

Common Market for
Eastern and Southern Africa



2021
ANNUAL REPORT

2021 ANNUAL REPORT

© COMESA
October 2022

Designed and published by
Corporate Communications Unit

CONTENTS



Transmittal Message by the COMESA Secretary General	ii
Message from the Chair of the COMESA Authority	iv
COMESA Vision	vi
COMESA Mission	vi
The Objectives of COMESA	vi
Institutional Setup of COMESA	vi
COMESA Member States	vi
EXECUTIVE SUMMARY	viii
CHAPTER ONE: MACRO-ECONOMIC DEVELOPMENTS IN THE COMESA REGION IN 2021	2
Growth	2
Inflation Rate	3
Monetary and Macro-financial Policy and Exchange Rate Developments	3
Overall Fiscal Balance Including Grants	4
Government Debt	5
External Current Account Including Grants	6
Reserve Accumulation	6
Medium Term Prospects and Recommendations	7
Risks to Outlook	8
CHAPTER TWO: IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES	10
INTERNAL MARKET	32
TRADE NEGOTIATIONS	43
ECONOMIC AND TRADE POLICY RESEARCH PROGRAMME	46
COMESA STATISTICS PROGRAMME	48
COMESA AID FOR TRADE PROGRAMME	52
COMESA GOVERNANCE, PEACE AND SECURITY PROGRAMME	54
STRENGTHEN DEVELOPMENT OF ECONOMIC INFRASTRUCTURE – TRANSPORT, ICTS AND ENERGY	56
COMESA AGRICULTURE PROGRAMME	62
THE COMESA INDUSTRIALISATION PROGRAMME	65
GENDER AND SOCIAL AFFAIRS PROGRAMME	67
RESOURCE MOBILISATION AND INTERNATIONAL CORPORATION (RMIC)	71
EUROPEAN DEVELOPMENT FUND (EDF) PROGRAMMES	73
COMESA BRUSSELS LIAISON OFFICE (BLO)	75
LEGAL AND CORPORATE AFFAIRS	77
CORPORATE COMMUNICATIONS	77
STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION (SPR)	78

INFORMATION NETWORKING	79
HUMAN RESOURCES AND ADMINISTRATION	80
CHAPTER THREE: OPERATIONS OF COMESA INSTITUTIONS	84
AFRICA LEATHER AND LEATHER PRODUCTS INSTITUTE (ALLPI)	87
THE AFRICAN TRADE INSURANCE AGENCY (ATI)	92
COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)	94
ZEP-RE (PTA REINSURANCE COMPANY)	98
COMESA COUNCIL OF BUREAUX ON THE YELLOW CARD SCHEME	100
REGIONAL CUSTOMS TRANSIT GUARANTEE SCHEME	102
COMESA MONETARY INSTITUTE (CMI)	105
COMESA COURT OF JUSTICE (CCJ)	106
COMESA FEDERATION OF NATIONAL ASSOCIATIONS OF WOMEN IN BUSINESS (COMFWB)	109
THE EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)	112
COMESA COMPETITION COMMISSION (CCC)	117
FINANCIAL REPORT	127

LIST OF TABLES

Table 1:	COMESA's Global Trade (US\$ Millions)
Table 2:	Global COMESA Trade by Country, 2019-2020 (US\$ Million)
Table 3:	COMESA Key Export Market Shares (% of total), 2019 and 2020
Table 4:	COMESA Key Import Market Shares (% of Total), 2019 and 2020
Table 5:	Key Export Markets for COMESA Member States, 2020 (US\$ Millions)
Table 6:	Key Import Markets for COMESA Member States, 2020 (US\$ Millions)
Table 7:	Intra-COMESA Total Exports by Sector (US\$ Million)
Table 8:	Intra-COMESA Total Exports by Country, 2018-2020 (US\$ Million)
Table 9:	Intra-COMESA Trade, 2019 and 2020 (US\$ Millions and % Shares)
Table 10:	Top Intra-COMESA Export Products and Rankings, 2016 – 2020
Table 11:	Intra-COMESA Trade (% of Global COMESA Trade) by Country (2012-2020)
Table 12:	Zambia's SSCBT Exports by Border and SITC Section
Table 13:	Zambia's SSCBT Imports by Border and SITC Section
Table 14:	Notification of Categories A, B and C and Ratification of the TFA
Table 15:	Disbursements 2021 (Euro)
Table 16:	Member States Performance Per Thematic Areas of Malabo Commitments
Table 17:	Activities Implemented by ALLPI in 2021 Highlighting Accomplishment Status and Beneficiary Countries
Table 18:	ATI Gross Written Premium in 2021 Compared to 2020
Table 19:	Underwriting Risk: Exposures per Member State
Table 20:	Concessional Loans and Grants Awarded to African Member States
Table 21:	ATI Capital as at 31 December 2021
Table 22:	Movement in Key Performance Areas Between 2020 and 2021
Table 23:	Territorial Spread of Business
Table 24:	Yellow Card Reinsurance Pool Financial Performance
Table 25:	Main Activities Undertaken by the CCJ in 2021
Table 26:	TDB Member States

LIST OF FIGURES

- Figure 1: COMESA Average Real GDP Growth (y-o-y % Change)
- Figure 2: COMESA Average Consumer Prices (Annual Av., % Change)
- Figure 3: COMESA Average Overall Fiscal Balance (incl. Grants, % of GDP)
- Figure 4: COMESA Average Government Debt (% of GDP)
- Figure 5: COMESA Average External Current Account (incl. Grants, % of GDP)
- Figure 6: COMESA Average Reserves (Months of imports of Goods and Services Cover)
- Figure 7: Monthly Average Crude Oil Prices, (\$/bbl)
- Figure 8: Monthly Average Prices for Selected Minerals and Metals
- Figure 9: Beverages Price Averages
- Figure 10: Average Prices for Selected Grains
- Figure 11: COMESA'S Major Export Trade Markets: 2019 – 2020
- Figure 12: COMESA's Major Import Trade Markets: 2019 – 2020
- Figure 13: COMESA Exports by Sector, 2019 and 2020
- Figure 14: COMESA Imports by Sector, 2019 and 2020
- Figure 15: Intra-COMESA Trade Balance by Member State, 2020 (US\$ Millions)
- Figure 16: SSCBT (% of total trade) by Flow and Border, 2019Q4-2019Q3
- Figure 17: COMESA Exports and Imports of Commercial Services 2006 – 2019
- Figure 18: COMESA Trade in Travel Services, 2006-2019
- Figure 19: COMESA Merchandise and Transport Services Exports 2006 – 2019
- Figure 20: COMESA Trade with COMESA, Rest of Africa and Rest of the World (US\$ billions)
- Figure 21: Gross & Net Exposures: 2017 – 2021
- Figure 22: ATI's Profitability
- Figure 23: COMESA Yellow Card Scheme Coverage
- Figure 24: COMESA RCTG Scheme Coverage
- Figure 25: Digital Yellow Cards Issued in 2021
- Figure 26: Premium Income Generated in 2021 in US\$
- Figure 27: Number of Yellow Card Claims in 2021
- Figure 28: Number of RCTG Bonds Executed
- Figure 29: Amount of RCTG Bonds Executed (US\$)
- Figure 30: Number of RCTG Carnet Issued
- Figure 31: Number of Mergers by affected Member States, 2021
- Figure 32: Number of Mergers by Selected Economic Sector, 2021
- Figure 33: Merger Assessment Trend, 2013 - 2021
- Figure 34: Number of RBP Cases per Member State
- Figure 35: Number of RBP Cases per Economic Sector, 2021
- Figure 36: Number of Consumer Cases per Member States, 2021
- Figure 37: Number of Consumer Cases per Economic Sector, 2021
- Figure 38: Trend in Consumer Case Assessment, 2016 – 2021

ACRONYMS AND ABBREVIATIONS

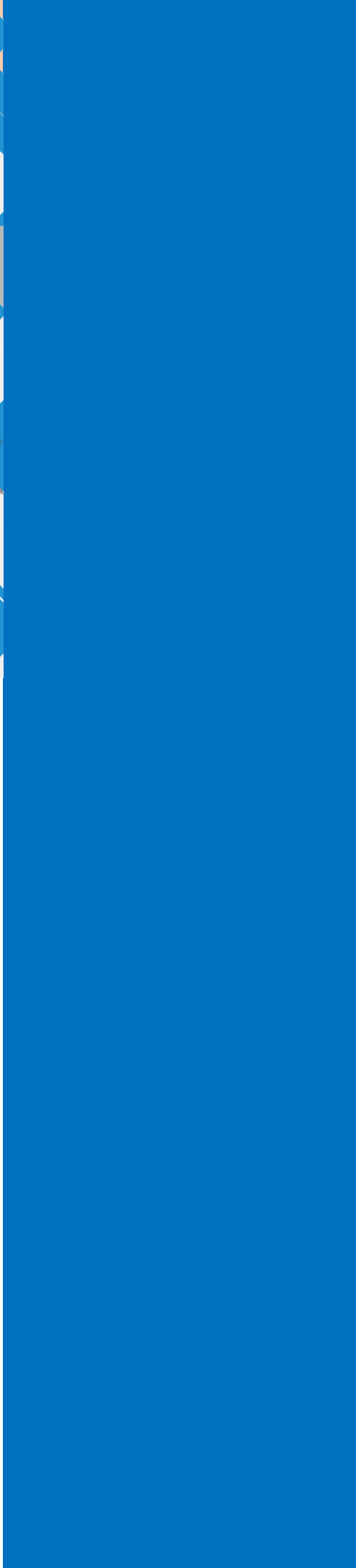
ACTESA	Alliance For Commodity Trade In Eastern And Southern Africa
AEO	Authorized economic Operators
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AfT	Aid for Trade
AGOA	African Growth and Opportunity Act
ALLPI	African Leather and Leather Products Institute
AML/CFT	Anti-Money 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
ASYCUDA	Automated System for Customs Data
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
AUDA-NEPAD	African Union Development Agency - New Partnership for Africa's Development
BADEA	Arab Bank for Economic Development in Africa
BLO	COMESA Brussels Liaison Office
CAADP	Comprehensive African Agriculture Development Programme
CARSC	Customs Automation Regional Support Centre
CAF-RISM	COMESA Adjustment Facility – Regional Integration Support Mechanism
CBC	COMESA Business Council
CBTAs	Cross Border Traders Associations
CBTI	Cross Border Trade Initiative
CCC	COMESA Competition Commission
CCH	COMESA Clearing House
CET	Common External Tariff
C-MRF	COMESA Mutual Recognition Framework
CMR	Customs Management Regulations
CNS/ATM	Communication Navigation Surveillance/Air Traffic Management
CCIA	COMESA Common Investment Area
CCJ	COMESA Court of Justice
CMI	COMESA Monetary Institute
COMSHIP	COMESA Seed Harmonization
COMSTAT	COMESA Statistics
COMSIS	COMESA Seed Information System
COMFWB	COMESA Federation of Women In Business
COMWARN	COMESA Early Warning System
COMYAP	COMESA Youth Advisory Panel
COMYES	COMESA Youth Engagement Strategy
CSOs	Civil Society Organizations
CTN	Common Tariff Nomenclature
DANIDA	Danish International Development Agency
DFTA	COMESA Digital Free Trade Area
DFIs	Development Finance Institutions
DMROs	Duly Mandated Regional Organizations
DTAA	Double Taxation Agreements
EAC	East African Community
EACREEE	Eastern Africa Centres for Renewable Energy and Energy Efficiency

