



2020



| Common Market for Eastern and
Southern Africa

ANNUAL REPORT

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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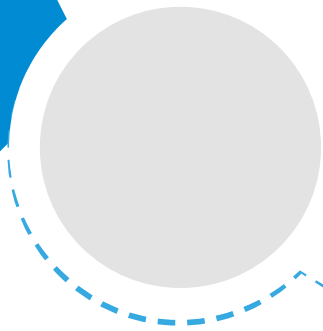


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ACRONYMS



ACBF	Africa Capacity Building Foundation
ACP	African Caribbean and Pacific
ACTESA	Alliance For Commodity Trade in Eastern and Southern Africa
AEO	Authorized economic Operators.
AGA	Africa Governance Architecture
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
APSA	Africa Peace and Security Architecture
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
ASF	African Standby Force
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
CARSC	Customs Automation Regional Support Centre
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
CCDEMS	COMESA Court Digital Evidence Management System
CCH	COMESA Clearing House
CET	Common External Tariff
CLA	Collaborating, Learning, and Adapting
C-MRF	COMESA Mutual Recognition Framework
CMR	Customs Management Regulations
CNS/ATM	Communication Navigation Surveillance/Air Traffic Management
COVID-19	Corona Virus Disease 2019
CIPE	Centre for International Private Enterprise
CCIA	COMESA Common Investment Area
CCJ	COMESA Court of Justice
COMESA BLO	COMESA Brussels Liaison Office
CMI	COMESA Monetary Institute
COMSHIP	COMESA Seed Harmonisation Implementation Plan
COMSTAT	COMESA Statistics
COMSIS	COMESA Seed Information System
COMFWB	COMESA Federation of Women in Business
COMWARN	COMESA early warning system
CSA	Climate Smart Agriculture
CSOs	Civil Society Organizations
CTMS	Corridor Trip Monitoring System
CTN	Common Tariff Nomenclature
CSVRA	Country Structural Vulnerability and Resilience Assessment
GCCA+	Global Climate Change Alliance Plus
DFTA	COMESA Digital Free Trade Area
DMROs	Duly Mandated Regional Organizations
DSGE	Basic Dynamic Stochastic General Equilibrium
DTAA	Double Taxation Agreements
EAC	East African Community
EAPP	East African Power Pool
EA-SA-IO	Eastern Africa, Southern Africa and Indian Ocean
ECA	Economic Commission for Africa

EGEE-ICT	Enhancement of Governance and Enabling Environment in the Information and Communications Technology Sector
ECCAS	Economic Community of Central African States
eCO	Electronic Certificate of Origin
ECOFISH	Ecosystems Improved for Sustainable Fisheries
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EDF RIP	European Development Fund – Regional Implementation Plan
ESREM	Enhancement of Sustainable Regional Energy Markets
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct investment
FEMCOM	Federation of National Associations of Women in Business in Eastern and Southern Africa
FIC	Financial Intelligence Centre
FIUs	Financial Intelligence Units
FTA	Free Trade Area
GDP	Gross Domestic Product
GLTFP	Great Lakes Trade Facilitation Project
GPS	Governance, Peace and Security
GTWG	Gender Technical Working Group
HACCP	Hazard Analysis and Critical Control Point
ICBT	Informal Cross-Border Trade
ICP	International Comparison Programme
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
LEAs	Law Enforcement Agencies
MASE	Regional Maritime Security Programme
MCBRTA	Multilateral Cross-Border Road Transport Agreement
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MSME	Micro Small and Medium Enterprises
MSITS	Manual on Statistics of International Trade in Services
MTSP	Medium Term Strategic Plan
NDC	Nationally Determined Contributions
NIPAs	National Investment Promotion Agencies
NORAD	Norwegian Agency for Development Cooperation
NTBs	Non-Tariff Barriers
NTFCs	National Trade Facilitation Committees
OACPS	Organization of the African, Caribbean and Pacific States
OPI	Organizational Performance Indexes
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
RIGO-SS	Regional Intergovernmental Organization-System Strengthening
RIP	Regional Indicative Programme

RIFF	Regional Infrastructure Finance Facility
RIIP	Regional Integration Implementation
RISM	Regional Integration Support Mechanism
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool
SAATM	Single African Air Transport Market
SACU	Southern Africa Customs Union
SCD	Simplified Customs Document
SDC	Swiss Development Cooperation
SEZ	Special Economic Zones
SMEs	Small and Medium Scale Enterprises
SPIP	Solutions Package and Implementation Plan
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
TBT	Technical Barriers to Trade
TDB	Trade and Development Bank
TIDOs	Trade Information Desk Officers
TIP	Regional Trade Information Portal
TFP	Trade Programme
TfP	Trading for Peace Project
TFTA	Free Trade Area
TMEA	Trademark East Africa
TOTs	Training of Trainers
TRIPS	Tripartite Transport Registers and Information Platform System
TTCMS	Trade and Transport Corridor Monitoring System
TTNF	Tripartite Trade Negotiating Forum
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
VLMA	Vehicle Load Management Agreement
WCO	World Customs Organization
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



**Secretary
General**

Transmittal Message

Since its establishment in 1994, COMESA – now a 21 strong Member States Regional Economic Community, has continued to be a driving force in integration efforts of the African Continent. Significant strides have been made in a wide range of programmes including trade liberalization and facilitation, customs management, transport facilitation, trade and project finance, promotion of gender equality and women empowerment, institutional development, technical co-operation and capacity development. Remarkable progress has also been made in policy coordination, and cooperation in the productive sectors. To ensure continued relevance and establish COMESA as a development-oriented entity that is fit for purpose, COMESA programmes are guided by five-year Medium-Term Strategic Plans (MTSP) which are aligned to continental and global frameworks such as the African Union's Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals.

The year 2020 was extraordinary with the onset, upsurge and devastating impact of the COVID-19 pandemic. This scourge presented formidable challenges in how COMESA conducted its business and continued to support and facilitate intra-regional trade. Among the key challenges, was that of budgetary constraints at Member States level which was as a result of the re-allocation of resources towards measures to contain the pandemic and cushion its negative economic impact. This resulted in the reduction of the COMESA budget. To navigate these immense challenges, COMESA adopted resilience measures including virtual working arrangements supported by information, communication technologies. In November 2020, the virtual Policy Organs Meetings were successfully conducted which gave policy direction for continued programme implementation. Among other decisions, the Policy Organs approved the COMESA COVID-19 Online Platform for exchanging and sharing information on availability of essential products within Member States aimed at facilitating trade in the new environment. Additionally, COMESA continued to work towards development of the Digital Free Trade Area instruments which will provide traders with the necessary digital tools and infrastructure for enhancement of intra trade and global trade.

To address transport and transit challenges during the Covid-19 Pandemic, a set of guidelines were developed. These were the Tripartite Guidelines on Trade and Transport Facilitation for Safe, Efficient and Cost-Effective Movement of Goods and Services and the Tripartite Guidelines for Safe Cross Border Movement of Persons and Personal Goods. A regional electronic Corridor Trip Monitoring System (CTMS) was another new tool developed to facilitate road transport operations.

On the gender front the 50 Million African Women Speak Digital Platform was launched in nine Member States to enable women access financial and non-financial services and sharing of experiences.

Going forward, structural transformation and economic diversification of individual economies in the region will be crucial. COVID-19 has clearly demonstrated that with disrupted trade channels, local manufacturers have been able to rise to the occasion. There is need therefore to leverage on existing COMESA programmes, the trade facilitation tools and the continental initiatives such as the African Free Trade Area Agreement, to strengthen value-addition and industrial growth. Besides, digitization will continue to play an important role post COVID-19 in the economies of the region.

Now more than ever, there is need for all stakeholders of COMESA's integration agenda to renew their commitment and re-dedicate themselves to the ideals and goals as set out in the COMESA Treaty. This will entail fast tracking the domestication of adopted model frameworks, protocols and policies at the national level.

In accordance with the provisions of Article 17, paragraph 8 of the COMESA Treaty, I have the honour to submit the 2020 COMESA Annual Report.

Chileshe Mpundu Kapwepwe
Secretary General
COMESA

Message from the Chair of the COMESA Authority

**COMESA
Authority**





Established in 1994, COMESA succeeded the Preferential Trade Area (PTA) for Eastern and Southern Africa which was founded in 1981 as an African Regional Economic Community (REC). COMESA has proved itself as one of the pillars of the African Economic Community (AEC) established by the Abuja Treaty and the African Union Constitutive Act, with the main mandate of supporting the socio-economic structural transformation of the region. To this end, COMESA works, among others, for the economic development of the region based on trade and agro-industry, investment promotion, physical and digital connectivity, programs for the inclusion of women and youth, and on the sustainable use of natural resources.

For 27 years now, the Organization has worked tirelessly, alongside its Member States and with the support of its partners, for effective regional integration that benefits the people of the region. Over the years, it has stayed the course by implementing various development programs. Our trade facilitation tools have proven their worth and are now adopted by countries beyond our regional bloc. Our specialized institutions in the fields of finance, insurance, competition policy and industry, among others, have built a regional reputation, some of which have become world references.

Despite contemporary and emerging challenges, COMESA will continue to put in place the necessary foundations, such as digitization, to remain resilient and proactive in addressing the current and future needs of our people.

The year 2020 has been a particularly difficult and painful time for the region, the continent, and the world, marked by the COVID-19 pandemic. This has led countries to take various measures necessary to fight the virus and stem its spread, including travel restrictions and lockdowns. These measures have undoubtedly affected economic and commercial operations at borders as well as trade. They have, moreover, had significant socio-economic impacts with an increase in mass unemployment in the region and loss of the means of subsistence in the formal and informal sectors. Beyond health impacts and loss of human life, the pandemic has inevitably disrupted the major advances already made by COMESA in the achievement of its missions and objectives.

Notwithstanding these difficult circumstances, COMESA has been able to adapt and continues to play its role as a catalyst for development, focusing mainly on facilitation and support for securing trade. In particular, efforts made include the development of guidelines to facilitate the safe movement of people and goods. Information sharing was also intensified to support all stakeholders and to communicate on the availability of essential commodities at Member States level. In addition, the pandemic was an opportunity for our organization to effectively implement one of its flagship programs, namely the COMESA Digital Free Trade Area, to strengthen intra-regional trade and COMESA's share in world trade. As the region continues to face the pandemic, the Secretariat and Member States, with the support of partners, are focused on initiatives

to build resilience and strategies for recovery, and ultimately, reconstruction.

Moreover, the year 2020 marked the completion of our current Medium-Term Strategic Plan (MTSP) 2016-2020, a roadmap for the pursuit and achievement of our regional economic integration objectives. Notable results were observed despite the challenges encountered on the targeted nine strategic pillars namely market integration, foreign investments, blue economy, strategic partnerships, economic infrastructure, industrialization, gender equality and social development as well as the need for building the operational capacity of Member States and the Secretariat. The development of the new 2021-2025 Medium-Term Strategic Plan (MTSP) benefited from this experience and from capacity building for Member States and the Secretariat to accelerate our regional integration objectives, contributing to the achievement of the African Union's Agenda 2063 and the Sustainable Development Goals (SDGs) of the United Nations.

To this end, this new Plan is supported by four interdependent pillars, namely trade and market integration, physical integration, production integration and social and gender integration. This will mean continuing to put in place programs adapted to the realities and needs of our populations and to meet the demands of our changing environment. This report highlights the programs carried out and the initiatives taken by our organization in 2020, in an unprecedented context leading us to more innovation and adaptation. The report also notes the challenges encountered as well as the lessons learned to inform us in the development and implementation of future regional initiatives.

In conclusion, COMESA welcomes the contribution of its partners through their financial and technical support in the implementation of regional integration programs. Our sincere thanks go to the Member States which, despite national constraints in the management of Covid19 pandemic, have shown their continued and faithful support for our agenda.

Our words of encouragement go to our populations directly and indirectly involved in the fight against COVID-19, and in the many actions for a prosperous and stable region and continent.

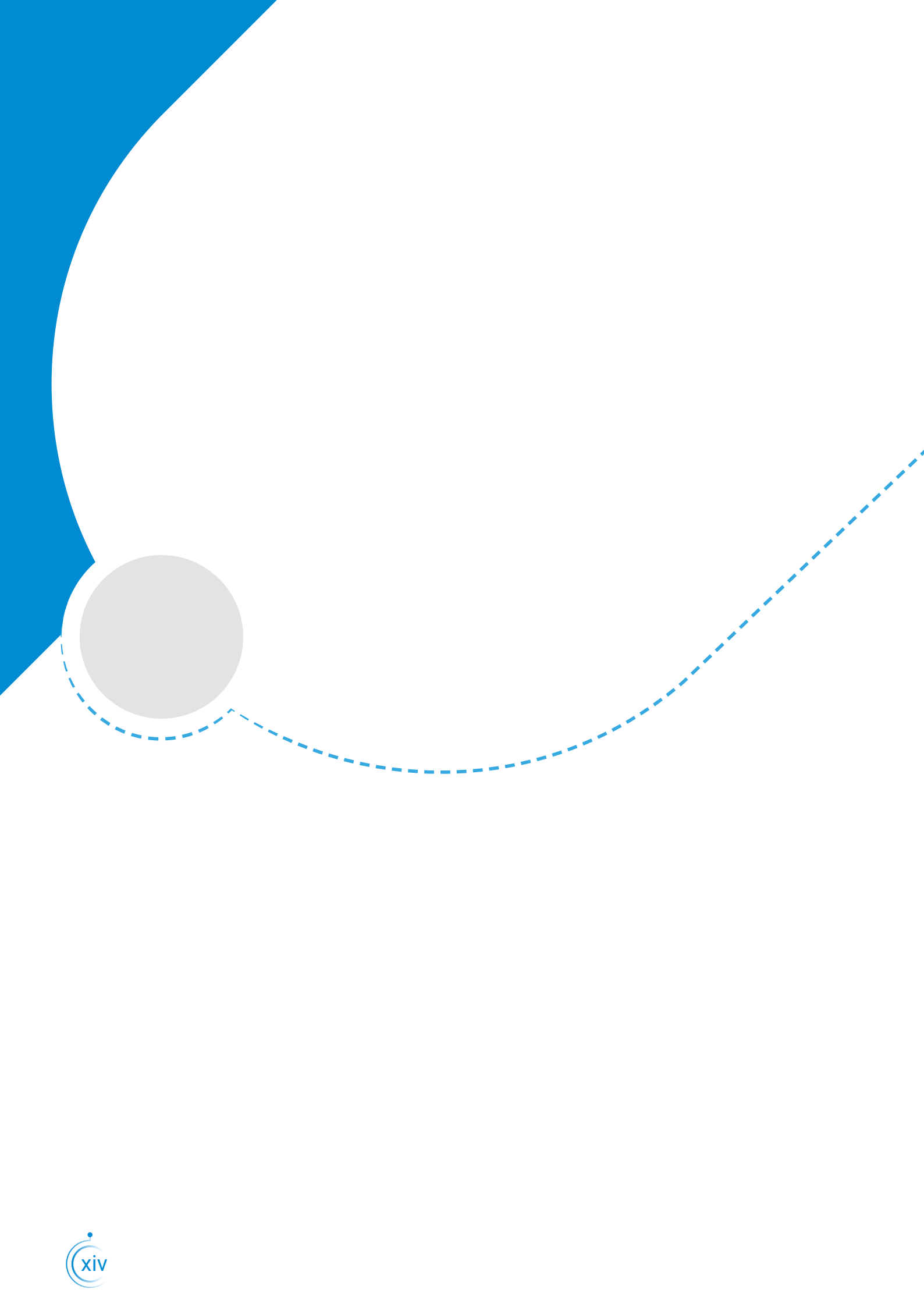
Our gratitude goes to the Secretariat for their remarkable work.

Finally, I urge for continued mobilization and enhanced cooperation in the pursuit of this common goal for sustainable development of our region.

His Excellency Mr. Andry Rajoelina

President of the Republic of Madagascar

and Chairman of the COMESA Authority of 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.

EXECUTIVE SUMMARY

This annual report presents programmes implemented and activities undertaken by the Common Market for Eastern and Southern Africa (COMESA) in 2020. It also captures the achievements made, and challenges encountered during the course of the year. Notwithstanding the challenges experienced in the reporting period owing to the COVID-19 pandemic, COMESA continued to work closely with its Member States and development partners to implement integration programmes in the new environment. In this regard the Member States and development partners provided the necessary financial and technical resources to support programmes and projects.

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 guided by its 2016-2020 Medium Term Strategic Plan (MTSP) and taking into consideration the effects of the COVID-19 pandemic, continued to facilitate harmonization of policies, standards and regulations in its pillars. There are notably trade and customs, infrastructure and logistics, industry and agriculture, and gender and social affairs to ensure convergence, consequently reducing the cost of doing business and facilitation of “safe” movement of people, goods and services.

In the period under review, COMESA continued to support market integration mainly through the Trade Facilitation Programme (TFP) and Small-Scale Cross-Border Trade Initiative (SSCBTI) under the 11 European Development Fund (11th EDF), which include the following interventions; the Digital Free Trade Area (FTA), Electronic Certificate of Origin (eCO), Customs Automation, Electronic Window, the Non-Tariff Barriers (NTB) Monitoring System, the Simplified Trade Regime (STR) and support to small-scale cross border trade statistics to mention a few. As a direct response to the COVID-19 Pandemic, the Policy Organs approved the COMESA COVID-19 Online Platform for exchanging and sharing information on availability of essential products within Member States aimed at facilitating trade in the new environment.

The capacity building, economic policy and research programme hosted its annual research forum with a focus on the opportunities presented by the African Continental Free Trade Area Agreement (AfCFTA) and the Master’s Degree Programme in Regional Integration commenced at the Kenyatta University in Kenya and the University of Mauritius.

With COMESA’s contribution, progress was made towards the realization of the Tripartite Free Trade Area (TFTA) and the AfCFTA which have expanded the market and provided more opportunities for trade. At the Tripartite level, Guidelines on Trade and Transport Facilitation for Safe, Efficient and Cost-Effective Movement of Goods and Services during the COVID-19 Pandemic and for Safe Cross-Border Movement of Persons and Personal Goods during the COVID-19 Pandemic were developed.

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

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

Implementation of COMESA’s Industrialisation Programme guided by the COMESA Industrial Strategy and Action Plan (2017 – 2026) received a boost through funding from the 11 EDF to assist in implementing the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP). RECAMP aims at supporting development of the private sector through enhancing private sector competitiveness and access to markets in the COMESA region and beyond. A key achievement for the Industrialisation Programme was the adoption of the Roadmap and Action Plan and the Memorandum of Understanding for the Zambia – Zimbabwe Joint Industrial Project.

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 review/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.

The COMESA Livestock Programme developed Manuals for the Harmonized Grading and Classification of Cattle, Goats, Sheep and Livestock Trade in COMESA which assess key aspects of the livestock sector and worked with several partners to implement the LIVE2Africa Project. COMESA continued to implement the Sanitary and Phytosanitary/Technical Barriers to Trade (SPS/TBT) Programme to ensure that effective, risk based, harmonized SPS/TBT measures are efficiently implemented to facilitate safe regional and international trade.

In 2020, COMESA continued to advocate for gender equality, empowerment of women and youth, and social development. This was implemented through development of gender mainstreaming tools, training and engaging stakeholders. Virtual launches of the 50 Million African Women Speak Digital Platform were conducted in Member States to enable women access financial and non-financial services including, sharing of experiences. The Project on Youth Engagement in Democratic Governance and Socio-economic Development continued being implemented whose aim is to enhance the capacity of youth to participate in democratic governance and socio-economic development.

With the support of the USAID-funded Regional Intergovernmental Organization System Strengthening (RIGO-SS), activities were undertaken to strengthen the capacity of the COMESA Secretariat to coordinate and facilitate regional integration programmes. Areas of focus included human resource management, strategic and operational management, monitoring and evaluation, procurement management and information systems. A key activity supported by RIGO-SS was a Business Process Re-engineering (BPR) exercise which involved a diagnostic phase to establish the opportunities for efficiency improvement and consequently recommendations on ways to improve workflows and integrate information.

Activities under human resource management supported by RIGO-SS included amongst others; review of the organisational structure and the recruitment and selection manual, development of job descriptions, job evaluation and skills, and audit.

Further, the Secretariat facilitated COMESA institutions and Member States meetings and conferences virtually, procuring equipment and services necessary for the execution of its mandate. Additionally, in the wake of the COVID-19 pandemic, staff welfare initiatives were undertaken to facilitate information sharing on the pandemic and the implementation of the working off-site arrangement. Adequate ICT support was provided to staff to ensure a conducive virtual working environment.

With the conclusion of its 2016-2020 MTSP, COMESA coordinated and facilitated the formulation of the Draft 2021-2025 MTSP and M&E Framework by engaging key internal and external stakeholders. In its drive to enhance visibility, efforts were employed to enhance access to information on the COMESA regional integration agenda, its opportunities and benefits among stakeholders for increased visibility and understanding and to demonstrate the value of regional integration for increased cooperation among Member States.

During the year under review, COMESA Institutions continued to undertake specific sector support as mandated by the Treaty.

With regards to challenges during the period under review, the COVID-19 Pandemic affected most programmes and projects as staff were unable to undertake or conduct physical activities in the Member States owing to imposed quarantine, lockdowns, and travel restrictions. Additionally, budgetary constraints at Member States level owing to the re-allocation of resources towards measures aimed at containing the pandemic led to a reduction in the COMESA budget. In efforts to ensure continued engagements with the Member States and key partners concerning programmes, a virtual working environment was established by the Secretariat.

CHAPTER ONE

MACRO-ECONOMIC DEVELOPMENTS IN THE COMESA REGION IN 2020

01



Background

This report presents macroeconomic developments in the COMESA region in 2020, the year which was negatively impacted by COVID-19 pandemic. It analyses developments in key macro-economic performance indicators in the region, assesses the medium-term prospects and provides policy recommendations in the short-to-medium term in the face of COVID-19 pandemic. And in addition, discusses the risks to the outlook.

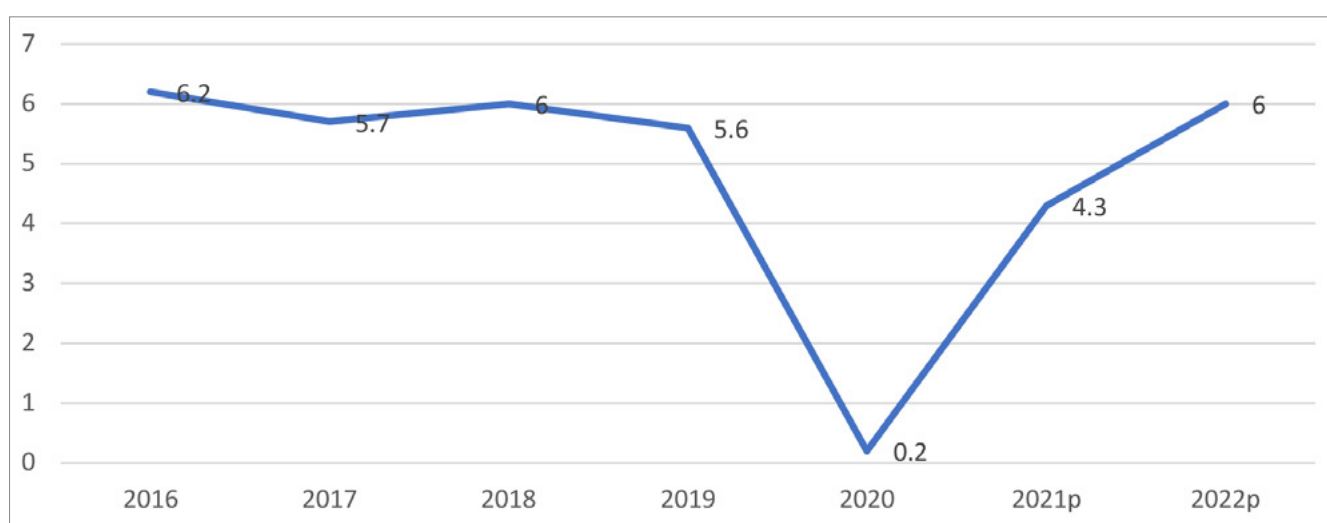
Growth

COMESA region's average growth contracted sharply in 2020, shrinking by -5.4 percentage points to 0.2%, from 5.6% in 2019, but is projected to rebound in the outer years to 4.3% and 6.0% in 2021 and 2022, respectively. This is attributed to the fact that growth plummeted to negative levels in a number of COMESA Member States.

Growth outcome in 2020 was negatively impacted by the COVID-19 induced health and economic crisis since the commencement of the year under review, including, among others the following: (i) impact of containment measures—quarantine, lockdowns, travel restrictions, border closures, cancellations of public gatherings, closing of schools/universities, remote working; and the decline in global demand as well as regional spillovers, resulting in rapid fall in trade and tourism; (ii) external financial constraint involving capital outflows and sharp declines in capital inflows and remittance with implications for the exchange rate and postponement of planned bond issuance; and (iii) the impact of multiple shocks, particularly the effects of floods, locust invasion and collapse of commodity prices.

These notwithstanding, resilient growth in some of the countries, seem to have benefited from improving growth fundamentals, particularly the gradual shift from private consumption to investment and exports, which somewhat moderated the negative waves associated with COVID-19. While a second wave of the COVID-19 pandemic - which swiftly outpaced the scale and speed of the first, eased somewhat in a broad set of countries in the region and whereas countries could be bracing for further waves as access to vaccines remain scant, the IMF April 2021 projections show that the COMESA region average growth will rebound to 4.3% in 2021 and further to 6.0% in 2022 (Figure. 1).

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



Source: IMF REO Sub Saharan Africa April 2021

Recovery in growth forecast in the region is being anchored on: a) optimism about a recovery in the global economy, driven in large part by scale up of vaccination efforts against COVID-19 in advanced economies and the extraordinary level of policy support—fiscal stimulus and continued accommodation by central banks, with potential spill overs to the region in the form of increased trade, higher commodity prices, and a resumption of capital inflows; b) recovery in commodity prices and firm worldwide demand particularly in China, along with a recovery in both private consumption and investment. Already, oil prices have jumped to \$67 per barrel in March 2021, from \$27 per barrel in April 2020, reflecting in part, improving global demand; and c) broadly accommodative global financial conditions—given low global interest rates and spreads. This should support resumption of sovereign issuances in the region.

Going forward, the immediate concern for the region is containing the spread of COVID-19 as well as opening up the COMESA region economies. Striking a balance between the two almost conflicting objectives will go a long way in determining the speed and extent of economic recovery and return to normalcy. Key towards getting the balance right will depend on how effective and efficient governments in the region will be as they continue to carry out public health measures and the extent to which the public will adapt the same. Key among these measures include but not limited to; speedy roll out of the COVID-19 vaccine and enhance immunization awareness campaign and uptake, adherence to the World Health Organization (WHO) Standard Operating Procedures (SOPs), mass testing, isolation and quarantine of identified cases.

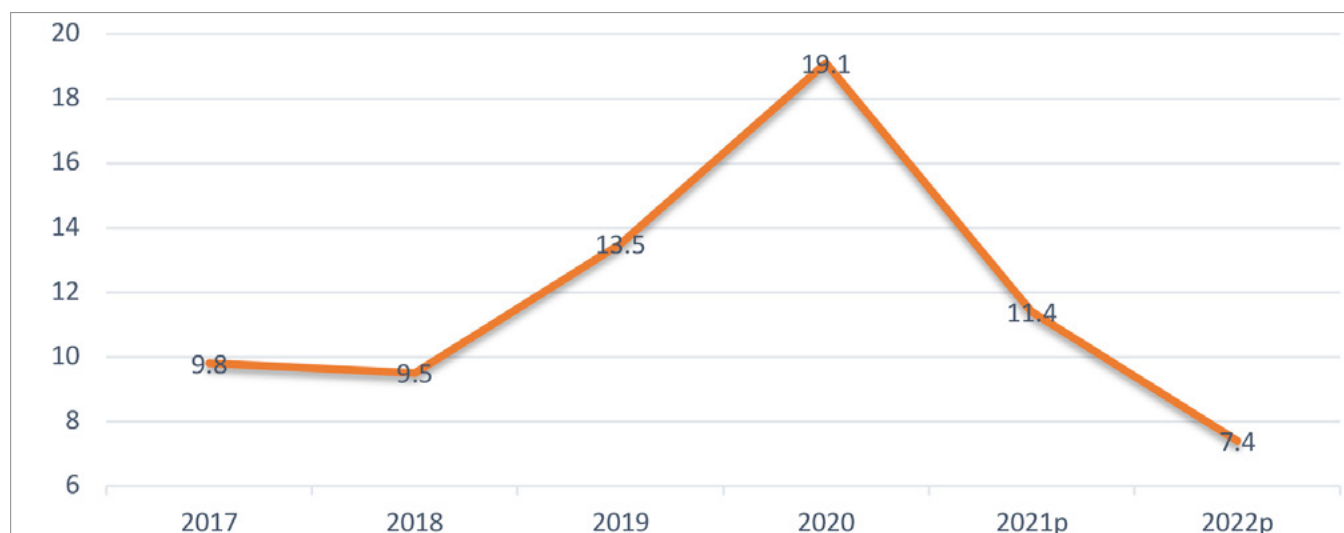
Inflation Rate

The COMESA region wide average inflation rate grew to 19.1% in 2020, up from 13.5% in 2019 and 9.5% in 2018, but is projected to ease somewhat to 11.4% in 2021 and further to 7.4% in 2022 (Figure. 2). The rise in inflation during the year under review mostly reflects:

- a) Higher food prices due to lockdowns and containment measures that affected global, regional and domestic food supply chains, resulting in scarcity of imported and domestically produced food;
- b) The impact of depreciation due to plummeting commodity prices that threatened foreign exchange earnings, exerting foreign exchange and inflationary pressures; and
- c) A rebound of energy prices towards the end of the year.

Inflation is projected to dampen in 2021 and 2022, largely on account of expected increases of food supply driven by expected good weather and exchange rate appreciation supported by resumption of capital inflows due to a more buoyant external environment.

Figure 2: COMESA Average Consumer Prices (annual av., % Change)



Source: IMF REO Sub Saharan Africa April 2021

Monetary Policy and Exchange Rate Developments

During the year into the COVID-19 pandemic, a number of central banks in the region remained largely supportive—including shifting priority to crisis management objective instead of strict price stability. Most central banks pursued an accommodative monetary policy stance and allowed the exchange rate to depreciate while conducting foreign exchange interventions to smooth disruptive volatility. In addition, they relaxed reserve and capital conservation buffers requirements for banks in an effort to boost their daily liquidity needs, allowed commercial banks to restructure outstanding loans of borrowers facing temporary cash flow challenges and increased limits on agents and corporate wallets for digital transactions, among other measures. However, going forward, and in the context of optimism about global economic recovery, rising food and commodity prices and the risks this pose for domestic inflation, the room for supportive monetary policy could increasingly shrink. Indeed, having loosened policy through 2020, some central banks in the region are keeping policy rates on hold, while some others are already reversing some of 2020 rate cuts.

Economic disruptions brought about by COVID-19 resulted in tightening of global financing conditions, unprecedented capital outflow and sharp decline in remittances and tourism receipts. These meant severe fiscal and exchange rate pressure across many countries in the region. The tight global financial conditions reduced investment flows to the region, putting a strain on the required resources to deal with the pandemic and support economic recovery. As a consequence, either government had to cut spending, or had a buildup in arrears, or allowed an increase in government borrowing from the domestic market while balancing the consequences this would have on domestic credit and economic recovery. Going forward, should the pandemic persist, and tight global financial conditions fail to ease as expected, governments might still have to use such financing as a last resort, but this should be on market terms.

Although fiscal policy is key in addressing the current challenges posed by COVID-19 pandemic, monetary and exchange rate policies can also play an important role in dampening the economic shock. As such there is need to ensure soundness of banking sector through increased liquidity. Also, central banks in the region should consider easing monetary policy especially in countries where inflation is not an immediate concern in order to provide the economy with the necessary impetus to reverse the growth contractionary phase. For countries in the region under flexible exchange rate regimes and enjoying low inflation and absence of large currency mismatches, the exchange rate could be allowed to be the key shock absorber. Foreign exchange interventions

to smooth exchange rate volatility will be desirable for countries with shallow foreign exchange markets and large un-hedged balance sheet exposures.

Overall Fiscal Balance Including Grants

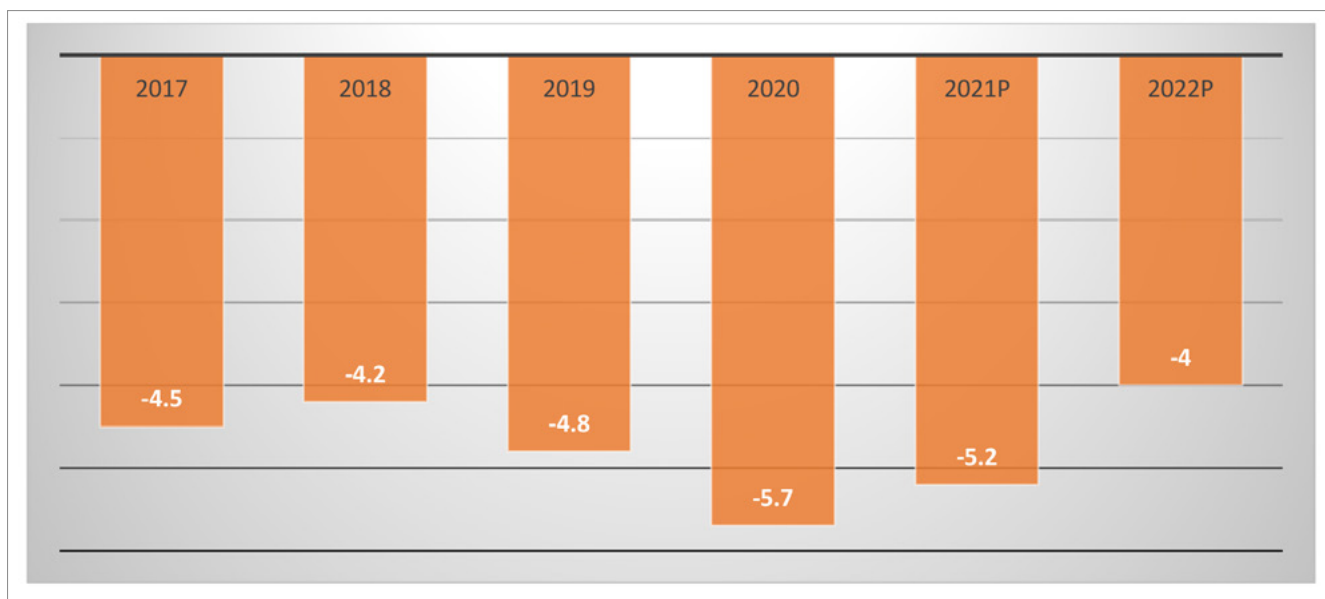
The region's average fiscal deficit including grants as a percentage of GDP widened by 0.9 percentage points to -5.7% in 2020, from -4.8% in 2019. exacerbated by fresh borrowing to cover revenue shortfalls triggered by the economic crisis induced by COVID-19 pandemic. Governments instituted a number of fiscal measures geared towards containing the COVID-19 pandemic, including provision of health services and extended unprecedented support to households, firms, and financial markets. In particular, most countries in the region responded to the pandemic with massive health spending, tax cut measures to cushion households and SMEs, extended support to vulnerable households through cash transfers and food rations, and targeted and temporary support to hard hit sectors of their economies.

The COVID-19-related fiscal packages, amidst severe tax revenue shortfalls fuelled by lockdown measures across a number of countries, put considerable pressure on governments fiscal space. The combined effect of sharp decline in revenues, the rapid accumulation of debt particularly for countries that had large fiscal deficits and budget rigidities related to wages and interest payments, has resulted in heightened debt default vulnerability. As countries continue to battle health crisis brought about by COVID-19 pandemic, and the resultant economic crisis, the following fiscal considerations will be critical in the medium term:

- a) Countries will need to quickly incorporate the impact of COVID-19 pandemic in their fiscal frameworks, re-assess the impact on revenues and do accurate costing of the responses on the expenditure side.
- b) Carry out expenditure reprioritization including rescheduling capital expenditures and consideration of sufficient levels of fiscal stimulus to restart country specific economies in country specific circumstances;
- c) Need to aggressively explore possibilities of external concessional financing and temporary/permanent debt relief;
- d) There is also the need to balance immediate spending demands in response to COVID-19 and cuts in public investments, to avoid excessive negative impact on the economy, employment and future growth—because, sometimes, scaling up public investment with multiplier effect could act as a stimulus and ensure longer term resilience of the economy;
- e) Mitigate against corruption and fiscal risks through stringent controls, monitoring and transparency; and continue supporting households and SMEs to preserve livelihoods and employment.

The overall fiscal balance for 2021 is projected to narrow to -5.2% and further to -4.0% in 2022 (Figure 3), mainly due to the expected economic recovery—higher revenues, resumption of fiscal consolidation in some countries and expiration of pandemic related measures as countries enhance the roll out and uptake of the COVID-19 vaccine.

Figure 3: COMESA Average Overall Fiscal Balance (incl. Grants, % of GDP)

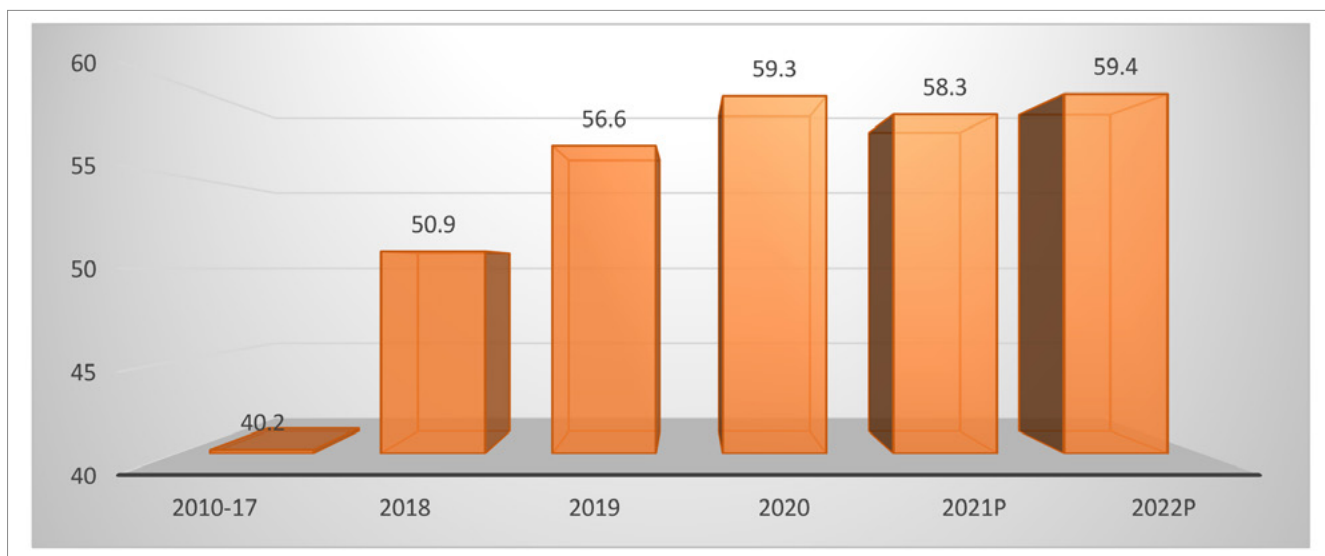


Source: IMF REO Sub Saharan Africa April 2021

Government Debt

The region's average Government debt as a share of GDP surged to 59.3% in 2020, as compared to 56.6% in 2019, mainly due to COVID-19 pandemic (Figure 4). The COVID-19-related recurrent expenditure needs, coupled with sharp decline in revenues occasioned by lockdowns and general economic slowdown during the year under review exerted considerable pressures on government finances and forced almost all the economies in the region to run widening fiscal deficits.

Figure 4: COMESA average Government Debt (% of GDP)



Source: IMF REO Sub Saharan Africa April 2021

Going forward, average region government debt to GDP ratio is projected to ease somewhat to 58.3 in 2021. However, should new infections and variants lead to renewed lockdowns as is already the case in some countries in the region, and if this is compounded by delays in vaccinations, regional government debt and financing risks could rise further, complicating choices for the existing policy space and eventually, vulnerability of these countries to debt default. Already, 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%. Thus, unless measures are implemented to curtail growth in debt, these countries could face an explosion in the stock of external debt and servicing costs. If left unchecked, the rate of debt accumulation could result in a major source of macroeconomic instability. Debt relief will be necessary to fight COVID-19 pandemic while preserving macroeconomic stability.

Most economies in the region have little room for maneuver in deploying fiscal policy to address COVID-19 especially given the impact of lockdowns to traditional revenue sources, at time when the pressure to spend and protect lives is not an option. Creditors may need to consider grants to support vulnerable groups; health systems and local livelihoods and businesses.

The need for creditors to implement “debt standstill” called for by the World Bank Group, the IMF and African Governments, will be important in the immediate short term but a more holistic approach for debt relief post COVID-19 will be required, to enable most of the economies in the region to fully recover from the effects of this pandemic. Concerns that accessing bilateral relief package will trigger credit downgrades and undermine future access to capital markets, and concerns of commercial debt obligations will need to be addressed.

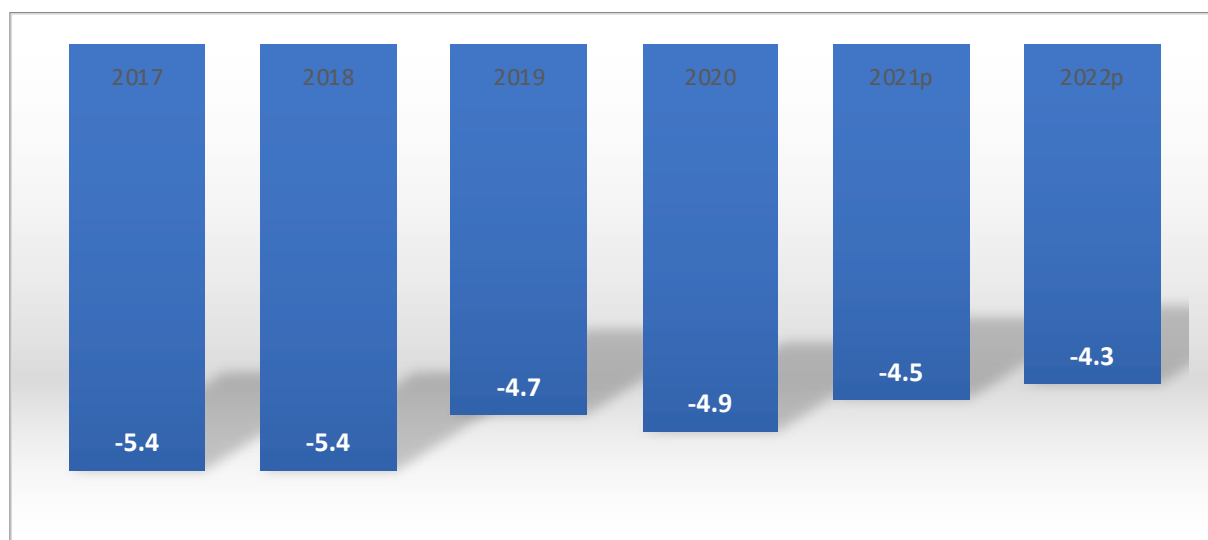
External Current Account Including Grant

The COMESA region external current account including grants, as a percentage of GDP, deteriorated by 0.2 percentage points to an average of -4.9% in 2020, relative to 2019. The deterioration in the external current account deficit for most economies in the region is due to the usual 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 outturn for the year under review is primarily due to the effects of COVID-19 pandemic. Disruptions to domestic and regional trade and value chains occasioned by lockdowns, together with similar disruptions at global level, severely affected trade for most countries.

