infrastructure and logistics	-589,087	-584,776
Agriculture, environment and natural resources	-653,046	-657,619
Legal and institutional affairs	-407,145	-505,598
Gender and social affairs	-330,368	-508,686
Information technology	-787,709	-1,022,681
Internal audit	-393,893	-351,653
Strategic planning	-170,981	-220,815
Resource mobilisation and international Cooperation	-209,157	-194,855
Public relations	-350,606	-330,539
Resource Centre	-150,728	-143,477
Estates Unit	-295,270	-341,700
Brussels liaison office	-323,695	-332,163
External Audit Framework	-46,581	-316,848
Depreciation on property and equipment	-1,024,103	-1,052,691
Total expenditure: Member States funded	-13,479,726	-15,874,007

Finance income	315,502	599,469
Finance costs	-362,614	(229,772)

Grants funded		
50 Million Women Speak Project	-1,370,181	-1,886,938
COMESA Airspace Integration Project	-881,510	-
Trading for Peace - AfDB	-	-50,145
COMESA-EAC-SADC Tripartite Capacity Building Programme	-	-507,984
Statistical Capacity Building	-112,153	-341,570
International Comparison Programme	-221,299	-670,574
Transport and Transit Facilitation Programme	-242,836	-20,825
Cross Border Trade Initiative	-936,088	-157,005
Regional Integration Support Mechanism	-2,518,648	-8,859,530
Maritime Security Programme	-1,071,123	-1,143,474
Trade Facilitation Programme	-2,185,302	-94,702
Enhancement of Sustainable Regional Energy Market	-2,109,958	-943,054
TCF (EDF11)	-327,742	-1,255,693
EU Global Alliance for Climate Change Plus	-1,358,489	-1,168,750
United States Agency for International Development - USAID RDOAG	-1,389,798	-
United States Agency for International Development - USAID IPAA	-	-2,531,588
Africa Peace and Security Architecture Support (APSA)	-732,146	-543,191
Great Lakes Trade Facilitation Project	-1,289,201	-1,425,125
Mainstreaming	-	-52,804
United Nations Office for Project/Priority Investment for Market Access (UNOPS/PIMA)	-210,600	-
Business Incubators For African Women Enterprise, BIAWE	-399,134	-
SDC	-261,705	-
Total expenditure: Grant funded	-17,617,914	- 21,652,951
Operating Surplus	2,016,933	766,824
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	2,016,933	766,824

Statement of changes in accumulated funds and reserves

	Reserve funds	Accumulated funds	Revaluation Reserve	Total
At 1 January 2018	10,100,607	46,361,078	8,586,713	65,048,398
Surplus for the year	-	728,650	-	728,650
Adjustment on initial application of IFRS 9, (note 17(a))	-	611,072	-	611,072
Receipts into the reserve fund	10,481,063	(10,481,063)	-	-
Transfer from the reserve fund	(10,579,887)	10,579,887	-	-
Transfer to income	-	(1,471,527)	-	(1,471,527)
Amortisation of the revaluation reserve	-	287,441	(287,441)	-
At 31 December, 2018	10,001,783	46,615,538	8,299,272	64,916,593
At 1 January 2018	10,001,783	46,615,538	8,299,272	64,916,593
Surplus for the year	-	1,883,392	-	1,883,392
Adjustment for prior year expenses**	9,551	-	-	9,551
Receipts into the reserve fund	7,389,386	(7,389,386)	-	-
Transfer from the reserve fund	(8,941,353)	8,941,353	-	-
Transfer to income	(270,103)	-	-	(270,103)
Withdrawal - FEMCOM budget	-	(187,200)	-	(187,200)
Amortisation of the revaluation reserve	-	252,890	(252,890)	-
At 31 December 2019	8,189,264	50,116,588	8,046,382	66,352,233



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