EAPP	East African Power Pool
EA-SA-IO	Eastern Africa, Southern Africa and Indian Ocean
ECA	Economic Commission for Africa
EGEE-ICT	Environment in the Information and Communications Technology Sector
ECCAS	Economic Community of Central African States
eCO	Electronic Certificate of Origin
ECOFISH	Ecosystems Improved for Sustainable Fisheries
ECOSOCC	Economic, Social and Cultural Council
ECOWAS	Economic Community of West African States
ECTS	Electronic Cargo Tracking System
EDF	European Development Fund
EDF RIP	European Development Fund – Regional Implementation Plan
EREA	Energy Regulators Association of East Africa
ENABEL	Belgian Development Agency
ESAAML	Eastern and Southern Africa Anti-money Laundering Group
ESA-EPA	Eastern Southern Africa – Economic Partnership Agreement
ESREM	Enhancement of Sustainable Regional Energy Markets
EU	European Union
EU-MIEUX	Migration EU Expertise
FAO	Food Agriculture Organisation
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FIUs	Financial Intelligence Units
FSMA	Food Safety Modernization Act
FTA	Free Trade Area
GDP	Gross Domestic Product
GLTFP	Great Lakes Trade Facilitation Project
GPS	Governance, Peace and Security
GTWG	Gender Technical Working Group
HS	Harmonised System
ICAAP	Internal Capital Adequacy Assessment Process
ICBT	Informal Cross-Border Trade
ICER	International Confederation of Energy Regulators
ICP	International Comparison Programme
ICTs	Information Communication Technologies
IFRS9	International Financial Reporting Standards
IGAD	Intergovernmental Authority for Development
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IOM	International Organization for Migration
IPSAS	Public Sector Accounting Standards
IULTCS	International Union of Leather Technologists and Chemists Society
JICA	Japan International Cooperation Agency
LEAs	Law Enforcement Agencies
MASE	Regional Maritime Security Programme
MCBRTA	Multilateral Cross-Border Road Transport Agreement
M&E	Monitoring and Evaluation
MFN	Most Favored Nation
MoU	Memorandum of Understanding
MNEs	Multinational Enterprises
MSME	Micro Small and Medium Enterprises
MSITS	Manual on Statistics of International Trade in Services
MTSP	Medium Term Strategic Plan
NDC	Nationally Determined Contributions
NDICI	Neighbourhood, Development and International Cooperation Instrument
NIPAs	National Investment Promotion Agencies

NMCs	National Monitoring Committees
NTBs	Non-Tariff Barriers
NTFCs	National Trade Facilitation Committees
NTMs	Non-Tariff Measures
NSC	North-South Corridor
NSDS	National Strategies for the Development of Statistics
OACPS	Organization of the African, Caribbean and Pacific States
OPI	Organizational Performance Indexes
OSBP	One Stop Border Post
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
REO	Regional Economic Outlook
RFB	Regional Fisheries Bodies
RIA	Regional Investment Agency
RICB	Regional Integration Capacity Building Project
RIGO-SS	Regional Intergovernmental Organization-System Strengthening
RIP	Regional Indicative Programme
RIFF	Regional Infrastructure Finance Facility
RIIP	Regional Integration Implementation Programme
RISM	Regional Integration Support Mechanism
RMIC	Resource Mobilization and International Cooperation
ROA	Rest of Africa
ROW	Rest of the World
ROO	Rules of Origin
RRAs	Regional Regulatory Associations
RTIP	Regional Trade Information Portal
SATSD	Support to Air Transport Sector Development
SACREEE	Southern Africa Centres for Renewable Energy and Energy Efficiency
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool
SAATM	Single African Air Transport Market
SACU	Southern Africa Customs Union
SCD	Simplified Customs Document
SDC	Swiss Development Cooperation
SEZ	Special Economic Zones
SMEs	Small and Medium Scale Enterprises
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
T2FP	Tripartite Transport and Transit Facilitation Programme
TBT	Technical Barriers to Trade
TCBP	Tripartite Capacity Building Programme
TDB	Trade & Development Bank
TFA	Trade Facilitation Agreement
TFP	Trade Facilitation Programme
TfP	Trading for Peace

TFTA	Tripartite Free Trade Area
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TIDOs	Trade Information Desk Officers
TIP	Trade Information Portal
TOT	Training of Trainers
TIS	Trade in Services
TSMC	Tripartite Sectoral Ministerial Committee
TTCMS	Trade and Transport Corridor Monitoring System
TTNF	Tripartite Trade Negotiating Forum
TWG	Technical Working Group
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNITAR	United Nations Institute for Training and Research
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
50MAWS	50 Million African Women Speak

MESSAGES





Transmittal Message

COMESA now proudly having attained the “age” of 28 years since its establishment in 1994, has grown into a globally recognised Regional Economic Community which has continued to be a key player in integration efforts of the African continent. Through its regional programmes, COMESA and its specialised institutions have made notable contributions to socio-economic transformation of the region in the areas of trade liberalization and facilitation, customs/border management, transport facilitation, trade and project finance, promotion of gender equality and woman and youth empowerment, institutional development, technical co-operation and capacity development. Further, efforts continue to be made to facilitate policy coordination and cooperation in the productive sectors to enhance value addition and the development of beneficial regional value chains.

The year 2021, marked an important milestone with the development of 2021-2025 COMESA Medium Term Strategic Plan (MTSP). The MTSP draws lessons from the previous strategy and maps a way forward for the organisation to remain “fit for purpose” and continue to spur regional development through its various initiatives. It is important to note that COMESA’s strategy remains aligned to the continental and global development frameworks including the African Union’s Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals. COMESA stakeholders are called upon to commit to the effective implementation of the Strategic Plan.

The year 2021, saw the region slowly recover from the devastating impact of the COVID-19 pandemic which amongst others affected intra-regional trade owing to restrictions on movement across regional borders. It has been reported that COMESA region’s average growth rebounded in the second half of 2021 owing to increased economic activity characterized by significant remittance inflows and the rapid vaccination roll-out across countries in the region.

Working with its development partners, COMESA continued to support market integration with the view of facilitating the smooth flow of goods, persons and services across the COMESA region through its programmes focused on trade facilitation and the promotion of small-scale cross border trade. Efforts continued to be made to develop Digital Free Trade Area Instruments which are critical tools to support intra-regional trade. Guided by the COMESA Industrialization Strategy and Action Plan, COMESA continued to support key priority sectors through its agricultural and industrialisation programmes. Concerning infrastructure development, COMESA amongst others continued to support the development of regional corridors and management of corridor institutions in addition to implementing programmes aimed at improving policy and regulatory frameworks for ICT services in the region and enhancing sustainable regional energy market.

In efforts to promote gender equality and empowerment of women and youth, gender mainstreaming in all programmes was supported in addition to facilitation of the 50 Million Africa Women Speak Project. Further, the promotion of youth engagement in democratic governance and socio-economic development processes was undertaken. Furthermore, as a COVID-19 response, COMESA hosted a meeting of Member States to exchange information and experiences on access, roll-out and uptake of COVID vaccines.

To enhance the effectiveness of the COMESA Secretariat, efforts continued to be made to improve efficiency and workflows and integrate information across identified core processes with the support of our partners.

In November 2021, COMESA successfully hosted its 21st Summit in a hybrid format in Cairo, Egypt which had the highest participation of Heads of State and Government and virtual participants from the region, demonstrating continued commitment to the realisation of the objectives of COMESA. Among the key outcomes of the Summit in addition to the launch of the COMESA 2021-2025 MTSP, was the assumption of Chairmanship of the Authority by the Arab Republic of Egypt.

While noting continued challenges to regional integration, the importance of COMESA programmes now more than ever has been highlighted. There is need for a push in the utilisation of developed digital trade facilitation tools and transport and transit guidelines to improve intra-regional trade, in addition to support to continental initiatives such as the African Free Trade Area. I therefore appeal for renewed political will and commitment from our Member States to COMESA's regional integration agenda and a re-dedication to the ideals and goals set out in the Treaty.

In accordance with the provisions of Article 17, Paragraph 8 of the COMESA Treaty, I have the honour to submit the 2021 COMESA Annual Report.

Chileshe Mpundu Kapwepwe

Secretary General

Common Market for Eastern and Southern Africa (COMESA)



Message from the **Chair of the COMESA Authority**

Recognised by the African Union as one of the eight Regional Economic Communities promoting regional integration efforts on the continent, COMESA has continued to make commendable contributions towards socio-economic and structural transformation in the region since it was established in 1994. Guided by its vision, “To have a fully integrated internationally competitive regional economic community with high standards of living for its entire people, ready to merge into the African Economic Community,” COMESA and its specialised Institutions continues to demonstrate its outstanding technical expertise and robust capacity in developing and driving regionally oriented programmes. These are in the areas of trade, customs and monetary affairs, transport, communication and information technology, energy, industry, gender and youth empowerment, environment and natural resources.