The external current account including grants is projected to improve to -4.5% of GDP in 2021 and further to -4.3% of GDP in 2022 (Figure 5). This improvement is being anchored on increases in exports as worldwide demand firms up, higher export commodity prices for commodity exporters and a resumption of capital inflows, particularly recovery in remittances.

Going forward, COVID-19 crisis will likely reshape global value chains, bringing challenges but also opportunities for the COMESA region and Africa at large. 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 strengthening regional production networks and trade, reduce the continent’s vulnerability to external shocks, and consequently lead to improvements in external current account balances.

Figure 5: COMESA Average External Current Account (incl. Grants, % of GDP)

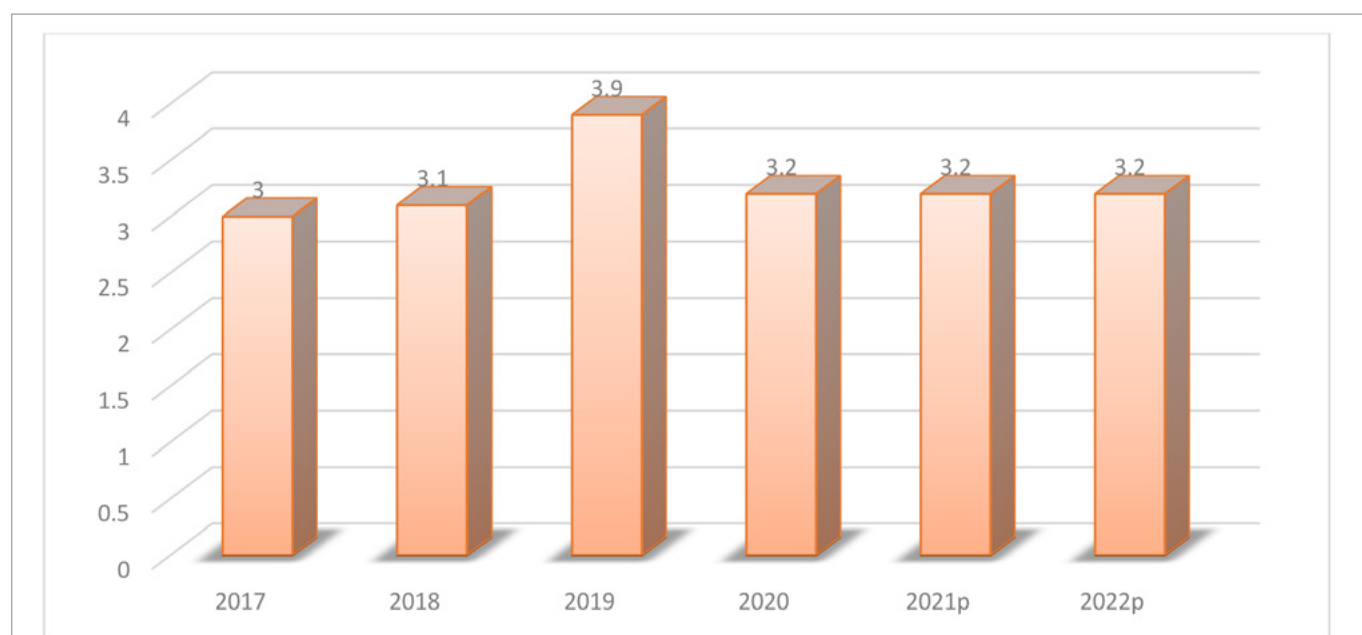


Source: IMF REO Sub Saharan Africa April 2021

Reserve Accumulation

The COMESA region external reserve cover averaged 3.2 in month of imports of goods and services, down from 3.9 months of import of good and services in 2019. The dip in external reserves in months of imports of goods and services during the year under review reflects considerable pressure to provide for foreign exchange to support importation of COVID-19 health related equipment's and drugs; smoothing disruptive volatility in the exchange rate and supporting food imports for food deficient economies of the region. Albeit low, the average of 3 months of future imports of goods and services reserve cover over the last four consecutive years is a testimony to prudent monetary and exchange rate policies. In outer years of 2021 and 2022, the average external reserve position for the region is expected to hover around the historical average of 3.2 months of import of good and services (Figure6).

Figure 6: COMESA Average Reserves (Months of imports of goods and services cover)



Source: IMF REO Sub Saharan Africa April 2021

Medium Term Prospects and Recommendations for Chance to Change

- a) The immediate challenge for most countries in the region will be stopping the COVID-19 pandemic, as the region is still in the grip of the pandemic health and economic emergency. Therefore, of priority, going forward, is still to save lives—which will entail added spending to strengthen local health systems and containment efforts, and to ensure that the logistical and administrative prerequisites for a vaccine rollout are in place.
- b) Member countries should do whatever is possible to support the speed of recovery of their economies. Fiscal stimulus in the short run should be continued, targeting public health, crisis response and income support to the most vulnerable.
- c) To reign on the threatening debt levels, member countries will need to create more fiscal space, through domestic revenue mobilization, prioritization and efficiency gains on spending. Beyond this revenue and spending measures, governments need to maximize the fiscal space by improving their fiscal frameworks to credibly balance the need for short-term support with medium-term consolidation.
- d) In the medium term, structural transformation and economic diversification of individual economies in the region will be crucial. COVID-19 has clearly demonstrated that with disrupted trade channels, local manufacturers have been able to rise to the occasion. There is therefore the need to sustain emerging pharmaceutical and medical supply industries in a post Covid-19 era.
- e) Leverage AfCFTA to strengthen value-addition and industrial growth and increase the role of digitization to continue to play an important role in the economies of the region.

Risks to Outlook

Risks posed by the COVID-19 pandemic are unprecedented. The crisis is like no other whose impact on the global economy is devastating and still highly uncertain. The real challenge for policy is to properly assess the trade-offs between short, medium, and long-term priorities. Different policy interventions will be required as economies enter the successive phases of crisis-response: surviving the epidemic (ensure adequate resources go to basic needs such as medicine and food, and ensure people's physical and mental health, as well as safety); getting back to normal (support individuals and firms to resume their activities and repair the damage sustained during the pandemic); and re-focusing on the long term (shift resources and attention to long-term development). Not getting the policy right in any of these phases poses serious risks to economies of COMESA member countries.

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CHAPTER TWO

IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES

MARKET INTEGRATION

COMESA Global Trade Performance

COMESA's nominal export trade values decreased by 13% from US\$ 128 billion in 2018 to US\$ 112 billion in 2019. This overall performance was attributed 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. Oil prices rose between January and July and then dropped for the months of August to November and then rose in December 2019. On average this led to the observed 26% decline in exports of fuels from the region in 2019 for the fuel exporting countries such as Egypt, Libya and Sudan.

2019 also witnessed declines in exports of manufactured goods. Among the exporting countries, the largest contributor to this decline was the DR 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 of copper and zinc in 2019; this decline mainly affected the exporting countries such as DR Congo, Zambia, Eritrea and Madagascar. Table 1 below depicts the trends of COMESA's global trade for the period 2011 – 2019.

Table 1: COMESA Global Trade, 2011 – 2019, US\$ millions

Flow/Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Exports	113,539	142,429	133,927	102,281	90,441	87,152	107,255	128,270	112,134
Imports	169,337	196,161	200,590	209,618	202,638	186,841	181,525	210,895	211,975
Total Trade	282,876	338,590	334,517	311,899	293,078	273,992	288,780	339,165	324,109
Trade Balance	- 55,797	- 53,732	- 66,664	-107,336	-112,197	- 99,689	- 74,270	- 82,625	- 99,841

COMESA's imports recorded a marginal increase of 0.5% from US\$ 211 billion in 2018 to US\$ 212 billion in 2019.

Table 2: Global COMESA Trade by Country, 2017 - 2019, values in US\$ million

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

COMESA's Trade with External Markets

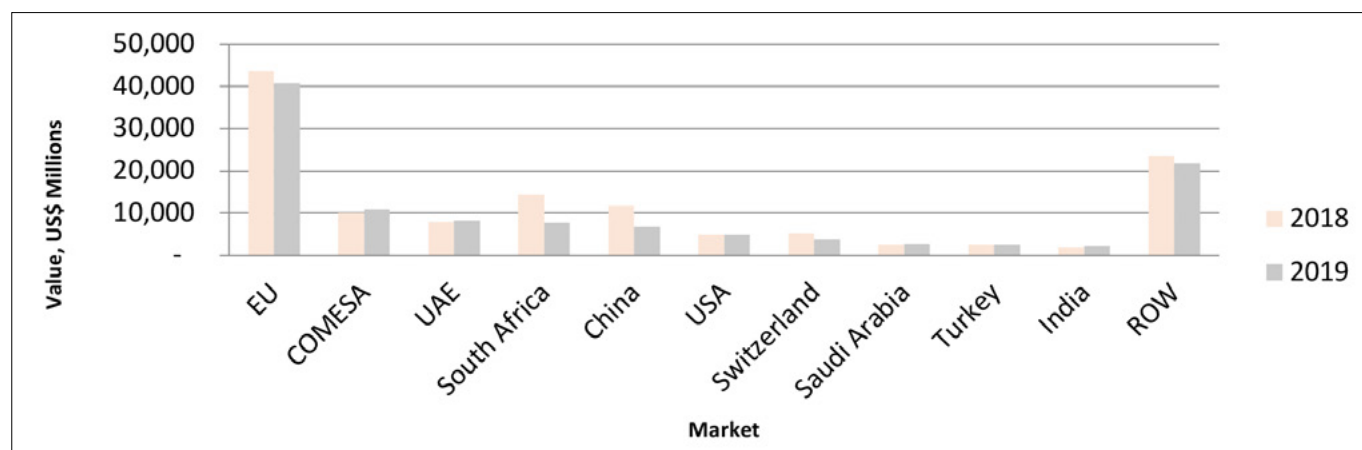
COMESA's exports to the EU decreased in nominal value terms from US\$ 43.6 billion in 2018 to US\$ 40.7 billion in 2019. COMESA's major export products to the EU were crude petroleum, refined petroleum, natural gas and electric conductors, primarily exported by Libya, Egypt and Tunisia. The COMESA region was ranked as the second largest export market for COMESA products. Intra COMESA exports increased by 8% in 2019 compared to 2018.

As COMESA's third largest export destination, exports to the United Arab Emirates increased in nominal terms from US\$ 7.97 billion in 2018 to US\$ 8.26 billion in 2019. Contributing to this increase were gold, medium and light petroleum oil preparation, copper, articles of jewellery, sesamum seeds, industrial diamonds, alfalfa meal and pellets, tin ores and concentrates and natural gas whose combined export value increased from US\$ 4.7 billion in 2018 to US\$ 6.5 billion in 2019.

Exports to South Africa dropped from US\$ 14.4 billion in 2018 to US\$ 7.8 billion in 2019. This led to a drop in South Africa's rankings as a major export destination from second in 2018 to fourth in 2019. The declines registered in exports of cobalt oxides and hydroxides, copper, gold, tobacco and cotton behind this trend. The combined export value of these products was US\$ 4.8 billion in 2019 down from US\$11.5 billion in 2018.

China was ranked fifth as the region's export destination market. Exports to China dropped to US\$ 6.7 billion in 2019 from US\$ 11.8 billion in 2018. Major products bucking this trend were crude petroleum oil, cobalt oxides and hydroxides, cobalt ores and concentrates, copper ores and concentrates and tobacco which accounted for 21% of total China bound exports. COMESA's exports to other markets such as Switzerland (mainly copper and fuels), registered declines in 2019. Figure 7 below shows COMESA's major exports trade markets for the period 2018-2019.

Figure 7: COMESA'S Major Export Trade Markets: 2018 - 2019



The EU maintained the largest market share of COMESA's exports, with a market share of 36%, up from 34% registered the previous year. COMESA, the second largest market for COMESA exports also grew its market share by 2 percentage points from 8% in 2018 to 10% in 2019.

United Arab Emirates moved to third position and increased its market shares from 6% in 2018 to 7% in 2019. The South African market share declined significantly by 4 percentage points from 11% to 7% between 2018 and 2019. China market dropped by 3 percentage points from 9% in 2018 to 6% in 2019. The USA, Saudi Arabia, Turkey and India market shares remained the same while Switzerland dropped one percentage point.

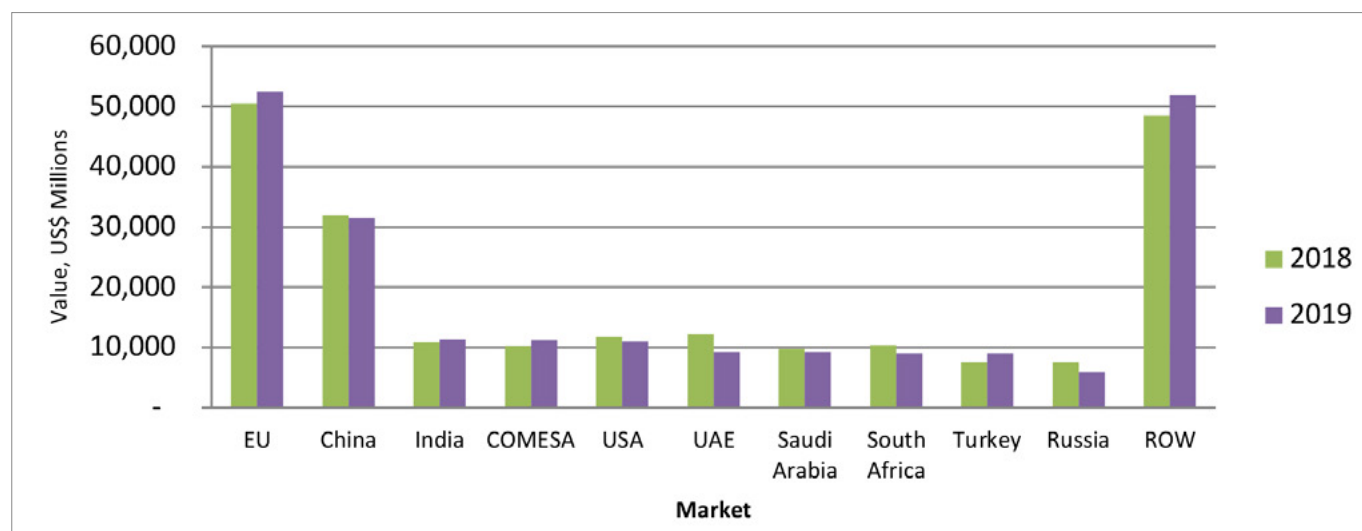
Table 3: COMESA Key Export Market Shares, 2018 and 2019

Export Market	Market Share 2018	Market Share 2019
EU	34	36
COMESA	8	10
UAE	6	7
South Africa	11	7
China	9	6
USA	4	4
Switzerland	4	3
Saudi Arabia	2	2
Turkey	2	2
India	2	2
ROW	18	19
Total	100	100

Source: COMSTAT Database

On the import side, the structure of trade remained the same for the major sources of imports into the COMESA region. The value of COMESA's imports from the EU increased from US\$ 50 billion in 2018 to US\$ 53 billion in 2019. Imports from China declined slightly from US\$ 31.9 billion in 2018 to US\$ 31.6 billion in 2019. COMESA's imports from India increased from US\$ 10.8 billion to US\$ 11.4 billion between 2018 and 2019. Imports sourced from the COMESA market increased from US\$ 10.3 billion in 2018 to US\$ 11.2 billion in 2019 as per Figure 8.

Figure 8: COMESA's Major Import Trade Markets: 2018 – 2019



Looking at the main import source markets for the COMESA region, the market share of EU's imports increased by 1 percentage point from 24% in 2018 to 25% in 2019. India and COMESA market shares remained the same while USA, UAE, Saudi Arabia and South Africa import market shares dropped.

Table 4: COMESA Key Import Market Shares, 2018 and 2019

Export Market	Market Share 2018	Market Share 2019
EU	24	25
China	15	15
India	5	5
COMESA	5	5
USA	6	5
UAE	6	4
Saudi Arabia	5	4
South Africa	5	4
Turkey	4	4
Russia	4	3
ROW	23	24
Total	100	100

Source: COMSTAT Database

Tables 5 and 6 highlights the key export and import markets for the COMESA region by Member States in 2019, respectively.

Table 5: Key Export Markets for COMESA Member States, 2019, Values in USD Millions

Market	China	COMESA	EU	India	Saudi Arabia	South Africa	Switzer land	Turkey	UAE	USA	ROW	Total
Burundi	5.6	37.9	17.5	0.3	0.1	0.1	10.3	0.4	46.9	2.0	21.9	142.9
Comoros	0.0	5.3	19.3	9.2	0.1	0.1		0.0	2.7	0.5	11.3	48.3
Congo DR	3,533.7	917.9	780.9	33.9	3,595.3	3,595.3	121.4	0.4	884.8	8.1	3,258.4	13,134.9
Djibouti	0.8	12.4	15.7	0.0					1.8	2.3	196.8	301.3
Egypt	544.7	2,861.4	8,906.2	1,425.1	83.4	83.4	22.3	1,677.8	2,061.2	1,820.7	8,050.8	29,168.9
Eritrea		1.2	3.8	0.0			0.1			0.1	104.9	110.1
Eswatini	0.3	227.8	115.2	0.1	1,332.6	1,332.6	0.8	0.0	1.0	22.3	300.4	2,001.2
Ethiopia	89.9	460.5	434.1	107.6	6.7	6.7	1.5	36.3	121.8	141.5	573.4	2,144.9
Kenya	148.7	1,595.5	1,309.7	53.1	32.5	32.5	23.6	13.1	379.8	509.4	1,690.7	5,843.7
Libya		244.8	13,666.8	73.0			262.2	435.2		1,415.2	790.3	16,887.4
Madagascar	168.1	79.5	544.1	72.5	22.2	22.2	12.2	8.9	97.2	359.7	568.9	1,934.2
Malawi	35.0	205.8	284.5	14.6	59.9	59.9	28.3	3.2	24.8	49.1	189.8	896.3
Mauritius	32.5	238.8	818.6	24.0	198.3	198.3	25.1	1.9	6.7	204.9	350.4	1,901.9
Rwanda	10.9	626.7	79.1	6.6	1.3	1.3	52.8	1.2	262.9	16.2	119.3	1,177.2
Seychelles	2.7	20.6	299.7	1.6	2.5	2.5	0.1	1.8	302.4	5.0	187.9	824.3
Somalia		6.3	6.1	19.6			0.0	6.3		1.0	33.4	72.7
Sudan	567.3	520.0	142.6	132.4	0.0	0.0	0.0	88.1	1,717.1	7.8	380.8	4,111.0
Tunisia	57.6	848.5	12,087.8	159.9	14.0	14.0	96.7	147.6	72.9	295.1	2,726.2	16,561.9
Uganda	9.5	600.9	951.2	13.9	50.2	50.2	73.3	121.6	1,397.0	13.7	319.4	3,553.9
Zambia	1,502.7	1,234.1	147.6	54.6	295.7	295.7	2,905.4	0.0	47.6	5.0	854.2	7,047.2
Zimbabwe	3.2	128.4	71.0	0.1	2,094.1	2,094.1	0.0	0.0	832.9	2.4	1,135.5	4,269.0
Total	6,713.3	10,874.4	40,701.4	2,202.2	7,789.0	7,789.0	3,636.0	2,543.8	8,261.4	4,881.9	21,864.7	112,133.3

Source: COMSTAT Database

Table 6: Key Import Source Markets for COMESA Member States, 2019, Values in USD Millions

Market	China	COMESA	EU	India	Saudi Arabia	South Africa	Switzer land	Turkey	UAE	USA	ROW	Total
Burundi	136.2	156.3	126.4	69.9	134.5	20.6	1.4	7.2	61.3	14.5	160.4	888.6
Comoros	19.6	11.0	46.0	6.6	3.7	4.3	0.0	8.8	44.0	0.1	59.0	203.2
Congo DR	2,029.5	544.1	1,162.4	356.6	116.3	908.3	33.4	73.3	246.5	2,098.1	1,057.7	8,626.0
Djibouti	214.0	107.8	177.8	9.7	76.7	0.2	0.0	25.7	99.2	235.8	277.0	1,224.0
Egypt	10,758.5	1,044.8	19,471.1	2,610.3	5,156.8	90.5	646.0	3,533.1	1,734.9	4,636.1	21,722.5	71,404.7
Eritrea		130.3	63.2	6.4			0.7	15.3		15.9	3.8	235.5
Eswatini	131.2	18.9	87.0	38.0	0.1	1,342.7	7.8	10.9	25.6	27.7	148.5	1,838.4
Ethiopia	4,396.2	397.7	2,194.4	1,381.9	460.8	196.4	70.4	704.2	458.3	880.9	4,665.5	15,806.8
Kenya	3,637.2	1,180.4	2,265.7	1,742.6	1,249.0	710.9	76.7	194.8	1,641.0	607.5	4,167.5	17,473.3
Libya		1,628.2	4,607.4	219.3			133.1	2,276.6		481.9	1,474.9	10,821.4
Madagascar	733.9	162.9	794.9	286.3	45.9	125.2	7.1	87.2	406.8	31.3	878.3	3,559.7
Malawi	531.1	192.2	407.9	251.7	28.2	482.1	19.6	8.0	273.7	38.4	651.2	2,884.1
Mauritius	944.1	230.6	1,338.0	792.2	37.0	459.4	42.9	90.2	406.5	114.4	1,212.7	5,668.1
Rwanda	654.7	389.9	354.3	300.8	126.1	97.1	109.5	73.6	250.3	50.9	735.0	3,142.1
Seychelles	67.4	53.7	332.4	63.5	2.7	74.5	7.4	13.8	318.8	22.6	481.4	1,438.2
Somalia		516.7	137.9	676.1			0.7	282.2		120.2	140.9	1,874.7
Sudan	1,950.3	785.4	1,038.6	805.2	931.9	19.9	37.3	316.5	1,521.2	77.6	2,759.7	10,243.7
Tunisia	2,190.1	1,661.1	16,111.4	354.1	393.8	7.4	229.6	1,138.0	158.6	1,105.6	10,526.4	33,876.0
Uganda	1,773.4	1,045.6	740.0	902.1	429.0	398.7	39.5	102.7	841.9	171.9	2,294.1	8,739.1
Zambia	1,021.1	699.8	682.9	352.2	31.0	2,223.0	24.0	28.4	740.4	186.5	1,235.7	7,225.0
Zimbabwe	411.9	283.9	289.7	141.5	0.5	1,856.1	14.9	7.0	76.5	46.5	1,673.1	4,801.6
Total	31,600.5	11,241.3	52,429.5	11,367.0	9,224.1	9,017.3	1,502.0	8,997.4	9,305.6	10,964.4	56,325.2	211,974.2

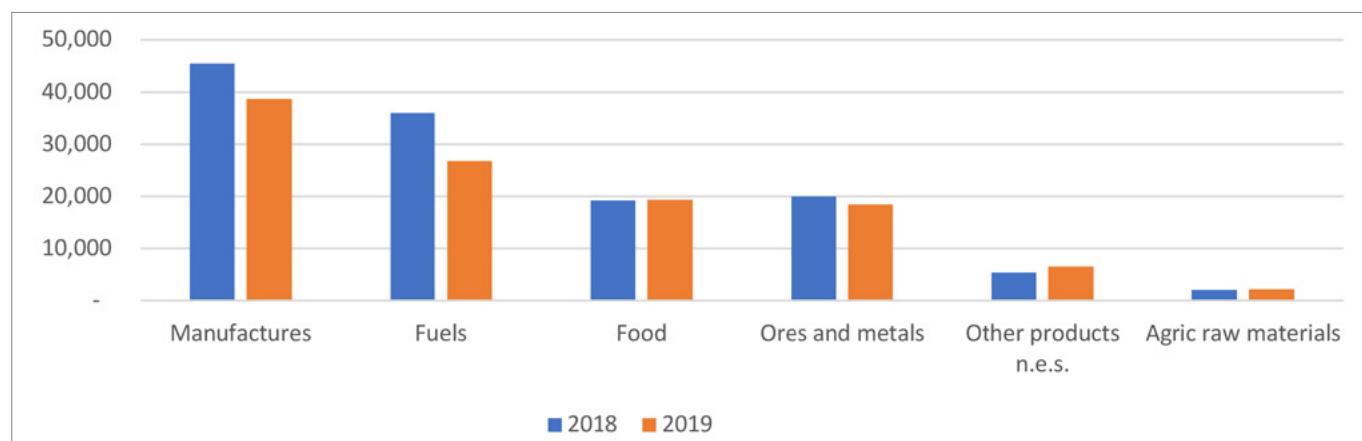
Source: COMSTAT Database

Merchandise Trade by Product

Exports

Performance of COMESA exports by sector are highlighted in Figure 9.

Figure 9: COMESA Exports by Sectors, Values US\$ millions



Source: COMSTAT Database

Manufactures

The exports of manufactures from the region decreased by 15% from US\$ 46 billion in 2018 to US\$ 39 billion in 2019. Manufactures are the largest export product sector for the region, and these accounted for 35% of COMESA's total exports in 2019. Major COMESA exporters of these manufactures in 2019 were; DR Congo, Uganda and Egypt.

Fuels

COMESA's exports of fuels declined from US\$ 36 billion in 2018 to US\$ 27 billion exported in 2019, representing a 26% decline. This was attributed to the average price of crude petroleum oil that declined from US\$ 68 per barrel in 2018 to US\$ 61 per barrel in 2019.

In 2019, Libya exported petroleum oils and oils obtained from bituminous minerals, both crude and light oils preparations and natural gas worth over US\$ 14 billion, a decline from US\$ 24 billion exported in 2018. Libya's exports of oils were mainly to the EU, USA, Switzerland and COMESA. Exports of Egyptian petroleum oils and oils obtained from bituminous minerals decreased by 11% from US\$ 5.3 billion in 2018 to US\$ 4.7 billion in 2019 and these were destined to several export markets but mainly to the EU, India, COMESA, USA and China. Sudan's exports of the same product registered a decline of 76% from US\$ 508 million in 2018 to US\$ 122 million in 2019. Sudan's export of crude oil was to China and COMESA.

Among the COMESA countries exporting fuels, Tunisian exports of fuels increased by 103% from US\$ 527 million exported in 2018 to US\$ 1.1 billion exported in 2019. Tunisia's exports of fuels were destined to the EU market.

Ores and Metals

COMESA's exports of ores and metals decreased in value terms by 8% from US\$ 20 billion in 2018 to US\$ 18 billion in 2019. The drop was mainly due to the decline in averages prices of copper and zinc during the period under review, copper from US\$ 6,530/Mt to US\$ 6,010/Mt and zinc from US\$ 2,922/Mt to US\$ 2,550/Mt between

2018 and 2019. Countries that contributed to this performance were DR Congo, Zambia, Eritrea and Madagascar. Among the top products at country level that contributed to this decrease were unrefined copper (Zambia, US\$ 569 million), refined copper and Copper ores and concentrates (DR Congo, US\$ 664 million), zinc ores and concentrates (Eritrea, US\$ 135 million) and cobalt mattes and other intermediate products of cobalt metallurgy (Madagascar, US\$ 122 million)

Food

Exports of food products were flat in 2019 compared to 2018. Major food export commodities from the region in 2019 were tea, tobacco, sesame seeds, coffee, oranges fresh/dried, vanilla, virgin olive oil, raw cane sugar, tuna and live sheep. Major exporters of vegetables and fruits from the region in 2019 were Egypt, Kenya, Ethiopia, and Tunisia. Egypt's exports of vegetables slightly increased by 6% from US\$ 2.8 billion in 2018 to US\$ 2.9 billion in 2019. Ethiopia's exports of vegetables and fruits grew by 91% from US\$ 295 million to US\$ 563 million between 2018 and 2019. Kenya's exports of the same products declined by 7% from US\$ 593 million to US\$ 554 million during the period under review. (See Table 7 below).

Table 7: COMESA's Top Exporters of Vegetables and Fruits, 2018 and 2019

No.	Exporter	Value US\$ Million	2018 market Share	Exporter	Value US\$ Million	SITC Division	2019 Market Share	Growth 2018-2019
1	Egypt	2,755	60.7	Egypt	2,910	05	58.9	6
2	Ethiopia	295	6.5	Ethiopia	563	05	11.4	91
3	Kenya	593	13.1	Kenya	554	05	11.2	-7
4	Tunisia	421	9.3	Tunisia	470	05	9.5	12
5	Malawi	66	1.5	Malawi	70	05	1.4	6
6	Rwanda	16	0.4	Rwanda	69	05	1.4	331
7	Uganda	117	2.6	Uganda	67	05	1.4	-43
8	Eswatini	53	1.2	Eswatini	51	05	1.0	-4
9	Zimbabwe	46	1.0	Zimbabwe	49	05	1.0	9
10	Other Countries	177	3.9	Other Countries	132	05	2.7	-25
	Total	4,540	100.0	Total	4,936		100.0	9

Source: COMSTAT Database

Tobacco exports registered a decline of 4.5% in 2019 compared to 2018. Zimbabwe, the largest COMESA exporter registered a decline of 8% in value terms while Malawi, the second largest exporter in region registered a marginal increase of 0.3%. Other notable countries that contributed to the tobacco export decline were Kenya, Egypt, and Zambia by 7%, 10% and 33% respectively.

Table 8: COMESA's Top Exporters of Tobacco and Tobacco Manufactures, 2017 and 2018

No.	Exporter	Value US\$ Million	2018 market Share	Exporter	Value US\$ Million	SITC Division	2019 Market Share	Growth 2018-2019
1	Zimbabwe	893	48.7	Zimbabwe	818	12	46.7	-8.4
2	Malawi	492	26.8	Malawi	494	12	28.2	0.3
3	Kenya	140	7.6	Kenya	130	12	7.4	-7.0
4	Egypt	106	5.8	Egypt	96	12	5.5	-10.0
5	Zambia	105	5.7	Zambia	70	12	4.0	-33.3
6	Uganda	31	1.7	Uganda	59	12	3.4	88.6
7	Tunisia	46	2.5	Tunisia	57	12	3.3	23.6
8	Seychelles	10	0.5	Seychelles	19	12	1.1	89.6
9	Burundi	4	0.2	Burundi	4	12	0.2	-3.6
10	Other Countries	7	0.4	Other Countries	6	12	0.3	-20.8
	Total	1,834	100.0	Total	1,751		100.0	-4.5

Source: COMSTAT Database

The performance of COMESA's coffee exports in 2019 was as follows; Ethiopia (113%), Kenya (-11%), Rwanda (21%), Burundi (6%) and Uganda (-89%).

With regards to COMESA's tea exports, the following export performance was recorded in 2019; Kenya (-19%), Rwanda (16%), Malawi (10.5%), Burundi (-11.2%), Zimbabwe (11%), Egypt (12%) and Uganda (-90%).

Major exporters of raw cane sugar, from the COMESA region in 2019 were Eswatini, Mauritius, Malawi, Zambia and Zimbabwe. Eswatini's exports of cane sugar in 2019 were worth US\$ 202 million and this sugar was mainly destined to EU, South Africa, COMESA, and USA markets.

Intra-COMESA Trade

Intra-COMESA Trade Exports

Intra-COMESA total exports grew by 8% from US\$ 10.1 billion in 2018 to US\$10.9 billion in 2019. Exports of fuels was one of the major contributors to this overall growth with an increase of 60% from US\$ 831 million in 2018 to US\$ 1.3 billion in 2019. Increased demand for the fuels in the region drove growth in exports of light oils and preparations, butanes, liquefied, crude petroleum oils, medium oils preparations and electrical energy.

Intra-COMESA manufactures exports registered an 8% growth increasing from US\$ 4.3 billion in 2018 to US\$ 4.7 billion in 2019. The major export products to the region that contributed to this increase were Portland cement, cobalt oxides and hydroxides, ceramic tiles, urea, quicklime, sanitary towels, sacks and bags and mixtures of odoriferous substances used in the food and drink industries. Intra-COMESA food exports increased slightly from US\$ 3.696 billion to US\$ 3.737 billion between 2018 and 2019.

Table 9: Intra-COMESA Total Exports by Sector, values in US\$ million

Sector	2013	2014	2015	2016	2017	2018	2019	% Change 2018 - 2019
Manufactures	5,619.81	5,114.04	4,388.39	3,638.37	3,944.52	4,284.24	4,664.03	9
Food	3,770.73	3,692.74	3,404.19	3,672.94	3,657.98	3,695.93	3,736.64	1
Fuels	820.27	450.71	1,396.09	564.03	749.91	830.70	1,330.40	60
Ores and metals	1,741.86	1,358.76	1,391.19	773.98	810.77	1,156.30	998.95	-14
Agric raw materials	183.42	173.59	153.41	180.01	133.44	123.47	139.41	13
Other products n.e.s.	11.40	5.53	3.67	2.76	2.63	20.42	4.96	-76
Total	12,147.50	10,795.36	10,736.94	8,832.09	9,299.25	10,111.06	10,874.40	8

Source: COMSTAT Database

COMESA Member States that recorded growth in their 2019 intra-COMESA total export values were Egypt, Ethiopia, Tunisia, Libya, Rwanda, Malawi, Zambia, Zimbabwe and Eswatini.

Table 10: Intra-COMESA Total Exports by Country, 2017-2019 (values in US\$ million)

Reporter	2017	2018	2019	% Change 2018 - 2019
Burundi	42.97	37.40	37.90	1.3
Comoros	3.38	1.04	5.30	407.7
Congo DR	706.74	1,114.73	917.89	-17.7
Djibouti	19.50	21.63	12.40	-42.7
Egypt	2,025.17	2,335.61	2,861.40	22.5
Eritrea	5.42	2.08	1.19	-42.6
Eswatini	203.74	206.53	227.77	10.3
Ethiopia	210.57	213.91	460.53	115.3
Kenya	1,640.38	1,602.60	1,595.53	-0.4
Libya	81.95	105.68	244.81	131.6
Madagascar	109.54	128.58	79.46	-38.2
Malawi	132.54	155.44	205.81	32.4
Mauritius	251.36	231.07	238.75	3.3
Rwanda	466.94	488.36	626.68	28.3
Seychelles	16.75	24.55	20.65	-15.9
Somalia	2.01	11.91	6.29	-47.2

Sudan	815.29	708.18	520.04	-26.6
Tunisia	515.44	641.59	848.48	32.2
Uganda	1,042.25	781.12	600.93	-23.1
Zambia	921.36	1,201.15	1,234.13	2.7
Zimbabwe	85.98	97.91	128.45	31.2
Total	9,299.25	10,111.06	10,874.40	7.5

Source: COMSTAT Database

Intra-COMESA Exports and Imports Shares

The value of Egypt's exports accounted for 26% of the total intra-COMESA export market in 2019. This was a slight increase in market share from 23% in 2018. Following Egypt was Kenya with an export market share of 15%. Zambia was third position with an export share of 11%, DR Congo was fourth with 8.4% share and in fifth place Tunisia had export market share 7.8%.

On the import side, Tunisia had the largest market share of 15% in 2019, up from 5% in 2018. Following Tunisia were Libya, Kenya, Uganda, Egypt, and Sudan with intra-COMESA import market shares of 14.5%, 10.5%, 9.3%, 9.29% and 7% respectively.

Table 11 shows intra-COMESA's exports and imports shares for 2018 and 2019 by country.

Table 11: Intra-COMESA Trade, 2018 and 2019, values in US\$ millions and % Shares

Ranked by 2019 trade values	Exporter	2018 Value	2019 Value	% Share 2018	% Share 2019	Importer	2018 Value	2019 Value	% Share 2018	% Share 2019
1	Egypt	2,335.61	2,861.40	23.10	26.31	Tunisia	503.76	1,661.07	4.91	14.78
2	Kenya	1,602.60	1,595.53	15.85	14.67	Libya	1,208.79	1,628.23	11.79	14.48
3	Zambia	1,201.15	1,234.13	11.88	11.35	Kenya	1,149.28	1,180.37	11.21	10.50
4	Congo DR	1,114.73	917.89	11.02	8.44	Uganda	790.75	1,045.62	7.71	9.30
5	Tunisia	641.59	848.48	6.35	7.80	Egypt	942.51	1,044.83	9.19	9.29
6	Rwanda	488.36	626.68	4.83	5.76	Sudan	675.20	785.36	6.59	6.99
7	Uganda	781.12	600.93	7.73	5.53	Zambia	1,779.93	699.77	17.36	6.23
8	Sudan	708.18	520.04	7.00	4.78	Congo DR	527.34	544.06	5.14	4.84
9	Ethiopia	213.91	460.53	2.12	4.23	Somalia	324.45	516.67	3.17	4.60
10	Libya	105.68	244.81	1.05	2.25	Ethiopia	393.38	397.75	3.84	3.54
11	Mauritius	231.07	238.75	2.29	2.20	Rwanda	438.56	389.92	4.28	3.47
12	Eswatini	206.53	227.77	2.04	2.09	Zimbabwe	487.11	283.91	4.75	2.53
13	Malawi	155.44	205.81	1.54	1.89	Mauritius	210.18	230.62	2.05	2.05
14	Zimbabwe	97.91	128.45	0.97	1.18	Malawi	194.49	192.23	1.90	1.71
15	Madagascar	128.58	79.46	1.27	0.73	Madagascar	104.83	162.92	1.02	1.45
16	Burundi	37.40	37.90	0.37	0.35	Burundi	165.74	156.32	1.62	1.39
17	Seychelles	24.55	20.65	0.24	0.19	Eritrea	125.87	130.29	1.23	1.16
18	Djibouti	21.63	12.40	0.21	0.11	Djibouti	125.89	107.77	1.23	0.96
19	Somalia	11.91	6.29	0.12	0.06	Seychelles	60.87	53.74	0.59	0.48
20	Comoros	1.04	5.30	0.01	0.05	Eswatini	28.38	18.92	0.28	0.17
21	Eritrea	2.08	1.19	0.02	0.01	Comoros	13.26	10.98	0.13	0.10
	Total	10,111.06	10,874.40	100.00	100.00	Total	10,250.58	11,241.34	100.00	100.00

Source: COMSTAT Database

Tracking Dynamic Products in Intra COMESA Export Trade

Analysis of the most traded products in COMESA in 2019 compares rankings in terms of export values. The most dynamic product traded in 2019 was other vegetables, fresh/chilled which was ranked 4th in 2019 from 24th position in 2018. Refined copper ranked 3rd in 2019 after ranking 14th the previous year. Portland Cement mixtures moved from 11th position to 7th in 2019. Medicaments were ranked 16th in 2018 and moved to 12th position in 2019.

Table 12: Top Intra-COMESA Export Products and Rankings, 2015 – 2019

No.	SITC	SITC Description	2019 Values (USD)	R19	R18	R17	R16	R15
1	3346	Petroleum oils & oils obtained from bituminous minerals (other than crude) & preparations n.e.s.	1,031.1	1	1	1	2	1
2	2831	Copper ores & concentrates	500.7	2	2	2	1	2
3	68212	Refined copper	308.2	3	14	90	511	8
4	05459	Other vegetables, fresh/chilled	279.3	4	24	345	293	133
5	07414	Other black tea (fermented) & other partly fermented tea, whether/not flavoured	278.5	5	3	3	3	5
6	06111	Cane sugar, raw, in solid form, not containing added flavouring/colouring matter	276.7	6	8	6	6	14
7	66122	Portland cement	270.0	7	11	9	8	7
8	55141	Mixtures of odoriferous substances & mixtures (including alcoholic solutions)	173.7	8	9	13	17	17
9	0461	Flour of wheat/of meslin	151.4	9	10	14	12	18
10	52232	Sulphuric acid; oleum	150.3	10	7	25	46	35
11	2225	Sesame (Sesamum) seeds	127.1	11	4	23	21	11
12	54293	Medicaments, n.e.s., put up in measured doses/in forms/packings for retail sale	126.6	12	16	12	9	12
13	0019	Live animals, n.e.s.	122.2	13	5	4	5	6
14	84512	Babies' garments & clothing accessories, knitted/crocheted	114.9	14	19	15	16	15
15	89319	Articles for the conveyance/packing of goods, n.e.s.; stoppers, lids, caps & other closures	113.7	15	15	19	18	16
16	55422	Surface-active washing/cleaning preparations, n.e.s., put up for retail sale	113.6	16	17	20	15	22
17	3425	Butanes, liquefied	112.3	17	113	194	80	282
18	1212	Tobacco, wholly/partly stemmed/stripped	105.9	18	27	26	22	28
19	05423	Beans, other than broad beans & horse beans, dried, shelled, whether/not skinned/split	100.6	19	21	16	32	20
20	66245	Glazed ceramic flags & paving, hearth/wall tiles; glazed ceramic mosaic cubes & the like, whether/not on a backing	98.7	20		36	43	27

Source: COMSTAT Database

Intra-COMESA Trade as Percentage of Global COMESA Trade

Countries that significantly increased their intra-regional trade as a share of their total trade in 2019 were; Eritrea, Somalia, Rwanda and Burundi. Eritrea had the highest ratio of intra-COMESA trade to its global trade. Overall, the share of intra-COMESA trade to total COMESA trade was 7% a slight increase from 6% in 2018.

Table 13: Intra-COMESA Trade as a Percentage of Global COMESA Trade by country (2011-2019)

Reporter	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	19	19	31	18	18	24	19	22	19
Comoros	5	13	12	11	2	8	4	6	6
Congo DR	22	20	26	21	16	8	6	6	7
Djibouti	13	4	6	2	4	4	7	6	8
Egypt	3	4	4	3	3	3	3	3	4
Eritrea	13	12	4	11	9	14	17	13	38
Eswatini	3	1	4	6	6	6	6	6	6
Ethiopia	7	4	6	5	2	2	3	4	5
Kenya	14	12	12	10	11	12	12	12	12
Libya	6	4	4	4	6	7	4	3	7
Madagascar	5	5	4	4	5	5	6	4	4
Malawi	14	15	10	17	13	13	10	10	11
Mauritius	5	5	5	5	6	7	7	6	6
Rwanda	31	34	29	33	31	33	25	25	24
Seychelles	12	3	4	3	6	3	4	3	3
Somalia	24	13	26	24	22	2	8	7	27
Sudan	6	9	7	7	16	12	9	10	9
Tunisia	3	4	4	3	3	2	3	3	5
Uganda	21	14	14	17	17	16	17	15	13
Zambia	17	19	22	20	19	17	14	16	14
Zimbabwe	5	7	5	4	6	5	5	6	5
COMESA	7	7	8	7	7	6	6	6	7

Source: COMSTAT Database

Monitoring COMESA's Trade with the Rest of Africa

Given developments regarding the AfCFTA, this section monitors trade developments between COMESA and the rest of the African continent. COMESA's trade with the rest of Africa is dominated by its trade with South Africa. Exports to South Africa alone accounted for 30.6% of COMESA's African bound exports in 2019. COMESA exports to South Africa significantly declined from 14.4 billion in 2018 to \$7.8 billion in 2019. The next major African Market markets for COMESA exports are; Tanzania (8.8%), Algeria (4%), Mozambique (3.9%), Morocco (3.4%), South Sudan (1.17%) and Nigeria (1.09%). Among these markets, exports to Tanzania grew by 26% in

value terms while exports to Algeria declined by 26% in 2019. Other notable countries that registered growth in value of exports from COMESA region were Morocco, Mozambique, and Nigeria that grew by 27%, 43%, and 8% respectively in 2019.