Among the key achievements of COMESA in the areas of focus have been the development and implementation of trade and transport and transit facilitation instruments that have been deployed within and outside of the COMESA and have been beneficial to the promotion of cross border trade along key regional corridors. In the productive sector, COMESA guided by its Industrial Strategy and Action Plan has continued to implement programmes with a focus on building a regionally integrated, diversified, and competitive production capacity. Implemented initiatives are anchored on agriculture, industry and services sectors and based on value addition, diversification, innovation and common regional standards.

Recognising the critical need for people-centred regional development and social inclusion, COMESA has made deliberate efforts to strengthen gender mainstreaming in all programmes and has prioritised women and youth empowerment. In the area of peace and security which is vital to the establishment of a conducive environment in which beneficial trade activities can be conducted across Member States, COMESA has among others, developed mechanisms and tools to address conflict, insecurity and instability in the region and has supported Member States to consolidate democracy and good governance. In keeping up with its mandate to provide excellent technical services to the Common Market, the COMESA Secretariat is undergoing a process of automating identified core processes with the aim of improving efficiency of workflows.

The year 2021, offered a sigh of relief as the region recovered from a challenging period in 2020 owing to the COVID-19 pandemic which had adverse impacts on the social and economic sectors of the region characterised by travel restrictions, lockdown and loss of life. Reports indicate that the COMESA region's average growth rebounded in the second half of 2021, prompting an upward revision in growth estimates from 4.3 percent to 5.9 percent in 2021. It is notable that spurred by the global vaccination drive, Member States embarked on a massive vaccination campaign at the national level. Partners both

at the global and continental levels are commended for ensuring accessibility to COVID-19 vaccines. Moving forward, efforts should continue to be made to facilitate economic and commercial operations across borders which is the cornerstone for intra-regional trade. This should be undertaken alongside vaccine rollout and uptake sensitisation programmes at the national level to safeguard human lives.

In addition to addressing challenges at the macro-economic level brought by volatile commodity prices, rising inflationary pressures, tight global financial conditions, to mention a few, Member States are encouraged to leverage and actively participate in trade facilitation arrangements including the AfCFTA and the Tripartite Free Trade Area 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.

I am pleased to acknowledge the commencement of implementation of the COMESA 2021-2025 Medium Term Strategic Plan (MTSP), a roadmap to guide the pursuit and accomplishment of our regional economic integration objectives. The MTSP puts forward four strategic pillars namely, Market Integration, Physical Integration/Connectivity, Productive Integration and Gender and Social Integration. Aligned to the COMESA Treaty, these areas have been identified as key contributors to sustainable economic and social progress in Member States. To support strategy implementation, the COMESA Secretariat will work towards building institutional capacity through adequate human resources and financial resources in addition to improved performance management, financial management, and donor coordination amongst other initiatives to enhance efficiency.

In conclusion, there is need for continued commitment towards the COMESA integration agenda by our key stakeholders. I commend our development partners for the continued financial and technical support in the implementation of various programmes. I encourage our Member States to fulfil their budgetary commitments in a timely manner which is critical for the sustainability of programmes and greater impact in the long term. Lastly, my gratitude to the Secretariat for the continued service to the Common Market.

His Excellency Abdel Fattah El Sisi

President of the Arab Republic of Egypt

Chairperson of the Authority of the COMESA Heads of State and Government

COMESA Vision

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

COMESA Mission

COMESA's mission is "to endeavour 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 fulfilment 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

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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 located in Lusaka, Zambia.

COMESA Member States

Our members 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 COMESA in 2021, capturing key achievements made and challenges encountered during the year. Notwithstanding the challenges experienced in the period under review owing mainly to the continued COVID-19 pandemic, in the post-recovery period, COMESA continued to work closely with its Member States and development partners to implement integration programmes in the new environment. The Member States and development partners provided the necessary financial and technical resources to support programmes and projects. Predominantly, guided by the new Medium Term Strategic Plan (MTSP) for the period 2021-2025, COMESA continued to facilitate harmonization of policies, standards and regulations in its pillars 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, anchored mainly by the Trade Facilitation Programme (TFP) and the Small-Scale Cross Border Initiative (SSBTI) supported by the EU, COMESA continued to support market integration with the view of facilitating the smooth flow of goods, persons and services across the COMESA region. The TFP is implemented through several initiatives which include amongst others the Digital Free Trade Area (DFTA), the electronic certificate of origin (eCO), customs automation, electronic window, coordinated border management, the Non-Tariff Barriers (NTB) Monitoring System, trade in services, implementation of the WTO TFA, and capacity building for border agencies and other government bodies with mandates to regulate cross-border trade. The SSCBTI aims at facilitating measures specifically for small scale cross-border traders at selected border posts and in the COMESA/Tripartite region. The project focuses on reducing bribery, corruption and harassment experienced by small scale cross-border traders at selected border posts and upgrading border infrastructure at targeted border posts. Further, the project has a specific focus on improving standards and facilities for female traders who make up the majority of small-scale cross border traders in addition to supporting the implementation of the Simplified Trade Regime (STR) and COMESA Green Pass amongst others.

Concerning trade negotiations, COMESA continued to play a significant role in advancing the Tripartite FTA Negotiations as the implementing agency of the Tripartite Capacity Building Programme aimed at supporting Phase II of the conclusion of negotiations and implementation of the Tripartite FTA. Further, COMESA continued to support conclusion of outstanding matters to support operationalisation of the African Continental Free Trade Area (AfCFTA).

The COMESA Economic and Trade Policy Research Programme, held the Annual Research Forum highlighting the role played by research in fostering evidence-based policy making and programme implementation in the areas of economics, trade and regional integration seen through the lens of the COVID-19 Pandemic. Additionally, innovation awards were given to individuals and institutions that have used science, technology and innovation to advance the regional integration agenda. The COMESA Trade Policy Research Programme continued to undertake research studies and prepare policy briefs in addition to supporting operationalisation of the COMESA Virtual Master's Degree Programme in Regional Integration in partnership with universities within the region.

In contributing to the advancement of the agricultural sector in the region, COMESA continued to collaborate with the African Union Commission, other RECS, and partner institutions to support effective implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) Malabo Declaration, the framework guiding agricultural-led transformation and development. In addition to supporting the CAADP process in Member States, COMESA continued to implement the Livestock Development Programme and the Fisheries Programme to raise the capacity and economic productivity of the respective sectors. Working with partners, the COMESA Livestock Development Programme made significant contributions towards improving animal production, productivity and trade in animal and animal products. A key intervention under the COMESA Fisheries Programme which continued to make significant contributions to the Blue Economy is support to the implementation of the Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa, and Indian Ocean Region – E€OFISH Programme. The ECOFISH Project funded by the 11th EDF Programme amongst others aims at enhancing regional policies and institutional frameworks to secure sustainable fisheries management and contribute to marine biodiversity. Further, COMESA continued to implement the SPS/TBT programme aimed at enhancing food and nutrition security and the facilitation of agricultural trade, exports, and investments.

MACRO-ECONOMIC
DEVELOPMENTS
IN THE COMESA REGION IN 2021

1

Chapter One

MACRO-ECONOMIC DEVELOPMENTS IN THE COMESA REGION IN 2021

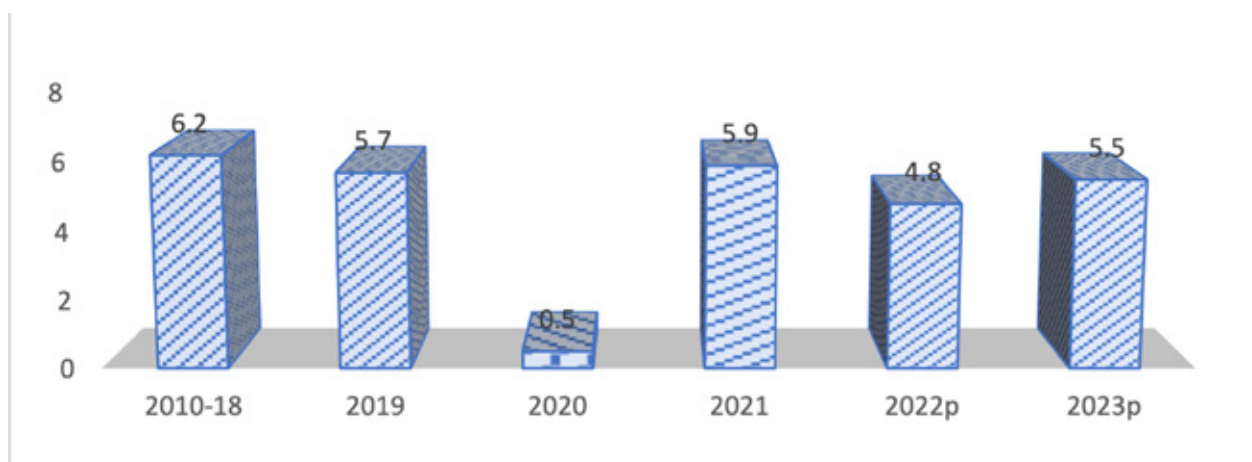
Background

This report presents macroeconomic developments in the COMESA region in 2021. 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 and discusses the risks to the outlook.

Growth

COMESA region's average growth rebounded in the second half of 2021, prompting an upward revision in growth estimates from 4.3% to 5.9% in 2021 (Fig. 1). Country level data suggests that growth recovered in all COMESA member countries, primarily on base effects owing to the sharp contraction in most countries in 2020, and in addition, significant remittance inflows and rapid vaccination roll out particularly for tourism dependent countries where the pandemic continues to pose a drag on recovery.

Figure 1: COMESA Average Real GDP Growth (y-o-y % Change)



Source: IMF REO Sub Saharan Africa April 2022

Going forward, the region's growth momentum is projected to slow in 2022 to 4.8% on confluence of several factors. The global economic shock triggered by the geopolitical tensions—the Russia-Ukraine War is impacting the region through its effect on global commodity prices. Save for the few commodity exporters in the region, which could generate sizable fiscal windfalls as they face stronger global export demand, higher commodity prices could undermine fiscal and external balances in commodity importing countries. This has compounded the pressing policy challenges surrounding the vulnerability to new waves of COVID-19 infections. While vaccination rates have accelerated reaching the IMF-proposed 40% vaccination rates for 2021 in some regional countries such as Rwanda, Mauritius and Seychelles, the rate and pace of vaccination remain both inadequate and comparatively much slower in a large majority of COMESA region countries (REO/Sub Saharan Africa/

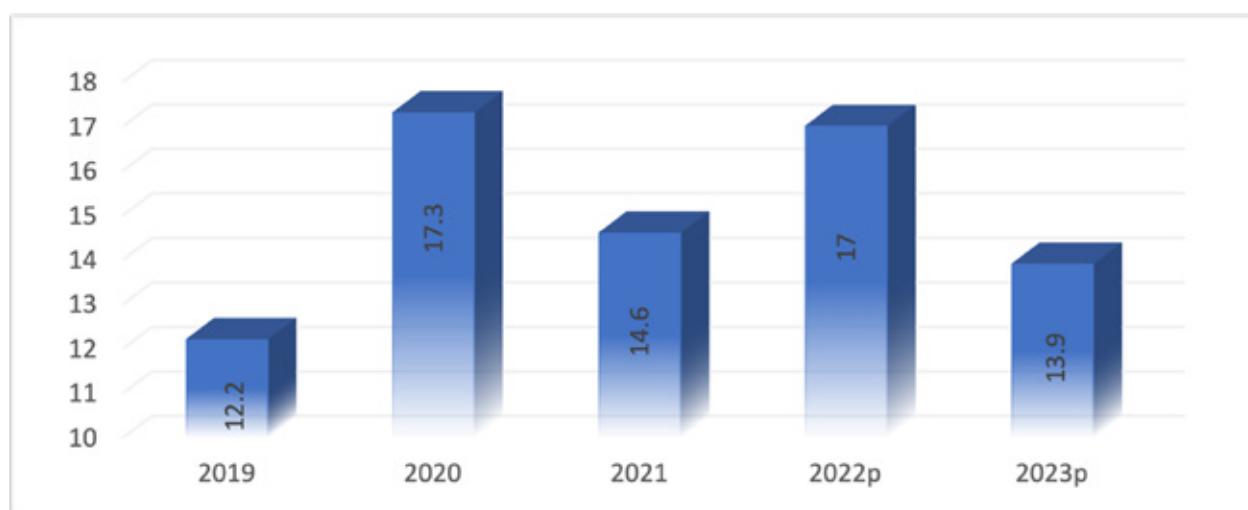
Middle East and Central Asia (April 2022). The slow vaccination roll out in the latter countries increases the vulnerability to new COVID-19 waves and increases the risk of new variants.

Growth is additionally weighed down by sharper-than-expected tightening in financial conditions in advanced economies; several armed conflicts and terrorist threats in some countries; severe exposure to climate related shocks and headwinds from lower global demand on slowdown in global economic activity which is partly due to tightening monetary conditions. The resurgence of Monkeypox epidemic complicates the situation further. Looking further outward, IMF projects the region's growth to accelerate to 5.5% in 2023, albeit remains subdued relative to pre-pandemic.

Inflation Rate

The COMESA region-wide average inflation rate decelerated to 14.6% in 2021 from 17.3% in 2020 (Fig. 2). Nonetheless downside risks to the outlook loom. Country level data suggests strong build-up of inflationary pressures in most COMESA countries in 2021, particularly in countries that either experienced larger depreciations of their currencies or have greater reliance on food imports or suffered droughts, storms and floods which amplified the effect of distortions in global supply chain and a significant increase in international energy prices during the year under review. This notwithstanding, thirteen COMESA member countries, namely Comoros, Djibouti, Egypt, Eritrea, Eswatini, Libya, Kenya, Madagascar, Mauritius, Rwanda, Somalia, Tunisia and Uganda, based on the data at hand, were within the benchmark of the COMESA Macroeconomic Convergence Criteria on average annual inflation rate of 7% (with a band of +/-1%).

Figure 2: COMESA Average Consumer Prices (Annual Av., % Change)



Source: IMF REO Sub Saharan Africa April 2022

Going forward, the region-wide inflation is projected to rise to 17.0% in 2022, largely on escalation of the war in Ukraine and sanctions on Russia, and the tightening of global financial conditions. The latter could lead to strong exchange rate pressure feeding through to domestic inflation while the former could push even higher oil prices—putting further upward pressure on food prices, accelerate further global supply shortages and export restrictions in major commodity and food exporters. Inflation is expected to ease somewhat to 13.9% in 2023 on expected easing of global and local supply challenges, and the likelihood that region's central banks would anchor inflation expectations should inflationary pressures strengthen even more.

Monetary and Macro-Financial Policy and Exchange Rate Developments

During 2020, several Central Banks in the region remained largely supportive—including shifting priority to crisis management objective as an alternative to 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, the central banks 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, inflationary pressure has built and in the context of the war in Ukraine and sanctions on Russia which has quickly reverberated through global financial and commodity markets, the risks to the inflation outlook remain heightened. Output levels, at the same time, remain well below the pre-pandemic level. Regional central banks, thus, face a difficult balancing act between curbing inflation and supporting recovery. Having loosened policy through 2020, central banks need to tighten monetary policy should inflation expectations drift up and tighten financial regulations that may have been relaxed during the pandemic to guard against financial stability risks.

Surging global oil and food prices and tightening global financial conditions associated with the war in Ukraine and sanctions on Russia compounded by heightened market volatility have placed severe fiscal and exchange rate pressure across many countries in the region. The tight global financial conditions could disrupt capital flows to the region at a time they need the flows most, putting a strain on the required resources to deal with the pandemic and support economic recovery. Going forward, should the war escalate, and tight global financial conditions persist, governments might have to either cut spending, or have a buildup in arrears, or allow an increase in domestic borrowing while balancing the consequences this might have on domestic credit and economic recovery, but this should be on market terms.

Although fiscal policy is key in addressing the current challenges posed by the global economic shock triggered by the Russia-Ukraine war and the pandemics, monetary and exchange rate policies can also play an important role in dampening the economic shock. In jurisdictions where inflation is not an immediate concern, central banks should consider holding back on tightening monetary policy in order to provide the economy with the necessary impetus for recovery. Where inflationary pressures have picked, the 2020 rate cuts should be reversed to anchor inflationary expectations. 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. Therefore, monetary tightening may be needed in some countries to support exchange rates, even in the face of weak economic activity.

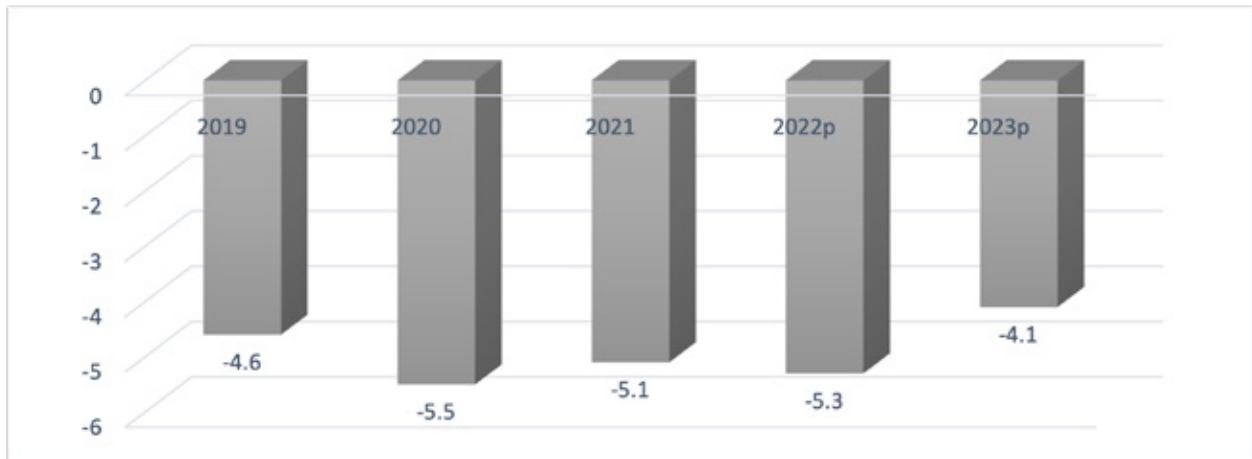
Overall Fiscal Balance Including Grants

The region's average fiscal deficit including grants as a percentage of GDP narrowed to -5.1% in 2021, from -5.5% in 2020 (Fig. 3), mainly on account of economic recovery—higher revenues, resumption of fiscal consolidation in some countries and expiration of pandemic related measures as countries enhanced the roll out and uptake of the COVID-19 vaccines. Indeed, country level REO data suggests that ten (10) COMESA countries, namely, Burundi, DR Congo, Comoros, Djibouti, Eritrea, Ethiopia, Libya, Somalia, Sudan and Zimbabwe were within the threshold of the COMESA Macroeconomic Convergence Criteria on overall budget deficit/GDP ratio (including grants) of 5%.



The overall fiscal balance for 2022 is projected to deteriorate to -5.3%, in particular for net commodity importers, mainly on account of the global commodity price shock, and in general, targeted transfers and subsidies as countries undertake efforts to cushion the vulnerable segments of their populations from the skyrocketing oil and food prices.