Table 14: COMESA's Top Exports to COMESA and African Countries, 2017 – 2019

No.	Destination	US\$ Million, 2017	Destination	US\$ million, 2018	Destination	US\$ million, 2019	% Share of Total Africa Plus COMESA Bound Exports, 2019
	COMESA	9,299	COMESA	10,111	COMESA	10,874	42.78
1	South Africa	10,963	South Africa	14,398	South Africa	7,789	30.64
2	Tanzania	942	Tanzania	1,769	Tanzania	2,237	8.80
3	Algeria	875	Algeria	1,391	Algeria	1,023	4.02
4	Morocco	631	Morocco	784	Mozambique	994	3.91
5	Mozambique	496	Mozambique	603	Morocco	860	3.38
6	South Sudan	328	Nigeria	302	South Sudan	297	1.17
7	Nigeria	260	South Sudan	256	Nigeria	277	1.09
8	Ghana	146	Ghana	155	Cote D'Ivoire	122	0.48
9	Senegal	136	Cote D'Ivoire	145	Senegal	113	0.44
10	Cote D'Ivoire	98	Senegal	95	Botswana	108	0.42
11	Togo	80	Angola	86	Ghana	95	0.37
12	Angola	68	Botswana	84	Namibia	81	0.32
13	Botswana	67	Namibia	69	Angola	80	0.32
14	Namibia	57	Cameroon	61	Cameroon	68	0.27
15	Cameroon	57	Mauritania	40	Togo	64	0.25
16	Mauritania	43	Burkina Faso	37	Mauritania	43	0.17
17	Burkina Faso	35	Gabon	36	Gabon	40	0.16
18	Congo	35	Chad	35	Burkina Faso	38	0.15
19	Gabon	32	Togo	30	Guinea	34	0.13
20	Other countries	168	Other countries	171	Other countries	185	0.73
	Total Africa minus COMESA	15,518	Total Africa minus COMESA	20,547	Total Africa minus COMESA	14,548	57.22
	Total Africa Plus COMESA	24,817	Total Africa Plus COMESA	30,658	Total Africa Plus COMESA	25,422	100.00

Source: COMSTAT Database

COMESA's imports from the rest of Africa were also dominated by its trade with South Africa. The region's imports from South Africa declined in value terms by 13% from \$10 billion in 2018 to \$9 billion in 2019. Other notable sources of COMESA imports from Africa were; Algeria (7.9% share), Tanzania (5.6% share), Morocco (2.8% share), Mozambique (1.3% share) and Namibia (0.8% share). Imports from Algeria, Tanzania, Morocco and Namibia grew by 46%, 52%, 7% and 11% respectively. However, imports from Mozambique, Burkina Faso and Gambia registered declines in 2019.

Table 15: COMESA's Top Imports from COMESA and African Countries, 2017 – 2019

No.	Destination	US\$ Million, 2017	Origin	US\$ million, 2018	Origin	US\$ million, 2019	% Share of Total Africa Plus COMESA Bound Exports, 2019
	COMESA	8,689	COMESA	10,251	COMESA	11,241	44.01
1	South Africa	8,962	South Africa	10,337	South Africa	9,017	35.30
2	Algeria	1,164	Algeria	1,380	Algeria	2,010	7.87
3	Tanzania	716	Tanzania	964	Tanzania	1,468	5.75
4	Morocco	713	Morocco	673	Morocco	722	2.83
5	Nigeria	473	Mozambique	398	Mozambique	323	1.27
6	Mozambique	407	Namibia	181	Namibia	200	0.78
7	Namibia	197	Nigeria	150	Burkina Faso	95	0.37
8	Angola	114	Botswana	89	Gambia	69	0.27
9	Botswana	63	Mali	58	Botswana	64	0.25
10	Ghana	37	Benin	41	Cameroon	58	0.23
11	Burkina Faso	28	Burkina Faso	40	Nigeria	40	0.16
12	Cote D'Ivoire	26	Ghana	34	Angola	35	0.14
13	Benin	24	Angola	31	Benin	34	0.13
14	Guinea	24	Equatorial Guinea	25	Cote D'Ivoire	34	0.13
15	Lesotho	14	Mauritania	24	Ghana	31	0.12
16	Cameroon	10	Cote D'Ivoire	15	Mauritania	15	0.06
17	Mali	10	Lesotho	11	Guinea	14	0.06
18	Niger	9	Gabon	11	Mali	13	0.05
19	Senegal	9	Cameroon	9	Senegal	11	0.04
20	Other countries	46	Other countries	46	Other countries	48	0.19
	Total Africa minus COMESA	13,045	Total Africa minus COMESA	14,517	Total Africa minus COMESA	14,301	55.99
	Total Africa Plus COMESA	21,734	Total Africa Plus COMESA	24,768	Total Africa Plus COMESA	25,542	100.00

Source: COMSTAT Database

INTERNAL MARKET

Progress in the Participation of Member States in the COMESA Free Trade Area

Member States not fully participating in the COMESA FTA are DR Congo, Eritrea, Eswatini, Ethiopia and Somalia. Ethiopia has made efforts to join the FTA and is currently undergoing political and economic transformation aimed at deepening economic integration at COMESA and WTO. At the 41st Council of Ministers, Ethiopia reiterated its commitment to join the FTA.

On 15 December 2015, DR Congo, published in its Official Gazette, Act No. 15/019 dated 1 December 2015 indicating that the country will reduce tariffs for COMESA originating goods in three phases of 40% in the first year; 30% in the second year; and 30% in the third year thereby effectively joining the FTA. The legislation indicates that the reduction would commence on the date of publication of the Gazette. At the 40th Council Meeting, DR Congo confirmed that the customs duty for COMESA originating products had been reduced to zero percent in line with the three-year phase down programme. However, the tariff schedule was awaiting Government's approval to be effected.

Eswatini is under derogation from the COMESA tariff liberalisation by virtue of it being a member of the Southern African Customs Union (SACU) which was linked to the implementation of the Tripartite FTA by Council decision of the Twenty-Eighth Meeting. The special situation of Eswatini is in is recognized in Annex III of the COMESA Treaty on the Protocol relating to the unique situation of Lesotho, Namibia and Eswatini. At the 41st Council of Ministers, Eswatini informed the meeting that it had completed the ratification process of Tripartite FTA and had transmitted a soft copy of the ratification to the Secretary General. However, the Tripartite FTA agreement requires 14 ratifications to enter into force. A total of 10 countries have ratified the agreement.

Eritrea has been offering 80% tariff preference to COMESA originating products on a reciprocal basis since 1998. Pursuant to the Thirty-Fifth Council decision, the Secretariat assisted in undertaking a study which was validated by Eritrean stakeholders on 16 June 2017 and the decision by Eritrea regarding its participation in the FTA is awaited.

COMESA Kenya Sugar Safeguard Implementation

At the commencement of the implementation of the COMESA Free Trade Area in the year 2000, Kenya sought and was granted in 2002 a sugar safeguard as the sugar sector in Kenya was not able to compete with sugar from other COMESA Member States. Through Directive No. 1 of 2007, Kenya was expected to undertake several activities to enhance the competitiveness of the sugar sector. The primary objective of the safeguard was to accord Kenyan sugar producers, namely farmers and millers, protection for some time. Over this period farmers and millers, in collaboration with Government and other concerned stakeholders, were expected to address the constraints contributing to the non-competitiveness of the sector.

Despite the efforts being made, the Kenya sugar industry continues to experience production challenges and competition pressure from sugar exporting countries, hence at the 41st Council of Ministers, Kenya made a presentation of the sugar safeguard implementation progress and requested for a sugar safeguard of two years extension from March 2021 to February 2023 which was granted

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, which are on the Common List of eligible products negotiated and agreed by two neighbouring 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 scale traders.

The STR reduces costs for small traders and increases the speed of crossing the border by use of a Simplified Customs Document (SCD) as well as simplified customs clearance procedures. Trade Information Desk Officers (TIDO) have been deployed at select border posts to assist small scale traders with information on border crossing procedures and form filling. Currently, eight COMESA Member States are implementing the STR namely, Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. Other Member States including Djibouti, Ethiopia and Sudan are in the process to adopt the STR with their neighbouring countries.

The COMESA Secretariat designed the Cross-Border Trade Initiative Programme under the 11th EDF cycle of funding from the EU, with funding of Euro 15 Million which focuses on small-scale cross-border trade, including expanding and reviewing the STR implementation. The programme Agreement was signed in May 2018.

In addition, under the Great Lakes Trade Facilitation Project (GLTFP) funded by the World Bank, COMESA is working on how to extend the STR to include trade in services. The GLTFP targets select most vulnerable groups in the DR Congo and border regions of neighbouring countries namely, Rwanda and Uganda. The project supports regional peace and stability through programmes to improve livelihoods in border areas, promote cross-border trade, and strengthen economic interdependence.

NTBs in the COMESA Region

The COMESA NTB Programme entails the COMESA regulations on Non-Tariff Barriers; NTBs Online Reporting, Monitoring and Eliminating Mechanism and the COMESA SMS Reporting and Monitoring tools. COMESA is operationalizing the NTBs Regulations as adopted by the 33rd Council of Ministers and revised edition adopted by the 41st Council of Ministers. 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 Secretariat has received support under the 11th EDF to implement activities to support the identification, resolution and monitoring of NTBs. The NTBs reporting tools comprises 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).

A total 46 NTBs were reported in the online system in 2020 and 30 NTBs were resolved. In addition, the Secretariat continued to build the capacity of Member States to implement the NTB Regulations and the online monitoring, reporting system through facilitating formal establishment and operationalization of National Monitoring Committees as well as training for NMC and NTBs Focal Points on the utilization of the online system to report, process and resolve NTBs. The 41st Council of Ministers adopted the revised Regulations and working procedure to eliminate NTBs.

Trade in Services Negotiations

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

In terms of specific commitments, most Member States have liberalized the three modes of supply: Mode 1, Mode 2 and Mode 3 in the four sectors. However, in some of the sectors a few Member States have not liberalized cross border services (mode 1) and commercial presence (mode 3) in certain sub-sectors under the four sectors as follows:

Tourism and Travel related Services

Most Member States have liberalized hotels and restaurants, travel agencies and tour operators and tourist guides for three modes of supply: Mode 1, Mode 2 and Mode 3. 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, and limitations on foreign shareholding, the limitations to national treatment include, minimum investment and training of locals.

Transport Services

Burundi, Malawi and Uganda have liberalized internal waterways. Uganda has liberalized internal waterways, air, road, rail while Malawi has liberalized pipeline transport for the three modes of supply for market access and national treatment. Most Member States did not make commitments on cross border supply and commercial presence for some of the transport sub sectors. Market access limitations under commercial presence include limitations 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 local registering of ships as a prerequisite to fly national flags for maritime transport.

Communication Services

Most Member States have liberalized the telecommunication services subsector 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, and acquisition of existing local entities. The national treatment is not granted under commercial presence for remailing and items weighting certain amounts of weight.

Financial Services

Most Member States have restricted insurance and insurance related services for cross border supply and consumption abroad. Most Member States have liberalized banking and other financial services for the three modes of supply under market access and national treatment. Egypt however has not liberalized cross border supply and consumption abroad while Seychelles has not made commitments on cross border supply for most of the sub sectors under financial services. Malawi has not liberalized cross border supply and consumption abroad for some the sub-sectors under the service.

Market access limitations are mostly in commercial presence and include; limitations on carrying out business as subsidiaries, economic needs test, limitations on foreign shareholding, compulsory reinsurance with local reinsurance companies, requirement that insurance agents act only for insurers licensed in the country, 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.

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.

PROJECT IMPLEMENTATION

COMESA 11th EDF - Trade Facilitation Programme (TFP) and Small-Scale Cross Border Trade Initiative (SSCBTI)

The 11 European Development Fund (11th EDF) COMESA sub regional envelope covers specific objectives and expected results implemented through the Trade and Customs Programme. It has an indicative allocation of €85 million spread over five years to assist COMESA to implement its regional integration priorities and covers three objectives specified as follows:

1. Objective 1: €68 million: Reduced cost of cross-border trade, through removal of internal barriers in line with Tripartite agreements and has two components for implementation as follows:
 - The Small-Scale Cross Border Trade Initiative with an indicative allocation of €15 million as reported, aimed to increase formal small-scale cross border trade flows in the COMESA/ tripartite region, leading to higher revenue collection for government at the borders as well as increased security and higher incomes for small scale cross border traders.
 - The Trade Facilitation Programme with an indicative allocation of €53 million, aimed to increase 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.
2. Objective 2: €10 million: Increased private sector participation in regional and global value chains, through improved investment/business climate and enhanced competitiveness and productive/innovation capacity.
3. Objective 3: €7 million: Enhanced capacity of the COMESA Secretariat and Member States, including the private sector, to deepen regional integration.

The Trade Facilitation Programmes

The COMESA Digital Free Trade Area (DFTA)

The Secretariat is implementing the COMESA Digital Free Trade Area (DFTA) Action Plan that was adopted by the Council of Ministers with the aim to provide traders with the necessary digital tools and infrastructure they need for enhancement of intra trade and global trade. The Digital FTA has three thrusts, namely E-Trade, E-Logistics and E-Legislation. The components of the DFTA action plan were included for implementation under the 11th EDF Trade Facilitation Programme (TFP). As part of the implementation of the COMESA Digital FTA Action Plan, the First Workshop on the COMESA Digital FTA was held on 18-19 January 2018 in Mahe, Seychelles which discussed the Electronic Certificate of Origin (eCO) and other digital instruments. The Second Workshop was held on 10 - 12 June 2019 in Lilongwe, Malawi and discussed progress of 11th EDF Trade Facilitation Programme, Digital FTA instruments that include eCO, Customs automation, Single window; and the way forward to implement the COMESA Digital FTA instruments.

Electronic Certificate of Origin (eCO)

As part of the DFTA plan, an eCO System and Regulations for implementation were developed by the Secretariat which were then adopted in 2019 by the 40th Meeting of the Council of Ministers. The Secretariat has secured required resources to continue providing capacity building to the Member States in piloting and implementing the eCO system. So far, above 17 Member States indicated their readiness and 11 of them have shared their focal persons. The Member States particularly their competent/designated issuing authorities, customs authorities and exporters as well as importers will have significant roles in the successful implementation of the eCO System.

Customs Automation and Website

In terms of Customs Management Systems in use in Member States: 14 out of the 21 Member States namely; Burundi, Comoros, Djibouti, DR Congo, Eswatini, Eritrea, Madagascar, Malawi, Rwanda, Seychelles, Sudan, Uganda, Zambia, Zimbabwe, are using the ASYCUDA system whereas the remaining Member States namely; Egypt, Ethiopia, Kenya, Libya, Mauritius and Tunisia are implementing equivalent Customs Management Systems. The Secretariat is closely working with the Member States that require assistance in migrating to ASYCUDA World or its equivalent level of advanced Customs Management System.

The Secretariat in 2018 signed a co-delegation agreement with UNCTAD to develop and implement the Customs Automation Regional Support Centre (CARSC) at the Secretariat with the aim of providing sustainable technical and financial support to Member States and standardize and harmonise systems to enhance connectivity and electronic data exchange among the Member States.

With regards to Customs Websites, all Member States except Eritrea have national Customs Websites for publication of customs laws, regulations and procedures electronically.

Regarding Single Window implementation, currently, national single windows are operational or at development stage in 15 Member States that include Burundi, Djibouti, DR Congo, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Malawi, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe. Under the EDF11-TFP, the Secretariat is working to implement the regional single window project with view to harmonizing and standardizing exchange of trade data and operationalizing the regional single window strategy based on internationally standardized data sets and best practices.

Implementing the WTO Trade Facilitation Agreement (TFA)

The Secretariat is implementing the COMESA Trade Facilitation Programme under the 11th EDF as a regional approach on trade facilitation strategy to assist Member States in implementing the WTO Trade Facilitation Agreement (TFA) and improving customs cooperation and trade facilitation in the region. Technical support was provided to Member States including, Burundi, DR Congo, Egypt and Zimbabwe in conducting their self-assessment and implementation of their obligations under the WTO TFA. Additionally, the Member States have established NTFCs and are being supported to implement developed work plans. The status of Member States notification of their categories and ratification of the WTO TFA is shown in Table 16.

Table 16: Notification of Categories A, B and C and Ratification of the TFA

Country	Category A Notification Done	Category B Notification Done	Category C Notification Done	Ratification Done
1. Burundi	x	x	x	12.12.2019
2. D R Congo	x	-	-	-
3. Djibouti	x	x	x	05.03.2018
4. Egypt	x	x	x	24.06.2019
5. Eswatini	x	x	x	21.11.2016
6. Kenya	x	x	x	10.12.2015
7. Madagascar	x	x	x	20.06.2016
8. Malawi	x	x	x	12.07.2017
9. Mauritius	x	x	x	05.03.2015
10. Rwanda	x	x	x	22.02.2017
11. Seychelles	x	x	x	11.01.2016
12. Tunisia	x	x	x	17.07.2020
13. Uganda	x	x	x	27.06.2018
14. Zambia	x	x	x	16.12.2015
15. Zimbabwe	x	x	x	17.10.2018
Total	15	14	14	14

Source: <https://www.tfafacility.org/>

Based on the WTO analysis of all requests for assistance and capacity building that the COMESA Member States WTO Members presented in their category C notifications to date, the most frequently types of assistance requested are related to Human resources and training; legislative and regulatory frameworks; Information and communication technologies (ICT) such as virtual networks, automated solutions, and scanners; infrastructure and equipment; institutional procedures; and diagnostic and needs assessment; and awareness raising to all relevant stakeholders in the public and private sectors. In addition, some Member States requirements have also reported as “to be determined” since they have not yet provided the type of assistance required for category C notification.

The analysis by the WTO (2020) indicates that the top measures with the highest implementation rate by the Member States include measures related to pre-shipment inspection (Art.10.5); movement of goods (Art. 9); use of customs brokers (Art 10.6); detention (Art 5.2); temporary admission (Art 10.9); rejected goods (Art. 10.8); common border procedures (Art.7); penalty disciplines (Art.6.3); procedures for appeal (Art.4); separation of release and clearance(Art. 7.3); and transit (Art.11). On the other hand, the lowest implemented measures include single window (Art. 10.4), border agency cooperation (Art.8), advance

rulings (Art.3), risk management (Art.7.4), authorized operators (Art 7.7), average release times (Art 7.6), publication of information (Art 1.1.) and enquiry points (Art 1.3).

Regional Trade Information Portal (TIP)

As of September 2020, a total of 14 Member States reported that they have developed and are implementing National TIPs while the remaining Member States are in the process of initiation or development. However, it was noted that the national TIPs have differences in terms of content, functionalities, institutional framework which need to be harmonized and standardized at the regional level in line with international standards and best practices. The Secretariat, in 2018, signed a co-delegation agreement with UNCTAD to develop and implement the Regional Trade Information Portal (RTIP) in line with the provisions of the WTO TFA and the CMRs.

Authorized Economic Operators (AEO) Programme

As of September 2020, the AEO Programme or similar programmes had been rolled out in 14 Member States including Burundi, Eswatini, Egypt, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Sudan, Tunisia, Madagascar, Uganda, Zambia and Zimbabwe. Other Member States have reported that they are either at planning or piloting stage. The Secretariat organized the First COMESA AEO Technical Working Group Consultative Meeting on Development of the COMESA AEO Programme held on 17-19 July 2019 in Nairobi, Kenya. The meeting considered the draft Guidelines on the COMESA AEO Programme Implementation and establishment of harmonized and standardized operational guidelines and procedures, and an automated system for the application and management of AEOs in the region in the context of the international and regional instruments. The COMESA Regional AEO Guidelines were adopted by the 40th Meeting of the Council of Ministers in November 2019. In addition, Council made recommendations in relation to implementation of the programme.

Following the Council decisions, the Secretariat has been working on development of standard operating procedures manuals for AEO validators and post authorization management; regional training materials on implementation; and a database for the national AEO programme. Additionally, the Secretariat facilitated demand driven national sensitization workshops for Member States.

Implementation of Transit Instruments

With the view to promote implementation of transit instruments and improving efficiencies of border posts and corridors, the Secretariat is providing support to Member States for projects at the prioritized border posts that include Chirundu (Zambia-Zimbabwe), Mwami/Mchinji (Malawi-Zambia), Nakonde (Zambia-Tanzania), Moyale (Ethiopia-Kenya) and Galafi (Djibouti-Ethiopia) Border Posts. Improvement action plans have been prepared for support based on national stakeholders' consultations and detail assessments at the borders/corridors.

Time Release Study

The COMESA Time Release Study (TRS) was undertaken in 10 Member States in 2016/17. There was need to extend the TRS to those Member States who were not covered in the initial study as well as to institutionalize the TRS at national levels so that it is possible to conduct TRS periodically in line with the provisions of the WTO TFA and CMRs.

In 2019, Burundi was supported by the Secretariat to conduct its national TRS under the COMESA RISM Fund and in collaboration with the WCO. In addition, TRS activities are being addressed under the COMESA 11th EDF - TFP result area focused on the Trade and Transport Corridor Monitoring System (TTCMS) to institutionalize the system at regional and national levels. As part of the TFP, at least 7 Member States are prioritized for 2020-2022. Furthermore, the Secretariat is working to enhance cooperation with the WCO and

other partners to support the Member States in conducting periodical TRS and creating a pool of trained and accredited national experts.

Coordinated Border Management and OSBP

COMESA has adopted One Stop Border Posts (OSBPs) as part of its corridor strategy to address congestion at border stations along major traffic corridors to complement other transit instruments and cross border transport facilitation programmes with an aim to improving border station performance within the corridor framework through significant reduction in delays at the border and savings on truck costs. With regards to status of implementation, there are above thirty (30) OSBPs in the region reported as at different stages of implementation: fifteen (15) operational; Four completed and ready for operational; Seven are under construction whereas others are at feasibility study or planning stages. Table 17 shows the summary of current status of the OSBPs in COMESA region.

Table 17: Status of OSBP in the COMESA Region (as of November 2018)

#	Name of Border Post	Neighbouring Member States across the border post		Current Stage of OSBP
1.	Busia	Kenya	Uganda	Operational
2.	Chirundu	Zambia	Zimbabwe;	
3.	Isebania/Sirari	Kenya	Tanzania	
4.	Kagitumba/Mirama Hills	Rwanda	Uganda	
5.	Kanyaru/ AKanyaru	Burundi	Rwanda	
6.	Kobero/ Kabanga	Burundi	Tanzania	
7.	La Corniche (Rubavu)	Rwanda	DR Congo	
8.	LungaLunga/Hororo	Kenya	Tanzania	
9.	Malaba	Kenya	Uganda	
10.	Mutukua	Tanzania	Uganda	
11.	Namanga/Malaba	Kenya	Tanzania	
12.	Gasenyi/Nemba	Burundi	Rwanda	
13.	Elegu/Nimule/	Uganda	South Sudan	
14.	Ruhwa	Rwanda	Burundi	
15.	Rusumo	Rwanda	Tanzania	
16.	Taveta/Holili	Kenya	Tanzania	Completed
17.	Tunduma/Nakonde	Tanzania	Zambia	
18.	Mugina /Manyovu	Burundi	Tanzania	
19.	Isiolo-Moyale	Ethiopia	Kenya	

20.	Mwami – Michinji	Malawi	Zambia	Under construction
21.	Victoria falls	Zimbabwe	Zambia	
22.	Gatuna /Katuma	Uganda	Rwanda	
23.	Akanyaru Haut	Rwanda	Burundi	
24.	Rusizi 1	Rwanda	DR Congo	
25.	Rusizi 2	Rwanda	DR Congo	
26.	Beitbridge	Zimbabwe	South Africa	Planning/ Feasibility stage
27.	Kasumbalesa	DRC	Zambia	
28.	Kasumulu/Songwe	Tanzania	Malawi	
29.	Galafi	Ethiopia	Djibouti	
30.	Galabat/Matama	Ethiopia	Sudan	

Source: COMESA compiled based on previous meetings and other sources (2020)

Capacity building for border agencies of the selected Member States to support implementation of the OSBP concept is being conducted or has been provided with financial support from different development partners such as the EU, AfDB, IGAD, JICA, NEPAD and TradeMark East Africa.

Additionally, the Secretariat mobilized resources under the 11th EDF -TFP to support select Member States at identified five (5) border posts to upgrade the operations and improve customs control and facilitation. Thus far, assessments were undertaken and action plans for implementation prepared. In addition, the development of the COMESA Regional Strategy and Action Plan and Guidelines for implementation of CBM/OSBP is in process and expected to be finalized in 2021.

The Small-Scale Cross Border Initiatives

The Small-Scale Cross Border Trade Initiative is an 11th EDF funded €15 million programme aimed at increasing formal small-scale cross border trade flows in the COMESA/tripartite region, leading to higher revenue collection for government at the borders as well as increased security and higher incomes for small scale cross border traders. During the year 2020, the following activities were undertaken under the Small-Scale Cross Border Initiative:

- i. National sensitisation workshops to create awareness of relevant stakeholders on the importance for Djibouti and Eswatini were held in January and September 2020 respectively to formally adopt the Simplified Trade Regime (STR) and other COMESA trade facilitation instruments. Resultantly, the countries developed roadmaps towards implementation of the STR.
- ii. Three studies were commissioned on:
 - a. Reviewing Member States policies related to formalising the informal economy, focusing on informal trade.
 - b. Reviewing the design and implementation of the Passenger and Cargo Manifest System that was piloted in 2012 between Zambia and Zimbabwe with a view to establish its potential to facilitate SSCBT.
 - c. Exploring options to include selected services (especially mode 4 – movement of natural persons) to the STR.
- iii. A Project Steering Committee meeting was held on 30 September 2020 in which Member States provided policy guidance.
- iv. Supported establishment of small border committees at Luangwa and Kasumbalesa for

the Green Pass (GP) and drafted GP modalities in readiness for validation by stakeholders. Also designed GP certificate and label, prepared documents for training of stakeholders on self-regulation, and prepared documentation for training of SPS/TBT Agencies on risk-based approaches.

- v. A Trade Information Desk Officer was recruited at Mchinji border, Malawi in addition to those recruited in 2019 at the four targeted borders of Chirundu, Kasumbalesa, Mwami and Nakonde.
- vi. The Migration Information and Data Analysis System (MIDAS) was launched for Mchinji border in December 2019 and in 2020 support was provided by supplying USBs to minimise the effects of power outages on using the system.
- vii. Completed developing five training manuals on Trade and Mobility Facilitation and will commence training CBTAs in 2021.
- viii. Small-Scale Cross Border Trade data collected by enumerators in Zambia was validated and cleaned in readiness for publication.
- ix. Consultations to establish End-User Requirements for the proposed border markets were established and Concept Designs were developed for Chirundu (Zambia side), Chirundu (Zimbabwe side), Chipata, Nakonde, Tunduma, Kasumbalesa (Zambia side), Kasumbalesa (Congo DR side).
- x. Terms of Reference for feasibility studies at the eight sites identified for border markets were developed and approved.
- xi. Expressions of Interest (Eoi) for recruitment of short-term experts (STEs) were published and submissions evaluated. Consultants to carry out feasibility studies were identified, and their contracts processed.

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), DR 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. COMESA Secretariat is leading the implementation of Components 2: implementation of policy and procedural reforms and capacity building to facilitate cross-border trade in goods and services and Component 4 on implementation support, communication and monitoring and evaluation.

The project closure date was extended from 31 December 2020 to 31 December 2021 to allow adequate time to complete implementation of outstanding activities focusing on rolling out of the STR, sustainability of Trade Information Desks, enhancing project visibility and monitoring and evaluation. By the end of the year 2020, the project had disbursed the entire grant of USD 5 million with an expenditure rate of nearly 90% of the grant.

The project has established two new trade information desk offices at Bugarama - Rwanda and Kamanyola - DR Congo and trained trade information desk officers to provide services to small scale cross-border traders. Additionally, the project held a Regional Coordination Committee Meeting in Kinshasa, DR Congo in early March 2020.

The Project conducted training and awareness workshops for close to 1000 various stakeholders at all the 10 project borders on the STR, Minimum Standards for Treatment of Small-Scale Cross Border Traders. Additionally, training materials for Training of Trainers (TOTs) who were national officials from both public and private sectors were developed. The TOTs will in turn train other stakeholders in each of the three project countries. The training

manuals developed covering the STR, Customer Care, Gender and Development Concepts for Traders and Border officials, Gender-Based Violence and Training Delivery and Communication Skills were edited, simplified and translated into four local languages that are commonly spoken at the project borders, namely, Kiswahili, Kinyabwisha, Kinande, and Luo to ensure that the material can be easily understood by the border communities.

The project conducted and concluded the study on sustainability of trade information desks. The study proposed the taking over of TID operations by Cross-Border Traders Associations. The project countries agreed to communicate official positions on the proposed roadmap/options for sustainability by December 2020. However, by the end of the year, countries had not submitted communication on the way forward. A series of consultative meetings were planned by the Secretariat to be held in 2021 to agree on the way forward.

Update on the Tripartite FTA Negotiations

Twenty-two (22) Member/Partner States have signed while Ten (10) namely, Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi, Namibia, Botswana, Eswatini and Zambia have ratified the TFTA Agreement. Eritrea, Ethiopia, Lesotho, Mozambique, South Sudan, Somalia and Tunisia are yet to sign. 14 ratifications are required for the Agreement to enter into force.

Under Phase I of the TFTA Negotiations, several implementation instruments and manuals have been developed to operationalize the Tripartite FTA Agreement and will be considered at next level of negotiations. Negotiations on Phase II issues continued with meetings of the 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.

The AfDB extended a grant of USD1.17M to the Tripartite Capacity Building Programme-Phase II. The grant is aimed at supporting the conclusion of Phase I negotiations, Phase II activities and implementation of the Tripartite FTA.

Update on AfCFTA Negotiations

The Agreement establishing the AfCFTA entered into force on 30 May 2019 after 24 countries had deposited their instruments of ratification. To date, 54 member countries have signed out of which 32 countries have ratified.

The AfCFTA is being negotiated in two (2) phases: Phase I Negotiations: Covers Trade in Goods, Trade in Services and Dispute Settlement Mechanism. Phase II Negotiations: Investments, Competition Policy and Intellectual Property Rights. Much of the work on Phase I of the AfCFTA negotiations has been concluded however negotiations are still on-going on tariff liberalization, rules of origin and trade in services.

Under Trade in Goods, Member States agreed to fully liberalize 90% of each Member State's tariff lines within a period of 5 years and 10 years for non-LDCs and LDCs respectively. The remaining 7% of tariff lines have been designated as sensitive products, 3% of the tariff lines are excluded products to take care of the sensitive and strategic sectors of each Member States.

Under Trade in Services, the services negotiations are being conducted through the request and offer approach. The AU Summit approved the liberalization of five priority service sectors - transport, communication, financial, tourism and professional services. These sectors are considered as high growth services, in which Member

States have also made commitments at the WTO and Regional Economic Communities.

Trading under the AfCFTA Agreement commenced on 1 January 2021 under the following trading instruments:

- a) Agreed Rules of Origin;
- b) Schedule of Tariff Concessions on Trade in Goods;
- c) Schedule of Specific Commitment on Trade in Services as agreed upon; and
- d) Online Mechanism on Monitoring, Reporting and Elimination on Non-Tariff Barriers, which are already operational.

Negotiations on outstanding issues regarding Tariff Liberalization, Rules of Origin and trade in Services are on-going.

ECONOMIC AND TRADE POLICY RESEARCH PROGRAMME

Seventh Annual Research Forum

The Seventh Annual COMESA Research Forum was held on 19th - 21st September 2020 under the theme "Harnessing Intra-COMESA Trade through the Interface with African Continental Free Trade Area (AfCFTA)". Nine papers were presented under the following themes: COMESA Industrialization Programmes and the AfCFTA; AfCFTA Opportunities and Challenges to Boosting Intra-COMESA Trade; COMESA's Role in Implementation of the AfCFTA; COMESA Trade in Services Liberalization and the AfCFTA; and AfCFTA and COMESA Trade Regimes.

The following papers were presented:

1. A Partial Equilibrium Analysis of the Effects of the African Continental Free Trade Area on Intra-COMESA Trade, Tariff Revenue and Welfare;
2. Does the Current Concessioning Regime of Border Posts Infrastructure Yield Optimal Trade Efficiency for Africa? Lessons for COMESA;
3. Boosting COMESA's Trade in the African Continent: Optimizing COMESA's Opportunities in the AfCFTA;
4. Estimating the Economic Effect of the African Continental Free Trade Area on COMESA Region;
5. The Comparative Potential Growth-Enhancing Effects of the AfCFTA and COMESA Trade Regimes;
6. COMESA'S Intra-Trade in Services and the AfCFTA;
7. Opportunities and Challenges for COMESA in the AfCFTA: A SMART Simulation;
8. Antecedents to the AfCFTA: Insights from Export Survival;
9. and The Implications of the African Continental Free Trade Area on Intra-COMESA Trade.

Other research activities included a study on the Socio-Economic Impacts of COVID-19 Pandemic - Evidence from the COMESA Region. Additionally, the following policy briefs were prepared:

- Why Africa must Brace Itself for Devastating Secondary Effects of the COVID-19;
- How COMESA Should Shield Itself Against the Trade Effects of COVID-19 Pandemic;
- Bulk-Buying Helping Small Cross Border Traders Sustain Business in Time of COVID-19;
- COVID-19: A Chance to Relaunch Intra-COMESA Trade;
- Diaspora Remittances for COVID-19 Recovery is Critical: But the Region has to Undertake Reforms to Secure it;
- Cushioning the Impacts of COVID-19 Pandemic on COMESA Trade in Services.

COMESA Virtual Master's Degree Programme in Regional Integration

The 28th COMESA Council of Ministers Meeting held in Eswatini on 25-27 August 2010 reached several 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. Currently, twenty-two universities have agreed 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 and University of Mauritius commenced the Master's Degree Programme in September 2020. University of Zambia was granted the approval to offer the Master's Programme and will be advertising for admissions in the second quarter of 2021. Scholarships were awarded to 18 students from Kenyatta University and University of Mauritius under the EU/OACPS COMESA funded Project on Enhancing COMESA Capacity in Trade Policy Analysis, Research and Training for Deeper Regional Integration and Participation in Global Economy.

Publication of Research Outputs

The Eighth Edition of the COMESA Flagship Publication - Key Issues in Regional Integration under the theme "Promoting Intra-COMESA Trade Through Innovation" and Policy Briefs on Key Issues in Regional Integration Volume 8 were published.

COMESA STATISTICS PROGRAMME

The COMESA Statistics Programme is cross-cutting and its strategic direction responds to the key issues and challenges that are part of the regional integration process as captured in the Medium-Term strategic Plan. This is achieved through the provision of policy responsive statistics, that are timely and reliable.

In strengthening statistics to support 2016-2020 MTSP Strategic Objectives, the following technical assistance and capacity building on international merchandise trade statistics was undertaken;

- COMESA provided online EUROTRACE technical support to the following countries; Congo DR, Ethiopia, Kenya, Malawi, Rwanda, Seychelles, Sudan, Zambia, and Zimbabwe.
- COMESA participated in the African Union Commission's Strategy for Harmonization of Statics (AUC SHaSA 2) Specialized Technical Group on External Sector Statistics online meeting on August 27, 2020 in Addis, Ababa Ethiopia.
- COMESA provided trade data to AUC for no- reporting countries using the agreed trade data transmission protocol to support of the AUC-CFTA database.

In supporting Small Scale Cross Border Trade Statistics, under the 11 EDF Cross Border Trade Initiative the following progress was reported;

- NSOs of participating countries recruited SSCBT data collectors and supervisors at the respective borders. The data collectors and supervisors were trained on use of the survey equipment and instruments. The trainings focused on the developed SSCBT harmonised data collection manual and the developed survey instruments of Pen and Paper Interviewing (PAPI) and Computer Assisted Personal Interview (CAPI).
- A total of 52 enumerators were engaged and deployed at specific project target borders
- SSCBT data collection started in January 2020 at Tunduma border while Chirundu – Zimbabwe and Mchinji – Malawi started data collection in February 2020. SSCBT data collection at the four Zambian borders of Kasumbalesa, Nakonde, Mwami and Chirundu was a continuation of surveys conducted by the Zambia Statistics Agency (ZSA) using RISM funds for the period January – September 2019.

The Statistics Programme achieved the following in undertaking 11 EDF support to development of Statistics of International Trade in Services;

- The 1st Meeting of the COMESA Technical Working Group on Statistics of International Trade in Services (SITS) and Foreign Direct Investment (FDI) Statistics was held in Zambia on 17 – 19 February 2020. The workshop's main objective was to improve the compilation, harmonization and dissemination of SITS and FDI statistics in the region.
- Following the successful hosting of the TWG Meeting, the Statistics Unit bilaterally engaged Eswatini, Kenya and Madagascar to come up with a result matrix for each country that will be used as a roadmap for the improvement of SITS in the countries.
- The Statistics Unit in collaboration with Ministries of Trade and SITS compiling agencies (Central Banks and Statistical Offices) organized national capacity building workshops on SITS in Kenya and Madagascar.

In implementing the International Comparison Programme (ICP) following the release of the 2017 ICP results in June 2020, the COMESA Statistics Programme in collaboration with the AfDB held a virtual Workshop in August 2020 to commence the process of building basic capacity on PPP computation and the interpretation of ICP results for both COMESA and SADC Member States. A total of 39 (9 females and 30 males) country experts attended this workshop which also looked at the national dissemination strategy of the ICP results using the national AIH portals.

In supporting migration statistics recognised as integral part of the market integration strategic objective of COMESA, the Statistics Programme has commenced implementation of the COMESA-AUC-Statistics Sweden Migration Programme and the Southern African Migration Management Programme.

In support to strengthen statistics to support the gender equality strategic objective of the MTSP, with the launch of the 11 EDF programme on Small Scale Cross Border Trade, the Statistics Programme developed a comprehensive statistical framework to ensure engendering of SSCBT data collection with the finalization of border profiling survey questionnaire that has detailed gender disaggregated indicators. Border survey's to be undertaken when Covid-19 travel restrictions are eased.

In supporting the objective aimed at strengthening the development of economic infrastructure, the 2019 round of the AIKP Surveys were launched and completed in COMESA, EAC and SADC Member States.

In supporting the objective aimed at strengthening the blue economy through implementation of the Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa and the Indian Ocean Region (ECOFISH) Project, under the lead of the Indian Ocean Commission, work commenced to undertake an assessment of Blue Economy statistics in Member States.

The COMSTAT Data Portal continued to play a critical role in data dissemination. Based on the ratings under the African Information Highway (AIH) programme, the COMSTAT portal hits had a monthly average of 2,513 between January and August 2020. In continuing to undertake capacity building in statistics, 74 experts (24 females and 50 males) were trained in 2020 on various statistical subjects. In support to strengthen strategic partnerships, the programme facilitated completion and signature of a Cooperation Agreement with Statistics Sweden on migration statistics and finalisation of the negotiation process of the Cooperation Agreement with Statistics Norway on food security statistics.

Following the end of the tenure of the 2017-2020 COMESA Statistics Strategy, whose implementation was scored highly by the end term evaluation undertaken by Paris21, work commenced on the development of the COMESA Statistics Strategy for 2021-2025.

COMESA AID FOR TRADE

With the objective of enhancing the implementation of regional integration programmes at the national level, the COMESA Adjustment Facility (CAF) has made available a total of €99.87 million to sixteen (16) countries as adjustment support. About 95% of these resources have been disbursed to the 16 countries during the period 2010 to 2020. In 2020, € 3,823,775 was disbursed to Burundi, Comoros, Eswatini, Madagascar, Malawi, Sudan, Uganda, Zambia and Zimbabwe for the implementation of their respective projects. Table 18 below shows the summary disbursements between 2017 to 2020.

Table 18: Disbursements Trends 2017-2020 (EURO)

Country	2017	2018	2019	2020
Burundi	-	462 163	498 768	80 854
Comoros	304 088	302 353	746 447	187 181
Djibouti	50 000	118 230	-	-
DR Congo	-	419 586	560 073	-
Eswatini	406 506	31 428	586 079	508 754
Ethiopia*	-	-	-	-
Kenya*	1 388 510	1 791 259	-	-
Madagascar	328 221	-	294 368	562 064
Malawi	569 800	501 175	643 839	226 922
Mauritius*	506 345	1 306 428	-	-
Rwanda*	-	832 615	-	-
Seychelles*	241 562	-	-	-
Sudan	37 671	1 211 989	269 344	558 000
Uganda	-	356 100	487 746	500 000
Zambia	300 000	996 342	312 118	800 000
Zimbabwe	620 000	596 784	789 634	500 000
TOTAL	4 752 703	8 926 452	5 188 416	3 923 775

Note:

Budget support countries last year of disbursements was 2018. Ethiopia which is budget support had no approved allocations in 2017 and 2018.

The trends in disbursements show a significant increase in 2018 which covered more countries and was the final year of disbursements to the five (5) Budget support countries (Ethiopia, Kenya, Mauritius, Rwanda and Seychelles). Disbursements made from 2019 onwards reduced as these covered only project support disbursements. The total disbursements reduced further in 2020 as implementation was affected by the COVID-19 pandemic and the lock-down measures put in place in the countries as well as due to reduction in activities across countries as

most projects were going to the last year of disbursements. However, disbursements increased towards the end of the year as projects adjusted to the COVID environment and in some cases, countries also relaxed the related restrictions. The balance of resources to be disbursed in 2021 amounts to € 4,386,644 and over 90% of resources are expected to be absorbed by the end of the funding.

Results attained in the year under review included the following;

- Finalization of construction of the Manzini Trade hub in Eswatini
- On-going construction of Border Export Zone structures across 5 border markets in Uganda
- Support provided in the development of at least 5 Strategies in Burundi, Eswatini, Madagascar, Zambia and Zimbabwe
- Sensitization of over 1000 private sector across all countries on various regional integration issues such as COMESA FTA, Standards, Yellow Card and Insurance, STR, vegetable cluster, leather and textile cluster, investment promotion etc.
- Procurement of leather equipment in DR Congo, Eswatini, Madagascar, Malawi, Sudan, Zambia and Zimbabwe
- Business linkages established for more than 18 SMEs in textiles, leather and edible oil products in Malawi
- Business linkages established for SMEs in the leather, footwear and clothing products in Zambia and Zimbabwe

In the period under review, twelve (12) completed projects were closed and in efforts to undertake specific national level evaluations in countries that have benefited from the resources under RISM in view of COVID-19 which has led to travel restrictions, an alternative approach was employed which involved commencing with a pilot evaluation for Zambia to help standardize the approach across all countries and gather experiences of such an exercise in the current environment. The pilot is expected to ease consolidation of the overall report across both the regional programmes and regional Aid for Trade priorities in COMESA.

The review of CAF commenced during the reporting period to support revision of the implementation frameworks in view of the resource mobilization initiatives aimed at expanding the development partner base of the Fund as support under RISM comes to an end.

INCREASED INVESTMENTS

The key objective of the COMESA Investment Programme is to initiate and support policies and strategies aimed at making the COMESA region the Common Investment Area and an improved ease of doing business and promote cooperation among Member States in promoting and protecting inward investment.

During the year under review, the programme continued to engage with national Investment promotion agencies on existing investment agreements in their respective countries and preparation of logistics for the review of the COMESA 2013 Double Taxation Agreements (DTAA) Model which included updating the database on existing agreements. Secondly, the programme produced a paper on the Impact of the COVID-19 on investment promotion in COMESA Region which discussed the expected negative consequences on investment in the region.

Public Awareness Campaigns under the 2020 Work Plan aimed at highlighting the benefits of the COMESA Common Investment Area (CCIA) under the COMESA Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) funded through the 11th EDF COMESA sub envelop were not undertaking due to logistical challenges occasioned by the COVID-19 pandemic.

STRENGTHEN THE BLUE 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 ocean economy approach provides a prospect of sustained, environmentally sound, but also socially inclusive, economic growth based on COMESA countries' strengths in coastal and marine sectors as well as freshwater inland rivers and lakes.

The COMESA Fisheries Programme is leading implementation of the ECOFISH Programme in partnership with the IOC which aims to contribute to sustainable fisheries to the blue economy of Eastern Africa, Southern Africa and the Indian Ocean region (ES-SA-IO) funded by the 11 EDF. The result areas of the programme are as follows;

- Result 1: Regional policies and institutional frameworks are enhanced to secure more sustainable fisheries management and contribute to marine biodiversity and climate resilience;
- Result 2: Strengthened capacity to prevent, deter and eliminate IUU fishing in the EA-SA-IO region

Work is ongoing to support implementation of the programme specifically development of blue economy statistics and formulation of COMESA Fisheries Strategy. This includes conducting situational analysis of Marine Fisheries in selected Member States and development of fisheries profile of Marine fisheries.