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

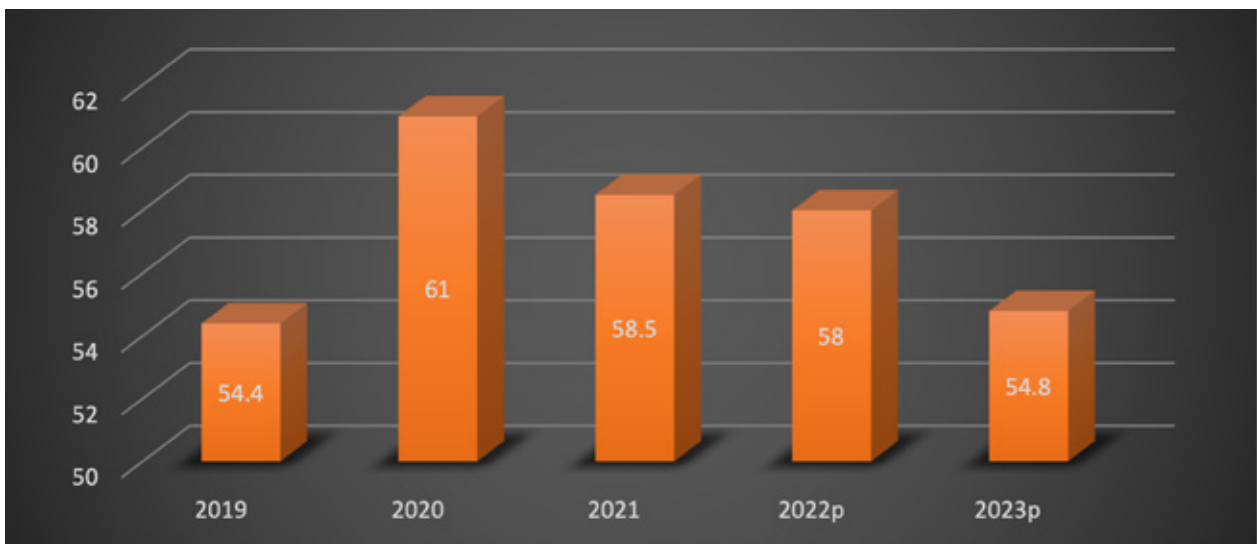


Source: IMF REO Sub Saharan Africa April 2022

Government Debt

The region's average government debt as a share of GDP narrowed to 58.5% in 2021, compared to 61% in 2020, and is projected to ease further to 58% in 2022 and further to 54.8% in 2023 (Fig. 4). The moderation in government debt during the year under review is mainly on account of economic recovery and on continued withdraw of the pandemic-related fiscal measures. Weighed against the revised COMESA Secondary Convergence Indicator on total government debt as a share of GDP of less than 65%, about seven (7) member countries—DR Congo, Comoros, Djibouti, Ethiopia, Eswatini, Madagascar, Malawi and Uganda, kept their debt levels within the threshold.

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



Source: IMF REO Sub Saharan Africa April 2022

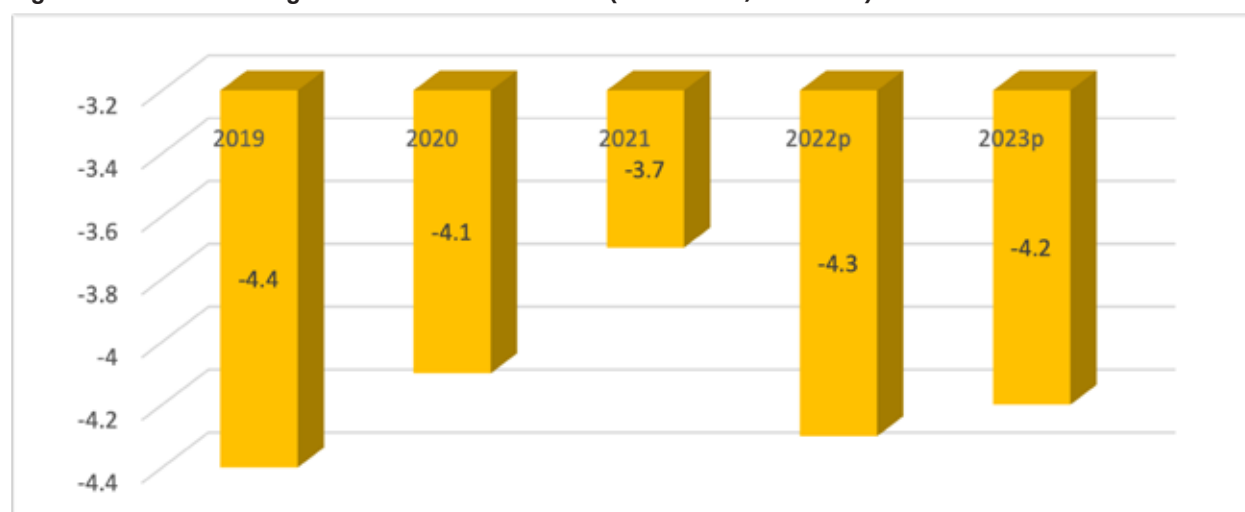
However, going forward, should the targeted transfers and subsidies to vulnerable segments of the populations gain momentum, and new infections and variants compounded by logistical challenges and vaccine hesitancy and weak local health systems lead to renewed lockdowns, regional government debt and financing risks could rise significantly, 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. 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 however 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 Grants

The COMESA region external current account including grants, as a percentage of GDP, improved somewhat to an average of -3.7% in 2021, relative to -4.1% in 2020, but is projected to deteriorate to -4.3% of GDP in 2022, improving albeit marginally to -4.2% of GDP in 2023 (Fig 5). The persistent 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 increases in exports as worldwide demand firmed up, higher export commodity prices for commodity exporters and a resumption of capital inflows, particularly recovery in remittances.

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



Source: IMF REO Sub Saharan Africa April 2022

Going forward, the deterioration in the external current account will be on account of confluence of factors. Lower global demand owing to the slowdown in global economic activity driven by less fiscal stimulus and tighter monetary conditions; and climate change which poses an extreme challenge for the region given its exposure to weather-related shocks.

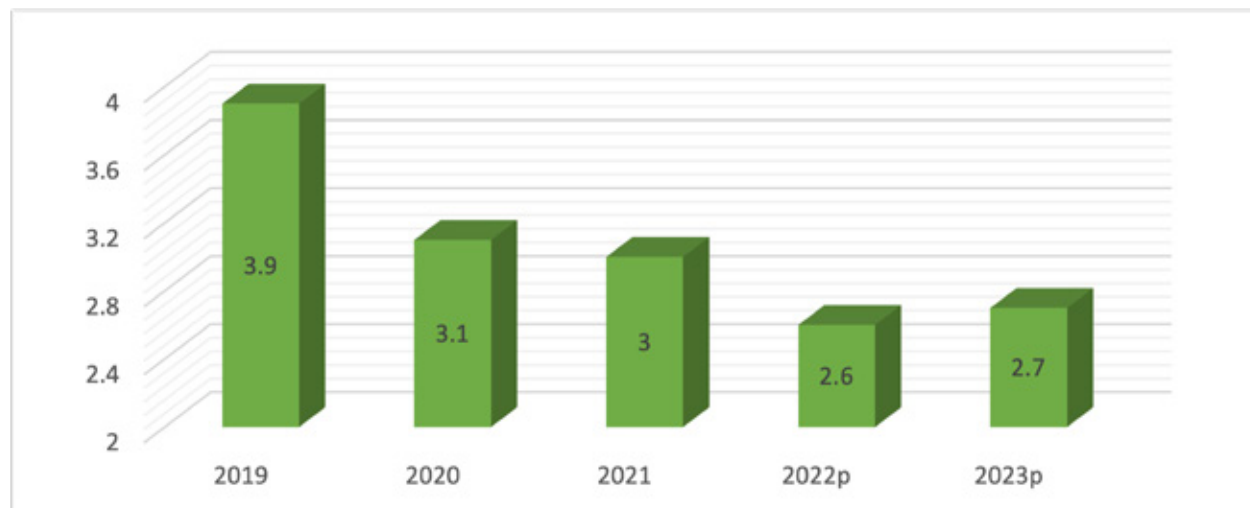
On a good and bad note alike, the crisis due to the pandemics and the geo-political tensions will likely reshape global value chains, bringing challenges but also opportunities for the COMESA region and Africa at large. Strengthening continental value chains should be a priority given the uncertain global 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 RECs 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.

Reserve Accumulation

Adequate reserves help countries better manage their economies and respond to external shocks, while appropriate reserve management is essential for minimizing the opportunity cost of holding reserves and maximizing returns. The COMESA

region external reserve cover dropped further to an average of 3.0 months of imports of goods and services, down from 3.1 and 3.9 months of import of good and services in 2020 and 2019, respectively, and is projected to dip further in 2022 and 2023 to 2.6 and 2.7 months of import of good and services, respectively (Fig. 6). 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 smooth disruptive volatility in the exchange rate and supporting oil and food imports particularly for commodity importing economies of the region.

Figure 6: COMESA Average Reserves (Months of Imports of Goods and Services Cover)



Source: IMF REO Sub Saharan Africa April 2022

Nonetheless, albeit low, the average of three months of future imports of goods and services reserve cover over the last three consecutive years is well within the standard import-cover benchmark for the COMESA Macroeconomic Convergence Criteria on external reserves of equal to or more than three months. As per the data beforehand, eleven COMESA member countries namely, Comoros, Egypt, Eswatini, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Sudan, Tunisia and Uganda met the COMESA Convergence Criteria Threshold on reserves in months of imports of goods and services cover. Further deteriorations in reserves in 2022 and 2023, is largely on anticipated market interventions to offset exchange rate pressures in response to tightening global financial conditions.

Medium Term Prospects and Recommendations

The region faces a particularly challenging environment marked by higher and more volatile commodity prices, rising inflationary pressures, tighter-than-expected global financial conditions, and a lingering pandemic. Fending off these extraordinary headwinds and uncertainties, amidst dwindling policy space, will require the region to:

- i. Accelerate the vaccination campaign to reduce the risk of new COVID-19 waves and the emergence of new variants and the outbreak of monkeypox. Therefore, countries need to address logistical challenges, counter vaccine hesitancy, and enhance vaccination uptake through aggressive awareness campaigns as well as bolstering the resilience of local health systems by investing in therapeutics, testing, and epidemiological surveillance to reduce over reliance on the donor community.
- ii. Carefully strike a balance between containing the ongoing inflationary pressures and supporting the ongoing economic recovery, while at the same time manage exchange rate volatilities in response to tightening global financial conditions.
- iii. Cushion vulnerable segments of their populations from the surging prices of essential commodities without worsening the already high post-pandemic debt vulnerability through a reprioritization of spending. It is a step in the right direction for countries in the region that are cushioning their citizens by raising the minimum wages, putting in place energy subsidies and local tax cuts on goods of common use, while keeping a lid on debt.
- iv. In addition, 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.

- v. 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 need therefore to sustain the emerging pharmaceutical and medical supply industries in a post COVID-19 era.
- vi. 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 a prolonged war in Ukraine and sanctions on exports from Russia may fuel further upward pressure on oil and food prices. This will weigh heavily on the region's commodity-importing countries, exacerbating the burden on vulnerable segments of the populations. Additionally, the region is vulnerable to tightening in global financial conditions and slowdown in global demand. Locally, the slow vaccine rollout increases the vulnerability of the region to new COVID-19 waves and could favor the emergence of new variants. This, compounded with several armed conflicts and terrorist threats and climate related shocks poses serious risks to economies of COMESA member countries.

References

1. IMF REO Sub Saharan Africa (April 2022)
2. IMF REO Middle East and Central Asia (April 2022);
3. IMF Article IV Consultations Staff Country Reports
4. AfDB African Economic Outlook (March 2022)



2

Chapter Two

IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES

IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES

COMESA Global Trade Performance

Focusing on merchandise trade, COMESA's trade performance in 2020 was negatively affected by the COVID-19 pandemic. As captured by COMSTAT¹, the region's total exports to the world decreased by 27 percent from US\$123.4 billion in 2019 to US\$ 90.3 billion in 2020. Concomitantly, the value of COMESA's global imports also decreased by 29 percent from US\$ 346 billion in 2019 to US\$ 249 billion in 2020.

Table 1: COMESA's Global Trade (US\$ Millions)

	2016	2017	2018	2019	2020
Total exports	87,152	107,255	128,270	123,392	90,253
Total Imports	186,841	181,525	210,895	223,078	159,077
Total trade	273,992	288,780	339,165	346,469	249,330
Trade balance	-99,689	-74,270	-82,625	-99,686	-68,825

Source: modified from COMESA (2021)²

The breakdown of 2019-2020 changes in COMESA exports and imports at the Member State level is presented in Table 2. On the export side, Eritrea (99.6%), Libya (91.4%) and Somalia (90.3%) experienced the largest total export declines in the region in 2020 whereas Rwanda (21.96%), Seychelles (15.8%) and Kenya (11.8%) saw the largest export growths in the same year. In terms of imports, Eritrea (73.6%), Libya (80.6%) and Somalia (84.3%) recorded the largest declines in imports while Comoros (12.8%), Rwanda (11.7%) and Zimbabwe (5.1%) recorded the largest increases in imports over the period. Clearly, Eritrea, Libya and Somalia bore the brunt of both export and import deteriorations whereas Rwanda was the only country to experience top-three increases in both export and import growth over the period.

¹ The statistics captured on COMSTAT are typically different in magnitude from those captured on UNCTADStats and other databases. This is based on definitional differences with trade statistics in COMSTAT capturing the value of trade on a CIF (Cost, Insurance and Freight) basis and UNCTADStats basing its BOP statistics on FOB (Free on Board) basis.

² COMESA (2021) "2021 COMESA International Trade Statistics", Bulletin No. 20, Common Market for Eastern and Southern Africa, August

Table 2: Global COMESA Trade by Country, 2019-2020 (US\$ Million)

Country	2019		2020		% Change (2019-2020)	
	Total exports	Imports	Total exports	Imports	Total exports	Imports
Burundi	143	889	101	915	-29.52	2.94
Comoros	49	204	21	230	-57.76	12.77
DR Congo	13,135	8,626	14,056	6,996	7.02	-18.89
Djibouti	301	1,224	242	959	-19.78	-21.62
Egypt	29,169	71,405	23,919	54,015	-18.00	-24.35
Eritrea	450	506	2	134	-99.61	-73.60
Eswatini	2,001	1,840	1,752	1,599	-12.45	-13.11
Ethiopia	2,145	15,807	2,243	14,210	4.56	-10.10
Kenya	5,844	17,473	6,532	16,400	11.77	-6.14
Libya	26,180	17,848	2,256	3,462	-91.38	-80.60
Madagascar	1,934	3,560	1,380	2,911	-28.66	-18.24
Malawi	897	2,888	771	2,692	-14.12	-6.77
Mauritius	1,902	5,668	1,550	4,241	-18.51	-25.18
Rwanda	1,177	3,142	1,436	3,510	21.96	11.71
Seychelles	850	1,959	985	1,586	15.83	-19.05
Somalia	385	4,809	37	754	-90.34	-84.32
Sudan	5,396	10,632	3,532	7,589	-34.55	-28.62
Tunisia	16,562	33,876	13,849	18,423	-16.38	-45.62
Uganda	3,554	8,739	3,379	8,085	-4.91	-7.49
Zambia	7,047	7,180	7,817	5,319	10.92	-25.93
Zimbabwe	4,269	4,804	4,395	5,048	2.95	5.08
COMESA	123,392	223,078	90,253	159,077	-26.86	-28.69

Source: modified from COMESA (2021)

COMESA (2021) reports that the negative overall export performance in 2020 was on account of decreases in exports of fuels, manufactures and agricultural raw materials between 2019 and 2020. In value terms, fuel exports i.e., exports of crude petroleum oil, medium, light oils and natural gas declined by 76 percent from US\$ 33 billion in 2019 to US\$ 8 billion in 2020. The COVID-19 travel restrictions in 2020 largely accounts for the observed 76 percent decline in fuel exports from the region in 2020. This was particularly associated with exports from fuel exporting countries such as Egypt, Libya, and Tunisia.

Notable declines in the values of manufactured exports were observed in 2020. Among the exporting countries in the COMESA region, the largest contributors to this decline were the DR Congo, Uganda, Tunisia, Egypt and Eswatini. Jointly, these registered a combined 26 percent decrease in exported assorted products values of cobalt hydroxide, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognized face value, electric conductors, urea, reception apparatus for television, parts of aeroplanes or helicopters, n.e.s, Footwear, special garments for professional, sporting or other purposes, n.e.s, mixtures of odoriferous substances and phosphoric acid in 2020 compared to 2019.

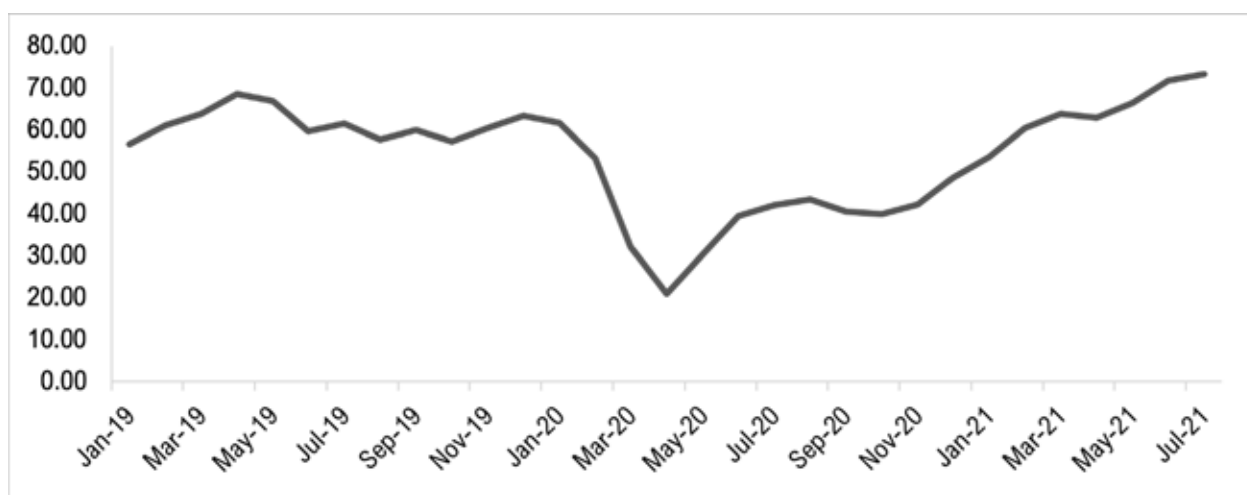
Agricultural raw material exports are another sector that recorded notable declines in 2020. This decline mainly affected the exporting countries such as Sudan, Egypt, Somalia, Zambia, and Zimbabwe.

International Commodity Prices

The review of commodity price movements for selected major goods exported by COMESA economies covers the period January 2019 to Jul 2021.

Oil and Petroleum: Over the period January to December 2020, average crude oil prices stood at US\$ 41 per barrel, depicting a significant decrease from US\$ 61 per barrel, the average price that was reported over the previous period from January to December 2019. In the COMESA region, the countries that were most significantly affected by the price variability were Libya, Egypt, Tunisia and Sudan.