Further, as part of implementation of the ECOFISH programme in the period under review, the following project proposals from COMESA Member States were accepted and were awarded funding for implementation starting 2021.

- Improving economic resilience and food security of the artisan fishers in the northern Sudanese Red Sea Coast- SOS Sahel Sudan
- Small-scale fisheries for sustainable Blue Growth improving food security and livelihoods in Coastal Kenya and East Africa (KECOFISH)
- Zambia Sustainable Small-Scale Fisheries Programme- ZSSFP- Action Aid Zambia
- Supporting the economic empowerment of the artisanal fishing community of the Republic of Mauritius- UNDP
- Sustainable management of small-scale coastal fisheries in Northern Madagascar - Conservation Centrée sur la Communauté Madagascar (C3M)

The Fisheries Programme will continue to explore efforts to enhance participation of small-scale fisheries in the blue economy development and to increase, sustain and transform the sector to better contribute to the region's socio-economic development and food security.

HARNESSING THE BENEFITS OF STRATEGIC PARTNERSHIPS

Resource Mobilisation and International Cooperation

Implementation of the initiatives supporting resource mobilization included the following:

1. In strengthening of modalities for resource mobilization efforts: support to the Secretariat and COMESA institutions to mobilize resources to implement regional integration programme were undertaken including:
 - o presentation of the Common Market Levy Report of the Ministers of Finance and Central Banks Governors to the Council of Ministers;
 - o support to the COMESA institutions to mobilize resources such as Trade and Development Bank (TDB) World Bank funded Regional Infrastructure Finance Facility (RIFF) Project and Zep-RE – development of the paper for the establishment of the COMESA Regional Pandemic Risk Fund;
 - o contribution to the paper for the establishment of the COMESA Regional Pandemic Risk Fund;
 - o Review of the COMESA Resource Mobilization Strategy.
2. In efforts to mobilize extra-budgetary resources: negotiations were facilitated and coordinated with various development partners including the EU, World Bank, and AfDB, as well as funding COMESA programmes through grants in the sectors of infrastructure, trade, statistics, capacity building, etc. Additionally, several proposals to AfDB, Japan, World Bank, UNWOMEN, OACPS, amongst others were submitted.
3. In promoting international cooperation and strategic partnerships: accreditation of various ambassadors and special representatives to COMESA was undertaken; bilateral and multi-lateral relationship with the partners continued to be maintained; negotiations and signing of various MoUs and agreements between COMESA and strategic partners (UNWOMEN, MEFMI, NORAD, Sweden, etc.) was facilitated. Further, joint COMESA-Development Partners High Level Meetings with the World Bank and AfDB were hosted, as well as a meeting between COMESA and UK Minister for Africa. A MoU with the Ministry of Water Resources of China on the Visiting Scholar Programme as signed; and the donor's database was updated.
4. In maintaining relations with the African Union Commission: COMESA provided technical support on the tasks of the Division of Labour AU-RECs-Regional Mechanisms, as well as participated in AUDA-NEPAD Meetings on the regional response to COVID-19. COMESA was also involved in the preparation of the AU-DUBAI Expo amongst other activities.
5. Regarding cooperation and partnership with other Regional Economic Communities: COMESA continued to provide necessary support to the EAC-SADC-COMESA Tripartite activities which included negotiation of Tripartite Capacity Building Programme; development of the paper on operationalization of the Tripartite RECs contribution; contributed to the development of Work Plan Industrial Pillar; and on the paper on the establishment of Tripartite Secretariat. Additionally, COMESA continued to collaborate with EAC and ECOWAS on the implementation of the 50 million women Speak Programme – coordinated with AfDB for the preparation of the second phase of the programme.

6. As a Duly Mandated Regional Organizations (DMRO): COMESA maintained continuous and close working relations with the EU Commission to follow up on implementation of the 11th EDF programmes and participated in technical meetings on the experiences and challenges faced by DMROs due to the COVID-19 pandemic.

COMESA Brussels Liaison Office (BLO)

In supporting the strategic objective of Harnessing the Benefits of Strategic Partnerships and Regional Integration, 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 institutions and the Organization of African, Caribbean and Pacific Group of States (OACPS) Secretariat. This is in addition to promoting common views within other African Groups in multilateral negotiations. In 2020, the COMESA BLO focused its efforts on four key areas namely: Resource Mobilisation, Enhancing International Cooperation with Strategic Partners, Implementation of the European Development Fund – 11th EDF and Negotiating Effectively for COMESA Interest. Despite the many challenges and indeed unforeseen circumstances caused by COVID-19 in 2020, the COMESA BLO has managed to achieve significant progress in those key areas.

Taking advantage of its presence in Brussels, the COMESA BLO played a crucial role in identifying opportunities of available resources for funding COMESA programs, engaging with partners to discuss funding modalities and proceeding with funding agreement signing, identifying call for proposals initiated by EU and OACPS and report to the Secretariat, as well as identifying opportunities of funding efforts against COVID-19 in COMESA region. In this regard, the BLO has succeeded to make available, several projects and funding opportunities to COMESA, among them: the EU call for proposals on partnerships for sustainable cities 2020 (EUR 111.5 million); the ACP-EU project on support for cultural and creative sectors (EUR 26 million); the intra-ACP project on supporting agricultural value chains development (EUR 140 million); the intra-ACP project on strengthening sustainable health emergency beyond COVID-19 (EUR 25 million); and the EU financial support against economic and social consequences of Coronavirus global pandemic (EUR 2.06 billion for Sub-Saharan Africa). A follow up on those projects was made and reported to Secretariat.

BLO continued to play a support role for the COMESA Secretariat in its relations with the EU/EC in terms of cooperation, resource mobilisation both under 11th EDF regional envelope and Intra-ACP funds, multilateral trade issues, monitoring of projects and programmes financed by the EU. In collaboration with the concerned divisions at the COMESA Secretariat HQs, the COMESA BLO ensured the regular follow-up of the programmes/projects financed by the EU and the Intra-ACP Funds. BLO participated in mobilising resources for COMESA Programmes/Projects from different sources such as EU/EC, the Intra-ACP-EU Facilities (TradeCom II, ACP-EU PSD Programme, ACP Commodities Programme, UN-Habitat, IMO, UNIDO, WTO and the ITC.

The COMESA BLO played a focal role in facilitating development cooperation and regional integration, through developing the relations with the European Commission, its Member States and other EU institutions such as EIB, European Parliament, EEAS, the ACP Group of States Secretariat, and the AU Permanent Mission in Brussels, the other RECs represented in Brussels (ECOWAS, UEMOA, OECS, IGAD and Pacific Forum). The Office continued to play its liaison role in order to maintain deep cooperative relations with the European Commission, its Member States and the EU Council, the ACP Secretariat and also with other International Institutions represented in Brussels. With respect to the AU Permanent Mission in Brussels and the other RECs represented in Brussels, the BLO continuously apprised the AU Group of Ambassadors on the work being done within COMESA in the line of strengthening regional integration within Africa.

The COMESA BLO was instrumental in representing the COMESA Secretariat to European Union (EU), the OACPS and other cooperating partners based in Brussels and assisted in coordinating activities of COMESA to build a political constituency and support for COMESA in Europe and in the EC. In this context, the Office was regularly involved in the multilateral trade negotiations organised in Brussels at OACPS Secretariat and timely at WTO in Geneva.

BLO followed up and engaged in discussions with the EC and affected COMESA MS on the EU list on non-cooperative tax jurisdictions and that of the third countries regarding Anti-Money Laundering and counter-terrorism financing. The BLO took part in the work of the Financial Action Task Force (FATF) as well as meetings with the EU Code of Conduct Group and the European Parliament's Subcommittee on Tax Matters.

Implementation of the European Development Fund (11th EDF)

As part of the COMESA team involved in the 11th EDF programming, the COMESA BLO played a key role, notably by contributing to drafting of the documentations for the project's identification and action documents. The BLO also played the linkage with EU HQ (DEVCO and EEAS) in view of following up the discussions and providing complementary information, when necessary, on the COMESA submissions at that end and keeping COMESA Secretariat team informed on the evolution and decisions.

The COMESA BLO made the necessary follow up on COMESA/EU Programmes of Cooperation and monitored matters of concern to COMESA in Europe and reported to the Secretariat, as well as following up on issues relating to the Economic Partnership Agreement (EPA) negotiations, EU, the OACPS Secretariat and the Group of ESA Ambassadors and WTO Trade Multilateral Negotiations in Geneva.

The efforts of BLO in collaboration with the H.Q resulted into signing a EUR 7.6 million Financing Agreement between COMESA and the European Union in December 2020 for the "COMESA Institutional Capacity Building Programme" which will be implemented over a period of five years and financed through the 11 EDF. BLO followed up and reported to the H.Q on the European Commission proposal for the new Neighbourhood, Development and International Cooperation Instrument (NDICI), which implies the so-called "budgetisation" of the European Development Fund (EDF) and integrates in one broad instrument in addition to the EDF. In this regard, the BLO held discussions with OACPS Secretariat and EC on principles to improve development effectiveness and its delivery mechanism within the COMESA region.

Negotiating Effectively for COMESA Interest

The expiry in February 2020 of the current ACP-EU Partnership Agreement (Cotonou Agreement), signed in 2000 in Cotonou, was a good opportunity for the BLO to rejuvenate the COMESA relationship with EU and create a renewed partnership with the OACPS. The BLO continued to participate in the process of negotiation, which continued all along 2020 with the ambition to conclude the agreement by the end of the year.

The COMESA BLO represented COMESA in all rounds of negotiations on Post-Cotonou Agreement on various levels including Technical Committees, Committee of Ambassadors/High Officials, Central Negotiating Group (Ambassadorial and Ministerial), Committee on Africa Regional Protocol (ARP), Chief Negotiators, and Council of Ministers. Through its participation in the negotiations on Post-Cotonou Partnership Agreement within the EU and OACPS, the COMESA BLO promoted effectively for the COMESA vision and priorities. In the framework of the OACPS and African Group of Ambassadors, the COMESA BLO played a key role in representing and defending COMESA positions as well as the role of COMESA and its methodology in implementing the regional integration projects funded by the EU.

In collaboration with other RECs represented in Brussels, the BLO continued to sensitize the OACPS Group of Ambassadors and EU partners on the importance of regional dimension in Post-Cotonou Agreement, especially within the negotiations on the Africa Regional Protocol. As a result, the Post-Cotonou Agreement adopted the principal of engaging and strengthening cooperation with the regional economic communities (RECs) and acknowledging their role as building blocks of the African integration agenda.

As regards to the follow up and representation on issues related to multilateral trade, the COMESA BLO participated actively in the meetings organized at all levels in the OACPS, EU and other stakeholders in the field of multilateral trade in Brussels.

European Development Fund (EDF) Programmes

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) and the Indian Ocean Commission (IOC) signed the Regional Indicative Programme (RIP) for the period 2014-2020 on 4 June 2015 in Brussels, Belgium with the European Union.

The 11th EDF programmes are designed to support the Eastern African-Southern Africa-Indian Ocean Region (EA-SA-IO) Duly Manded Regional Organisations (DMRO) and their Member States in their efforts to support peace, security and regional stability, regional economic integration, and regional natural resource management, as outlined in the Regional Indicative Programme (EUR 1 490 000), which is distributed as follows:

Sub-regional envelope: EUR 385,000 000, has been distributed over the five sub-regions, represented by COMESA, EAC, IGAD, IOC and SADC, Infrastructure financing envelope: EUR 588 000 000, including EUR 513 000 000 for “hard” investments, i.e. investment in physical infrastructure networks, and EUR 75 000 000 for “soft” investments, i.e., support for accompanying measures such as the development of legal and regulatory frameworks and capacity building.

Cross-regional envelope: EUR 507 000 000, to cover seven initiatives in the EA-SA-IO region that are strategically important for the promotion of the objectives of the RIP, and which do not pertain to the exclusive mandate of any of the DMROs and address needs which go beyond their geographical configurations; Technical Cooperation Facility (TCF): EUR 10 000 000.

The EDF Programme unit at COMESA Secretariat has continued to support the COMESA Secretariat in securing EDF funds and guarantee COMESA exerts ownership on the programmes by ensuring a harmonised, effective and timely implementation and provided oversight to adherence to EDF procedures of the action's activities. In addition, the unit has facilitated and remain focal point between COMESA and the European Union to an extent that COMESA has been able to obtain funding under the different envelops of the 11th EDF.

Technical Cooperation Facility Programme Context

COMESA funding allocation for the facility was Euro1, 525,000.00, which increased to EUR2,233,080 following several addenda that saw an increase in the total budget allocation by 46.4%. From the increased funding, the TCF had an expenditure of 83% by the end of 2020. The programming and formulation of COMESA 11th EDF has been facilitated through this funding support.

The overall Technical Cooperation Facility (TCF) under the 11th EDF RIP aims to facilitate the implementation of 11 European Development Fund (11th EDF) programmes for the Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Regional Programme and mainly to support the identification and formulation of actions, facilitation of programme development, sector surveys, pilot initiatives, stakeholder consultations, policy dialogue, monitoring and evaluation and similar activities. The COMESA 11th EDF TCF is intended to contribute to the effective implementation of the 11 EDF Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Regional Indicative Programme (RIP). It also supports the attendance by the five Duly Mandated Regional Organisations (DMRO s), i.e. COMESA (Common Market for Eastern and Southern Africa), EAC (East African Community), IGAD (Intergovernmental Authority on Development), IOC (Indian Ocean Commission), SADC (Southern African Development Community) at meetings of the High-Level Group (HLG), which is the RIP (Regional Indicative Programme) steering committee comprised of DMROs Secretary Generals and EU representatives from DG, DEVCO, and at inter-DMRO meetings.

The overall objective of the action is to contribute to the effective implementation of the Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Regional Indicative Programme. The specific objective of the action is to ensure high-quality and inclusive design and implementation of the 11th EDF COMESA sub-envelope as well as to improve overall coordination, dialogue, monitoring and communication/visibility of EU-funded COMESA programmes. Six (6) EDF Programmes have successfully been designed and formulated with funding under the TCF.

- i. Euros 68M, representing 80% of COMESA sub envelope allocation has been devoted towards achieving the first objective of reducing cost of cross-border trade (Euro15M) and Trade Facilitation (48M). The two programmes are currently seating in the trade division and implementation undertaken in collaboration and partnership with other divisions and units and with other stakeholders including COMESA Member States and international organisations.
- ii. Euros 10M focused to increase private sector participation in regional and global value chains in the COMESA region seats in the Industry and Agriculture Division and implementation done in collaboration with other divisions and units and well as with COMESA institutions.

While the above mentioned programmes implementation commenced in 2018, the EDF programme unit with funding under the 11th EDF TCF, the European Union continues to provide the necessary guidance as applicable and ensured that the EU appropriate rules and procedures for providing financing to third parties are respected, including reviewing procedures, where appropriate, and compliance of the actions with EU restrictive measures as well as effectively enhancing the Communication and visibility of EU funded activities

A seven million euros Financing Agreement was signed with the EU in 2020. The specific objective of the programme is to enhance effectiveness and efficiency of COMESA Secretariat in implementation of regional cooperation projects and engagement with its Stakeholders. The project activities will focus on the areas identified as most critical as a result of the institutional capacity assessment study carried out to inform the preparation of this action. The indicative list below provides a consolidated overview of the main activities per output area, of which the baselines and key indicators will be further refined and updated during the inception phase. The programme is expected to commence implementation in the second quarter of 2021.

COMESA also remained active in the consultative process and participated in the design and formulation of other 11th EDF programmes, particularly under the cross regional Infrastructure envelopes, two Action programmes were approved by EU and contribution agreements signed in 2020 for both programmes, expected to commence implementation in 2021 and to be implemented under the division of Infrastructure. These include; EUR 8 million

Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa and Indian Ocean region (EA-SA-IO) and EUR 8 million Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean Region.

Regional Intergovernmental Organization System Strengthening (RIGO-SS)

The overall objective of the Solutions Package and Implementation Plan (SPIP) carried out with the support of the USAID-funded Regional Intergovernmental Organization System Strengthening (RIGO-SS) is to strengthen the capacity of the COMESA Secretariat and to coordinate and facilitate regional integration programmes. The selection of the priorities in each Solutions Package and Implementation Plan (SPIP) is deliberately designed to accelerate COMESA's Journey to Self-Reliance (J2SR). In this respect, the following intermediate and sub-intermediate results were identified to strengthen internal systems towards this goal:

Result: Strengthened Management Systems of RIGOs:

- Improved Financial Management Capacity of RIGOs
- Improved Performance Management Capacity of RIGOs
- Donor Coordination Capacity Enhanced

Result: Strengthened Strategic Planning and Analysis Capacity

- Human and Institutional Capacity for Strategic Planning Improved
- Improved Human and Institutional Capacity for Data Analysis

Strengthened management systems, combined with strengthened planning and analysis capacity, will support COMESA in becoming stronger and self-reliant. As COMESA grows in strength and demonstrates results and benefits, Member States will be incentivized to increase their support through timely contributions. This will ensure the long-term sustainability of COMESA.

The RIGO-SSA commenced with an assessment of the performance in COMESA. The performance scores were summarized in Organizational Performance Indexes (OPI) focusing on four domains: Effectiveness, Efficiency, Relevance, and Sustainability. Opportunities for performance improvement were identified, prioritized, and packaged into implementation plans – the SPIPs. After one year of full SPIP implementation, COMESA, with the facilitation by RIGO-SSA team, conducted a self-evaluation and summarized the organizational performance scores into new OPIs. COMESA self-assessed itself as having improved in all domains from an overall performance score of 1.5 in the 2019 baseline to 2.9 in 2020 out of a maximum of 4.0. The most improved domains were efficiency and sustainability, both from a baseline of 1.0 in 2019 to 3.0 in 2020. Of the 7 priorities or opportunities for performance improvement selected for implementation, four had been completed by 30 September 2020; one had not been started and is part of the Year 3 Work Plan; and two will continue implementation into Year 3.

Among cross-cutting activities, under the result to Improve Human and Institutional Capacity for Data Analysis, the RIGO-SSA completed during Year 2 (October 2019 to September 2020) include the following:

- Two Collaborating, Learning, and Adapting (CLA) Events: In both cases participants expressed satisfaction with knowledge and lessons shared. The event led to agreement on the need to establish Communities of Practice (CoP).
- A Memorandum of Understanding among the three RIGOs - EAC and IGAD, on knowledge sharing: This provided for the first time a formal framework for cooperation amongst the three RIGOs (COMESA, EAC and IGAD).
- A common knowledge-sharing platform was developed and operationalised.

Good progress was also made in other activities namely, developing audience-tailored products from the studies conducted during the year, training RIGO staff, and documenting success stories and best practices for inter/intra-RIGO learning at the CLA events. The above progress was made against the backdrop of a challenging environment occasioned by the outbreak of the novel Coronavirus disease (COVID-19).

The following activities were selected for implementation by respective divisions in designated time frames;

- i. Review and Update the Procurement Manual and Implementation Rules
- ii. Review and Standardize Online Monitoring and Evaluation and Learning Tools and Templates
- iii. Support Development of the Monitoring and Evaluation and Learning Plan for the Draft 2021-2025 MSTP
- iv. Develop Performance Monitoring and Evaluation Systems for each RIGO
- v. Support COMESA to Develop an Information and Communication Technology (ICT) Strategy
- vi. Strengthen COMESA's Organizational Structure
- vii. Update the Recruitment and Selection Manual

In addition to the above activities, efforts aimed at institutionalising a culture of continuous business process management focused on a Business Process Re-engineering (BPR) Exercise at the Secretariat which entailed a diagnostic phase to establish the opportunities for efficiency improvement and consequently recommendations on ways to improve workflows and integrate information.

Inter/Intra-RIGO Collaboration, Learning, and Adaptation (CLA) Events

CLA events are designed to bring together the RIGOs with the aim of facilitating inter-RIGO learning. The RIGO SSA project employs an innovative strategy to promote peer-to-peer learning through structured knowledge exchanges on systems strengthening in the areas of financial management, performance management including monitoring and evaluation, strategic planning, and donor coordination.

Following the successful 1st CLA event in June 2019, the 2nd event was held in February 2020 in Djibouti City, for the first time, COMESA, EAC, and IGAD formalized knowledge sharing through bi-annual CLA workshops. The parties agreed to formalize this arrangement through signing a joint MOU and develop a digital platform for knowledge sharing. The MOU has since been fully executed and the digital platform is currently hosted by the EAC at <http://eacigadcomesa-knowledgehub.org>. The third CLA workshop for the RIGOs, with the theme "Deepening Partnership and Knowledge Sharing with a Focus on Strategic Planning," was successfully held via online platform on September 22, 2020. The primary focus of the event was to share cumulative progress and lessons learned since October 2019 and to identify new priorities for 2021-2022.

Change Management Process

Operationalization of the SPIPs in COMESA took off in earnest during Year Two. While the various project teams prepared solutions for COMESA, the RIGO-SSA's Change Management Specialist engaged the affected user divisions' management and the leadership of COMESA to identify areas of potential resistance to the proposed changes as well as capture lessons learned from the processes. Consequently, change management plans were developed to facilitate the smooth implementation of the RIGO-SSA workstreams.

The RIGO-SSA took the COMESA management team through a change management training to prepare staff on how to manage the ongoing institutional changes. The training was informed by institutional capacity and various performance assessments conducted by several institutions. The change management training workshop was held March 5-6, 2020 and brought together 36 senior staff of COMESA. The RIGO SSA team engaged and supported the Human Resources Unit and Management Team to develop and finalize the communication plan for ongoing changes.

DEVELOPMENT OF ECONOMIC INFRASTRUCTURE - TRANSPORT, ENERGY AND TELECOMMUNICATIONS

The COMESA infrastructure programmes are consistent with the Treaty Provisions related to transport, energy and Information and Communication Technology (ICTs). A programme approach to infrastructure development has been identified based on three key pillars namely development of priority regional physical infrastructure, policy and regulatory harmonisation and facilitation. The programmes achieved the following in 2020.

Development of Economic Infrastructure: Information and Communication Technology (ICT)

Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean region; COMESA and the EU signed a Grant Contribution Agreement in December 2020 amounting to EUR 8 Million for the programme on Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean region (EA-SA-IO). The programme will be funded under the 11th European Development Fund (11th EDF). The EGEE-ICT is a four (4) year programme whose overall objective is to deepen regional integration and growth of the ICT sector in EA-SA-IO region. It will support the effective review and development of various regional policy and regulatory framework in a harmonized manner that will contribute to enhancing competition, improved access to cost effective and secure ICT services.

Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA) Secretariat; COMESA Member States established the regional regulatory association “Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA)” to foster regional cooperation and ICT development. ARICEA had no secretariat since inception its operations are being managed by COMESA secretariat. Rwanda had offered to host ARICEA Secretariat and the regional Cybersecurity centre. The first meeting between Rwanda and COMESA Secretariat regarding the hosting of the ARICEA Secretariat and Cybersecurity Centre was held in February 2020 in Kigali. The draft host agreement and MOU were submitted to Rwanda for review.

Development of Economic Infrastructure: Transport

North – South Corridor - COMESA as a lead REC facilitated project preparation for the first identified critical road links to improve physical transport infrastructure and the regulatory environment for trade and transport along the North-South Corridor. Following completion of the feasibility studies in Botswana, Malawi, Zambia and Zimbabwe, the concerned Member States were expected to mobilize financial resources for construction works. Botswana completed the construction of its links using internal resources. Malawi received a \$154million loan from the European Investment Bank for the construction of its road sections. Tenders for actual construction were floated in 2020. Zambia secured UA134million financing from the African Development Bank for the construction of the Chinsali -Nakonde road section which is expected to be completed by 2023. Zimbabwe has not yet reached financial closure for its road section.

Proposed Kasumbalesa One Stop Border Post - The legal and institutional framework for the proposed OSBP at Kasumbalesa intended to promote smooth flow of trade and movement of people by reducing delays at Kasumbalesa station was developed in 2020. Further, a validation workshop was held between DR Congo and Zambia in February 2020. The developed Model Legal and Institutional Framework was submitted to DR Congo for domestication; Zambia has the legislation in place at national level. A roadmap for the implementation of the project was agreed on.

Establishment of Corridors - Corridor Management Institutions (CMIs) are established to improve management of international traffic and support regional integration through harmonization of operating procedures, policy, skills, infrastructure and equipment among the Corridor States. The purpose of the CMIs is to support the daily

functioning of the corridor by providing the necessary focus in support of corridor efficiency improvement. In the period under review, the legal and institutional framework for the proposed Gallabat/Metema One Stop Border Post (OSBP) between Ethiopia and Sudan on the Port Sudan Corridor was reviewed and draft model legislation and institutional framework developed. Additionally, a study on the status of road safety management in the COMESA region was conducted in two corridor States namely Ethiopia and Sudan; study findings and recommendations will be used to improve road safety on the corridor.

COMESA Seamless Upper Airspace Project - Implementing a seamless upper airspace and deployment of regional satellite-based air navigation technology in the COMESA region will improve operational efficiency, safety and cost effectiveness of aviation while mitigating the negative impact on the environment. Following the completion of the feasibility study and expiry of the AfDB Grant Disbursement Period, specific project components were incorporated into the Support to the Air Transport Sector Development (SATSD) in the East Africa, Southern Africa and Indian Ocean region to be funded under EDF11 to ensure continuity.

Support to the Air Transport Sector Development in the East Africa, Southern Africa and Indian Ocean Region

- COMESA and the EU signed a Grant Contribution Agreement in December 2020 amounting to EUR 8M for the Support to the Air Transport Sector Development (SATSD) in the East Africa, Southern Africa and Indian Ocean Region programme. The SATSD programme will be funded under the 11th European Development Fund (11th EDF). The SATSD is a four (4) year programme whose overall objective is to contribute to the promotion of regional integration and equitable economic growth in EA-SA-IO region through the development of the air transport sector. In the period under review. The programme covers the East Africa, Southern Africa and Indian Ocean (EAC, SADC, IGAD and IOC) region.

Establishment of a Navigational Line between Lake Victoria and the Mediterranean Sea-The objective project is to establish a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea to be the anchor for economic activities with spatial impact, In the period under review, the project was included in the PIDA Priority Action Plan (PIDA PAP 2) which gives it continental status and creates opportunities for resource mobilization by the African Union Commission for the detailed feasibility study.

Tripartite Initiatives: Road Transport Policy and Regulatory Harmonization under the Tripartite Transport and Transit Facilitation Programme (TTTFP) - The overall strategic objective of the programme is to facilitate the development of a more competitive integrated and liberalized regional road transport market in the Eastern and Southern African (EA-SA) Region. The following achievements were made in 2020;

- The MCBRTA and the VLMA including five supporting model laws were legally scrubbed, considered and adopted through a virtual meeting held on 18th September 2020 by the 1st Tripartite Sectoral Ministerial Committee on Legal Affairs (TSMCLA) for onward approval by Tripartite Council of Ministers now scheduled for the second quarter of 2021.
- As an immediate remedial response to the COVID-19 pandemic and to facilitate the continuation of cross-border trade of essential goods during the ongoing crisis, the TTTFP identified the need for a regional electronic Corridor Trip Monitoring System (CTMS). The development, commissioning, implementation and maintenance of CTMS is supported by the European Union at an additional amount of EUR 3.6 million. Underpinned by the current legal and regulatory framework existing both at regional and national level, the CTMS will operate and be hosted in conjunction with TRIPS. It will allow cross border road transport operators, drivers, regulators and law enforcement agencies to record and monitor driver wellness data

such as COVID-19 test results, track driver, crew and truck movements against pre-approved route plans. Further, the CTMS will be used to monitor the implementation of the Tripartite Guidelines on Trade and Transport Facilitation for Safe, Efficient and Cost-Effective Movement of Goods and Services during the COVID-19 Pandemic. The Tripartite Council of Ministers adopted the Tripartite Guidelines in a virtual meeting held on 29th July 2020.

- Development of the Tripartite Guidelines for Safe Cross Border Movement of Persons and Personal Goods during the COVID-19 Pandemic. The guidelines were developed and validated by a virtual Tripartite Joint Technical Committee meeting held on 23rd October 2020. The guidelines are awaiting approval by the Tripartite Council.

Development of Economic Infrastructure: Energy

Regional Infrastructure Finance Facility (RIFF) Project: Common Market for Eastern and Southern (COMESA), Trade and Development Bank (TDB) and the World Bank successfully formulated and signed the Regional Infrastructure Finance Facility (RIFF) Project. The RIFF project is an Investment Financing Facility Project with funding from the World Bank to COMESA and TDB. The RIFF project aims to expand long-term finance to private firms in selected infrastructure in the power sector, as well as in the transport, logistics and social sectors. The RIFF Project which is scheduled to run from July 2020 to September 2025. The project has three components; Project and Infrastructure Finance Facility (US\$325million) a credit line will provide long-term finance to project finance and infrastructure sub-projects that meet development impact criteria and is being administered by TDB; COVID Infrastructure Sector SME Response (US\$75 million) being administered by TDB, and Technical Assistance (US\$25 million) to COMESA and TDB.

Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA)

The Regional Association of Energy Regulators of Eastern and Southern Africa (RAERESA) implements the Programme on Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa, and Indian Ocean Region (ESREM) funded by the European Union. The overall objective of the programme is to enhance a sustainable regional energy market in the EA-SA-IO region, which is conducive to investment and promoting sustainable development. The following activities were implemented in 2020;

Framework for Regulatory Oversight of the Regional Energy Market - Development of the Framework for Regulatory Oversight of the Regional Energy Market in Eastern Africa, Southern Africa, and Indian Ocean region commenced in June 2019 and was completed in June 2020. The framework was developed for adoption at both regional and national levels to promote investments and power trading in the region.

Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) - Development of a Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP - EA-SA-IO) in 2020 which is considered a necessary instrument that will create an enabling environment to promote investment in renewable energy and energy efficiency initiatives hence achieving access to affordable, reliable, sustainable and modern energy services. Further, a Communication and Visibility Strategy was developed to enhance dissemination of relevant information to the region's stakeholders that will be involved in the implementation of the REEESAP (EA-SA-IO). The REEESAP was adopted by the COMESA Council of Ministers and is ready to be implemented at state level. Implementation of some recommendations from the REEESAP commenced in 2020 and will be continued in 2021.

Capacitation of Energy Institutions in the EA-SA-IO Region – A key result area of the ESREM Project involves the enhancement of regulatory capacity of National Regulatory Authorities and strengthening capacity of the Regional Associations (RAERESA and RERA) and Power Pools (EAPP and SAPP) to enable them to proactively influence developments in the energy sector. In the period under review, the following technical assistance was provided;

- Training on energy storage by the Centre for Renewable and Sustainable Energy Studies of Stellenbosch University. A total of 10 staff of regulatory institutions from 10 countries were trained under the sponsorship of the Project
- Conducted an Online Workshop on Gender Equity in Energy Regulatory Authorities and Energy Sector in collaboration with the Confederation of European Energy Regulators (CEER) that was attended by forty (40) staff of regulatory institutions and ministries from 14 countries
- Conducted a workshop on energy utility benchmarking in collaboration with the Confederation of European Energy Regulators (CEER) that was attended by 23 staff of regulatory institutions from 12 countries;
- Facilitated the peer review of the Ethiopian Energy Authority (EEA) that was carried out by regulatory experts from Egypt, Kenya, Seychelles, Sudan, Zambia and the RAERESA Secretariat in Addis Ababa, Ethiopia.

INDUSTRIALISATION

COMESA's Industrialisation Programme focuses its efforts on building a regionally integrated, diversified, and competitive production capacity anchored on agriculture, industry and services sectors and based on value addition, diversification, innovation and common regional standards.

COMESA Industrialisation Programme

COMESA's Industrialisation Programme is guided by the COMESA Industrial Strategy and Action Plan (2017 – 2026) which aims at supporting structural transformation of regional economies through sustainable and inclusive industrialization. Implementation of COMESA's Industrialisation Programme received a boost through funding from the 11 EDF to assist in implementing the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP). RECAMP aims at supporting development of the private sector through enhancing private sector competitiveness and access to markets in the COMESA region and beyond.

The programme focuses on challenges that affect value chain actors, both small and large enterprises, and that are relevant to regional economic integration. It will work to increase intra-regional and international trade of value-added and manufactured products in the selected value chains namely horticulture, agro-processing and leather and leather products. In the period under review, implementation of several activities under RECAMP commenced specifically in supporting SMEs in the areas of value chain development through capacity building. Additionally, work was undertaken to craft policies on Implementation Strategy of the COMESA Local Content Policy Framework and the COMESA Framework of Managing SEZs and IPs to support adoption and domestication.

A key achievement for the COMESA's Industrialisation Programme in 2020 was the adoption of the Roadmap and Action Plan and the Memorandum of Understanding for the Zambia – Zimbabwe Joint Industrial Project in August 2020. In collaboration with UNECA-Sub Regional Office, work commenced to undertake studies to assess the feasibility of establishing a common agro- based industrial park and on the legal and regulatory framework of establishing a common agro-based industrial park between the two Member States in line with the Joint Industrialization Project.

The programme continued to undertake resource mobilisation efforts intended to support implementation of activities under the current COMESA Industrial Strategy and Action Plan and for a proposed facility to promote the local supply of COVID 19 related pharmaceutical products and services during and after COVID-19 pandemic.

COMESA Agricultural Programme

Agriculture remains an important sector in sustaining most economies of the COMESA Member States as well as in advancing regional trade and integration agenda. Over 60 per cent of the population in the COMESA region depends on agriculture for their livelihoods and employment and the sector contributes significant percentage to the Gross Domestic Product (GDP) of most Member States.

The objective of the COMESA Agricultural Programme is to advance the agricultural transformation agenda for shared prosperity and improved livelihoods through supporting the implementation of CAADP Malabo Declaration in close collaboration with strategic partners. Notable progress of implementation amongst others of the programme was as follows;

- i. In collaboration with the Africa Union and other RECs and partners, convened the Malabo Agricultural Policy Learning Event (MAPLE) which discussed agricultural policy topics, shared learning and generated actions that are expected to drive the implementation of the CAADP Malabo agenda.
- ii. In collaboration with ASARECA, conducted consultation meetings with select Member States (Kenya, Eritrea, Uganda, Rwanda, Sudan, Madagascar, and DR Congo) on the major challenges experienced in the second CAADP/Malabo Biennial Review (BR) process. The Member States priority support needs to improve the BR process were identified and the way forward was agreed.
- iii. Provided technical inputs to potential models/products for inclusive agriculture financing for farmers and agribusiness SMEs in Zambia.
- iv. Co-organized with AUDA-NEPAD and other RECs (EAC, IGAD and SADC), Initiative for Food Security and Nutrition in Africa (IFNA) Virtual Regional Workshop for government officials responsible for food and nutrition security programming including specifically CAADP and Scaling Up Nutrition (SUN) country focal points from the Member States to enhance the implementation of food and nutrition security programmes.
- v. Re-initiated engagement with key cassava stakeholders in the COMESA region to build on the outcomes of the previous COMESA cassava cluster programme to drive cassava commercialization, market access and trade in the region.
- vi. In collaboration with the COMESA Federation of Women in Business (COMFWB), developed training resources on market access and trade integration issues (rules, regulations, and procedures) for women in business in the context of AfCFTA. The draft online-based introductory training resources are undergoing further elaboration.

The programme contributed to the development of proposal for a pilot project on joint agro-industrial park for Zambia and Zimbabwe, as an effort to advance agro-industrialization agenda in the region,

As part of the initiatives aimed at strengthening the sectoral programming, the programme hosted the 7th Joint Meeting of the Ministers responsible for Agriculture, Environment and Natural Resources which reviewed strategies and plans as well as progress made in the implementation of the sectoral programmes and made key decisions and recommendations to strengthen the programmes development and implementation. And in response to the Covid-19 Pandemic, the programme specifically developed a Regional COVID-19 Food Security and Nutrition Response Plan that is undergoing implementation to address the effects of the COVID19-pandemic on agricultural production, food and nutrition security, and livelihoods in the region.

Under the Regional Enterprise and Access to Markets Programme (RECAMP) funded through 11th EDF, the programme is supporting the assessments of the targeted value chains, namely horticulture, and agro-processing, and leather and leather products, to inform the development and implementation of key interventions to enhance the competitiveness and access to markets by the SMEs engaged in the value chains.

COMESA Livestock Programme

The objective of the COMESA Livestock Programme is to increase production and productivity of livestock and fisheries through utilization of technologies and access to markets, services, and value addition. In the period under review, the programme implemented the Enhancing Regional Livestock Trade Project with the support of USAID/RDOAG. Key achievements of the programme include assessment of key aspects of the livestock sector, including marketing, information on Export and import destination, support facilities and services and mapping of Live animal and meat exporting and importing enterprises amongst others. These activities resulted in the publication of the following manuals;

- Manual for the Harmonized Grading and Classification of Cattle, Goats, and Sheep
- Livestock Trade in COMESA publication

The COMESA Livestock Programme is implementing the LIVE2Africa Project in partnership with AU-IBAR, EAC, ECCAS, ECOWAS, IGAD, SADC and UMA. As part of implementation of the project, priority regional livestock value chains (RLVC) were selected to catalyze activities. The selected value chains are Dairy for Northern and Eastern Africa, Meat for Southern Africa, Live animal, and meat for the Horn of Africa and Poultry for Central and Western Africa. Consequently, COMESA in agreement with AU-IBAR submitted "Facilitation of intra-regional and intra Africa livestock and livestock product trade" targeting priority regional livestock value chains (RLVC) identified by the Live2Africa project in the context of the AfCFTA to guide implementation of activities. The programme will continue to undertake resource mobilisation efforts to implement programmes aimed at reinforcing veterinary services in COMESA that targets capacity building in critical areas.

Under the COMESA Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) funded through the 11th EDF, the Livestock Programme is participating in the enhancement of livestock value chain mainly dairy, poultry, beef, and live animal trade as a part of agro-processing development and is supporting SMEs to enhance their competitiveness in the value chain development through capacity development.

COMESA SPS/TBT Programme

The objective of the COMESA SPS/TBT Programme is to ensure that effective, risk-based, and harmonized SPS/TBT measures are efficiently implemented to facilitate safe regional and international trade guided by the COMESA SPS and SQAM - 2016-2020 strategies. In 2020 the programme achieved the following;

- i. The 2020 SPS Sub-Committee and Plant Health Technical Working Group Meetings were held virtually on 30 June - 2 July 2020, key resolutions amongst others, included adoption of the finalized Pest Risk Analysis Guidelines and request to the Secretariat to undertake resource mobilisation for capacity building, harmonisation and rolling out of the Electronic Phytosanitary Certification to other Member States after piloting in the selected countries.
- ii. Key recommendations of the programme amongst others were presented to both the Technical Committee meeting and Joint meeting of the Ministers responsible for Agriculture, Natural Resources and Environment, for consideration as follows: (i) Member States are urged to institutionalize the Prioritising SPS for Investment for Market Access (P-IMA) tool to facilitate

- prioritization of SPS capacity building investments and integrate the tool into national planning and budgeting processes and (ii) Member States to adopt and consider implementing the FAO/WHO COVID-19 and Food Safety - Guidance for Competent Authorities responsible for national food safety control systems.
- iii. The programme continued to implement the Prioritizing SPS Investments for Market Access (P-IMA) Project which identifies value chains considered of great potential in boosting agriculture exports when key SPS issues associated with their trade flows are addressed in selected Member States.
 - iv. Under the 11 EDF-RECAMP, the SPS/TBT Programme in collaboration with UNIDO designed a programme on improving the compliance capacities of selected SMEs through implementation of the Sustainable Supplier Development Program (SSDP) as a pathway to achieve international certification on GFSI recognized certification scheme; an action plan was developed for implementation of the scheme.
 - v. The programme continued to implement the Green Pass initiative under the COMESA Cross Border Trade Initiative supported under the 11 EDF Trade Facilitation Programme (SSCBTI). The Green Pass initiative is a risk-based certification system to specific SPS requirements meant to facilitate and simplify trade for Small Scale Cross Border Traders. The initiative is being implemented with a pilot on dried fish originating from the Luangwa District (Zambia) and traded across several borders, including DR Congo through Kasumbalesa border post. The programme facilitated establishment of small border committees to work on the Green Pass modalities, including simplifying and rolling-over all requirements for fish traded under the STR into a single document (SPS/TBT documents; Customs documents; Levies; Fees etc). The programme commenced procurement of basic verification equipment (rapid test kits; weighing scales/balances) for the 2 border posts under the project.
 - vi. Under the 11 EDF Trade Facilitation Programme, key achievement included amongst others, development of risk-based food safety regulation and provision of capacity building on food safety risk-based decision making and regionally harmonised regulatory limits, National Task Forces (NTFS) were established for Kenya, Uganda, Zambia, and Zimbabwe. National consultations were initiated in all countries with different levels of completion to come up with relevant and consensual hazard-food combinations (HFCS). Further, in supporting adoption of good practices in food import control and in domestic food facility inspection, National Task Forces (NTFs) were established for Madagascar, Comoros, Djibouti, Sudan, and Tunisia and contacts with Egypt and DR Congo established.

FOSTER GENDER EQUALITY, WOMEN EMPOWERMENT AND SOCIAL DEVELOPMENT

The key objectives of the COMESA Gender and Social Affairs Programme were to strengthen gender mainstreaming in all COMESA programmes, contribute to the economic empowerment of women through the provision of a networking digital platform to enable women to access financial and non-financial services including sharing of experiences, mentorship, access to markets among others and enhance capacity of youth to participate in democratic governance and socio-economic development.

i. Gender Mainstreaming and Empowerment of Women

In 2020, focus was on strengthening gender mainstreaming through different forms of capacity building, it included the following initiatives;

COMESA Gender and Trade Online Course Finalized and Installed: Course materials were reviewed by gender experts from Member States in a virtual meeting held in September 2020. The training modules were finalized, and the Course was installed on the COMESA eLearning platform. The platform is ready to be launched following approval by the Ministers responsible for Gender and Women's Affairs and endorsement by the Council of Ministers.

Gender Planning Guidelines, Checklists and Indicators Finalized: The Gender Planning Guidelines with specific components will assist professionals at COMESA Secretariat, COMESA institutions and Member States to mainstream gender in their specific programme areas.

COMESA Gender Policy Implementation Matrix Finalized: The Matrix containing different sector specific gender interventions options for regional and national level programming with output and outcome indicators was finalized with inputs from gender experts from Member States.




Engagement of the COMESA Gender Technical Working Group: GTWG is a system that uses gender focal persons to sustainably facilitate the mainstreaming of gender in different Divisions, Units, and Institutions of COMESA.

Gender Mainstreaming in the COMESA 2021 – 2025 MTSP: The twin approach was used to ensure inclusion of gender in the draft 2021 – 2025 MTSP. The MTSP has a Standalone Pillar on Advancing Gender Equality, Women Empowerment and Social Integration and gender is mainstreamed in all the other pillars of the MTSP and its Monitoring and Evaluation Framework.

Profiling of Women and Youth SMEs: A study to profile women and youth SMEs in selected value chains (Horticulture; Leather; Leather products and Agro-processing) in all Member States under the RECAMP project commenced. The findings of the study will assist in providing targeted support and capacity building to women and youth SMEs to enhance their participation in regional and continental trade through market access.

Empowerment of Women – 50 Million African Women Speak (50MAWS) Project

In 2020, the implementation of the 50MAWS project first launched in November 2019 in partnership with the EAC and ECOWAS with support from the African Development Bank (AfDB) continued. The project is implemented in 36 Member/Partner States of COMESA, EAC and ECOWAS and provides business related information and networking opportunities for women entrepreneurs. In the year under review the following were achieved:

Continued Functioning of the 50 Million African Women Speak Platform- The 50MAWS Digital Platform is available through the web at www.womenconnect.org and a mobile **App at**  **50MAWSP** downloadable from **play store**  or **apple store**  continued to function and being accessible to users. In 2020, the project continued to correct, generate, upload content on the platform. The content is on financial and non-financial services, social services and success stories, and many others.