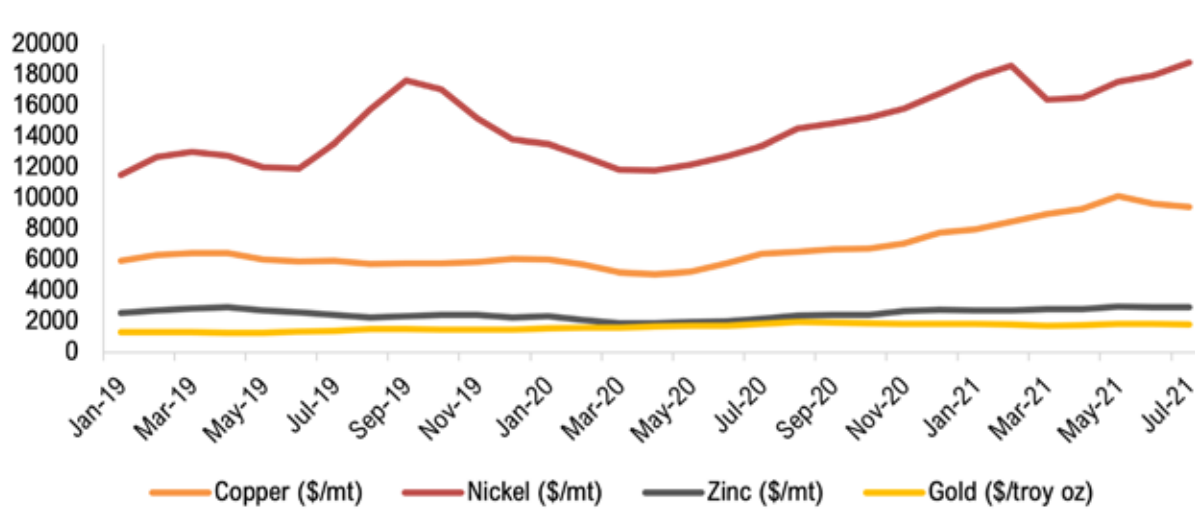
Figure 7: Monthly Average Crude Oil Prices, (\$/bbl)



Source: COMESA (2021)

Minerals and Metals: In the minerals and metals group, average monthly prices of the four major exports from the region were reviewed, namely: copper, gold, zinc, and nickel. Over the period January to December 2020, average copper prices stood at US\$ 6,174/Mt above the average of US\$ 6,010/Mt recorded the previous year. During the period 2020 from January to April, average monthly copper prices decreased steadily before beginning to increase for the period May to December 2020. Average monthly prices then peaked in the month of December closing the year 2020 at levels of US\$ 7,772/Mt. Copper prices continued to increase in 2021 peaked in May at US\$ 10,162/Mt. and began to decrease in the month of June to July 2021 closing at a monthly average of US\$ 9,451/Mt. in July 2021. The major exporters of copper from the COMESA region are Zambia and DR Congo.

Figure 8: Monthly Average Prices for Selected Minerals and Metals

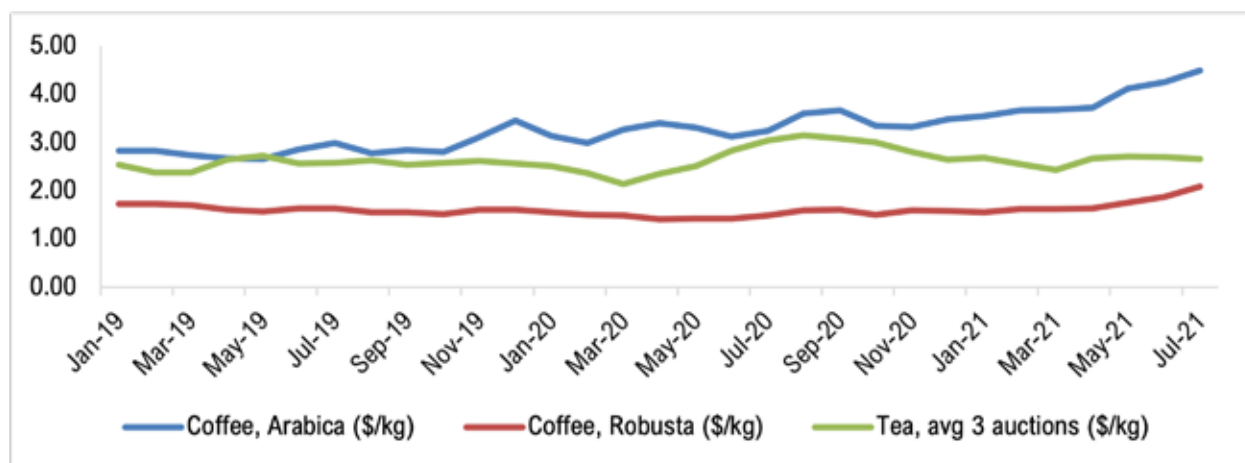


Source: COMESA (2021)

Over the same period, average monthly prices for gold increased fairly with an annual average price of US\$ 1,770/troy oz, an increase from the previous period’s annual average price of US\$ 1,392/troy oz. Countries exporting gold in the COMESA region are mainly Sudan, Zimbabwe, Zambia, Madagascar and Egypt. The annual average price for Nickel declined from US\$ 13,914/Mt for the period January – December 2019 to US\$ 13,787/Mt for the period January to December 2020. Countries in the COMESA region that export nickel are Zimbabwe and Madagascar. In January 2020, the average monthly price for Zinc stood at US\$ 2,266/Mt, a slight decline from the average monthly price of US\$ 2,550/Mt in 2019.

Beverages: In the beverages group, the COMESA review looked at the average monthly prices for tea (average of three auctions i.e., Colombo, Kolkata and Mombasa) and coffee (both Arabica and Robusta). Over the period under review, average monthly prices for tea, for the three auctions stood at US\$ 2.7/kg in 2020, a slight increase from the average monthly price of US\$ 2.56/kg recorded in 2019 (Figure 9).

Figure 9: Beverages Price Averages

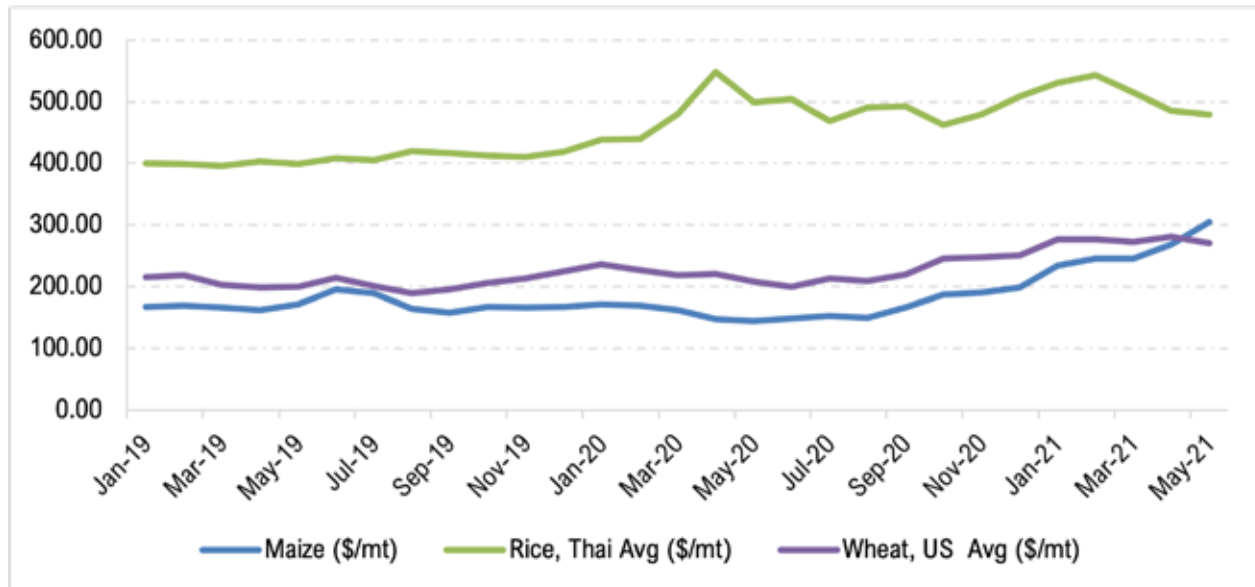


Source: COMESA (2021)

Average monthly prices for Arabica coffee also increased from levels of US\$ 2.88/kg in 2019 to US\$ 3.32/kg in 2020. The average monthly prices for Robusta Coffee declined from US\$ 1.62/kg in 2019 to US\$ 1.52/kg in 2020. In the COMESA region, outstanding exporters of coffee are Ethiopia, Kenya, Rwanda, Burundi, and Uganda, and in 2020 their exports earnings were worth US\$ 796 million, US\$ 211 million, US\$ 53 million, US\$ 28 million, and US\$ 27 million respectively.

Grains: In the grains category, movements in average monthly prices for maize, rice, and wheat were reviewed in relation to Figure 10. Average annual prices for maize decreased from US\$ 170/Mt in 2019 to US\$ 165/Mt in 2020. The average monthly prices where the lowest average price at US\$ 144/Mt in May 2020 and then increased to levels of US\$ 190/Mt in November 2020 before rising to US\$ 198/Mt in December 2020. Average monthly prices for Thailand rice, of 5 percent, 25 percent and A.1, stood US\$ 439/Mt in January 2020 and reached an all-time high of US\$ 548/Mt in April 2020, dropped to US\$ 479/Mt in November 2020 and again rose to US\$ 508/Mt in December 2020.

Figure 10: Average Prices for Selected Grains

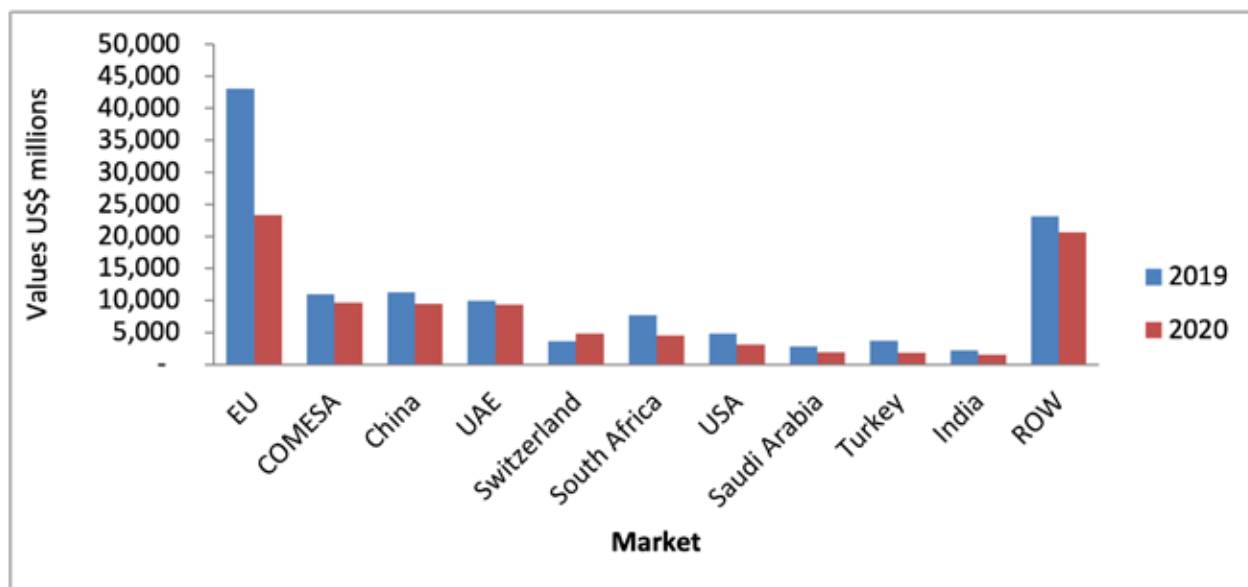


Source: COMESA (2021)

COMESA’s Trade with Key International Markets

During 2019-2020, COMESA’s Top-10 trading partners were: EU, COMESA, China, UAE, Switzerland, South Africa, USA, Saudi Arabia, Turkey and India. COMESA’s trade with each of these markets as well as with the rest of the world is reviewed in Figure 11. COMESA’s exports to the EU decreased by 46 percent, in nominal value terms from US\$43 billion in 2019 to US\$23 billion in 2020. COMESA’s major export products to the EU were crude petroleum, refined petroleum, electric conductors, virgin olive oil, fresh cut roses, prepared or preserved tunas, men’s or boys’ trousers and coffee primarily exported by Libya, Egypt, Kenya, Tunisia, Ethiopia, Seychelles, Mauritius, Uganda and Rwanda.