Support to National Content Developers - In the period under review the project continued to support national content developers from 15 Member States namely; Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Eswatini, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Tunisia, Zambia, and Zimbabwe to collect, generate, develop and upload content on the platform and to market the platform to different target users in the respective countries to register and use the platform.

50MAWS Platform Launched in Member/Partner States - After successful global launch of 50MAWS Platform in 2019, the reporting period 2020 focused on the further popularizing of the platform in all the Member States. The launches in the eight countries were presided over by high level dignitaries demonstrating support and ownership of the initiative by the political leadership in the Member States. The platform was launched as follows;

- Zambia - 28 February 2020
- Seychelles - 25 August 2020
- Zimbabwe - 3 September 2020
- Madagascar - 9 October 2020
- Eswatini - 15 October 2020
- DR Congo - 22 October 2020
- Egypt - 18 November 2020
- Djibouti - 9 December 2020
- Tunisia - 14 December 2020

Statistics on the Users of the Platform: Following the global and country launches of the 50MAWS Platform, users started visiting, registering and using the platform. Statistics of the users of the platform in 17 COMESA Member States was at 15,432 by the end of December 2020. The numbers were steadily growing in all the targeted countries in COMESA, EAC and ECOWAS. Egypt has a high usage because the platform was launched at national level and technology uptake in the country is equally high. Low usage of the platform in some Member States can be attributed to limited internet penetration, connectivity, affordability, and access to energy and smart phones or computers. The initiative requires time to continue to support the countries and targeted users. Member States need to create an environment that will encourage usage of the platform by strengthening access to affordable internet data, smart phones, energy, skills training, and other services for women. In efforts to increase usership, the process of recruiting a media firm to support in the popularizing the platform in Member States to attract more users and push usage across all Member States was initiated.

National Workshop for Libya: The workshop was held with stakeholders in Libya to introduce the 50MAWS Project and the Platform. Participants in the workshop included representatives from the COMESA Coordinating Ministry in Libya and the chamber of commerce and women in business associations. The country was encouraged to establish a project country team to assist like in other COMESA Member States, to provide support on content management.

Appointment of Country Project Focal Points: Project host institutions were engaged to nominate national focal points to take over the management of the platform from the national content developers whose contracts came to an end between April and December 2020. In total 12 focal points were nominated by 31 December 2020 by the following Member States: Comoros, Djibouti, Democratic Republic of Congo, Egypt, Eswatini, Ethiopia, Madagascar, Seychelles, Sudan, Tunisia, Zambia and Zimbabwe. National focal points were trained to generate and upload content to the platform.

Country Activities: The project national focal points spearheaded activities to grow/promote the platform including content generation, marketing and outreach. A summary of these activities by the Member States is presented in Table 19:

Table 19: 50MAWS Country Activities

No	Country	Progress
1	Djibouti	National launch of 50MAWS platform conducted in Djibouti
2	DR Congo	(i) Training of women's groups on how to use the platform (ii) National launch of 50MAWS platform conducted in DR Congo
3	Egypt	National launch of 50MAWS platform conducted in Egypt
4	Eswatini	(i) National launch of 50MAWS platform conducted in Eswatini (ii) 3 trainings of women's groups held between October and December (iii) Marketing of the platform undertaken on various radio station
5	Madagascar	(i) National launch of 50MAWS platform conducted in Madagascar (ii) Content generated and uploaded to the platform
6	Seychelles	(i) National launch of 50MAWS platform conducted in Seychelles (ii) 152 users trained on how to use the platform (iii) Content generated and uploaded to the platform (iv) Marketing of the platform undertaken on various radio stations (v) Presentations made to market the platform at public events
7	Sudan	Sensitisation on the platform undertaken for media in Khartoum
8	Tunisia	National launch of 50MAWS platform conducted in Tunisia
9	Zambia	(i) Trainings for various women's groups/stakeholders undertaken (ii) Outreach activities to showcase the platform undertaken in four provinces (iii) Content generated and uploaded to the platform
10	Zimbabwe	(i) National launch of 50MAWS platform conducted in Zimbabwe (ii) Marketing of the platform undertaken on various radio stations

Project Steering Committee - The 3rd Meeting for the Project Steering Committee was held virtually on 24 - 25 September 2020. The meeting recommended addition of new functionalities to the platform to enhance usage. The AfDB approved a request to consider granting the project a no-cost extension for a period of 3 months in the first quarter of 2021 to implement outstanding activities.

ii. Social Development and Youth Empowerment

Gender and Social Affairs Programme

COVID-19 Response: The Social Affairs Programme was actively involved in the response to COVID-19 as a member of the COMESA COVID-19 Task Force. Additionally, the programme collaborated with the COMMONS Project on the development of a COVID-19 dashboard for COMESA highlighting COVID-19 hotspots, data and statistics, location of health centres, and sharing initiatives on contact tracing and cargo tracking to enhance prevention of infection.

Awareness on Gender and COVID-19: Two information briefs were prepared on the gender consequences of the COVID 19 pandemic, and the impact of COVID-19 on small and medium scale businesses (SMEs) in the COMESA region. The briefs raised awareness on the implications and impact of COVID-19 on women, youth, and SMEs in the COMESA region, and the need to ensure a gender responsive in the COVID-19 response.

Networking and Advocacy: programme engaged various partners including AUC to share information and jointly advocate for the implementation of regional and continental strategic frameworks on health, education, culture,

youth, campaign against child marriage, participation of women in peace and security and elimination of violence against women and girls.

Resource Mobilization: The UNV was engaged to sponsor a temporal resource mobilization officer to mobilize resources for the implementation of the COMESA Youth Internship and Volunteer Programme. A database of potential partners and engagements was developed.

Social Charter: The programme continued to engage Member States to sign and ratify the Social Charter which was adopted by the Council of Ministers in March 2015 in Addis Ababa, Ethiopia to enable its implementation. Table 20 shows the status of signature and ratification of the Social Charter.

Table 20: Status of Signature and Ratification of the Social Charter

Member State	Signed	Ratified	Member State	Signed	Ratified
Burundi	No	No	Malawi	Yes	No
Comoros	No	No	Mauritius	Yes	No
Djibouti	No	No	Rwanda	No	No
DR Congo	No	No	Seychelles	Yes	No
Egypt	No	No	Somalia	No	No
Eritrea	No	No	Sudan	No	No
Eswatini	No	No	Tunisia	No	No
Ethiopia	No	No	Uganda	No	No
Kenya	No	No	Zambia	No	No
Libya	No	No	Zimbabwe	No	No
Madagascar	Yes	No			

COMESA and the African Union-African Governance Architecture (AU/AGA) Joint Project on Youth

COMESA and AU/AGA continued to implement the Project on Youth Engagement in Democratic Governance and Socio-economic Development. Its main objective is enhancing the capacity of youth to participate in democratic governance and socio-economic development. Key achievements during this period include:

- i. A workshop conducted on 12 March 2020 on the role of the youth in peaceful elections in Zambia attended by 150 Youth leaders from 21 youth led organizations.
- ii. A second capacity strengthening boot camp for youth leaders and policy makers conducted by COMESA Secretariat on 7-17 December 2020 which brought together 25 youth leaders and policy makers from Burundi, DR Congo, Egypt, Mauritius, Madagascar, Rwanda, South Sudan and Tanzania.
- iii. A second continental youth consultation meeting organised by AU/AGA Secretariat on 26-27 November 2020 on the theme “Re-Thinking Democratic Governance: The Role of African Youth in Silencing the Guns”.
- iv. A virtual workshop organised by COMESA on 18 August 2020. The workshop brought together 30 young leaders and policy makers from 9 countries namely; Eswatini, Ethiopia, Kenya, Malawi, Sudan, Rwanda, Uganda, Zambia and Zimbabwe. The main objectives of the meeting were to discuss the implementation of the action plans and projects developed during the first boot

- camp and discuss the youth initiatives undertaken by the youth in their respective countries in response to COVID-19 and to keep the momentum gained from the boot camp.
- v. A virtual pre-boot camp meeting on 6 November 2020 which brought together the alumni of the first boot camp and the nominees of the second boot camp. The meeting brought together youth leaders and policy makers from Burundi, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe to facilitate sharing of experiences on the innovative solutions especially in response to COVID-19 that were happening in their respective countries.
 - vi. Launch of 20 youth innovations by AGA on 29 October 2020. The 20 innovations were selected following a call for applications advertised by AGA and 97 youth innovations on five thematic areas of enhancing good governance, promoting democracy, citizen participation, creating social cohesion, supporting public service, justice and rule of law, promoting human rights and other relevant thematic areas that contribute to the African Union theme of the year "Silencing the Guns".
 - vii. A Youth Innovation Challenge Accelerator Training conducted by AGA on 23 - 27 November 2020. The Accelerator training was the second stage of the innovation challenge proceeded by the selection of the top 20. The training was facilitated by experts drawn from across the continent in accelerating the innovations digging deep into democracy, public policy and social change amongst others. The training virtually brought together 25 participants from 16 countries and the diaspora.
 - viii. Participation of 19 selected youth leaders in the COMESA Council of Ministers Meeting convened virtually on 26 November 2020 with the objectives of establishing a platform for dialogue between youth and COMESA policy organs as well as exposing youth leaders to issues related to regional integration and how they are solved.

On-going activities include the development of a COMESA Youth Engagement Strategy, a COMESA Social Media Strategy, COMESA Internship Guidelines, a Model Manual on Training of Trainers on Youth Engagement in electoral Processes in Africa, a Model Training of Trainers Manual on Youth in Leadership, and Project Baseline studies, among others.

REGIONAL AND SECRETARIAT READINESS

Governance, Peace and Security

The COMESA Programme on Governance, Peace and Security aims at promoting peace, security, stability and enhanced democratic governance through effective national and regional institutional mechanisms and structures. The programme's key focus areas include development of mechanisms and tools to address conflict, insecurity, and instability in the COMESA region, support to Member States to consolidate democracy and good governance and utilisation of the COMESA Committee of Elders to support the prevention, mitigation, and resolution of conflicts. The programme achieved the following in 2020;

The Conflict Life Cycle under Africa Peace and Security Architecture (APSA) is improved with a focus on effective early warning systems and African Standby Force (ASF):

- i. In August 2020, the programme commenced the process of incorporating of dynamic data into the COMWARN Structural Vulnerability Assessments (SVA) model to ensure that COMWARN is more accurate and proximate. Additionally, the process of incorporating climate change indicators to the model commenced.

- ii. The programme held a virtual meeting with Kenyan stakeholders in August 2020 to hasten the inclusion of COMWARN into national early warning systems. Following the virtual meeting, the National Cohesion and Integration Commission (NCIC) officially requested COMESA for further training support on COMESA SVA and AU CSVRA for its new Commissioners, an indication of the perceived value of COMWARN to Member States.
- iii. During the last quarter of 2020, COMESA validated the COMESA Manual on conflict analysis and report writing. The finalized manual will be adopted by Policy Organs and later rolled out to the relevant stakeholders in the region.

The effectiveness of Cooperation with and around the APSA framework (including with CSOs) is enhanced:

- i. Enhancing collaboration with the AU: COMESA convened consultations with the AU Continental Early Warning System and Permanent Secretaries from Zambia on COMWARN SVA and African Union Country Structural Vulnerability and Resilience Assessment (AU CSVRA). As a result, the Permanent Secretaries adopted the COMWARN SVA outputs and agreed to establish the response structures; fast track the voluntary process for Zambia to undergo the AU CSVRA process; and in November 2020, the programme worked with Zambian stakeholders to develop a roadmap on the implementation of the AU CSVRA process. The main outcome was the development of the draft Roadmap.
- ii. Enhancing collaboration with CSOs in peace and security in the region: the programme met with accredited CSOs from Uganda, Rwanda, Zambia, Malawi, Zimbabwe and Kenya to explore areas of collaboration and partnership. In November 2020, COMESA in collaboration with the AU- Economic and Cultural and Social Council (ECOSOCC) held joint consultations with CSOs and at the end of the year the programme started the process of developing an online platform that will enhance CSO participation as well as facilitate their collaboration in peace and security.

Maritime Security (MASE) Programme: Enhancing Financial Analytical Capacity in the Region

Activities conducted in 2020 included:

- i. Training of 14 Financial Intelligence Unit (FIU) analysts from the FIUs of Comoros, Kenya and Mauritius in FIU operations in February 2020.
- ii. In March 2020, sensitized 14 government officials from Comoros from Ministries of Justice, Finance and Budget and officials of the country's FIU on the operationalization of the FIU. This included FIU's mandate in line with international standards and the support it requires from stakeholders and policy makers to ensure it operates within the international standards.
- iii. Supported Comoros FIU with ICT equipment and software to enhance its effectiveness.
- iv. Zambia FIU was granted annual subscription for CTR and STR Online system. The system will encourage timely submission of reports on suspicious transactions including large currency movement, thereby enabling the FIU to undertake timely analysis.

Common, Coordinated and Inter Agency Frameworks for Information Sharing - COMESA developed and handed over a numeric platform to Madagascar's Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) stakeholders in March 2020. The platform will enhance coordination amongst the stakeholders and ensure timeliness of information access and investigations. The process of developing similar Numeric Platform for Kenya and Comoros AML/CFT stakeholders commenced in 2020.

National Anti-Money Laundering Laws and Regulations Strengthened - AML/CFT Laws for Madagascar were reviewed. The programme commenced development of guidelines for various Designated Non-Financial

Businesses and Professions (DNFBPs) for Madagascar and Kenya in selected sectors. This was intended to assist the less regulated sectors adhere to international standards. The guidelines were completed at the end of 2020 to be submitted to the Member States in 2021.

Regional Capacity to Investigate and Prosecute Financial Crimes Assessed and Strengthened - Comprehensive training of law enforcement agencies on Financial Investigation and Asset Recovery for Comoros, Djibouti and Ethiopia was undertaken in two phases. This was followed by actual training of 24 officials from various LEAs in Comoros in March 2020. Training for Djibouti and Ethiopia was constrained by the COVID-19 lockdown measures.

INFORMATION AND NETWORKING

With the objective to implement and maintain the Common Market's Information systems, Information Technology infrastructure and IT system support services and assist COMESA's strategic pillars to use ICT as a tool to enhance Trade and regional integration, the following was achieved in the period under review;

- i. Develop and maintain fully functional intranet and enhanced web portals - The IT Division enhanced the COMESA intranet to allow public access. Additionally, the division granted staff access to private departmental data based on authentication and authorization. Further, web portals for Governance Peace and Security and RAERESA were developed;
- ii. Integrated paperless business operating environment with improved access to information and efficient reporting - The Secretariat embarked on an organization-wide process of Business Process Re-Engineering (BPR) supported by Regional Intergovernmental Organization System Strengthening (RIGO-SS) – USAID.
- iii. Design and development of Digital FTA (DFTA) instruments in close collaboration with Trade and Customs Programme - Sensitization and procurement of consultants to assist in the development and rollout of DFTA instruments including the electronic Certificate of Origin (eCo) and design and development of an online market was undertaken.
- iv. To provide efficient uninterrupted IT services - Working with Divisions/Units, the Secretariat designed and activated a Business Continuity Plans to enable staff to work remotely due to the COVID-19 pandemic. The IT division conducted training on various virtual meeting tools and remote support tools. Guidelines for virtual meeting were developed and support to the Virtual Policy Organs Meetings provided.

HUMAN RESOURCES AND ADMINISTRATION

The COMESA Human Resources and Administration Division provides support to the Secretariat as well as Institutions and Member States on issues related to human resources, knowledge and information services, conference services, procurement and general support services which allow divisions, units, projects, programmes to effectively operate. Additionally, the services support Institutions and Member States in the implementation of activities geared towards the achievement of the MTSP objectives and the regional integration agenda.

The Organisation Performance Review conducted in 2019 by the Africa Capacity Building Foundation (ACBF) and funded by USAID/RIGO identified four areas under the facilitation and implementation of the Human Resource and Administration Division highlighted below;

- i. Strengthen the COMESA's organizational structure;
- ii. Support the human resources department to update the recruitment and selection manual;
- iii. Institutionalize a culture that promotes a continuous Business Process Management (BPM);

- iv. Improve the capacity of the procurement unit to play a strategic role and manage procurement processes in COMESA.

In 2020, with the support of the USAID/RIGO, the division undertook activities towards implementation of second year work plan.

Working Off-Site Arrangement

The COVID-19 pandemic necessitated the implementation of the off-site working arrangement to sustain the operations of the Secretariat. However, the Secretariat did not close off completely as there were services that were required during the lock down. The following was done to sustain the operations while maintaining the safety of staff;

- i. Maintenance of the Secretariat – maintained and facilitated a skeleton staff of essential services to work at the Secretariat on a rotational basis. Entry for non-essential visitors restricted.
- ii. Registration of all staff and tenants of the Secretariat monitoring body temperatures.
- iii. Set up sanitation facilities at the Secretariat including weekly spraying and fumigation
- iv. Staff sensitization on Covid-19 including address by the Executive Management and placement of posters in strategic points.
- v. To facilitate staff to work offsite, the division worked with the IT Division to provide Laptops, power banks, MiFi, Scanners, printers to staff.
- vi. Management set up a Business Continuity Task Force which met every week to review operations of the Secretariat.
- vii. Regularly monitored staff performance through monthly BCPs and weekly BCPs and Timesheets.
- viii. Travel by staff was restricted and all meetings, including technical and Policy Organs Meetings conducted virtually mainly through Teams and Zoom Apps.
- ix. Continued to provide security services throughout the year with more stringent measures put in place owing to the Covid-19 pandemic. This included engaging a new Security firm in November 2020 and development of a Security Policy.

Human Resources

In 2020, the following were accomplished.

Talent Acquisition- Recruitment at COMESA Secretariat

The Unit undertakes recruitment into the mainstream regular establishment and for projects guided by the COMESA Staff Rules and Regulations. Shortlisting and interviews were done virtually, and the unit designed packages for panels which facilitated a seamless process. The following positions for Secretariat were recruited: Director Legal and Corporate Affairs; Director Budget and Finance; Senior Customs Officer and Private Sector Development Officer.

Recruitment of staff of the following institutions was conducted: COMESA Competition Commission (CCC), and projects supported by 11th EDF (TFP & RECAMP), the World Bank (GLTF) and EU-ACP (TRADECOM).

Change Management

Funded by USAID/RIGO, a change management training was facilitated by the Change Management Specialist-Kaizen for the Senior Management team. Four areas of improvement at different stages of implementation were identified:

- i. Corporate Culture change
- ii. Organizational Structure Review
- iii. Corporate Strategy
- iv. Business Process Re- Engineering

The Organization Structure

The review of the structure was completed with approval at the level of the Executive Management and the report presented to the November 2019 Council of Ministers. A decision was made to defer its consideration after approval of the draft 2021-2025 MTSP to ensure alignment. A Task Force of HR Experts from the Member States will validate the structure after alignment; to be followed by presentation to Council for approval.

Review of the Recruitment and Selection Manual

The Manual and accompanying tools were reviewed to streamline the process for increased efficiency and effectiveness.

Development of Job Descriptions

Job descriptions were last approved in 2005, this necessitated a review to align the job descriptions to the proposed organisation structure. Incumbent job holders and supervisors participated in this review through completion of job analysis questionnaires which collected information on the job holder, job purpose, qualifications, job features and work environment etc. This process was highly appreciated by staff and it created ownership and better understanding of the jobs and the job requirements.

Job Evaluation

The current salary and grading structure were last reviewed in 2005, only three salary reviews have since been undertaken based on benchmarks and affordability by the Member States to increase salaries. There was an overdue need to re-establish the worth and weight of the jobs and therefore the job evaluation exercise was undertaken. It is expected that the new structure will eliminate overlaps within the grades and remunerate jobs according to their comparative weights and worth.

Skills Audit

The Skills Audit was facilitated by consultants and involved individual job holders and supervisors completing a questionnaire to provide the following information:

- i. personal job information;
- ii. qualifications and experience;
- iii. core competences;
- iv. leadership and managerial competences;
- v. technical and functional skills; and
- vi. training requirements/needs.

The audit was completed, and an action plan developed that proposes training interventions for individuals to be implemented in 2021.

Performance Management

The performance of staff continues to be assessed using the Balanced Scorecard which in turn informs contract renewals and training decisions. Required coaching and additional support was provided to improve performance.

Medical Scheme

Madison Life was contracted to provide medical insurance cover to all staff (regular and project) in January 2020. A Staff Satisfaction Survey undertaken in November 2020 to evaluate the service provided by the new scheme, showed satisfaction of up to 60% for services provided within Zambia; subsequently, the contract was renewed for another year. However, dissatisfaction for dependents resident outside Zambia was recorded and is being addressed by looking at alternative insurance providers in respective countries of residence.

Internships

The Secretariat provides an Internship Programme for COMESA citizens with the objective to assist young people in their pursuit of academic, professional and career progression including;

- i. students in tertiary institutions working towards professional qualifications and universities.
- ii. holders of professional qualifications from tertiary institutions and universities; and
- iii. post-graduate degree holders.

Travel restrictions and the working off site arrangement in addition to budgetary challenges limited the number of students that could be accommodated for internship in 2020; the Division engaged only ten students mainly from Zambia. Four of these were offered temporary appointments after expiry of their internships.

Procurement and General Services

The following interventions were put in place:

- i. Supported the procurement of tools required for offsite operations, including but not limited to IT tools, cleaning and sanitization facilities as a response to the COVID-19 pandemic.
- ii. Procured goods, works and services to support divisions/units and programmes in fulfilling their mandates in a timely manner and facilitated adherence to the budget and compliance to the Procurement Rules and Regulations
- iii. Supported the onboarding of staff recruited in the year and relocation of staff back to home countries following expiry of contracts by removals and shipping of personal effects.
- iv. Facilitated meetings by identifying suitable venues and procurement of the requisite services.
- v. Maintained COMESA Secretariat, residences, and other organizational assets.
- vi. Created an online database of consultants that is under review and improvement.
- vii. Created an online registry system that is yet to be launched.
- viii. Reviewed the motor vehicle database and recovered official number plates from individuals who are not staff of the Secretariat.
- ix. Carried out the annual stocktaking and inventory of the Secretariat assets.
- x. Facilitated movement of staff working onsite daily to keep safe from Covid-19
- xi. Supported COMESA institutions including RIA, FEMCOM, REARESA, CCC, etc. with procurement services for works, goods and consulting services.
- xii. Facilitated travel of staff by procuring air tickets before travel restrictions.
- xiii. Supported the donor funded projects including GLTFP, 50MAWSP, EDF, etc. with procurement

- needs and requirements.
- xiv. Worked on improving the filing system in the unit as a response to the EU Pillar Assessment requirements

Conference Services

The Conference Services support the provision of meeting facilities, documentation, translation and interpretation services as well as general meetings and workshops management support systems among others. The goal is to ensure that services are delivered in a professional, efficient and standardised manner, which is consistent with the overall goals of COMESA and stakeholder expectations. The unit serves as the organisation's multi-lingual meetings management and document processing hub, which is linked to all the arms of the organisation. The unit undertook the following in 2020.

- i. Recruitment and selection of external interpreters and translators, by engaging Member States in its efforts to establish teams of competent free-lance translators and interpreters. This was an on-going exercise, with the objective of creating a flexible database of tested and approved service providers, across the COMESA region.
- ii. Scheduling meetings to run seamlessly, using on-line platforms including Zoom and Microsoft Teams
- iii. Worked towards customizing its operations to ensure 100% automation and on-line linkage with its stakeholders.

Information Resource Center

The Information Resource Center is mandated to collect and manage relevant knowledge and information resources to support COMESA programmes and enhance Secretariat efficiency through acquisition, subscription to online journals and subject databases, technical processing of this information to ease access and retrieval. Additionally, the centre supports the flow of information, records and documents within the Secretariat. It is the custodian of organizational memory and maintains archival copies of COMESA history through Council Reports, COMESA Working Documents, Council Decisions, Reserve Publications, Executive Speeches, as well as facilitate all records management functions at the Secretariat. The Center achieved the following milestones during the period:

- i. Enhanced digital information management through appropriate information systems including the digital repository, upgraded Liberty System and COMESA Knowledge Base
- ii. Improved information management by successfully guiding the policy document on Records Management to approval and subsequent implementation.
- iii. Collected relevant programme information resources by subscription to authoritative subject databases, linkages to partner e-libraries and research centers.
- iv. Facilitated information dissemination and knowledge sharing by championing shared knowledge and information within the Secretariat and the COMESA region.

STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION

In contributing to regional and Secretariat readiness, the Research, Strategic Planning and Policy Harmonisation Unit takes 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. 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 2020, the Unit undertook the following activities:

- i. Coordinated and facilitated the formulation of the Draft 2021-2025 Medium Term Strategic Plan (MTSP) and M&E Framework by engaging key internal and external stakeholders. This included amongst others;
 - Drawing lessons from the concluded 2016-2020 Strategic Plan;
 - Undertaking an environment assessment/SWOT/PESTLE analysis;
 - Developing thematic areas and strategic issues;
 - supported the formulation of MTSP Review draft papers to support the strategy. These included the Effects of the Covid-19 Pandemic and Informality as a Factor in Economic Activity within COMESA;
 - Coordination with RIGO-SS for M&E support to develop the M&E Framework with all programmes/projects.
 - Engagement with external stakeholders including UNECA
- ii. A Validation Virtual Meeting attended by Member States including key stakeholders was held on 17-18 September 2020 to discuss the Draft MTSP and M&E Framework. The draft documents were presented to the November 2020 Policy Organs Meetings which decided that additional consultations are held with the Member States. The finalised Draft MTSP and Draft M&E Framework are expected to be approved by the Summit in June 2021.

Other milestones in 2020:

- i. In collaboration with the African Union Commission, organised a Regional Meeting to Roll out the Monitoring and Evaluation Framework and Reporting Template on Agenda 2063 First Ten Year Implementation Plan (FTYIP) in March 2020.
- ii. Coordinated the preparation of the 2019 COMESA Annual Report and prepared the 2019 COMESA Status of Integration Report
- iii. Updated the 2020 Country Briefs on the status of COMESA integration and programmes.
- iv. Participated in the coordination and review preparation of Africa Integration Report
- v. Participated in the Business Process Re-engineering (BPR) Exercise at the Secretariat facilitated by the ACBF which entailed a diagnostic phase to establish the opportunities for efficiency improvement in the areas of Strategic Planning & Policy Harmonisation and Monitoring and Evaluation.
- vi. In partnership with the Division of Budget and Finance, supported development of the 2021 Work Programme and Budget.
- vii. 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 this included amongst others compilation of the Matrix for Division of Labour between AUC-RECs-MS and supported the AUC is developing its 2020 African Regional Integration Index Report
- viii. Continued to participate in the Working Group of the COMESA-USAID Regional Intergovernmental Organisation (RIGO) System Strengthening Programme.

CORPORATE COMMUNICATIONS

The key objectives of Corporate Communication are to enhance access to information on the COMESA regional integration agenda, its opportunities and benefits among stakeholders for increased visibility and understanding and to demonstrate the value of regional integration for increased cooperation among Member States. The following was achieved in 2020;

- i. **Content generation for COMESA news:** - News and information on the implementation of COMESA programmes and events were generated from, technical reports including studies, online meetings and research. A total of 42 digital weekly newsletters e-COMESA, were published and disseminated through direct mailing to stakeholders through digital mailing tools and published on the website and social media platforms. Four editions of the quarterly newsletter, The COMESA News were published. Others were the weekly COVID-19 situational updates in COMESA region; Consolidated list of Covid-19 Measures in Member States.
- ii. **Production of Publications** - Books and booklets were published on specific programmes and published online these included; the Manual for the Harmonized Grading and Classification of Cattle, Goats and Sheep for Meat In the Common Market for Eastern and Southern Africa, Livestock Trade in COMESA, the COMESA Annual Report 2019, Key Issues in Regional Integration Vol 7, Trainers Manual on the Great Lakes Trade Facilitation Programme, and Report on Socio-Economic Impacts of the COVID-19 Pandemic: Evidence from COMESA Region; Regional Guidelines on the Movement of Goods and Services in the Region, the COMESA Gazette amongst others.
- iii. **Media Publicity** - Strategic partnerships with the media were established to enhance publicity covering joint publishing, production and dissemination of COMESA news and information. A total of 30 Press Releases covering progress on implementation of programmes and COMESA COVID-19 initiatives were prepared and issued to the regional media organizations and journalists' networks.
- iv. **Visibility:** To maintain visibility, the Secretariat with support from coordinating ministries, organized media publicity at the national level. Most of the programmes focused on trade facilitation in the time of COVID-19 pandemic. Among the countries covered were Zambia, Rwanda, Kenya, Uganda, Malawi and Eswatini. They comprised of News features, mini-documentaries, talk shows, and audio/visuals for the electronic media and online platforms. In addition, media interviews were conducted with regional and national media organizations including the CNBC Africa. Specifically, 39 radio programmes were produced focusing on the Great Lakes Trade Facilitation Project and broadcasted in the community radios in the project areas along the eastern frontier of the DR Congo bordering Uganda.
- v. **COMESA Media Awards Scheme** - The 2020 COMESA Media Awards were conducted, and three winners identified, each from Malawi, Zimbabwe and Rwanda. The names of winners were presented to the 41st Meeting of the Council of Ministers which approved their reward and recognition. Further, call for entries for the 2021 awards were published and sent out to Member States.

The main challenge on the planned activities was the impact of Covid-19 pandemic. This affected activities on enhancement of visibility and direct stakeholders' engagement in Member States owing to travel restrictions.



03

CHAPTER THREE

OPERATIONS OF COMESA INSTITUTIONS

COMESA MONETARY INSTITUTE

The COMESA Monetary Institute (CMI) was established in 2011 to undertake all technical activities required to enhance the COMESA Monetary Cooperation Programme and achieve the set policy issues. Since its establishment, the institute continues to undertake capacity building and research related to the improvement of macroeconomic management and financial stability in the region. The objective is to enhance the COMESA Monetary Integration Programme.

Notwithstanding challenges brought on by the COVID-19 Pandemic, which affected undertaking of CMI face-to-face activities, including trainings, meetings and workshops, the following are the main tasks accomplished by the Institute in 2020:

- i. Organised the Validation Workshops for User's guides; Matlab User's Guide on Basic Dynamic Stochastic General Equilibrium Modelling and Fiscal Stress Testing for Central Banks and Ministries of Finance.
- ii. Finalized and published a User's Guide on "Banking System Interconnectedness and Systemic Risk Analysis".
- iii. Prepared the following Special Reports Related with Impact of COVID-19 which are published by COMESA:
 - Macroeconomic Impact of COVID 19 in Sub-Saharan Africa;
 - Fiscal Policy Responses to limit COVID-19 Economic Damage;
 - Unconventional Monetary Policy Tools Deployed to Address the Socio-economic Impact of COVID-19;
 - The Role of Trade Finance in Promoting Trade and Implications of COVID-19 on Trade Finance in Africa;
 - Economic Impact of COVID-19 on MSME's in Africa and Policy Options for Mitigation;
 - Value Chain as a Vehicle for Development in Africa: Implications of COVID-19 in the future of Global Value Chain;
 - Implication of COVID-19 on Debt for African Countries; and
 - Financial Inclusion and COVID-19 Pandemic in COMESA Region.
- iv. Prepared the following papers:
 - Role of Regional Financial Integration in Promoting Growth, Development and Poverty Reduction in Africa;
 - Financial Policy Interventions in Africa in the light of Economic Impact of COVID-19;
 - Survey of Recent Fiscal Policy Developments in COMESA Member States;
 - Inclusive Finance for Growth and Development in Africa;
 - The Role of Export Diversification for Economic Growth and Employment Creation in Africa; and,
 - Macroeconomic Developments in the COMESA Region in 2019;
- v. Peer-reviewed the following papers in collaboration with experts from member Central Banks:
 - Assessing the Bank Lending Channel of Monetary Transmission Mechanism using Panel Data Analysis;
 - Modelling and Forecasting Inflation Dynamics;
 - Modelling the Spill-over Effects of Volatility in Commodity Prices on Financial Stability;

- Risk Taking Channel of Monetary Policy Transmission Mechanism: An Application of Panel VAR, SVAR and VECM;
 - Estimating and Forecasting Time Varying Volatility in Consumer Prices: Application of GARCH Model;
 - Empirical Analysis of the Effects of Key External Shocks on Selected Macroeconomic Indicators;
 - Impact of Macroeconomic Developments on Financial System Stability.
- vi. Commenced the following country specific studies in collaboration with staff from member central banks
- The Interbank Markets and Effectiveness of Monetary Policy;
 - Impact of Financial System Development on Financial Stability;
 - Preparation of Regional Financial Stability Report for COMESA region;
- vii. Made presentations on the following in Virtual regional and continental Conferences:
- Enhancing the Mobilisation of Domestic Resources to Guarantee the Development of Economic Independence in the Post COVID Era organised by AUC in collaboration with African Securities Exchange;
 - Impact of COVID-19 on Trade in Goods and Services, organised by MEFMI on Impact of COVID-19 on External Sector in Africa.
- viii. Published an article on “The Effects of Exchange Rate Volatility on Exports in COMESA: A Panel Gravity Model Approach” in the Journal of Applied Finance and Banking, Volume 10. No. 6 August 2020.
- ix. Commenced preparation of the following; Exchange Rate Regimes and Inflation Performance in Selected COMESA Member States and Capital Flows and Economic Growth in selected COMESA Countries;
- x. Commenced preparation of the “Rules of Procedure of the COMESA Committee of Governors of Central Banks.”

COMESA CLEARING HOUSE

The objective of the COMESA Clearing House (CCH) is to facilitate the settlement of trade and services payments amongst Member States. CCH 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 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 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.

Under REPSS, importers and exporters deal with their local commercial banks for trade documentation. The importer's payment to the exporter is then channelled through the Central Bank of the importer to the Central Bank of the exporter using the system's platform. Central banks send payment messages to REPSS on a particular day and at the end of the day, REPSS nets the payments and settlements are made to the respective Central Banks accounts. The Central Banks credit the commercial banks accounts with them and the commercial banks then credit the exporters accordingly. The credibility of the Central Bank and pre-funding of account by commercial banks give guarantee of payment.

Some of the key benefits of REPSS include the following:

- a. It guarantees prompt payment for exports as well as other transfers. This is because T+0 settlement is possible with the Settlement Bank (Bank of Mauritius) being within the operating times of all other participants;
- b. The system eliminates mistrust among traders as there is Central Bank involvement. This in turn increases trade within the region;
- c. It reduces foreign funding as the amount to be paid at the end of the day by a participant is on a net basis;
- d. It reduces foreign counterparty exposures – participants are able to send payment instructions through REPSS to the Settlement Bank, thus reducing transactions and exposures via correspondent banks; and
- e. It reduces collateral requirements as Central Banks are directly involved in the system and trade is mainly amongst members.

The system is operational in nine Member States, namely at the Central Banks of DR Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Uganda and Zambia. It is hoped that the rest of the COMESA countries will join the system, in line with COMESA's variable geometry approach to implementation of its programmes.

The use of REPSS continues to grow gradually and if more Central Banks came on board and used the system, the volume of payments passing through the platform will lead to a shift in preference of payment methods for regional payments. The total value of transactions processed as of December 2020 was over USD208 million and this is expected to increase with greater use of the system by participants.

REPSS provides a smooth flow of payments for such trade and with cross border payments costing around US\$

400 million per year, the platform allows reduction in such costs with the resulting savings channelled to other economically beneficial projects within COMESA.

COMESA FEDERATION OF WOMEN IN BUSINESS (COMFWB) – Formerly FEMCOM

The COMESA Federation of Women in Business (COMFWB) promotes women in Business interventions in the COMESA region. COMFWB acts as a forum for the exchange of ideas and experience among women entrepreneurs; an instrument through which the appropriate portion of COMESA Women in Development Programmes are implemented; a forum for network among women entrepreneurs and an instrument for encouraging women to set up or expand existing enterprises. COMFWB has been guided by the COMFWB Medium Term Strategic Plan (MTSP) 2016-2020 which aimed at realization of the following strategic priorities: Institutional and Financial Capacity, Programmes Development and Advocacy, Public Awareness and Branding

In 2020 the following was accomplished:

Priority to strengthen institutional and financial capacity for effective programme implementation and long-term sustainability: Financial Rules and Regulation, Staff rules and Regulation and Procurement Rules and Regulation were developed. The procurement rules will promote economy and efficiency in procurement foster fairness; transparency; accountability and value for money. The staff rules and regulations will ensure that interest of COMFWB and those of the employees are protected. Both Rules were approved by COMESA Ministers of Justice.

COMFWB Medium Term Strategic Plan 2021-2025

COMFWB Secretariat commenced the development of its Medium-Term Strategic Plan for the period 2021 -2025 and has articulated its vision, mission, and core values. The vision of COMFWB is “To be the leading agency of change that drives economic prosperity of African women entrepreneurs”. Its mission is “To develop women entrepreneurship in COMESA through programmes that promote economic integration and trade facilitation”. The core values include Integrity, Result driven, Equity, Unity and Excellence.

Construction of Perimeter Wall Fence at the COMFWB Plot

A Task Force was established to foresee the implementation of the COMFWB Office Complex. The Task Force is comprised of representatives of COMFWB Secretariat, COMESA Secretariat and Government of Malawi (Ministry of Trade, Foreign affairs, Ministry of Public Works, Ministry of Finance and Ministry of Gender). The Task force has held three meetings to guide the development of the COMFWB Office Complex. Following the approval of funds by the COMESA Council of Ministers Meeting held in December 2019, COMFWB solicited bids for undertaking pre-construction work on the development of the COMFWB Complex including feasibility studies, site surveys, architectural concept, Bankable investment plan and architectural designs, bills of quantities, and a perimeter fence.

AGM and Bi-Annual Board Meetings

COMFWB convened its virtual 14th COMFWB Board Meeting on 17 June 2020. The meeting reviewed the implementation of the women in Business agenda in the COMESA region during the COVID-19 outbreak. The Board reviewed the status of revision of the Charter, the development of the financial rules and regulations, Staff rules and regulations and the procurement rules among other issues.

COMFWB Convened its Virtual 6th Annual General Assembly from 25 - 26 August 2020. The AGM was attended by 17 COMFWB Chapters. The AGM elected the new COMFWB Board members as follows: Ms. Maureen Masungu Sumbwe (Zambia) Chairperson; Naila Abbas Thabit (Comoros) Vice Chairperson; Ms. Angeline Wibabara (Rwanda) rapporteur. The rest of the board Members are: Ms. Eliane Munkeni Kiekie (DR Congo), Ms. Selamawit Mekonnen Woldegiorgis (Eritrea), Ms. Zintombi Thandi Motsa-Nxumalo (Eswatini) Ms. Towera Jalakasi (Malawi),

Ms. Siham Sharif Abdalla (Sudan), and Ms. Leila Jaber Belkhiria from Tunisia.

The AGM made the following resolutions:

- i. Adopted a new name "COMESA Federation of Women in Business and acronym "COMFWB."
- ii. Adopted the Revised COMFWB Charter, the Draft COMFWB Staff Rules and Regulations, Draft COMFWB Financial Rules and Regulations which also includes the Procurement Policy.
- iii. Considered the 2021 Work Plan and Budget.
- iv. Adopted the amendments to the COMFWB Charter.

Following the elections of a new Board, COMFWB held a meeting for the new Board in December 2020 to review the progress in the implementation of the COMFWB programmes.

Resource Mobilization

COMFWB held a Gala Night on 5 December 2020 at the prestigious Bingu International Conference Centre. The Ethiopian/Malawian Airlines sponsored the event by donating air tickets for the guests coming from London. The Gala night was graced by H.E Madam Monica Chakwera, First Lady of Malawi.

Engagement of Financial Institutions

COMFWB held discussions with Standard Bank and Eco Bank in Lilongwe as they offer SMEs financial products. The meeting with Standard Bank focused on the Bank partnering with COMFWB on the SMEs development. Further, COMFWB held discussions with ECO Bank. Currently, the Bank is managing a 5-year facility under the Global Community Funds for Agribusiness. The Bank is keen to support women groups as well as individual women entrepreneurs through provision of funding and technical assistance. It was agreed that ECO Bank should consider supporting some cooperatives and women entrepreneurs identified by the National COMFWB Chapter in Malawi. Once this activity is implemented in Malawi, Eco-Bank offices in the respective Member States will be engaged to replicate this initiative to all COMFWB Chapters.

Strengthened Capacities of National COMFWB Chapters

- i. Development of Medium-Term Strategic Plan - Uganda COMFWB Chapter

COMFWB has prioritized the capacity strengthening of COMFWB Chapters through supporting the review and development of national strategic plans for the chapters. The COMFWB Chapter for Uganda – UWEAL, was supported and its Strategic Plan for 2014-2019 reviewed. Subsequently, a successor strategic plan for the period 2020-2024 was developed.

- ii. Thantwe Farms Youth Business Incubator under the Malawi COMFWB Chapter

COMFWB supported Thantwe Enterprise, a member of COMFWB Chapter in Malawi to develop its medium-term strategic plan for its business incubator. Thantwe Enterprises was registered in 2013 and is an innovative Agribusiness venture specializing in horticulture, agribusiness incubation, agro processing and greenhouse supply. Its vision is "A fresh produce importation free Malawi that is able to produce and export high quality horticultural products".

- iii. Signing of MoU with the Government of Sudan on Women in Business

COMFWB engaged the new Government of Sudan on supporting the COMFWB agenda. The engagement resulted in the signing of an MoU between COMFWB and the Government in January 2020. The Government has provided office space to the COMFWB National Chapter.

- iv. Provision of Advisory Services
 - Supporting the strengthening of the Governance structure of the Chapters - COMFWB supported the chapters in eSwatini and Sudan in strengthening their governance structure including being registered with the Government as NGOs.
 - Cooperative Start up Awareness Workshop Planning - The Malawi COMFWB Chapter was supported in the development of women-based cooperatives. An inception meeting and workshop for interested Malawi women entrepreneurs in variety sectors was convened. COMFWB Secretariat is providing support to strengthen the leadership of the chapter.

Provision of Advisory Services under RECAMP for Increasing Competitiveness of Women in Business

COMFWB is among the implementers of the COMESA Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP). It has developed the terms of reference focusing on provision of advisory services to overcome identified barriers to internationalization and value-addition in the targeted value chains. Targeted business assistance will ensure that entrepreneurs are better prepared to turn business ideas into successful new ventures. COMFWB is hiring 11 national consultants each based in DR Congo, Tunisia, Sudan, Rwanda, Malawi, Eritrea, Madagascar, Zimbabwe, Eswatini, Comoros and Zambia to support provision of business advisory services to women entrepreneurs on optimizing sourcing, lean supply chain, production, logistics, packaging, export management, marketing and branding, and e-commerce among other activities.

Programmes Development

Enterprise Development - BIAWE COMESA Project

COMFWB has been implementing Phase 2 of the Business Incubator for African Women Enterprises (BIAWE) Project, funded by the NEPAD/Spanish Fund for African Women's Empowerment. BIAWE is being piloted in four Countries namely, Burundi, Kenya, Sudan, and Eswatini in COMESA region. The project aims at addressing numerous challenges facing women entrepreneurs in Africa. It builds on existing interventions from the selected incubation centers at the national level and will be used to generate best practices to enable COMESA/COMFWB to mobilize extra resources for expansion to other Member States.

NEPAD and COMFWB convened a workshop attended by all key stakeholders on accelerating the implementation of Business Incubator for African Women Enterprises (BIAWE) from 24th - 28th February 2020. The main objective of the workshop was to fast track the implementation of the BIAWE project and prepare all supporting documents for a cost extension request which was considered by the NEPAD Spanish Fund Steering Committee. The project procured and installed value adding equipment in Kenya, Burundi and Eswatini. Additionally, NEPAD-AUDA has extended the project implementation to 30 March 2021 for the pilot in Sudan. Further, Trade and Development Bank (TDB) signed an MoU and mandatory letter with COMFWB and COMESA on the operationalization of the Credit Guarantee Scheme.

Cluster Business Project Launch

Launch of Cluster Projects

Building on the success of Phase 1, COMFWB initiated the implementation of Phase 2 of the cluster project with the support of COMESA. COMFWB Secretariat supported ZFAWIB in the implementation of the cluster projects in Zambia. ZFAWIB has been working with women's associations and the Government of Zambia in the promotion of women in business activities in the cassava value chain, textiles, and creation of market linkages for its members.

On 14 February 2020, COMFWB and COMESA launched the cassava plant at the project site in Kanakantapa Agriculture Scheme in Chongwe District of Lusaka. The Kanakantapa Cassava Cluster factory is wholly women-owned and women-run cassava processing plant and is fully managed by a women's cooperative under ZFAWIB. Cassava is one of the strategic food security commodities in the COMESA region which has been prioritized for commercialization.

Furthermore, COMFWB launched a textile Factory with equipment worth over Euro 100,000 in Lusaka. The equipment was provided by the Zambia Association of Manufacturers. In Malawi, COMFWB supported two women cooperatives in the Cassava Value Chain. Cassava Processing equipment was procured for the Lusolawo Cooperative.

Documenting Best Practices

COMFWB identified best practices in the targeted value chains under RECAMP for documentation and sharing with stakeholders including COMFWB Chapters and has commenced the process of documenting best practices targeting women and youths' entrepreneurs. The video documentary will be shared with entrepreneurs in the COMESA region and beyond to show how best to enhance their own businesses.

Trade and Investment Facilitation

COMFWB participated in the implementation of the 50million African Women Speak project the digital platform designed to address the information needs of women in business in the region implemented by COMESA, EAC and ECOWAS. Additionally, COMFWB commenced the process of forging a partnership with Sokokuu- Ae Trading a digital platform supported by the African Diaspora from various disciplines who wish to be a part of the grassroots transformation and sustainable development of the continent. The aim of the group is to support digital capacity building in order to boost intra-African trade. It is a tool that will bring real-time trade information, marketing information, logistics facilitation and payment options for all traders across the continent.

Trade Fair

On 3 - 4 December 2020, COMFWB organized a trade fair and gala night in partnership with the Government of Malawi under the theme "African Businesswomen: Building Partnerships to Strengthen Regional Value Chains" with an objective of providing an opportunity to women in business to show case their products and services, promote a market-led approach to women entrepreneurs and promote business to business linkages, and to establish linkages in agricultural production value chain.

Access to Credit and Capital

Operationalization of the Credit Guarantee Scheme with TDB

As reported, under the BIAWE Project, COMFWB engaged TDB on establishment of The Credit Guarantee Scheme. Additionally, COMFWB linked the SACCO (WINCO) in Malawi and the Zimbabwe SACCO Bank with TDB to facilitate support following agreement by the Bank to provide financial literacy training to COMFWB Chapters.

Advocacy, Public Awareness and Branding

In undertaking advocacy to raise public awareness and visibility, COMFWB participated in the Prosper Africa-US/ Africa investment Forum as a panellist in a discussion hosted by the American Chamber of Commerce in Tunisia. The theme of the discussion forum was "Women Prosper Africa" and aimed at putting a gender lens investing at the heart of USA-Africa investments and highlighting the need for the investors to prioritize investing and doing business with companies having clear strategies to promote gender equality.

COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)

The role of the COMESA Regional Investment Agency (COMESA RIA) is to make COMESA region one of the major destinations for regional and international investors while simultaneously enhancing national investment and carry-out activities in investment promotion, facilitation and advocacy.

Following the outbreak of COVID-19 and its impact on the operations of Investment Promotion Agencies (IPAs) and Foreign Direct Investment (FDI) inflows worldwide, COMESA RIA has been instrumental in carrying out various capacity building activities to ensure that COMESA National Investment Promotion Agencies (NIPAs) can continue to operate successfully during and post COVID-19 pandemic. RIA successfully implemented investment promotion, image building and awareness activities to highlight the region's and its Member States' comprehensive reform efforts, investment opportunities and business environment. Achievements in the year under review were as follows;

Capacity Building Activities for COMESA Member States NIPAs

- i. Hosted nine regional capacity building webinar series titled "Emerging Stronger: Strategies for Attracting FDI During & Post-COVID 19" to train NIPAs' officials on the worldwide best practices evolved due to COVID-19 in the areas of investment promotion and attraction, investment promotion strategies, digital marketing and image building, among other topics. The webinar was attended by more than 1000 officials of COMESA NIPAs and representatives of regional and international organizations.
- ii. Developed an online Knowledge Centre (KC) to position itself as the capacity building resource centre for Member NIPAs. The KC will allow NIPAs to access best practices and capacity building materials, local, regional and international reports and serve as a platform of continued networking for the pursual of joint intra-COMESA initiatives. The KC ensure the sustainability of the impact of RIA's past and future activities and enhance intra-agency collaboration.

COMESA Region as an Attractive Investment Destination

- i. Facilitated the participation of seven Member States' NIPAs namely; DR Congo, Egypt, Libya, Rwanda, Sudan, Tunisia and Uganda at the Annual Investment Meeting 2020 (AIM 2020) Digital Edition
- ii. Created and implemented 17 digital marketing campaigns with a total outreach of 430,000, to build awareness among potential investors on the region's competitive advantages as an attractive investment destination.
- iii. About 10,000 FDI stakeholders existing in COMESA RIA's database received continuous updates on RIA's activities and significant business news from the COMESA region and its Member States through RIA's e-newsletters and online platform.
- iv. Facilitated the preparation and undertaking of an investment mission for members of the Norwegian-African Business Association (NABA) to Tunisia. The mission was aimed at exploring Tunisia's investment climate and investment opportunities in strategic sectors. Following the mission, NABA announced that Scatec Solar (member of NABA delegation) was awarded three solar power plant projects in Tunisia totalling approximately 360MW.
- v. COMESA RIA awarded "Top Regional IPA for Africa" by the Site Selection Magazine, which was published in the May 2020 'Global Best to Invest issue'. The Best to Invest Top IPA Awards recognize the professionalism and preparedness, the leadership and staff.

COMESA RIA as an Information Hub for Investors and FDI Stakeholders

- i. **2020 COMESA Investment Handbook.** The publication was developed to provide information on the COMESA region and its Member States, the COMESA Treaty, COMESA Institutions, and benefits of investing in the region. Further information on Member States' economic trends, trade and investment figures, legal and regulatory framework and incentives offered to investors in various sectors was highlighted.
- ii. **2020 COMESA Investment Teaser.** The publication identified more than 300 investment opportunities in different sectors of strategic importance to COMESA Member States. Most of the projects had sufficient 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 Kenya and Madagascar.** The two guides were developed to give an overview of each country's investment and business climate important for investors to recognise during their investment decision making process.
- iv. **Invest COMESA; Guarantees and Incentives.** The publication provided detailed information on investment legal regulatory framework in COMESA Member States including investment acts, investment guarantees, and incentives offered to investors in various sectors.
- v. **2020 COMESA Investment and Trade reports.** The publications provided detailed analysis on trade and investment flows between COMESA Member States and beyond.

AFRICA LEATHER AND LEATHER PRODUCTS INSTITUTE

The Africa Leather and Leather Products Institute (ALLPI) was established in 1990 to support the development of the leather sector in Africa in general and in the COMESA Region in particular. ALLPI's membership encompasses 10 countries, namely; Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia and Zimbabwe. Its services are however open to the rest of the African continent. Currently, it is offering services to Djibouti, DR Congo, Madagascar, Mauritius and Eswatini.

ALLPI is currently implementing its Ten-Year Strategy for the period 2016-2025 with the target to facilitate the creation of 420 SMEs Clusters, manufacturing 42 million pairs of footwear, thus consuming approximately 105 million square feet of leather. This is set to create directly more than 42,000 jobs and revenue of over US\$ 0.5 billion. The multiplier effect to the rest of the region will generate approximately US\$ 5 billion dollars based on a marginal propensity to consume of 0.9. ALLPI's work is delivered through the Triple Helix Approach, whereby the public, private and the academia are involved in the design, review and implementation of its work. To this end ALLPI has set up regional platforms which allow the three actors to interface annually to deliberate on ALLPI's work and to give it strategic direction. One of these platforms is the Annual Regional Consultative Forum that brings together the Regional Core Team, the Regional Designer Studio Forum, the SMEs Regional Technical Committee and the Academia Platform. These platforms are contributing significantly to the design, review and implementation of interventions across the region.

The COVID-19 pandemic had considerable impact on the implementation of ALLPI's planned activities specifically due to cash flow challenges in terms of delayed assessed contributions by most of the Member States. Most of the activities implemented by ALLPI in the period under review were conducted, in most cases, through virtual meetings and deskwork; notable results were as follows;

- i. Six capacity building regional virtual training workshops were successfully completed in the following areas:
 - certification of eco-friendly leather products in line with global development;
 - hides and skins traceability systems in line with global developments and implementation of the regional hides and skins traceability system; and
 - application of standards for leather value chains including the designing of leather finishing processes and leather products, which meet regulatory and safety standards of the markets.

A total of 140 participants from 14 countries, drawn from private and public sector and academia, attended and successfully completed the capacity building trainings that were conducted under the 11th EDF RECAMP's financial support, through the COMESA Secretariat. Electronic certificates of participation were issued to all participants who successfully completed the virtual capacity building training workshops.

- ii. ALLPI successfully won the International Labour Organization (ILO) - African Union Project bid to conduct a study on current national, regional and continental qualifications and curriculum available for workers in the leather industry in Africa to enable further analysis of the potential for continental level qualifications for the sector. ALLPI signed the agreement and commenced the study with deliverable one of the studies being completed and submitted to ILO and AU;
- iii. Two specialized modules were selected through a questionnaire survey for conversion to the online e-learning format.
- iv. ALLPI staff capacity building internal trainings were conducted in the following areas:
 - Smartsheet document uploading and other varied uses in workplan preparation and performance monitoring;
 - Use of online application for video conferencing; and
 - In conformity to the Quality Management System (QMS) on Environmental Management System (EMS) accreditation, the critical staffs are trained on the reporting systems.
- v. ALLPI facilitated the development of Vocational Training Curriculum of Level I to III in leather technology in DR Congo through a virtual participatory workshop and the finalized curriculum was submitted to D.R. Congo Focal Ministry;
- vi. ALLPI facilitated a benchmarking visit and trade fair participation of selected tanners from Ethiopia, Uganda and Zimbabwe to Brazil through sponsorship of ASSINTECAL-Brazil;
- vii. ALLPI participated as a panelist and moderator in a number of regional webinar discussions in the leather sector; namely; Pan Africa Trade Fair-Egypt, South Africa Footwear and Leather Export Council, Rotary Club-Zimbabwe, Ege University-Turkey, Makerere University Business School (MUBS)-Uganda, and Commonwealth SMEs Platform.
- viii. The ALLPI B2B portal was upgraded with additional e-commerce features with CS/carte e-Commerce system with 20 SMEs details and their products uploaded (see the link: www.trade.allpi.int;

- ix. With the support of the 11th EDF – RECAMP’s financial support, ALLPI facilitated the review of the concluded COMESA Regional Strategy of the Leather Value Chain (2012-2016), through a participatory process in which 52 participants from 13 countries, representing the public, and private sectors and academia attended;
- x. ALLPI held its Annual Regional Consultative Forum from 16 – 18 December 2020 in Hawassa, Ethiopia. The forum was organized in a hybrid format (both virtual and physical meeting) with physical attendance of more than 50 participants from 10 countries namely, Burundi, Eritrea, Ethiopia, Kenya, Rwanda, Malawi, Sudan, Uganda, Zambia and Zimbabwe.
- xi. ALLPI surveillance audit of the QMS ISO 9001-2015 and EMS ISO 14001-2015 certification was successfully completed in November 2020;
- xii. ALLPI prepared blueprint documents in the following areas for use by stakeholders in the leather sector in member countries:
 - Cluster Management and Governance
 - Harmonization of existing Levels 1 – 3 curricula to make them evidence-based
 - A framework for the joint procurement, production and marketing of leather products
 - Global Trade and Investment Dynamics and ALLPI’s Interventions - A regional framework expected to promote the export of value-added products
 - Health and Safety Advisory Manual on the 2020 COVID-19 Crisis
 - A simulation model to estimate the production and demand of footwear and leather products, and its implication to employment creation and contribution to GDP
 - Promoting Cleaner Leather Processing for Sustainable Development.
- xiii. ALLPI engaged a RDS Project Manager who is linked with satellite design studios to strengthen SMEs capacity to respond to formal domestic and international orders;
- xiv. ALLPI signed an MoU with Africa E-Trade Group that works with African Union to strengthen the capacity of SMEs to participate in regional, continental and international markets through the pan African E-commerce platform. Some 100 SMEs from different countries are in the process of registering to access the regional and global market through;
- xv. Assessment on intra and inter trade in the leather sector was done for the period 2015-2019 based on data from Trade Map and ITC;
- xvi. Equipment and tools procured for a total sum of USD 400,000.00 under BADEA Technical Assistance Grant, through ALLPI facilitation, for six countries namely, Burundi, Eritrea, Kenya, Rwanda, Uganda and Zambia started to arrive in the beneficiary countries.

COMESA COMPETITION COMMISSION

The COMESA Competition Commission (the “CCC”) is mandated under the COMESA Competition Regulations (the “Regulations”) to promote and encourage competition within the Common Market for Eastern and Southern Africa by, inter alia, preventing restrictive business practices that deter the efficient operation of markets thereby facilitating the regional integration agenda. Ultimately, the CCC’s goal is to enhance the welfare of consumers in the Common Market by protecting them against anti-competitive conduct by market actors. The CCC’s core focus areas under the Regulations include investigation of anti-competitive business practices and conduct; investigation of mergers and acquisitions; and investigation of unfair, deceptive and fraudulent business

practices towards consumers and other businesses. The CCC implements its mandate by regularly engaging and cooperating with the Member States through sensitization and advocacy programmes.

The CCC's activities for the year under review were implemented pursuant to the 2020 Annual Work Programme developed in line with the CCC 2016 – 2020 Strategic Plan and were as follows;

Strategic Objective - Determination of Conduct Harmful to Competition in the Market

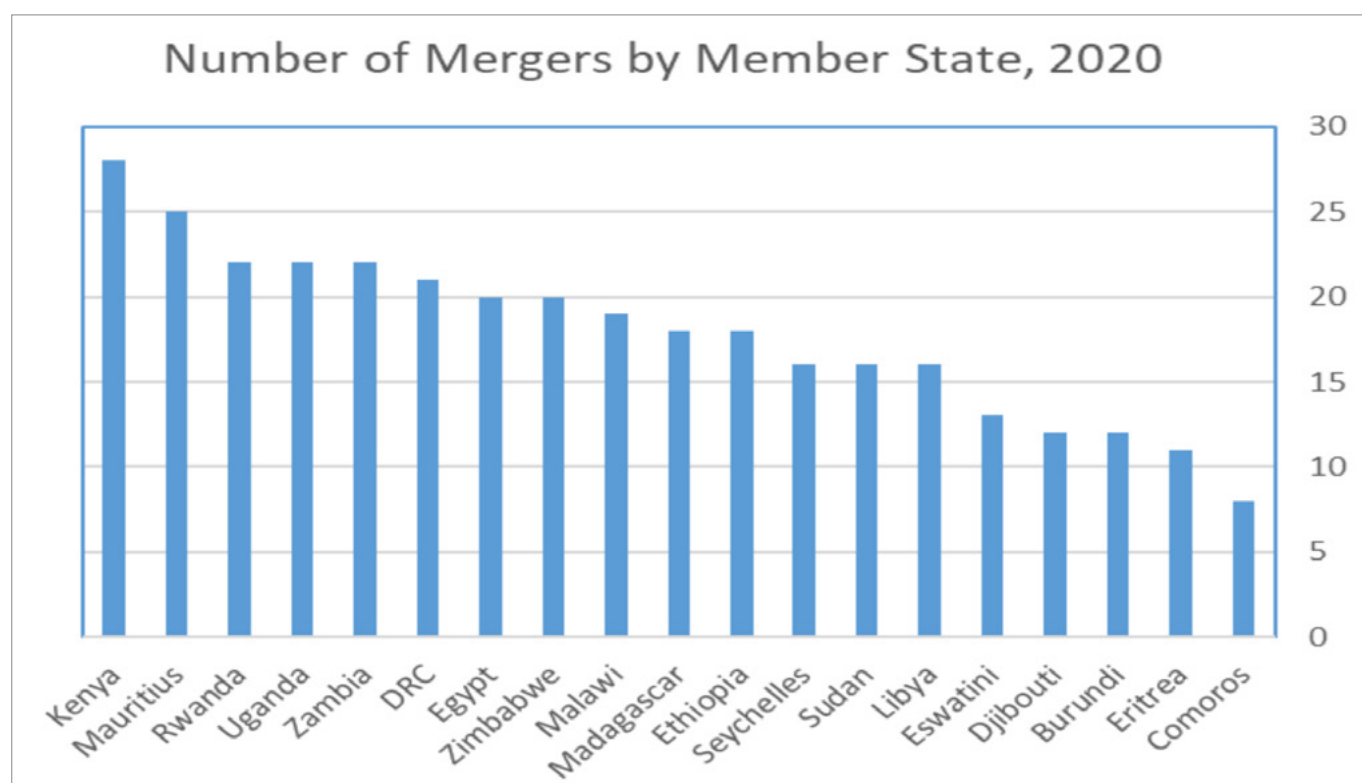
The CCC's goals under this objective include effective and timely assessment of mergers and restrictive business practices to prevent any likely competition harm in the region. The CCC seeks to enhance consumer protection and strengthen market monitoring to detect any competition and consumer rights infringements.

Effective and Timely Assessment of Competition Cases

Mergers and Acquisitions

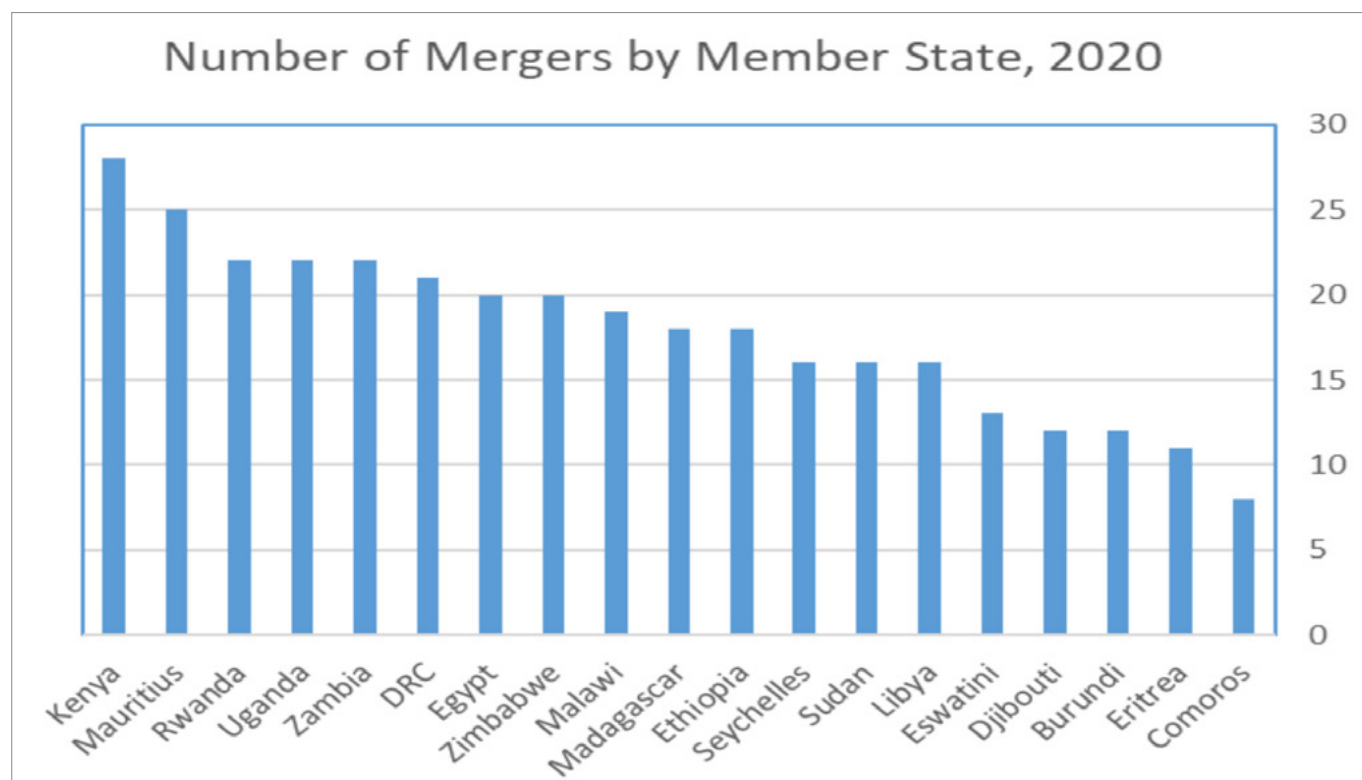
In 2020, the CCC investigated and approved a total of 34 merger cases which were cleared within the statutory period of 120 days provided for under the Regulations. The mergers assessed and approved by the CCC affected all the Member States in various economic sectors as illustrated in the figures below.

Figure 10: Number of Mergers by Affected Member State, 2020



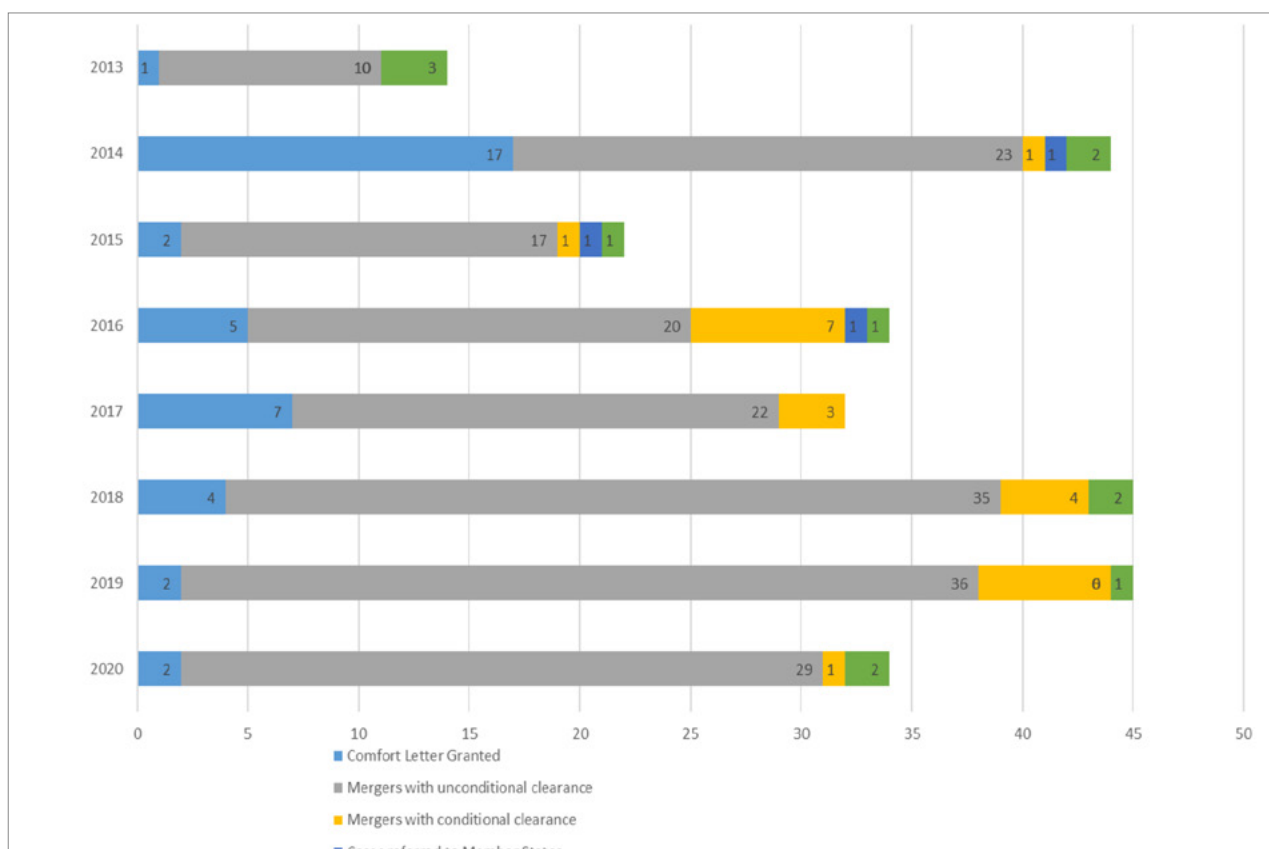
According to the Figure above, Kenya, Mauritius, Rwanda, Uganda and Zambia were the top five (5) Member States which were most affected by the merger transactions in 2020.

Figure 11: Number of Mergers by Selected Economic Sector, 2020



According to the figure above, the prominent sectors which were most affected by mergers in 2020 included energy; agriculture; banking and financial services; and information, communication and technology.

Figure 12: Trend in Merger Assessment, 2013 – 2020



According to the Figure above, the CCC experienced a decrease in the number of mergers reviewed in 2020 as compared to the two previous years. This may be attributed to the peculiar environment in 2020 for merger notification and merger review due to the COVID-19 pandemic. The decline in the number of merger transactions notified to the Commission was from an average of 45 mergers in 2018 and 2019 to 34 mergers in 2020. Due to COVID-19 business disruptions, the CCC was conscious of expected delays in relation to timing for receiving merger notifications, timings for consultations with Member States, and the approval of mergers within the statutory period of 120-days.

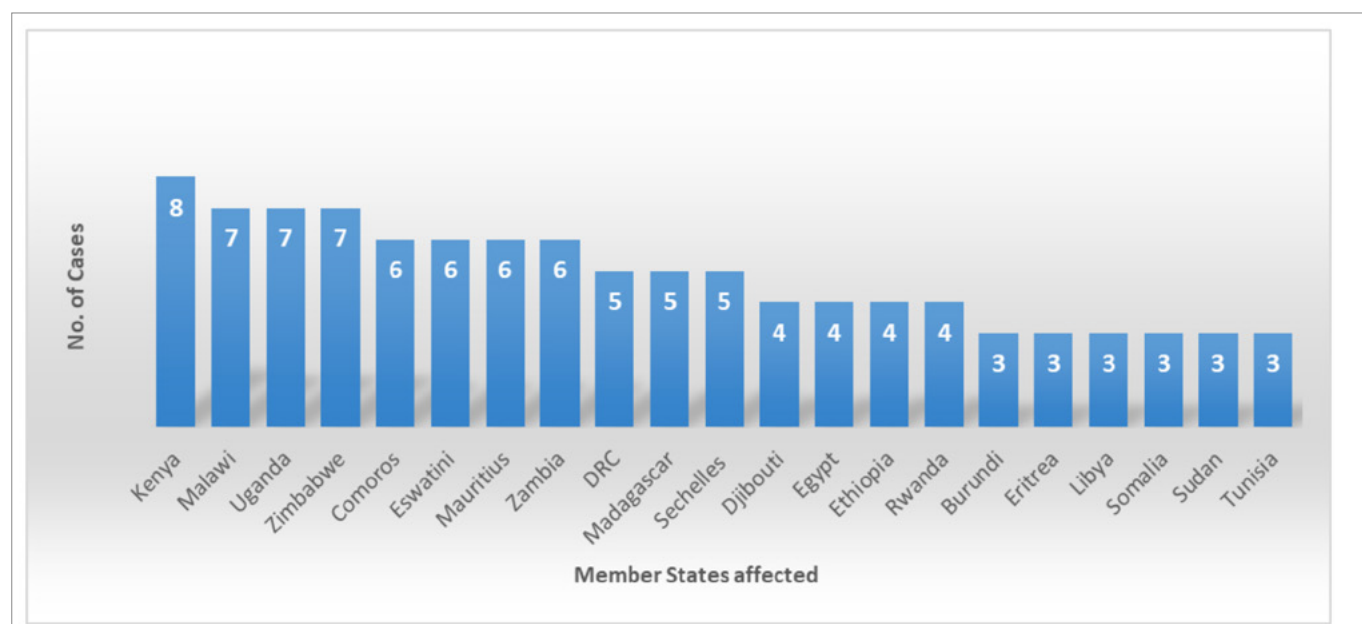
To provide clarity on anticipated changes in timelines, the CCC issued a Notice on Interim Measures in Merger Review due to COVID-19 pandemic. The measures relaxed the procedures for parties to notify mergers within 30 days of making a decision to merge, relaxed the requirement for merging parties to submit hard copy merger files within seven days from date of submission of an electronic filing, suspended on-site investigations and face-to-face meetings and alerted stakeholders that the 120-days requirement for completing merger assessment may be extended due to delays in feedback from Member States as a result of national lockdowns.

Restrictive Business Practices

In 2020, the CCC considered a total of eight restrictive business practice cases. The CCC also issued two advisory opinions to specific National Competition Authorities of the Member States on the application of competition principles on competition concerns in those respective jurisdictions.

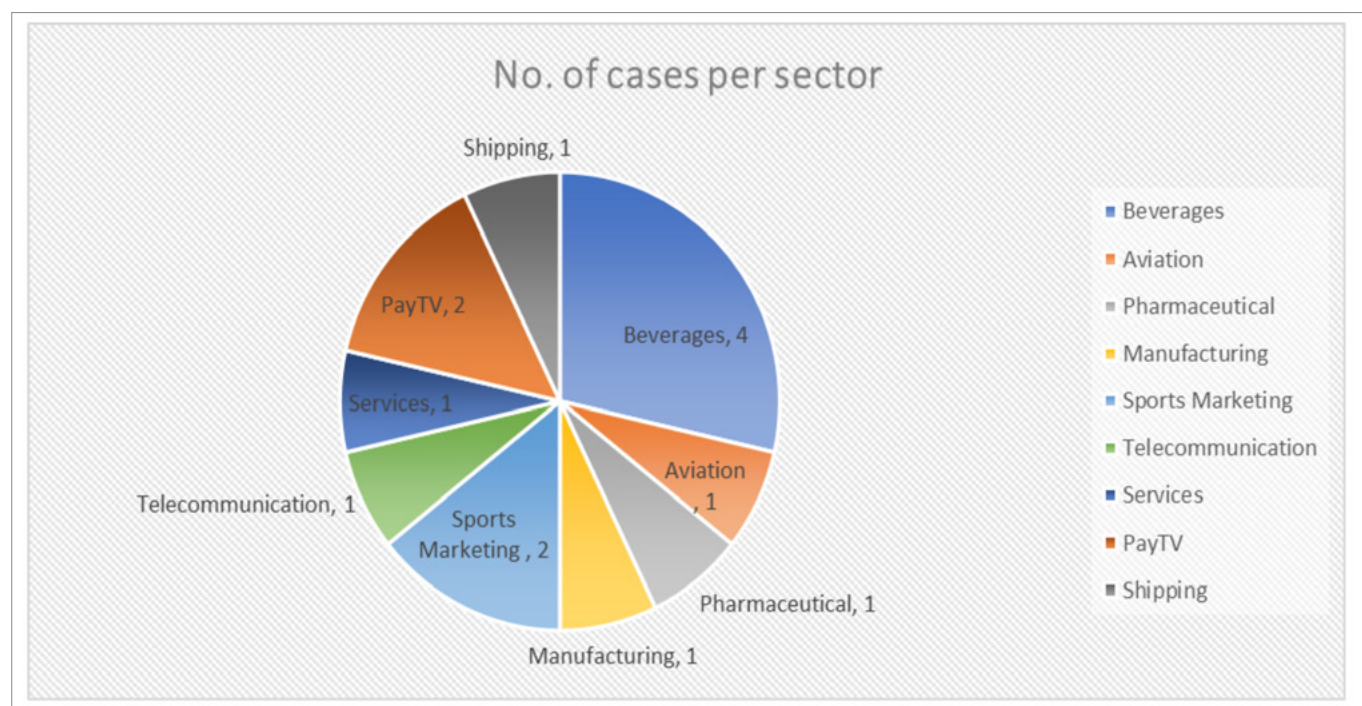
The following figures illustrate the trends on restrictive business practices case investigations by the CCC in 2020.

Figure 13: Number of RBP Cases per Member State



The Figure 13 illustrates that most of the cases handled by the CCC affected Kenya, Malawi, Uganda, Zambia, Zimbabwe, Mauritius, Eswatini and Comoros. The figure further indicates that at least three investigations affected each of the Member States. The RBP cases presented above affected several economic sectors namely: sports marketing, alcoholic and non-alcoholic beverages, pharmaceuticals, freight forwarding, telecommunication, aviation, manufacturing, services, pay-tv and shipping as illustrated in Figure 14.

Figure 14: Number of RBP Cases per Economic Sector, 2020



• **Bilateral Cooperation with Member States**

The CCC has signed Memorandum of Understandings (MoUs) with a number of Member States including Egypt, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Sudan, Seychelles and Zambia. The areas of focus under the MoU's include exchange of information, joint sensitization and advocacy programmes, and most importantly, enforcement cooperation. Further to signing the MoUs, the CCC has so far developed implementation work plans with Kenya, Malawi, Sudan and Zambia which seek to facilitate implementation of the MoUs.

Subsequently, in 2020, the CCC jointly commemorated the World Consumer Rights Day and the World Competition Day with the Competition and Fair-Trading Commission (CFTC) of Malawi on 15th March and 5th December 2020, respectively. Additionally, the CCC prepared a draft MoU and shared a copy with the National Competition Authority of the Democratic Republic of Congo for their review before finalization and signing. The CCC received comments from the Ministry of Economy of DR Congo and an invitation to sign the MoU was made to the CCC. However, the MoU was not signed due to COVID-19 related travel restrictions and will be signed when conditions are conducive. The CCC also finalised a draft MoU with the Competition and Tariff Commission in Zimbabwe and arrangements are being made to sign the MoU in the year 2021.

Enhance Consumer Protection in the Common Market

Investigation of Consumer Complaints

In 2020, the CCC handled 10 consumer protection cases, some of which are summarized below:

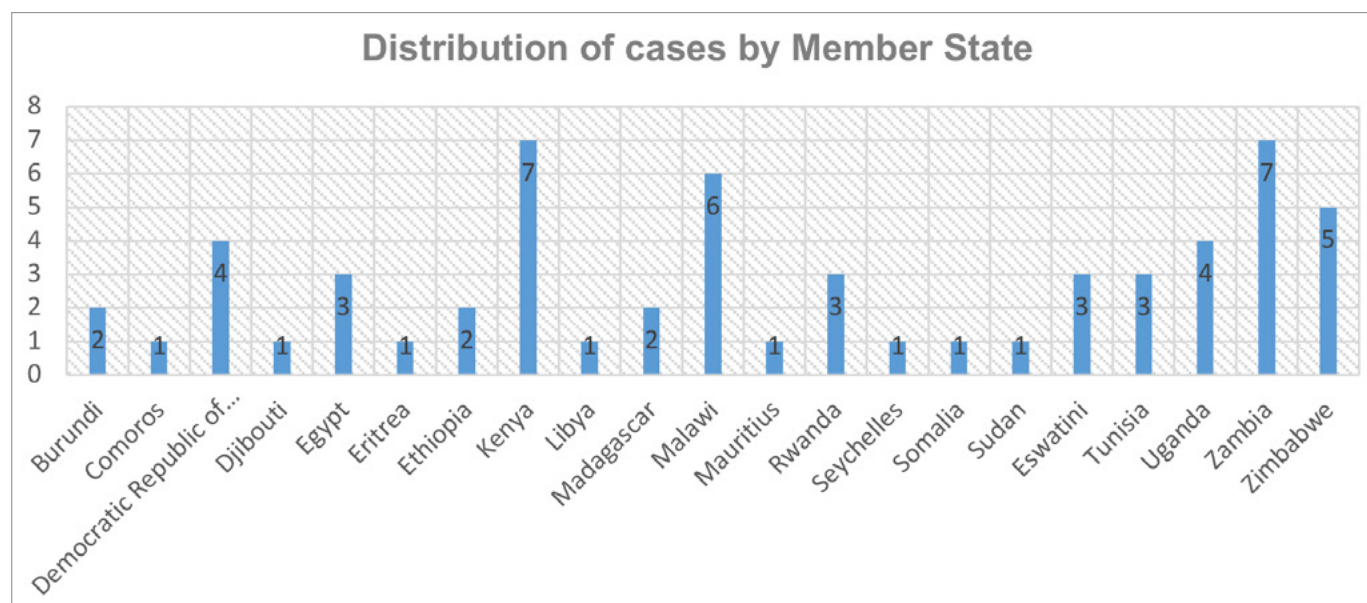
- **Product Recall of 400g Pilchards in Tomato Sauce and Chili Sauce:** The recall was as a result of investigations that there was a deficiency in the canning process and some cans were compromised during the sauce filling step on the product line. The CCC collaborated with the consumer agencies in the Member States to ensure that the products were removed from the market.
- **Recall of Cosmetics:** The CCC became aware of product recalls of Bio Claire Crème and Black Opal, Even True. Bio Claire was recalled because it contained mercury which could damage

the kidneys, brain and nervous system. The CCC found that the manufacturers of the products made sales into the Common Market, specifically; the Democratic Republic of Congo, Eswatini, Malawi, Kenya, Uganda, Tunisia, Madagascar, Zambia and Zimbabwe. The affected Member States were alerted so that they could take the necessary steps to ensure the safety of consumers.

- **Recalled Hand Sanitizers in Kenya:** The CCC engaged some Member States including, Ethiopia, Uganda, Burundi, Malawi, Rwanda, Zambia and the Democratic Republic of Congo on the recalled brands of hand sanitizers in Kenya. This was because the manufacturers of some of the recalled hand sanitizers also supplied products in the respective Member States.
- **Recalled Liqui Fruit Red Grape:** The CCC issued a warning notice to consumers in the Common Market on the recalled Liqui Fruit Red Grape by Pioneer Foods. The notice was also shared with the Member States who alerted the consumers in their respective jurisdictions.
- **Press Statement on Crowd1:** The CCC issued a cautionary notice to consumers in the Common Market to be wary of businesses that were posing as legitimate but were in fact pyramid schemes. The press statement was also published in the local media of the Member States.

The number of cases handled in 2020 per Member State is illustrated in the Figure 15. The figure illustrates the frequency with which each Member States was affected by 10 cases handled. Generally, most of the cases affected Kenya, Malawi and Zambia.

Figure 15: Number of Consumer Cases per Member States, 2020



The figure above illustrates the consumer cases handled per economic sector. As can be noted, the wholesale and retail sector had the majority of cases most of which involved product recalls that occurred in one jurisdiction and affected other Member States of the Common Market. The cases handled in the health sector mostly related to COVID-19 pandemic which was also the same for the case in the aviation sector.

Figure 16: Number of Consumer Cases per Economic Sector, 2020

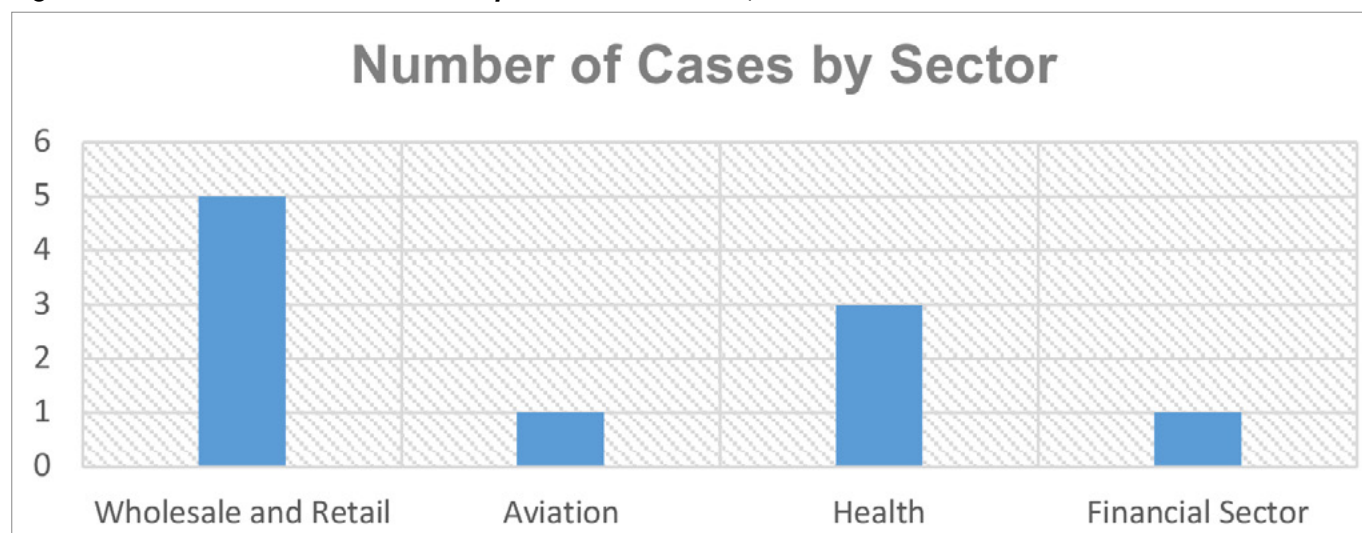
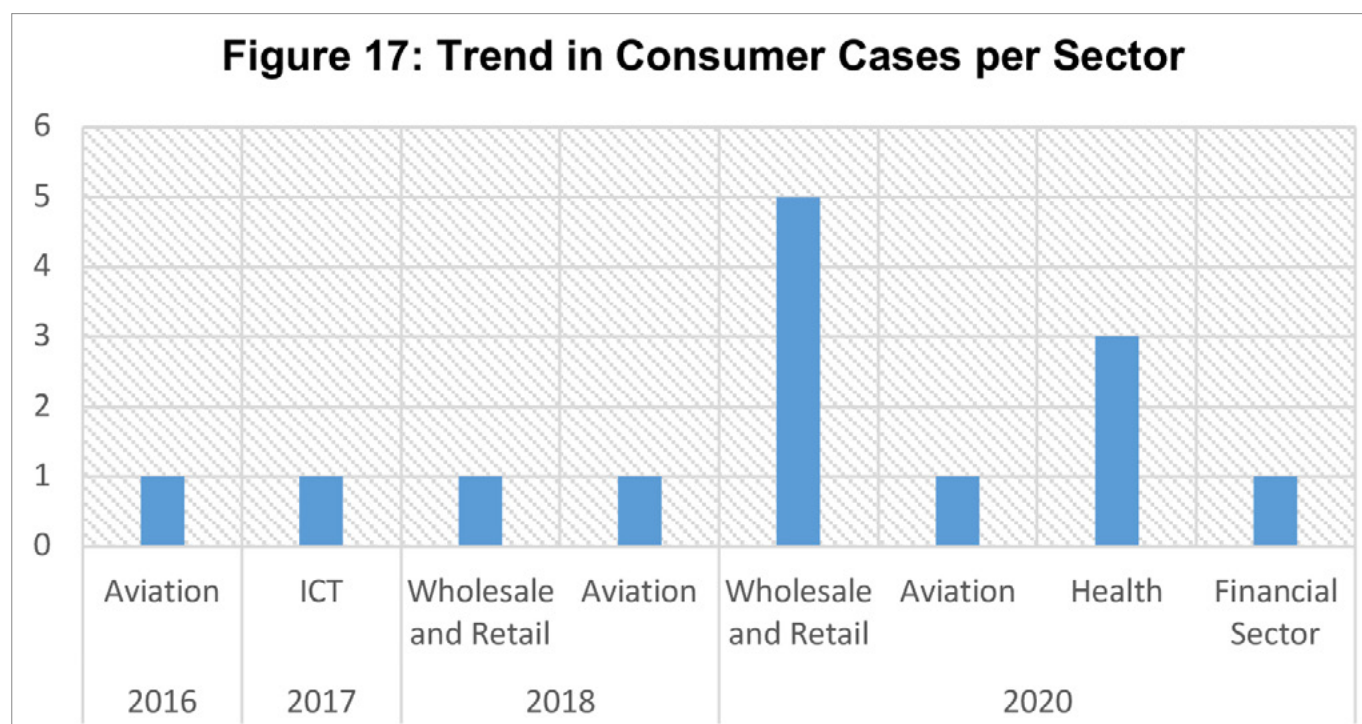


Figure 16 above shows the trend in consumer cases per sector. From the figure it is noted that wholesale and retail as well as the aviation sectors have consistently had cases over the years.

Figure 17: Trend in Consumer Case Assessment, 2013 – 2020



Additionally, the CCC gave an advisory opinion to the Federal Trade Commission of Seychelles concerning the enforcement of the Financial Consumer Protection Bill of Seychelles which relates to the protection of consumers in the financial services sector. Further, the CCC held a meeting with the COMESA Secretariat to seek advice on how the COMESA Secretariat can deal with consumer provisions related to product safety and information standards. The meeting also sought to ensure consistency in the application of the Regulations across COMESA institutions. Following the meeting, the CCC proposed amendments to the Regulations in order to deal with product safety and information standards provisions which are also in line with the COMESA Treaty.

Further, to enhance collaboration with the Member States, the CCC is in the process of operationalizing the COMESA Consumer Protection Committee, whose aim is to oversee and harmonise consumer laws in various Member States so as to create a regional standard, encourage dialogue on consumer issues and create early warning systems for dangerous goods. In this regard, in 2020, the CCC solicited views from the Committee on a proposed operational framework for the Committee. Going forward, the CCC will hold a validation workshop with the Member States and the Committee is expected to be operational in 2021.

The CCC experienced inadequate cooperation with some Member States especially in implementation of consumer protection programmes which resulted in delays in concluding matters. The CCC expects the operationalization of the Consumer Protection Committee in 2021 will enhance collaboration between the Member States and the CCC on consumer matters.

Strengthening Research

Joint Project with World Bank Group: The project involved the screening of cartel conduct in the Common Market and ways to improve the legislative framework for the effective enforcement of such conduct. The CCC screened markets for characteristics that could facilitate cartels in selected sectors. To this end, the CCC identified specific sectors and conducted an analysis of market players, including examining whether they are present in the same markets across different Member States.

Secondly, the CCC conducted a review of the legal framework for anti-cartel enforcement and the development of a regional leniency program in the Common Market. Member States were involved in both aspects of the Project through gathering market information as well as providing information to the Project team on the legal provisions of their respective national competition laws.

The CCC coordinated information collection, collated comments from the Member States and provided its comments on the reports. This information was analysed and formed the basis for the Project outcomes. In an effort to implement the Project, the CCC hosted an online validation workshop on 2nd – 3rd July 2020 which was attended by 32 participants from eight Member States namely, Eswatini, Kenya, Egypt, Malawi, Mauritius, Seychelles, Zambia and Zimbabwe.

Market Inquires under Rule 42 of the Rules: The CCC initiated and finalized market inquiries into the following sectors; Pharmaceutical, polymers and telecommunications.

African Competition Forum Airline Study: The CCC participated in the cross-country study into airlines which was spearheaded by the African Competition Forum (ACF). A report was prepared and submitted to the project team.

Strategic Objective: Strengthening Enforcement

Enhance the legal framework and promote due process of the law

The CCC finalized the drafting of Guidelines on Fines and Penalties and the Hearing and Settlement Procedures which will be shared with National Competition Authorities of Member States and other stakeholders for comments and inputs. Additionally, the CCC commenced the review and amendment process of the COMESA Competition Regulations and the COMESA Competition Rules in order to align them with current trends in competition law legislations.

Enhance capacity to enforce the COMESA Competition Regulations by case officers at National Competition and Consumer Agencies

The CCC provided technical assistance to Sudan by reviewing the Sudan Competition law to harmonize it with the Regulations. This activity was part of the Work Plan on the Implementation of the Competition Enforcement Cooperation MOU signed with the Sudan Competition and Monopoly Practices Prevention Council in December 2019.

In an effort to harmonise the Regulations with national competition laws of Member States, the CCC also provided input towards the review of the national competition laws of Eswatini and Malawi.

The CCC drafted Terms of Reference for the recruitment of experts to undertake the assignment. The CCC intends to finalise the TORs in 2021 and recruit the experts to carry out the assignment.

Further, the CCC organized and successfully conducted a restrictive business practices Virtual Workshop for Case Handlers from the Member States on 8th October 2020 under the theme, “Cartels in the Digital Age: Identifying, Preserving and Analysing Electronic Evidence”.

Following the launch of the Restrictive Business Practices (RBP) Network in 2019, the CCC operationalized the RBP Network in 2020 and has since been sharing experience and information on cases. Further, the CCC drafted a Cooperation Framework for the RBP Network aimed at deepening the monitoring and investigating of anti-competitive business practices in the Common Market covering Joint Investigations, Case allocations and Information exchange.

Strategic Objective: Advocacy and Strategic Collaboration

Enhance the visibility of the CCC

The Commission implemented a number of advocacy and sensitization activities in the form of international cooperation, outreach and networking. These included:

- i. **2020 Bowman's Annual Africa Competition Forum, 20th February 2020:** The CCC made a presentation on the approaches to Public Interest in the Assessment of Vertical Mergers.
- ii. **International Competition Network:** The CCC contributed towards the writing of a chapter in the ICN Training Module on Cooperation between older and younger competition agencies in the enforcement of Competition Laws. The Module was launched at the Conference.
- iii. **Webinar on Merger Regulation in COMESA Amidst COVID-19: Challenges and Way Forward, 30th July 2020:** The virtual webinar targeted the legal community and case handlers at national competition authorities on the theme of ‘Merger Regulation in COMESA Amidst COVID-19: Challenges and Way Forward’.
- iv. **African Competition Forum Virtual Workshop on Merger Analysis, 13th and 27th August 2020:** The CCC participated in the workshop as resource persons and trained participants on relevant market definition in merger analysis. The participants included officials from National Competition Authorities across the African continent including officials from National Competition Authorities of Member States.
- v. **African Consumer Protection Dialogue Conference, 13th and 14th October 2020:** The CCC jointly hosted the eleventh African Dialogue Conference on Consumer Protection with the United States of America, Federal Trade Commission (U.S FTC). The conference was held under the theme ‘Protecting Consumers During the Pandemic and Beyond’ and had attendants

- from across the world including, Australia, USA, South Africa, Eswatini, Nigeria, Malawi, Zambia, Zimbabwe, Mauritius, Kenya.
- vi. **Virtual workshop for RBP Case Handlers, 8 October 2020:** The Commission hosted a virtual workshop for case handlers in the Common Market on investigating anti-competitive practices in the digital era. The Commission invited panellists from the European Commission's Directorate General for Competition, South Africa, Kenya and Zambia. The workshop participants included the Commission and Member States' competition authorities and case handlers from South Africa.
 - vii. **World Competition Day, 5th December 2020:** The CCC participated in the commemoration of the World Competition Day held on 5th December 2020.

As part of its strategic collaboration efforts, the Commission is a member of the Tripartite Task Force involving COMESA, SADC and EAC which is currently coordinated by the SADC Secretariat. Under this framework, the CCC participated in preparatory meetings for Tripartite Task Force that were scheduled for 23rd and 24th September 2020, and it contributed towards the drafting of the Second Draft Tripartite Protocol on Competition and State of Play on Competition in the TFTA.

Under corporate social responsibility, the Commission donated an amount of US\$ 5000 to the host Government of Malawi on 4th May 2020 to support the fight against COVID-19 Pandemic.

Strategic Objective: Institutional Strengthening

Enhance the organizational capacity for the CCC

The following activities were implemented: development of the CCC 2021 – 2025 Strategic Plan, Development of Performance Appraisal System and Recruitment.

Efforts to enhance corporate governance included the holding of a Board Meeting on 6th November 2020 which reviewed the performance of the CCC in line with the 2020 Work Programme and provided guidance on the operations of the Commission. Further, CCC undertook activities aimed at improving the record keeping system of the CCC which included the installation and implementation of accounting package. Furthermore, the CCC purchased and installed a video conference facility for use on virtual meeting during and after the pandemic period.

COMESA COURT OF JUSTICE

The Court was established in 1994 under Article 7 of the COMESA Treaty as one of the Organs of COMESA. Its primary function is to uphold the rule of law in the enforcement of the COMESA Treaty. The Court is comprised of two Divisions: An Appellate Division with five Judges and a First Instance Division with seven Judges. The day-to-day operations of the Court are coordinated through a Court Registry which is headed by a Registrar. The Court sits on an ad hoc basis and pursuant to Rule 4(1) of the Rules of Court (2016), it may hold its court sessions in any Member State on need basis. The Seat of the Court is in Khartoum, Sudan.

In the year under review, the Court held four court sessions on various matters. Due to the COVID-19 Pandemic, some court sessions planned for 2020 were postponed. Nonetheless, the Court continued to conduct hearings using the COMESA Court Digital Evidence Management System (CCDEMS). The CCDEMS enabled the Court to remain functional and to maintain continuity of essential activities.

In 2020, the Court continued to build the capacity of its Judges and members of staff to enhance service delivery and participated in various capacity building activities;

- i. The 2nd NCIA International Arbitration and Alternative Dispute Resolution (ADR) Conference at Mombasa, Kenya

- ii. The Court Registry visited the East African Court of Justice, to the African Court of Human and People's Rights and at Trade Policy Training Centre in Africa (TRAPCA) in Arusha, Tanzania
- iii. Registry Staff participated in an online course on Legislative Drafting.
- iv. Registry Staff participated in an online seminar on Performance Management for the Judiciary.
- v. Judges and Court Staff attended the 8th East Africa International Arbitration Conference on Disruption in African Arbitration.
- vi. Judges and Court Staff took part in a virtual TRALAC Annual Conference on Trade Governance in Africa amidst a Pandemic and other Global Challenges

Key decisions of the 2020 Meetings of the Ministers of Justice and Attorneys General and Council of Ministers included;

- i. Election of a new Judge of the Appellate Division, Her Ladyship Justice Salohy Norotiana Rakotondrajery Randrianarisoa from the Republic of Madagascar. She will replace the late Honourable Mr. Justice Abdulla El Amin El Bashir from the Republic of Sudan.
- ii. Amendment of Article 28 of the Treaty to include investor-state disputes

Additional activities aimed at institutional strengthening included re-appointment of all Judges for a second and last term of five years up to June 2025, renewal of staff contracts and appointment of new staff.

ALLIANCE FOR COMMODITY TRADE IN EASTERN AND SOUTHERN AFRICA (ACTESA)

The Alliance for Commodity Trade in Eastern and Southern (ACTESA) is a specialised agency of COMESA formed to address staple food production and marketing in response to CAADP pillar 2 (market access) and pillar 3 (increasing food production) and also responding to CAADP priorities 1 and 2 increased food productivity and removal food trade barriers respectively. ACTESA implements programmes that enhance national and regional staple food trade and seek to attract agricultural growth and accelerate broad-based poverty reduction in the Eastern and Southern Africa sub-region.

The following were some of the accomplishments in 2020;

Seed sector engagement: In undertaking private seed sector engagement on challenges and opportunities of trading using the COMESA harmonized seed trading system, a virtual meeting of seed companies was held on 29th September 2020 for CEOs for seed companies and on 30th September 2020 for Technical Managers to discuss a roadmap on procurement, activation and use of the COMESA Seed Labels. A portal was developed <https://login.goldkeys.net/> to enable seed companies to create accounts. The portal facilitated orders and purchase of the COMESA seed labels. A total of 200,000 Seed labels were ordered from seed companies.

COMESA regional seed catalogue: To support the annual renewal and registration of new varieties on the COMESA regional seed catalogue, ACTESA undertook virtual training and demonstration on the registration of varieties on the Catalogue for seed companies in August and December 2020. This resulted in variety applications being received. Consequently, 59 varieties were renewed on the COMESA variety catalogue.

11th EDF RECAMP: In implementing activities under the 11th EDF RECAMP, ACTESA commenced engagement with of COMSHIP-RECAMP partners initiated with COMESA Seed Information System (COMSIS) partners, move COMSIS forward in terms of identifying deliverables regarding development of detailed contents of COMSIS to be validation by Member States.

COMESA Seed Harmonisation Implementation Plan (COMSHIP): In implementing AGRA-supported COMSHIP activities, key results included support to the private sector by training seed companies on trading using available COMESA harmonised seed labels and regional certificates at a virtual meeting held on 29-30 September 2020. Additionally, a review was done on new markets labs annotated assessment on Ethiopian seed laws in line with COMSHIP.

Biotechnology and Biosafety: Initial activities were agreed upon with Association for Strengthening Agricultural Research in Eastern and Southern Africa (ASARECA), Acquisition of Agri-biotech Applications AfriCenter (ISAAA) and African Agricultural Technology Foundation (AATF) collaboration to support revitalization of the COMESA Biotechnology and Biosafety Implementation Plan (COMBIP).

Strategic Plan 2021 – 2031: ACTESA developed the Draft ACTESA Regional Strategic Plan 2021 – 2031 which is expected to be approved by the ACTESA Board Members endorsed by the Council of COMESA Ministers Meeting held in November 2020.

COMESA COUNCIL OF BUREAUX ON THE 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.

In addition, the Yellow Card is being issued in South Africa and Mozambique to motorists travelling to the COMESA region under the B2B arrangement with Insurance companies in third countries. This initiative of expanding the Yellow Card scheme beyond the COMESA region will continue.

Operational Performance of the COMESA Yellow Card Scheme in 2020

Key achievements of the Yellow Card Scheme in 2020 include the following:

- a) Fully implemented the Digital Yellow Card System in all member countries;
- b) Implemented the B2B arrangement for issuance of Yellow Cards to motorists in Mozambique and South Africa;
- c) Developed Yellow Card Help Desk to achieve customer satisfaction;
- d) Implemented the Yellow Card Strategic Plan (2018- 2022); and
- e) Developed the Council of Bureaux Secretariat Administrative and Financial Instruments.

In 2020, over 208,165 digital Yellow Cards were issued to travelling motorists, generating a total annual premium income of US\$12.3 million. Over US\$1.1 million claims compensation were paid to road accident victims caused by visiting/foreign motorists. Details of the statistics are as below:

Figure 18: Digital Yellow Cards Issued in 2020

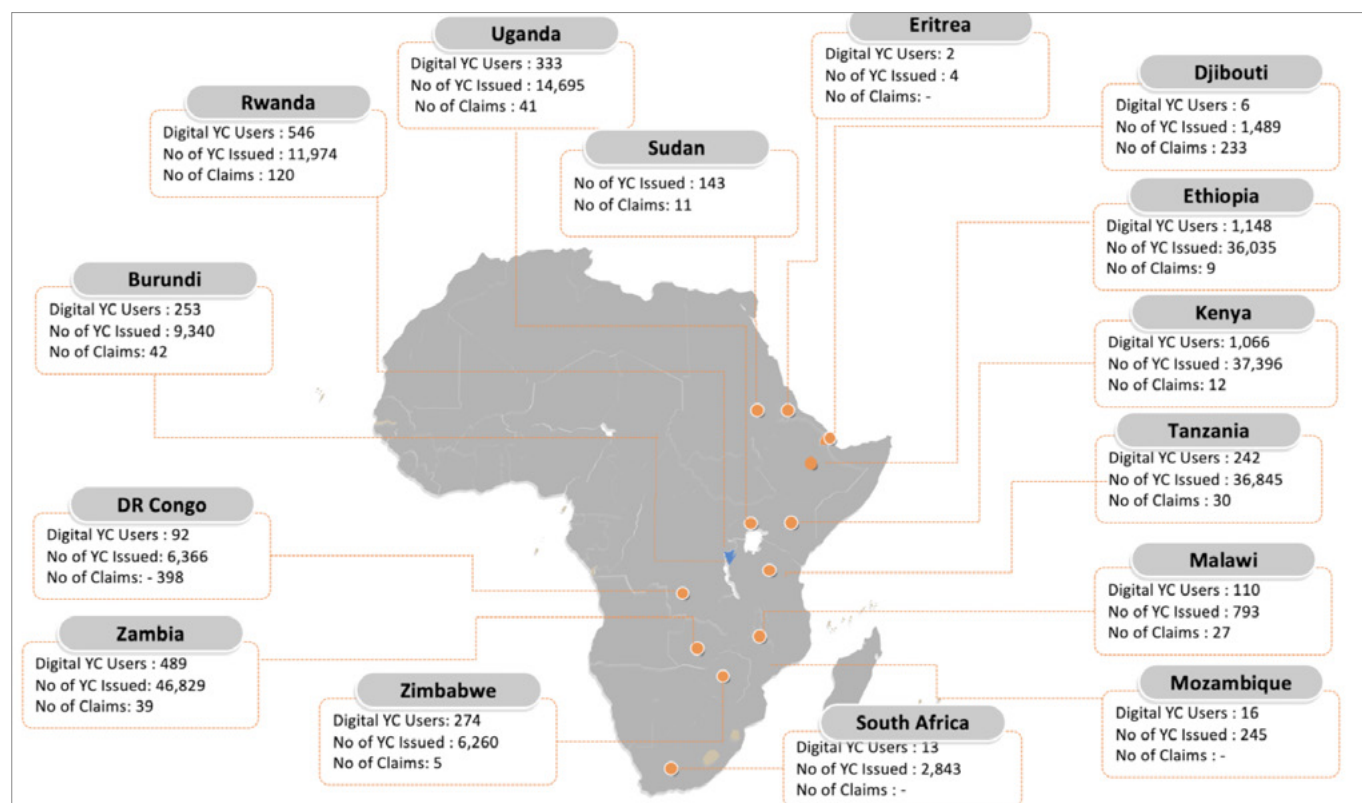


Figure 19: Premium Income Generated in 2020 in US\$

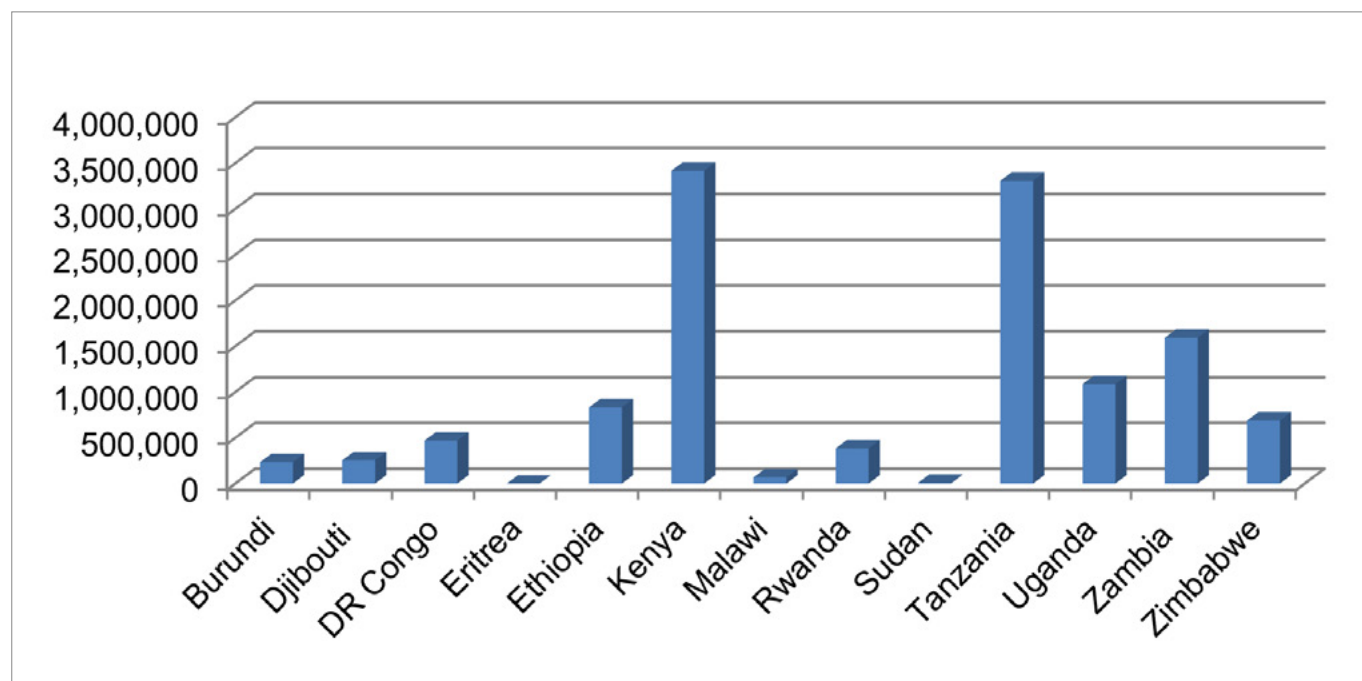
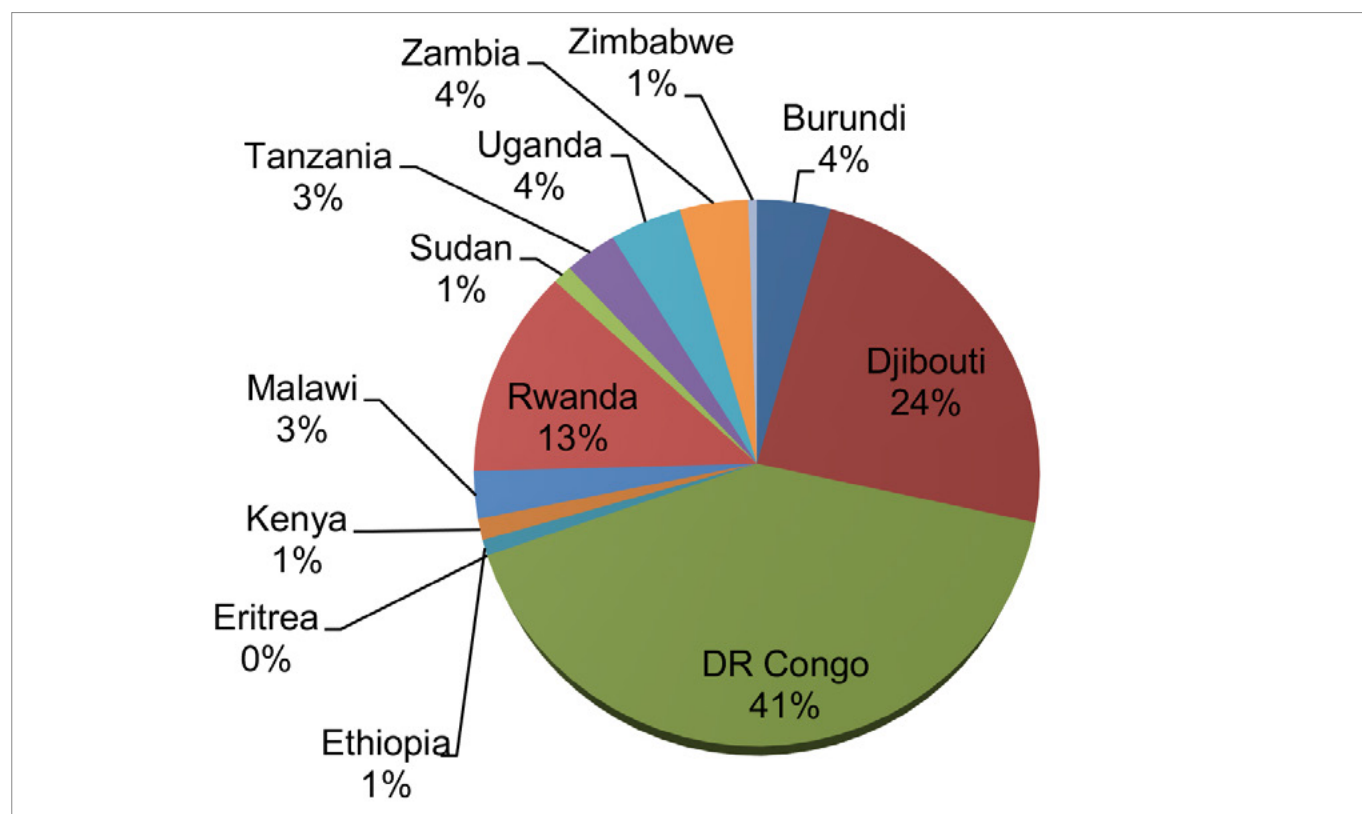


Figure 20: Number of Yellow Card Claims in 2020



Yellow Card Reinsurance Pool

As of 31st December 2020, the Yellow Card Reinsurance Pool's total assets had increased to US\$19.6 million with an investment in money markets of US\$15 million. The Yellow Card Reinsurance Pool registered \$3.5 million surplus. Below is a summary of the outlook of the Pool's financial standing.

Table 21: Yellow Card Reinsurance Pool Financial Performance

	December 2020	December 2019
	US\$	US\$
Gross premium income	4,149,103	3,844,492
Reserve fund	13,444,422	9,874,590
Total assets	19,641,488	16,610,127
Capacity subscription	50,000	50,000
Short-term investments	15,084,965	11,722,943

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.

The Yellow Card paid US\$414,910 to Zep-Re as Management Fee during the year.

Regional Customs Transit Guarantee Scheme

The COMESA Customs Transit Guarantee Scheme, popularly known as the RCTG Carnet is a customs transit regime designed to facilitate the movement of goods under customs seals in the COMESA Region. The RCTG Carnet is a component of the COMESA Protocol on Transit Trade and Transit Facilitation, Annex I of 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. 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. The development on the modalities of operations commenced in 2002 and Scheme became operational in the Northern Corridor countries in 2012.

The main objective of the RCTG Scheme is to provide 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.

Progress made in the Implementation of the RCTG Scheme in 2020

Key achievements of the RCTG Scheme in 2020 include the following:

- a) Rolled out Phase 1 of the Digital RCTG Carnet;
- b) Launched RCTG Mobile Application in September 2020;
- c) Finalized negotiations with African Export-Import Bank (AFREXIMBANK) on joining the RCTG Scheme;
- d) Reviewed RCTG Instruments;
- e) Provided technical support to DR Congo, Kenya, Rwanda, Tanzania and Uganda on integration of National Customs Systems with IDES Version 2;
- f) Engaged Member and Non-Member States on the implementation of the RCTG Carnet namely; Ethiopia, Djibouti, DR Congo, Zimbabwe, Malawi and Mozambique;
- g) Ethiopia and Djibouti made commitment to finalize the preparations for the commencement of operations by early 2021.

Performance of the RCTG Scheme in 2020

In 2020, a total of 1,191 Regional (RCTG) Bonds with guarantees amounting to US\$ 641.3million were executed by clearing and forwarding companies and 300,027 Carnets were issued for the movement of goods in the region as shown in Figure 21:

Figure 21: Number of RCTG Bonds Executed

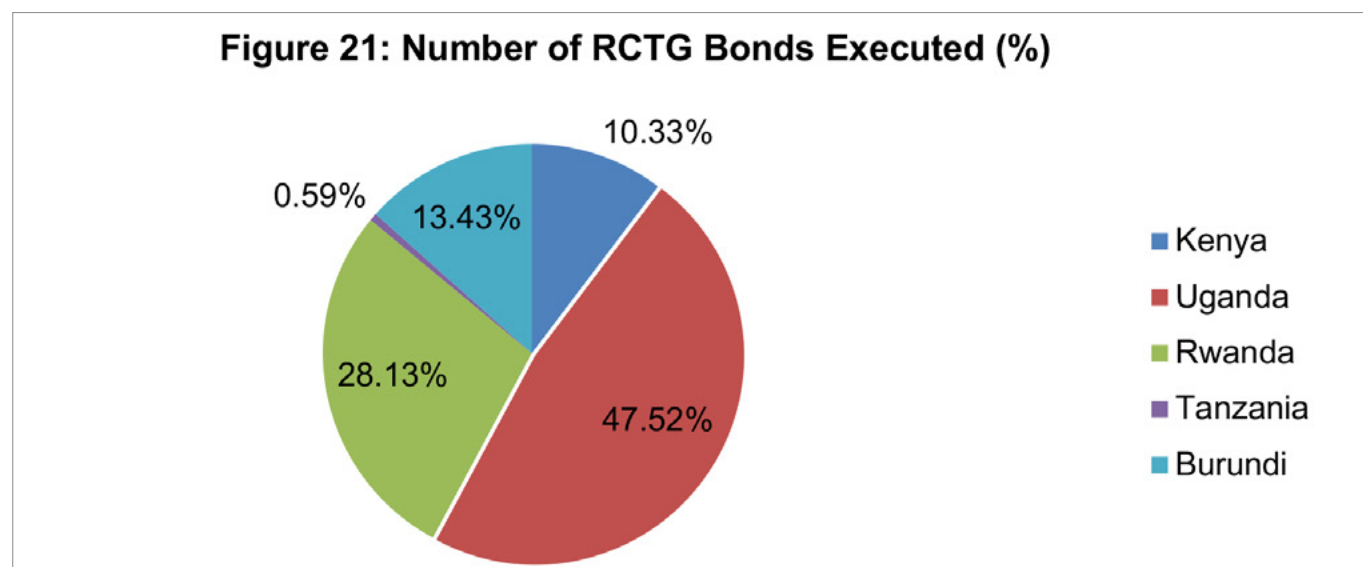


Figure 22: Amount of RCTG Bonds Executed (US\$)

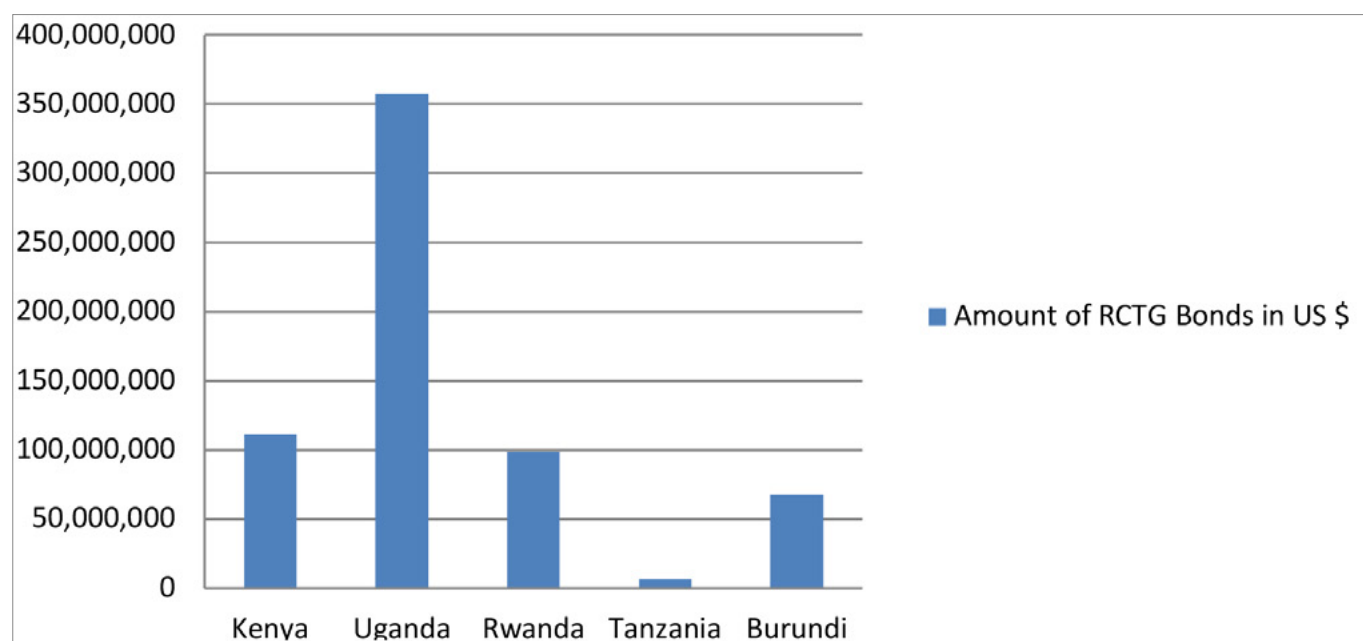
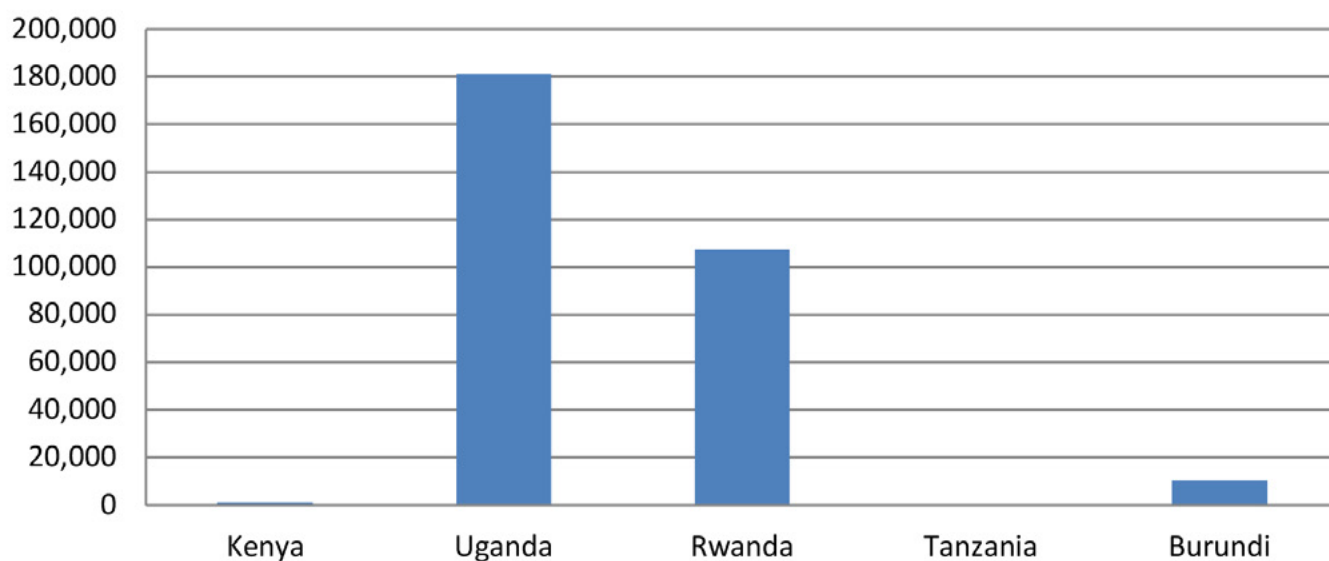


Figure 23: Number of RCTG Carnet Issued



RCTG Carnet Reinsurance Pool

The RCTG Carnet Reinsurance Pool's total assets have reached US\$1.6 million with an investment in money markets of US\$1 million. The RCTG Carnet paid US\$42,103 to Zep-Re as Management Fee.

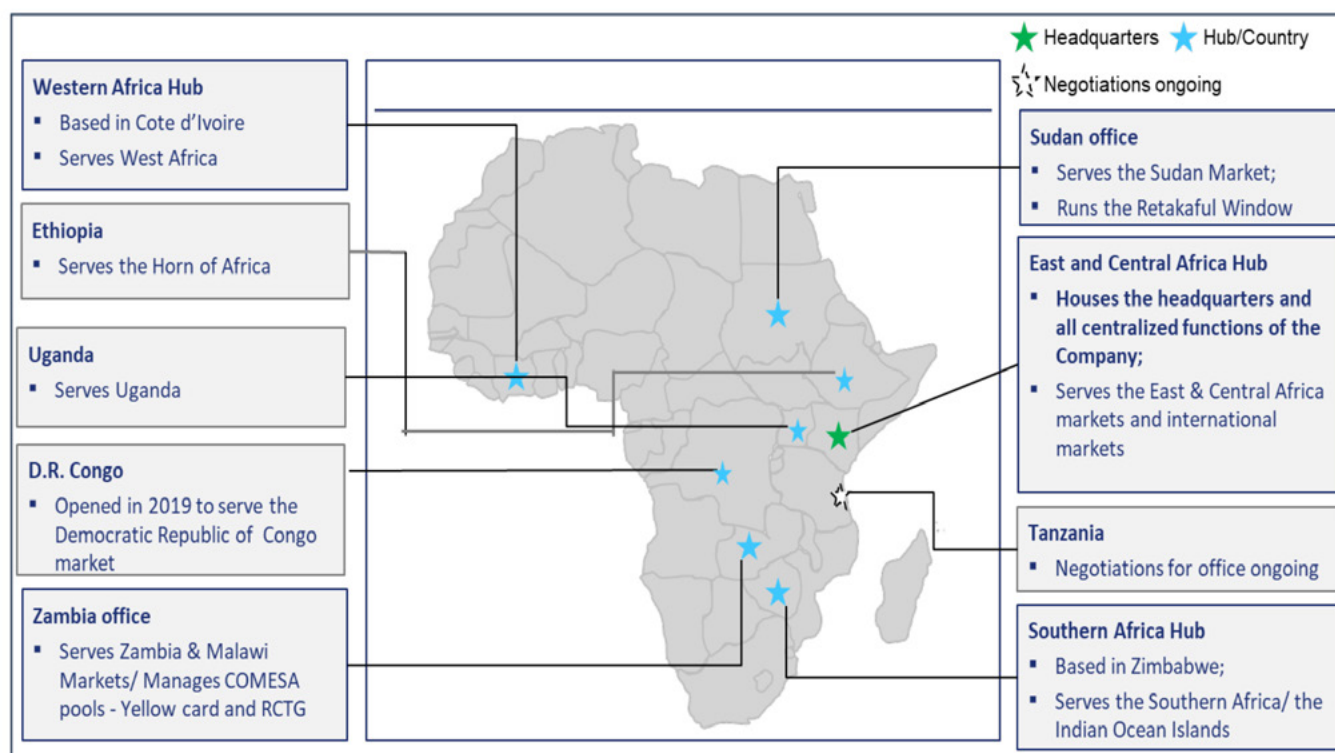
Despite good progress made in the operations and implementation of the RCTG Carnet in the COMESA region, the scheme is faced by several challenges. For example, Zambia has not yet joined the Scheme, as clearing and forwarding agents raised concern on loss of business and this has stalled the operations in the North-South Corridor. Further, inadequate infrastructure, power and internet connectivity issues at some border posts; and lack of capacity of small and medium clearing and forwarding companies to carry out regional operations; and attempt by regional groupings to copy the RCTG Scheme.

ZEP-RE (PTA REINSURANCE COMPANY)

ZEP-RE (PTA Reinsurance Company) is an institution of COMESA, established by an Agreement signed by Heads of States and Governments on 23rd November 1990 in Mbabane, Eswatini. The signatory Member States to the Agreement establishing the Company 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 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, Cameroon. The hubs are supported by country offices as shown in Figure 24.

Figure 24: ZEP-RE Country Offices



ZEP-RE's key mandate is to promote and develop the insurance industry of the region. To this end the Company is required to; foster the development of the insurance and reinsurance industry in the COMESA Sub-Region; promote the growth of national, sub-regional and regional underwriting and retention capacity; and support sub-regional economic development.

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 PTA Bank) and 2 development finance institutions.

Vision and Strategic Focus

ZEP-RE's vision is to become a world-class leading reinsurer in Africa. To achieve this objective the Company is focusing on various key strategic business objectives under its current strategy plan including identifying, developing and maintaining a sustainable business growth model that emphasizes on profitability; enhanced shareholder value; best risk management and contributing to the economic development of the COMESA region. The long-term aim is to make ZEP-RE a reinsurance of reference and one of the largest underwriters on the African continent.

2020 Performance

For the year 2020 ZEP-RE underwrote US\$ 208 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 2020 and 2019:

Table 22: Movement in Key Performance Areas Between the Years 2020 and 2019

	2020	2019
Gross Premium	208,159,650	207,109,631
Retrocession Premium	139,108,474	147,431,792
Net Claims Incurred	90,091,622	83,378,583
Underwriting Profit	517,843	5,631,308
Net Profit	17,260,496	28,765,485
Shareholders' Funds	275,751,918	262,319,535
Total Assets	446,992,200	435,025,979

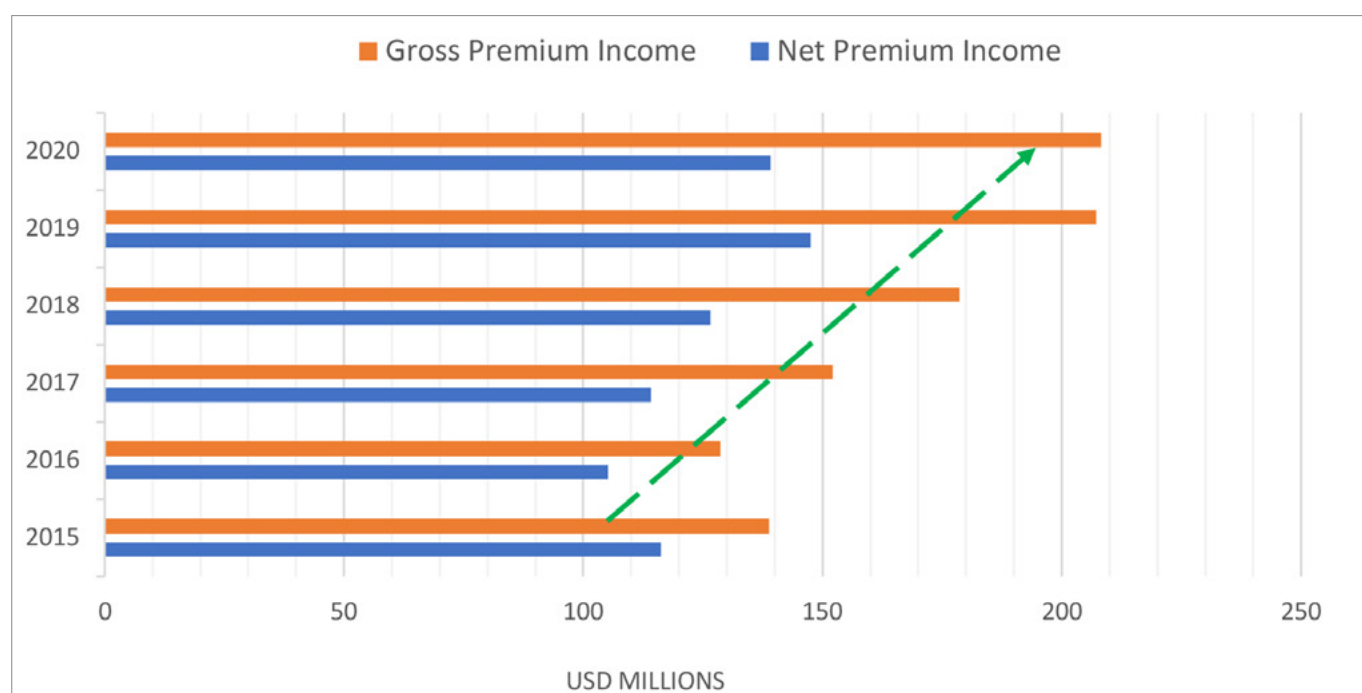
Territorial Spread of Business

The COMESA region still forms the core market of ZEP-RE. The table below shows that as of 31st December 2020, business from the COMESA region represented over 78% of all the business underwritten by ZEP-RE.

Table 23: ZEP-RE Territorial Spread of Business

Region	2020		2019	
	Gross premium USD	%	Gross premium USD	%
COMESA	161,653,276	78	155,386,981	75
Non – COMESA (Africa)	31,238,385	15	25,025,582	12
Other regions	15,267,989	7	26,697,068	13
Total	208,159,650		207,109,631	

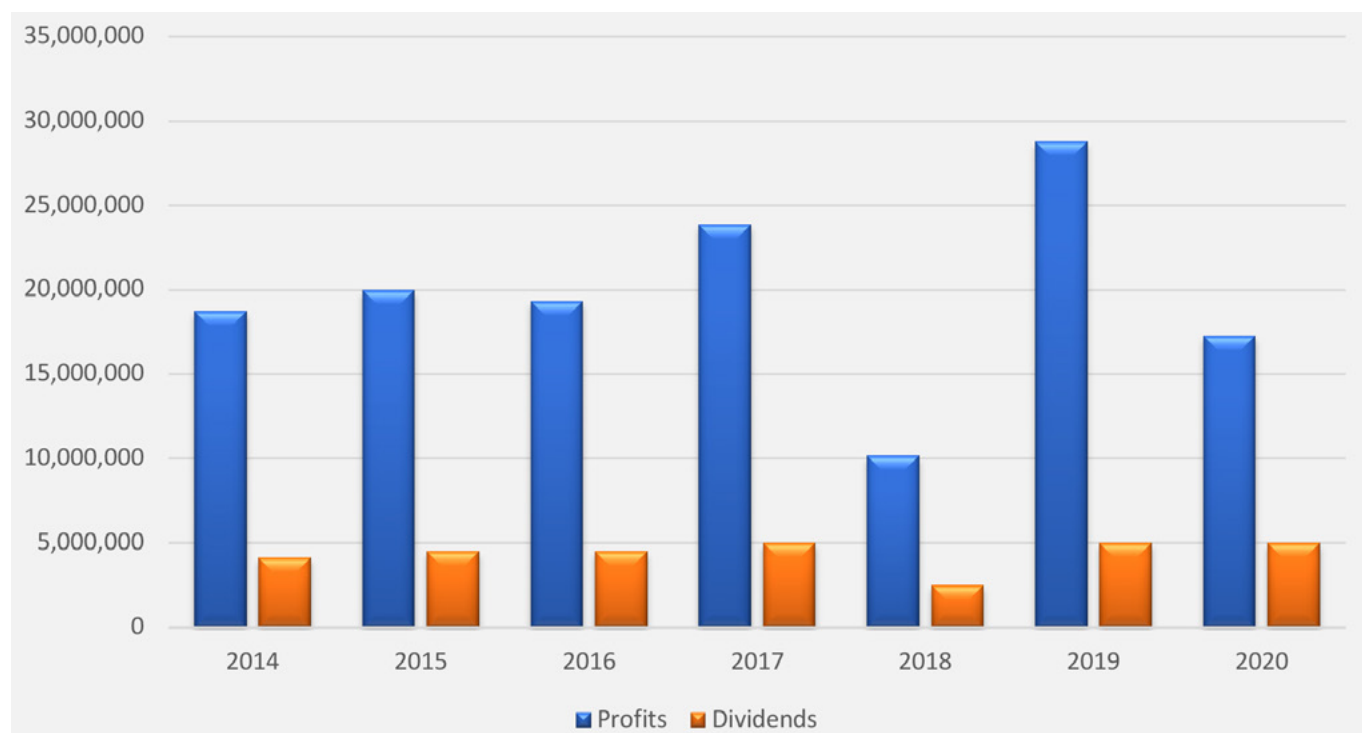
Figure 25: Gross Premium and Net Premium Income Growth



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: -

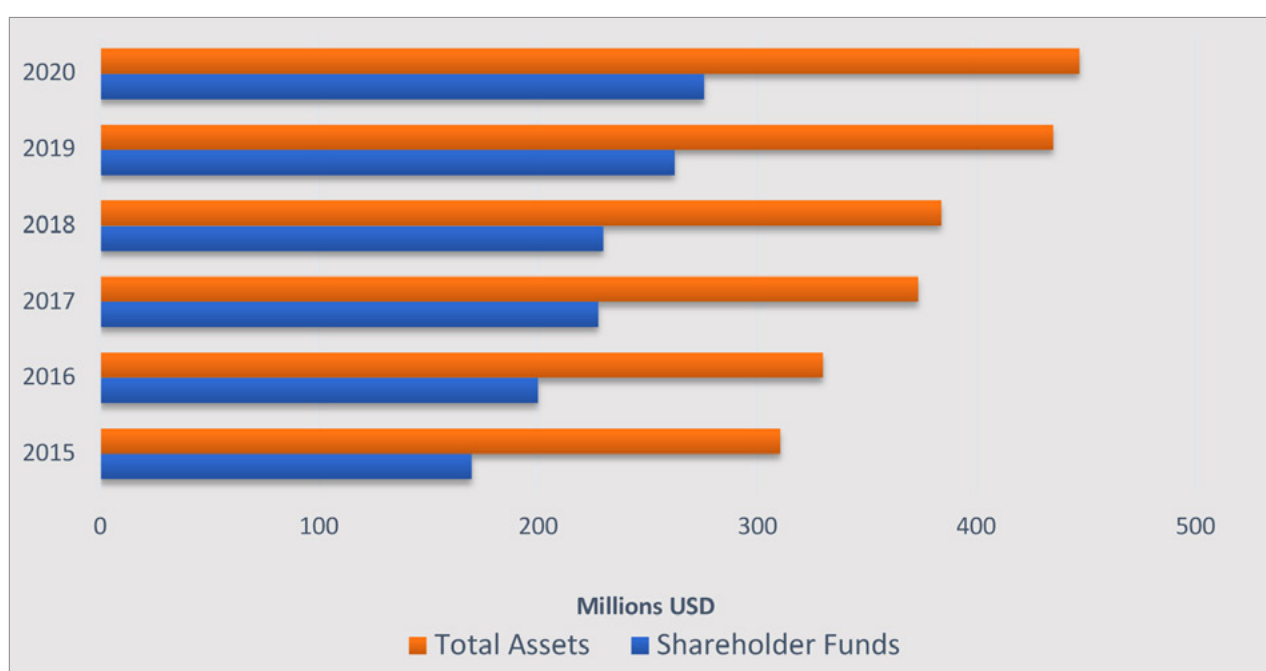
Figure 27: Profits and Dividends



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 28: 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 2020, 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. 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).

Developmental Initiatives

Member States Support and Participation

The Company intends to also continue with its strategy of involving 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 realised.

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 2020 the Academy undertook and certified over 35- insurance personnel in the region with trainings held online due to the covid pandemic. The Academy also undertook focusing on regulators, policy makers and CEOs of the region to equip them with knowledge to maneuver challenges currently affecting the region's industry.

Engagement with East Africa Insurance Supervisors Association Regulators Forum:

With a view to spurring growth and change within insurance & reinsurance markets and sustainable long- term partnerships, regulatory engagement remains crucial to the Company's business and stakeholder engagement strategy. This is critical to the continued evolution & implementation of the Company's mandate, as such engagements provide an experience sharing platform as well as insights as to how best insurance, reinsurance and regulation can work hand in hand to accelerate development of insurance and reinsurance markets that contribute to a country's economic development and engineer mutually agreed change to ensure that proper and functional insurance markets are in place.

The Forum in 2020 focused on key challenges within the EA insurance markets, and the impact as well as the uncertainty posed by COVID 19 to insurance markets & their relevance.

In terms of major industry challenges on pricing, underwriting of catastrophic risks (CAT) and exhaustion of local capacity, the Regulators agreed to continue to give this priority and support the company's initiatives within core markets. With respect to pricing, these include working with markets on appropriate pricing and actuarial support. On CAT and in collaboration with Regulators within the five (05) EA insurance markets; a data collation & analysis project is in place and the findings will inform medium – long term actions that will be undertaken. Utilization of local capacity initiatives include the implementation of local rules and regulations in place and sharing of risks prior to externalization.

In order to address the uncertainty and challenges posed by the pandemic, the forum working in concert with African Reinsurance Solutions AON agreed to examine the establishment of an EAC pandemic pool and necessary actions are underway.

Additionally, in view of the unprecedented changes brought about by the global pandemic; for the benefit of the low to middle income African population, the meeting decided that increased attention is given to microinsurance as well as the use of technology to ease access to insurance and that national agriculture insurance initiatives are boosted within economies. In the case of Agriculture insurance, cognizance was also given to the fact that

Agriculture is a key component of most economies within Africa and supporting agriculture insurance addresses critical global aspects of food security and risks posed by climate change. ZEP- RE continues to support national agriculture insurance schemes & initiatives in its core markets.

Engagements were held with the COMESA Secretary General on how to enhance financial inclusion within the COMESA region:

Micro Insurance Initiatives in the Region

The Company continued to provide technical support involved in several development initiatives in the region including, support for the Country wide Social Security/Pension and Affordable Housing schemes In Rwanda. 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 and local servicing support for credit life and casualty for low-income households (micro insurance) in Kenya, Zimbabwe, Uganda, Rwanda and Mozambique.

Management of COMESA Yellow Card and RCTG Schemes' Reinsurance Pools

ZEP-RE is currently the Manager of the COMESA Yellow Card and RCTG Scheme Pools.

The Scheme is currently operational in 12 countries including Burundi, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. It is also widely used by non-COMESA motorists particularly from SADC countries visiting or transiting through the COMESA Member States. To support adoption outside COMESA, agency agreements have been established in South Africa and Mozambique and discussions underway to expand the use in Angola. Over 180 insurance companies in the COMESA region are involved in the issuance of Yellow Cards and operations of the scheme. A total of 208,619 Yellow Cards were issued and a total premium of US\$12,320,504.35 was realised during 2019/2020 period. Over 759 claims were processed for accident victims and US\$ 1.397 million paid out as claims.

To boost its operations and build capacity, enhance efficiency and profitability of the participating insurance companies, the Scheme has a Re-insurance Pool managed by ZEP-RE. In 2020, the asset base of the Pool stood at over US\$16.6 million.

The COMESA Regional Customs Transit Guarantee (RCTG-CARNET) Scheme is a component of the COMESA Protocol on Transit Trade and Transit Facilitation, Annex I of COMESA Treaty. The objective of the RCTG scheme is to provide 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. Currently, the Scheme is fully operational in the Northern and Central corridors with the following countries actively participating in the scheme, Burundi, Kenya, Rwanda, Tanzania Uganda. The Djibouti/Ethiopia corridor is meant to commence operations in 2021.

During the last three years a total of 1900 RCTG bonds have been executed valued at over USD 1.6 billion. The Scheme has over 45 primary sureties involved and over 740 clearing agents. The RCTG Reinsurance Pool, managed by ZEP-RE had assets worth USD 1.5 million as of 31st December 2019.

COMESA BUSINESS COUNCIL

COMESA Business Council (CBC) is a business member organization bringing together a diverse group of businesses and associations in the region and is the recognized regional apex body of the private sector and business community in the COMESA region. CBC's vision is, "Building Regional, Going Global". CBC's three service pillars are: Business Policy and advocacy, Business Facilitation and Membership development.

BUSINESS POLICY AND ADVOCACY

Business policy and advocacy plays a central role and is a key strategic pillar as CBC's strives for an environment that improves business competitiveness in COMESA. CBC drives private sector's active contribution in the policy making processes through development and advocacy of industry position papers, policy briefs and studies on impediments to business, and creates a platform to directly advocate to the policy and decision makers of the region.

Some key strategic highlights are below;

Five Industry Positions Developed to Inform Advocacy and Policy Agendas

CBC's advocacy and policy agendas focus on improving the competitiveness and deepening the participation of the private sector in regional and global trade. As part of the advocacy strategies, to address key business impediments and measures that affect industries participation in the region, CBC developed four industry positions. The positions were presented in various COMESA Policy organs meeting, as below.

- Trade Facilitation
- Harmonisation of Food Standards
- Promoting Seed trade
- Industry Technical Committee Report

CBC-SADC Business Council Position

In June 2020, CBC and the SADC Business Council developed a position report and carried out joint advocacy on addressing trade restrictive measures during the COVID-19 pandemic era. The position focused on adopting tripartite approaches to facilitating trade, and also removal of the tobacco sales ban. The results were:

- 5 Industry position developed and informed advocacy agendas for 2020.
- 4 platforms for increased private sector coordination (4 workgroup meetings held for increased private sector coordination (Trade Facilitation Workgroup, Agro Industry Workgroup, Seed Workgroup, Digital Financial Inclusion Workgroup and Trade & Industry Committee).

Zambia-DRC Private sector Dialogue on Business Impediments at the Kasumbalesa Border

CBC chaired the Zambia- DRC Private sector dialogue, bringing together businesses associations, freight and logistics associations from DRC and Zambia, to present common positions at the Joint Permanent Commissions (JPC) bilateral inter-governmental meetings between DRC and Zambia. The dialogue adopted a common industry focusing on strengthening enforcement to ensure adherence with transshipment rules, curbing customs fraud, prohibiting offloading of transit goods at the border, strengthening the Kasumbalesa One Stop Border Post, enabling increased customs interface and uniform processing facilitating speedier clearance of goods. DRC-ZAMBIA Logistics position paper for the industry published and circulated.

Private Sector Engagement on the Issue of Preferential Tariff Treatment of COMESA-Origin Goods by Kenya

CBC engaged with the private sector, Kenya Association of Manufacturers and COMESA on the issue of preferential tariff treatment of COMESA-Origin goods by Kenya. Through various engagements (also between COMESA and Government of Kenya), the matter was swiftly resolved.

Joint Advocacy Programs with Members/Stakeholders

CBC partnered or participated in various meetings or conferences organized by key stakeholders or partners to advance advocacy agendas and leverage partnerships for ongoing activities.

Some of the meetings were:

- a. Commonwealth Private Sector Engagement Initiatives
- b. Strengthening the Tripartite Private Sector Platform
- c. Engagements on the Formation of the African Business Council
- d. Strengthening the CBC Collaboration with the State of Eritrea
- e. Training on Mutual Recognition Agreement for Services Negotiators

The outcomes of the meetings included:

- CBC undertakes joint advocacy to support four key agendas: Strengthen COMESA's private sector voice within Commonwealth, TFTA, AfCFTA, and the COMESA Trade in Services.
- CBC nominated as Head of B2B Cluster under the Commonwealth.
- CBC selected in Interim Committee on the African Business Council.

FLAGSHIPS - CBC PROJECTS

CBC Business Integrity Project

Introduction

CBC is implementing the CBC Business Integrity Project which focuses on building the capacity of the private sector to stem corruption and enhance their participation in transparency and reform initiatives thereby achieve a good and enabling business environment. The Project is implemented with funding and support from the Centre for International Private Enterprise (CIPE) and is in its penultimate stages, having carried out trainings for Associations, developed country reports and a Regional Code on anti-corruption compliance for enterprises. The following activities were carried out in 2020.

- Adoption and Launch of the Regional Code on Anti-Corruption Compliance for Enterprises
- Training of Associations and Launch of the Regional Code
- Mentorship of Associations.

The following results were realized:

- Regional Code on anti-corruption compliance adopted by CBC General Assembly and launched;
- 25 trained on anti-corruption compliance and the Regional Code;
- 6 Associations being mentored to put in place effective compliance mechanism within their institutions.

SME Digital Financial Inclusion Project

CBC is implementing the SME Digital Financial Inclusion Project. The overall goal is to support the development of a regional common payment scheme that serves Micro Small and Medium-sized Enterprises (MSMEs) small and medium enterprises (at the bottom of the financial pyramid) thereby improving cross border trade. The Project will result in strengthening the digital market for cross border financial transactions that is affordable, with minimal charges that are well suited for MSMEs. This will increase volumes of cross border transactions, financial inclusion and the participation of MSMEs in regional trade. In 2020, the following activities have been carried out:

- a. Business Case Report
- b. Draft model policy and regulatory guidelines.
- c. Stakeholder Engagements - Engagements with possible payment system integrators, partnership with TDB and with Glenbrook
- d. DFI Marketing activities

The following results were achieved:

- Nine virtual national public private dialogue in nine countries held to validate the Business case report.
- Five virtual sub-regional sectoral public- private dialogues held to adopt the business case report and agree on 8 policy areas that will inform the digital common payment policy for SMEs.
- A total of 350 stakeholders from nine countries actively engaged with in the development of the business case and regional policy paper.
- One business case report completed and adopted.
- One model policy completed and pending validation at the COMESA Digital Financial Inclusion High Level Forum, 20- 21 January 2021.

BUSINESS FACILITATION SERVICES

CBC develops activities and facilitates platforms that promote partnerships and linkages amongst businesses, as well as inform businesses on various trade opportunities available in the region and beyond. These are in market information, business linkages and partnerships platform, stakeholder engagements and webinars.

Market Information

The following were achieved:

- Twenty-three market information briefs developed and circulated to the public and private stakeholders in the region to inform partnerships and trade (13 Market Briefs developed, 10 Market Pointers)
- Five Workgroup Insider Brief Developed
- Five special edition Insider publications of “Business Insights of COVID-19” developed

BUSINESS LINKAGES AND PARTNERSHIPS PLATFORM

The following was accomplished under the Local Sourcing for Partnerships Buyer-Seller Platforms:

- One buyer supplier meeting held in Zambia,
- Four buyers mobilised to participate,
- Fifty-four SMEs participated in the platform.

Stakeholder Engagements

CBC carried out several engagements to facilitate linkages and partnerships at regional and global levels whose outcomes were:

- i. Two Memorandums of Understanding signed:
 - MOU signed with International Chamber of Commerce (ICC) to facilitate inter regional partnerships and CBC's participation in multilateral policy platforms.
 - MOU signed with Africa- E-Trade Group to cooperate on digital trade facilitation, skills development, and e-commerce.
- ii. Recommendations were put forward towards policy reform on issues relating to the movement of essential goods across COMESA; post-COVID-19 recovery in the region's FDI inflows; government interventions to mitigate the impact of COVID-19 on business; investment and trade partnerships for enhanced inter-regional trade; and business sustainability, particularly for SMEs, within the pandemic period.

Webinars

CBC conducted four webinars with industry stakeholders and relevant public sector representatives. The webinars presented a platform for public-private sector to discuss and provide solutions on issues related to the movement of essential goods, addressing illicit trade, promoting seed trade, and industry responses to COVID 19. As a result, for platforms of engagement convened to increase stakeholder coordination and four reports with recommendations feeding into Industry position papers were produced.

MEMBERSHIP DEVELOPMENT

CBC focuses on strengthening collaboration with the business community, promoting entrepreneurial and technical capacity building of enterprises and associations to ensure a strong and competitive private sector. The Key strategic highlights are below;

Strengthening Enterprise Competitiveness Through Training and Capacity Building

Under the Local Sourcing for Partnership (LSP), 54 SMEs were trained on basic standards and food safety management systems. In addition, 20 SMEs are undergoing business counselling and will be linked to buyers.

Membership Communications

To increase communication and engagement with members, CBC published bi-weekly reports, business insiders, research papers, newsletters and policy briefs that were widely disseminated. They included:

- iii. 13 Newsletters developed and disseminated.
- iv. 5 Insider Workgroup / sector specific insiders developed and disseminated
- v. 5 Special Edition Insider publications developed and circulated providing update on business sustainability during the pandemic

Membership Drives

In 2020, physical membership drives and company visits were restricted due to the global pandemic of Covid- 19. However, various online membership meetings were held, and four new members joined the CBC (3 Corporates and 1 association).

INSTITUTIONAL DEVELOPMENT

The following was the scope of focus for the year 2020.

Statutory Meetings: Two statutory Board meetings convened, and one AGM held in August 2020, to report on administrative, program and governance performance of the CBC.

Policies and Strategies: Two CBC Administrative and Compliance policies adopted and Digital Services Strategy implemented to support institutional operational efficiency.

Business Continuity during COVID-19: In view of the COVID-19 pandemic, CBC continued implementation of its activities and workplan through offsite workplace models. It increased use of digital models for service delivery: use of digital channels, virtual meetings and online technical skills capacity building training workshops for enterprises and associations.

Strengthening Corporate Social Investment: One CSR activity carried out - The distribution of PPE equipment to communities and markets in Zambia in partnership with Barefeet Theatre and Lusaka Food Bank.

FINANCIAL SUMMARY REPORT

CBC has five core funding streams which are membership and sponsorship fees and four funding partners namely; Centre for International Private Enterprise, AfDB – KOAFEC, European Development Fund and the Bill and Melinda Gates Foundation.

In 2020 The COMESA Business Council earned US\$194,711.00 from private sector (membership and sponsorship), US\$845,868 from Bill and Melinda Gates Foundation and \$485,000 from the European Development Fund (for private sector components under the RECAP and Trade Facilitation Projects). This brought the total grant funds for the year to \$1,330,868. CBC's financial position remains strong; during the period January to December 2020, CBC's financial position in terms of available cash resource was \$1,466,049. We are however not complacent of the future; sustainability and efficiency remain integral as we grow.



CHAPTER FOUR: FINANCIAL REPORT

2020 Secretary General's report

Financial Report

Introduction

1. The COMESA Secretariat is established under Article 7 of the Treaty as an organ of COMESA and headed by the COMESA Secretary General. In accordance with COMESA Treaty Article 169(4) the Secretary General shall circulate the copies of the Financial Report to every Member State and convene a meeting of the Inter-governmental Committee or Committee on Administrative and Budgetary Matters to examine the report and to make recommendations in relation thereto before it is submitted to the Council for adoption.
2. COMESA Secretariat is implementing the new External Audit framework as approved by the Council in 2016 in Madagascar where the Audit of the Secretariat is undertaken by Auditor Generals from Member States through the COMESA Board of External Auditors (COBEA) while the audit of Projects is undertaken by private audit firms. COBEA Audit Instruments including the Audit Charter and Audit Manuals were developed and approved by Council in 2020 to ensure that audits are undertaken in line with international best practice.
3. In the interim, I have the pleasure of submitting to the Council of Ministers the Management Accounts for the financial year ended 31 December 2020 pending the audit of 2020 financial statements by COBEA. It should be noted that there has been delay in the commencement of the 2020 audit due to the challenges arising from the COVIDI 19 Pandemic. COBEA has since met and agreed on how to undertake most of the audit processes virtually using ICT.
4. These Management Accounts combine, results of activities carried out with funding from both Member States and Grant Funding. These resources are provided by Member States and Cooperating Partners in accordance with the Treaty under Article 166 (3) and Article 168 (3), respectively. The Management Accounts provide a complete overview of the finances of the Secretariat for the financial year 2020. This includes information on the financial position of the Secretariat, how the budget has been implemented, as well as the financial commitments and obligations of the Secretariat.
5. To reflect the multi-annual nature of the Secretariat's activities, the accounts include explanations of the key financial figures. The financial year 2020 was characterized by some achievements and some challenges for the Common Market as highlighted below.

COMESA - Secretariat
2020 Management Accounts
Statement of Financial Position
As of 31 December 2020

<i>In COMESA Dollar</i>	2020	2019
Assets		
Non-current assets		
Property and equipment	27,811,274	28,552,705
Investment in equity	2,719,160	2,373,776
Member states contributions receivable repayment plan	2,077,133	<u>3,156,775</u>
Total: Non-current assets	<u>32,607,567</u>	<u>34,083,255</u>
Current assets		
Member states contributions receivable	23,255,627	18,704,515
Amounts due from other COMESA entities	415,623	1,019,945
Grant Overheads Receivable	361,673	-
Amounts due from other regional economic communities	308,529	308,529
Other receivables	532,823	604,636
Cash and cash equivalents	<u>18,487,822</u>	<u>16,701,718</u>
Total: Current assets	<u>43,362,097</u>	<u>37,339,343</u>
Total: assets	<u>75,969,664</u>	<u>71,422,598</u>
Accumulated funds and liabilities		
Accumulated funds and reserves		
Reserve fund	11,406,591	7,924,318
Accumulated funds	41,833,015	40,736,531
Revaluation reserve	<u>16,969,950</u>	<u>17,509,247</u>
Total: Accumulated funds and reserves	<u>70,209,556</u>	<u>66,170,096</u>
Non-current liabilities		
Capital grants	447,258	544,644
Total: Non - current liabilities	447,258	544,644
Current liabilities		
Trade payables	257,498	272,453
Member States Payable	521,470	-
Amounts due to COMESA entities	2,344,039	2,344,720

COMESA - Secretariat
2020 Management Accounts
Statement of Financial Position
As of 31 December 2020

Trust Creditors	1,021,011	984,702
Post-employment benefit	5,714	11,590
Accruals and provisions	<u>1,163,119</u>	<u>1,094,393</u>
Total: Current liabilities	<u>5,312,850</u>	<u>4,707,858</u>
Total: liabilities	<u>5,760,108</u>	<u>5,252,502</u>
Total: accumulated funds and liabilities	<u>75,969,664</u>	<u>71,422,598</u>

Statement of income and expenditure and other comprehensive income

for the year ended 31 December 2020

<i>In COMESA Dollar</i>	2020	2019
Income		
Member states contributions	14,256,925	14,345,018
Other member states contributions	-	508,940
Grant overhead contributions	467,344	109,502
Other income	899,160	446,770
Total income	15,623,428	15,410,230
Expenditure by function		
Executive management	(960,501)	(1,931,301)
Human resources and administration	(2,879,121)	(3,269,982)
Budget and finance	(1,305,300)	(1,612,847)
Trade and customs	(642,968)	(933,200)
Infrastructure and logistics	(465,543)	(589,087)
Agriculture, environment and natural resources	(533,376)	(653,046)
Legal and institutional affairs	(515,320)	(407,145)
Gender and social affairs	(363,832)	(330,368)
Information technology	(762,354)	(787,708)
Internal audit	(346,958)	(393,893)
Strategic planning and research	(187,760)	(209,157)
Resource mobilisation and international cooperation	(206,539)	(170,981)
Public relations	(348,381)	(350,605)
Resource centre	(139,091)	(150,727)
Estates unit	(319,446)	(295,270)
Brussels liaison office	(284,329)	(323,695)
Statistics unit	(18,176)	-
External audit framework	(23,786)	(50,581)
Depreciation on property and equipment	(933,648)	(1,024,102)
Total expenditure	(11,236,427)	(13,483,695)
Finance income	308,512	315,502
Finance costs	(584,164)	(362,615)
	(275,652)	(47,113)
Operating surplus	4,111,349	1,879,422
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Amortization of the revaluation reserve	(539,297)	(549,763)
Other comprehensive income	(539,297)	(549,763)
	3,572,052	1,329,659

Statement of income and expenditure for Grants Funded Programmes

for the year ended 31 December 2020

<i>In COMESA Dollar</i>	2020 USD	2019 USD
Income		
Opening balance - Deferred Income	31,259,539	29,143,892
2020 Receipts	16,576,908	19,517,697
In kind contribution	921,772	-
Cash available for Grant funded activities	48,758,215	48,661,589
Expenditure		
50 Million Women Speak Project	(2,813,003)	(1,370,181)
COMESA Airspace Integration Project	-	(881,510)
Statistical Capacity Building	(107,428)	(112,153)
International Comparison Programme	(196,569)	(221,299)
Transport and Transit Facilitation Programme	(60,384)	(242,836)
Small Scale Cross Border Trade Initiative Programme	(1,512,191)	(936,088)
Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP)	(216,722)	-
Regional Integration Support Mechanism	(589,371)	(2,289,680)
Maritime Security Programme	(671,171)	(1,071,123)
Trade Facilitation Programme	(2,503,034)	(2,185,302)
Enhancement of Sustainable Regional Energy Market (ESREM)	(1,869,244)	(2,109,958)
TCF (EDF11)	-	(327,742)
EU Global Alliance for Climate Change Plus	(1,409,413)	(1,358,489)
United States Agency for International Development - USAID RDOAG	(222,401)	(1,389,798)
Africa Peace and Security Architecture Support (APSA)	(118,287)	(745,255)
Great Lakes Trade Facilitation Project	(773,663)	(1,289,201)
United Nations Office for Project/Priority Investment for Market Access (UNOPS/PIMA)	(117,649)	(210,600)
Business Incubators for African Women Enterprise (BIAWE)	(400,000)	(399,134)
Swedish Development Cooperation	(412,404)	(261,705)
Enhancing COMESA Capacity in Trade Policy Analysis, Research and Training for Deeper Regional Integration and Participation in Global Economy (Tradecom11)	(156,854)	-
Total expenditure: Grant funded	(14,149,786)	(17,402,054)
Closing Deferred Income - Grants	34,608,429	31,259,535

COMESA – Secretariat

Statement of changes in accumulated funds for the year ended 31 December 2020

	Reserve funds	Accumulated funds	Revaluation Reserve	Total
At 1 January 2019	9,924,040	36,755,379	18,059,010	64,738,429
Surplus for the year	-	1 879,422	-	1 879,422
Refund received from BIAWE	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 (note 8(c))	(205,698)	-	-	(205,698)
Transfer to FEMCOM (note 8(b))	(251,608)	-	-	(251,608)
Amortisation of the revaluation reserve	-	549,763	(549,763)	-
At 31 December 2019	7,924,318	40,736,531	17 509,247	66,170,096
At 1 January 2020	7,924,318	40,736,531	17 509,247	66,170,096
Surplus for the year	-	4,111,349	-	4,111,349
Receipts into the reserve fund	5,632,273	(5,632,273)	-	-
Transfer from the reserve fund	(2,000,000)	2,000,000	-	-
Transfer to FEMCOM (note 8(b))	(150,000)	-	-	(150,000)
Prior year depreciation on grant assets	-	857	-	857
Amortisation of capital grant – prior year adjustment	-	77,255	-	77,255
Amortisation of the revaluation reserve	-	539,297	(539,297)	-
At 31 December 2020	11,406,591	41,833,016	16,969,950	70,209,556

*Statement of changes in accumulated funds
for the year ended 31 December 2020*

	2020 approved Budget		2020 Revised Budget	2020 Actual	2020 Budget Utilization
	2020 Budget	Reallocation			
Expenditure					
<i>Executive Management</i>	1,911,428	(465,138)	1,446,290	(960,501)	66%
Human Resources and Administration	3,578,621	73,700	3,652,321	(2,879,121)	79%
Budget and Finance	1,115,377	386,638	1,502,015	(1,305,300)	87%
Trade and Customs	1,069,251	(144,750)	924,501	(642,968)	70%
Infrastructure and Logistics	771,022	(169,500)	601,522	(465,543)	77%
Agriculture, Environment and Natural Resources	819,051	(104,850)	714,201	(533,376)	75%
Legal and Institutional Affairs	535,337	37,750	573,087	(515,320)	90%
Gender and Social Affairs	541,915	(50,000)	491,915	(363,832)	74%
Information Technology	975,992	99,300	1,075,292	(762,354)	71%
Internal Audit	502,865	700	503,565	(346,958)	69%
Resource Mobilisation and International Cooperation	363,258	(70,000)	293,258	(187,760)	64%
Strategic Planning	284,667	(14,500)	270,167	(206,539)	76%
Corporate Communications	412,553	14,000	426,553	(348,381)	82%
Resource Centre	174,230	-	174,230	(139,091)	80%
Estates Unit	482,961	-	482,961	(319,446)	66%
Brussels Liaison Office	372,196	31,650	403,846	(284,329)	70%
Statistics unit	99,000	-	99,000	(18,176)	18%
External Audit Framework	110,000	-	110,000	(23,786)	22%
Add: Depreciation on property and equipment				(933,648)	
Total Expenditure	14,119,723	(375,000)	13,744,723	(11,236,427)	82%
Add: Finance Costs	75,000	-	75,000	(584,164)	
	14,194,723	(375,000)	13,819,723	(11,820,591)	83%

Grants 2020 Budget Performance

	Name of the Grant	2020 Approved Budget		2020 Reallocations		2020 Available Budget		2020 Actual Expenditure (Draft)		Variance		Commitment 2020 / Advances to Member States/ Sub-Delegates/ Co-delegates
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	
1	50 Million Women Speak Project	1,584,662				1,584,662		1,462,160		122,502		
2	Statistical Capacity Building	180,839		-		180,839		107,428		73,411		103,000
3	International Comparison Programme	529,952		-		529,952		196,569		333,383		-
4	Transport and Transit Facilitation Programme	436,595				436,595		60,384		376,211		
5	Small Scale Cross Border Trade Initiative Programme	8,544,047	(4,163,904)			4,380,142		1,512,191		2,867,951		357,361
6	Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP)	3,201,495				3,201,495		216,722		2,984,774		
7	Regional Integration Support Mechanism	1,250,000				1,250,000		526,224		723,776		9,783,388
8	Maritime Security Programme	908,321		-		908,321		650,319		258,002		20,853
9	Trade Facilitation Programme	11,865,355				11,865,355		2,503,034		9,362,321		52,471
10	Enhancement of Sustainable Regional Energy Market (ESREM)	4,222,688				4,222,688		2,101,752		2,120,936		
11	EU Global Alliance for Climate Change Plus	4,560,725				4,560,725		1,409,413		3,151,312		2,318,909
12	Africa Peace and Security Architecture Support (APSA)	974,287	(542,267)			432,020		118,287		313,733		-
13	Great Lakes Trade Facilitation Project	1,452,200		-		1,452,200		773,663		678,537		-
14	United Nations Office for Project/Priority Investment for Market Access (UNOPS/PIMA)	119,475				119,475		117,649		1,826		
15	United States Agency for International Development - USAID RDOAG	222,401				222,401		222,401		-		
16	Business Incubators for African Women Enterprise, BIAWE					436,595		400,000		36,595		5,000
17	SDC	994,954				994,954		299,193		695,762		
18	COMESA-EAC-SADC Tripartite Capacity Building Programme 11(TCBP2)	200,000		-		200,000		-		200,000		
19	Enhancing COMESA Capacity in Trade Policy Analysis, Research and Training for Deeper Regional Integration and Participation in Global Economy	1,554,912				1,554,912		156,854		1,398,058		
Total		42,802,907	(4,706,171)			38,533,331		12,834,240		25,699,091		12,640,981

2019 Audited Financial Statements

During the year 2021 the Financial Audits for 2019 for COMESA Secretariat were finalized also and I am pleased to also submit the 2019 audited Financial Statements which will complement Management Accounts that you received. The delay in the finalizations and issuance of audited Financial statements was occasioned by COVID related challenges of accessing audit documentation and conducting the audit virtually coupled with minimal auditor/Auditee contact. The Auditors opinion is contained herewith.

Statement of responsibility in respect of the preparation of financial statements

In accordance with the COMESA financial rules and regulations, the Secretary General is responsible for the preparation of the COMESA – Secretariat financial statements that give a true and fair view, comprising the statement of financial position as at 31 December 2019, the statements of income and expenditure and other comprehensive income, changes in accumulated funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and the requirements of the COMESA Treaty and financial rules and regulations.

The Secretary General is also responsible for such internal control as she determines are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Secretary General has made an assessment of the COMESA - Secretariat's ability to continue as a going concern and has no reason to believe the Institute will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework as described above.

Approval of the financial statements

The financial statements of COMESA Secretariat were approved by the Secretary General on 05/05/ 2021 and are signed by:

Chileshe Mpundu Kapwepwe
Secretary General

Independent Auditor's Report

To the member of Common Market for Eastern and Southern Africa (COMESA) Secretariat
Report on the audit of the financial statements

Opinion

We have audited the financial statements of Common Market for Eastern and Southern Africa (COMESA) Secretariat ("the Secretariat"), set out on pages 16 to 68, which comprise the statement of financial position as at 31 December 2019, and the statements of income and expenditure and other comprehensive income, changes in accumulated funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Common Market for Eastern and Southern Africa (COMESA) Secretariat as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the COMESA Treaty and Financial Rules and Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Secretariat in accordance with the International Ethics Standards Board for Accountants' (International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code)) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Chartered Accountants) 2021
Maaya Chipwayambokoma AUD/F000861
Partner signing on behalf of the firm

**Statement of financial position
as of 31 December 2019**

<i>In COMESA Dollar</i>	Note	2019	2018
Assets			
Non-current assets			
Property and equipment	6	28,552,705	29,413,538
Investment in equity	7	2,373,776	2,354,953
Member states contributions receivables repayment plan	8(a)	3,156,774	4,173,246
Total non-current assets		<u>34,083,255</u>	<u>35,941,737</u>
Current assets			
Member states contributions receivables	8(b)	18,704,515	13,508,657
Amounts due from other COMESA Institutes and entities	9(a)	1,019,945	1,099,717
Amounts due from other regional economic communities	9(b)	308,529	308,529
Other receivables	10	604,636	943,992
Cash and cash equivalents	11	16,701,718	17,780,259
Total current assets		<u>37,339,343</u>	<u>33,641,154</u>
Total assets		<u>71,422,598</u>	<u>69,582,891</u>
Accumulated funds and liabilities			
Accumulated funds and reserves			
Reserve fund	12(a)	7,924,318	9,924,040
Accumulated funds		40,736,531	36,755,379
Revaluation reserve		17,509,247	18,059,010
Total accumulated funds and reserves		<u>66,170,096</u>	<u>64,738,429</u>
Non-current liabilities			
Capital grants	13	544,644	565,368
Total non - current liabilities		<u>544,644</u>	<u>565,368</u>
Current liabilities			
Trade payables	14	272,453	149,135
Amounts due to COMESA Institutes and entities	9(d)	2,344,720	2,456,407
Trust Creditors	9(e)	984,702	911,952
Post-employment benefits payable	15	11,590	5,370
Accruals and provisions	16	1,094,393	756,230
Total current liabilities		<u>4,707,858</u>	<u>4,279,094</u>
Total liabilities		<u>5,252,502</u>	<u>4,844,462</u>
Total accumulated funds and liabilities		<u>71,422,598</u>	<u>69,582,891</u>

**Statement of income and expenditure and other comprehensive income
for the year ended 31 December 2019**

<i>In COMESA Dollar</i>	Note	2019	2018
Income			
Member states contributions	8(b)	14,345,018	13,873,612
Other member states contributions	8(c)	508,940	2,264,223
Grant overhead contributions	17(a)	109,502	53,830
Other income	17(b)	446,770	606,764
Total income		<u>15,410,230</u>	<u>16,798,429</u>
Expenditure by function			
Executive management		(1,931,301)	(2,650,689)
Human resources and administration		(3,269,982)	(3,708,935)
Budget and finance		(1,612,847)	(1,647,646)
Trade and customs		(933,200)	(1,248,399)
Infrastructure and logistics		(589,087)	(584,776)
Agriculture, environment and natural resources		(653,046)	(657,617)
Legal and institutional affairs		(407,145)	(511,791)
Gender and social affairs		(330,368)	(508,686)
Information technology		(787,708)	(1,022,681)
Internal audit		(393,893)	(351,652)
Strategic planning and research		(209,157)	(194,855)
Resource mobilisation and international cooperation		(170,981)	(220,815)
Public relations		(350,605)	(330,540)
Resource centre		(150,727)	(143,476)
Estates unit		(295,270)	(341,700)
Brussels liaison office		(323,695)	(332,163)
External audit framework		(50,581)	(363,090)
Depreciation on property and equipment	6	(1,024,102)	(1,020,112)
Total expenditure	18(a)	<u>(13,483,695)</u>	<u>(15,839,623)</u>
Finance income	19	315,502	599,469
Finance costs	20	(362,615)	(286,001)
		<u>(47,113)</u>	<u>313,468</u>
Operating surplus		<u>1,879,422</u>	<u>1,272,274</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Amortization of the revaluation reserve		(549,763)	(549,763)
Other comprehensive income		<u>(549,763)</u>	<u>(549,763)</u>
		<u>1,329,659</u>	<u>722,511</u>

Statement of changes in accumulated funds and reserves

In COMESA Dollar	Reserve funds	Accumulated funds	Revaluation Reserve	Total
At 1 January 2018	10,100,607	37,088,144	18,608,773	65,797,524
Surplus for the year	-	1,272,274	-	1,272,274
Receipts into the reserve fund	10,533,448	(10,533,448)	-	-
Transfer from the reserve fund	(8,378,646)	8,378,646	-	-
Transfer to income (note 8(c))	(2,264,223)	-	-	(2,264,223)
Transfer to FEMCOM (note 8(b))	(67,146)	-	-	(67,146)
Amortisation of the revaluation reserve	-	549,763	(549,763)	-
At 31 December, 2018	<u>9,924,040</u>	<u>36,755,379</u>	<u>18,059,010</u>	<u>64,738,429</u>
At 1 January 2019	9,924,040	36,755,379	18,059,010	64,738,429
Surplus for the year	-	1 879,422	-	1 879,422
Refund received from BIAWE	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 (note 8(c))	(205,698)	-	-	(205,698)
Transfer to FEMCOM (note 8(b))	(251,608)	-	-	(251,608)
Amortisation of the revaluation reserve	-	549,763	(549,763)	-
At 31 December 2019	<u>7,924,318</u>	<u>40,736,531</u>	<u>17 509,247</u>	<u>66,170,096</u>

Reserve funds

The reserve funds are derived from realized surplus of Member States contributions over expenditure and other income. These have accumulated over a period. The use of the reserve fund is governed by Financial Rules 45 and 46(A and B) of the COMESA Financial Rules and Regulations. The reserve fund is represented by cash held at bank. Details on reserves are provided in note 12.

Accumulated funds

Accumulated funds are the brought forward recognised income, net of expenses of the Secretariat, plus the current period surplus. Year-end receivables on assessed annual contributions from Member States are part of accumulated funds. Subsequent receipts of prior year assessed annual contributions from Member States are transferred from accumulated funds into the reserve fund in line with requirements of the COMESA Financial Rules and Regulations.

Revaluation reserve

The revaluation arises from the periodic revaluation of property and equipment and represents the excess of the revalued amount over the carrying value of the property and equipment at the date of revaluation.

IAS 16.41 property, plant and equipment give two accounting choices with regards the surplus arising from revaluation of property plant and equipment:

- (a) The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of.
- (b) The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings as the asset is used by an entity.

The Secretariat uses the second option by initially crediting the revaluation surplus to revaluation reserve account, which is a non-distributable reserve. A transfer is made from this reserve to accumulated funds each year, over the estimated useful life of the asset and any balance remaining is derecognised upon disposal. The amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

If the revaluation surplus relates to a non-depreciable asset such as land, the Secretariat considers the conditions related to the asset. For example, if the condition is that the Secretariat operates a building on that land, the revaluation reserve relating to the land is transferred to accumulated funds as the building is depreciated.

If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset, thereafter the remaining decrease is recognised in profit or loss.

Statement of cash flows**for the year ended 31 December 2019**

<i>In COMESA Dollar</i>	Note	2019	2018
Surplus for the year		1,879,422	1,272,274
Adjustments for:			
- Depreciation	6	1,024,102	1,020,112
- Loss on disposal of property and equipment	6	-	5,990
- Interest income	19	(305,335)	(355,449)
- Dividend income	17	(2,802)	(19,524)
- Non-Cash movement in reserve funds		(447,755)	(2,331,369)
- IFRS 9 prior year provision release		-	611,071
		2,147,632	203,105
Changes in:			
- Member states contributions receivables		(4,179,386)	311,006
- Investment in equity		(18,823)	-
- Amounts due from other COMESA entities		79,772	2,049,829
- Amounts due from other regional economic communities		-	(225,046)
- Other receivables		339,356	(137,120)
- Capital grants		(20,724)	(27,927)
- Trade payables		123,318	(134,810)
- Amounts due to other COMESA entities		(111,687)	418,548
- Trust creditors		72,750	(7,490)
- Post-employment benefits		6,220	(122,603)
- Accruals and provisions		338,163	109,546
		(1,223,409)	2,437,038
Interest received		305,335	355,449
Net cash utilized in from operating activities		(918,074)	2,792,487
Cash flows from investing activities			
Dividend received	17	2,802	19,524
Proceeds from disposal of equipment		-	1,810
Acquisition of property and equipment	6	(163,269)	(379,900)
Net cashflows in investing activities		(160,467)	(358,566)
Net (decrease)/increase in cash and cash equivalents		(1,078,541)	2,433,921
Cash and cash equivalents at beginning of the year	11	17,780,259	15,346,338
Cash and cash equivalents at end of the year		16,701,718	17,780,259



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