Figure 11: COMESA’S Major Export Trade Markets: 2019 - 2020



Source: COMESA (2021)

The COMESA region was ranked as the second largest export market for COMESA products. Intra-COMESA exports decreased by 11 percent from US\$ 10.9 billion in 2019 to US\$ 9.7 billion in 2020. China was COMESA's third largest export destination. The value of exports to China decreased from US\$ 11.2 billion in 2019 to US\$ 9.5 billion in 2020. Products that contributed to this decrease from the region were crude petroleum oil, copper ores and concentrates, refined copper, zinc ores and concentrates, nickel, gold, fresh or dried oranges, natural gas and oil cake and other solid residue whose combined export value decreased from US\$ 7 billion in 2019 to US\$ 1.7 billion in 2020.

The value of COMESA's exports to United Arab Emirates dropped from US\$ 9.9 billion in 2019 to US\$ 9.4 billion in 2020. The decline was registered in exports of gold, crude and light petroleum oils, refined copper, articles of jewellery, industrial diamonds, and cobalt oxides and hydroxides. The combined export value of these products was US\$ 3.2 billion in 2020 down from US\$ 5.8 billion in 2019.

South Africa was ranked 6th as the region's export destination market. Exports to South Africa significantly dropped to US\$ 4.5 billion in 2020 from US\$ 7.8 billion in 2019. Major products backing this trend were cobalt oxides and hydroxides, refined copper, gold, ferro-chromium, mixtures of odoriferous substances and tobacco which accounted for 50 percent of COMESA's exports to South Africa.

The value of COMESA's exports to Switzerland which was ranked 5th as COMESA's destination market in 2020 (mainly with exports of copper, cobalt oxides and hydroxides, nickel ores and concentrates, tobacco, gold, and crude petroleum oils), registered an increase of 33 percent in nominal value terms from US\$ 3.6 billion in 2019 to US\$ 4.8 billion in 2020.

The EU maintained the largest market share of COMESA's exports, with a market share of 26 percent, down from 35 percent registered the previous year. COMESA and China were both the second largest markets for COMESA's exports in 2020. Coincidentally market shares also grew by 2 percent points from 9 percent in 2019 to 11 percent in 2020.

United Arab Emirates was in third position with an increased market share from 8 percent in 2019 to 10 percent in 2020. The Switzerland export market share increased by 2 percent points from 3 percent in 2019 to 5 percent in 2020. The South African market share declined slightly by 1 percent from 6 percent to 5 percent between 2019 and 2020.

Table 3: COMESA Key Export Market Shares (% of total), 2019 and 2020

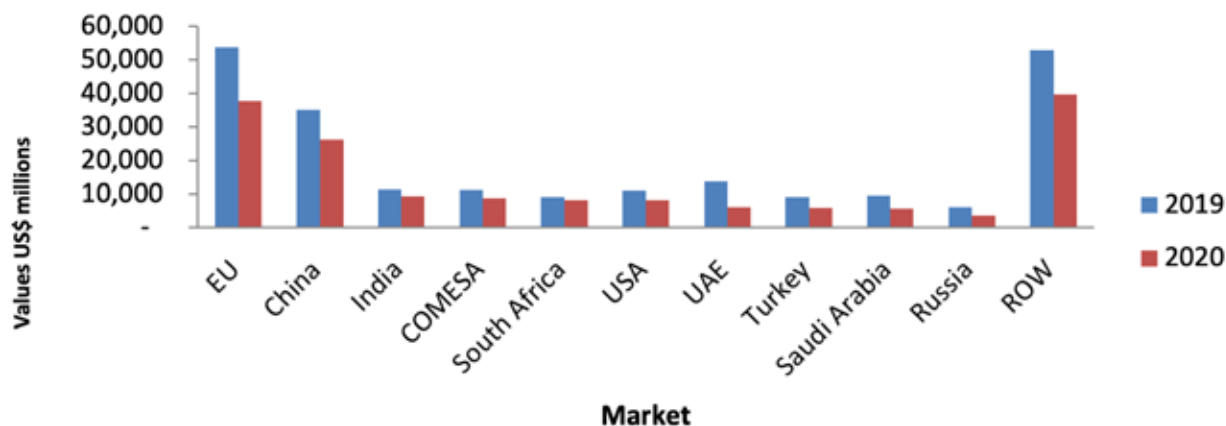
Export Market	Market Share 2019	Market Share 2020
EU	35%	26%
COMESA	9%	11%
China	9%	11%
UAE	8%	10%
Switzerland	3%	5%
South Africa	6%	5%
USA	4%	3%
Saudi Arabia	2%	2%
Turkey	3%	2%
India	2%	2%
ROW	19%	23%
COMESA (Total)	100%	100%

Source: COMESA (2021)

On the import side, EU and China remained the major sources of imports for products into the COMESA region. The value of COMESA's imports from the EU significantly declined by 30 percent from US\$54 billion in 2019 to US\$38 billion in 2020. Major contributors to the decline were imports of refined petroleum oils, motor cars, liquefied butane gas, fresh apples, dredgers, wheat, tomatoes, medicaments and articles of iron or steel. The values of imports from China also decreased significantly by 25 percent from US\$ 35 billion in 2019 to US\$ 26 billion in 2020. India was the third major source of imports

into the region, COMESA's imports from India decreased by 18 percent from US\$11.4 billion to US\$9.4 billion between 2019 and 2020. Imports sourced from the COMESA market decreased from US\$11.3 billion in 2019 to US\$8.7 billion in 2020.

Figure 12: COMESA's Major Import Trade Markets: 2019 - 2020



Source: COMESA (2021)

Consideration of the main import source markets for the COMESA region, shows that the market share of EU's and China's imports remained constant at 24 percent and 16 percent respectively during the period under review. India's import market share increased by 1 percent from 5 percent in 2019 to 6 percent in 2020. COMESA, USA, Turkey, Saudi Arabia and Russia market shares remained the same while South Africa and United Arab Emirates import market shares dropped.

Table 4: COMESA Key Import Market Shares (% of Total), 2019 and 2020

Import Market	Market Share 2019	Market Share 2020
EU	24%	24%
China	16%	16%
India	5%	6%
COMESA	5%	5%
South Africa	4%	5%
USA	5%	5%
UAE	6%	4%
Turkey	4%	4%
Saudi Arabia	4%	4%
Russia	3%	2%
ROW	24%	25%
COMESA (Total)	100	100

Source: COMESA (2021)

Tables 5 and 6 highlight the key export and import markets, respectively, for the COMESA region by Member States in 2020.

Table 5: Key Export Markets for COMESA Member States, 2020 (US\$ Millions)

Market	China	COMESA	EU	India	Saudi Arabia	South Africa	Switzerland	Turkey	UAE	USA	ROW	Total
Burundi	2.0	44.7	16.2	0.1	0.0	0.0	6.9	0.0	8.0	1.5	21.3	100.7
Comoros		1.9	10.7	5.0	0.1			0.1	0.7	1.2	1.1	20.7
Congo DR	5,766.9	1,290.5	183.8	40.2	0.2	1,087.1	837.3	0.9	857.4	8.3	3,983.7	14,056.4
Djibouti	1.4	13.3	12.0		37.5			0.4	1.8	0.9	174.4	241.7
Egypt	536.8	1,954.2	6,320.3	1,058.8	1,501.3	63.9	131.7	1,472.9	2,631.2	1,298.1	6,950.3	23,919.4
Eritrea		0.6	0.6			0.1	0.0			0.3	0.1	1.7
Eswatini	0.0	215.9	93.5	0.0	0.5	1,138.0	1.1	0.0	0.7	25.9	276.4	1,752.1
Ethiopia	73.5	446.7	510.4	47.8	185.6	6.9	3.0	37.5	163.9	159.0	608.6	2,242.8
Kenya	154.5	1,774.9	1,522.6	75.5	83.2	35.3	26.6	27.6	358.4	508.7	1,964.6	6,531.7
Libya		81.0	1737.6			0.0	143.3			222.6	71.4	2,255.8
Madagascar	110.7	45.4	402.8	75.3	1.0	8.9	13.8	10.9	75.9	314.1	321.0	1,379.8
Malawi	33.2	159.8	312.2	4.6	0.8	48.0	26.0	1.9	15.0	35.4	133.9	770.8
Mauritius	23.9	195.2	670.2	32.3	3.5	183.1	21.4	1.2	5.8	150.2	263.1	1,549.8
Rwanda	8.1	472.8	65.5	15.6	1.1	0.9	11.9	55.5	668.4	19.4	116.5	1,435.7
Seychelles	0.4	16.5	325.0	2.8	5.2	3.4	1.1	3.8	114.4	4.0	508.0	984.8
Somalia		6.1	6.4			0.1	0.0			0.5	24.1	37.2
Sudan	1,268.1	303.0	126.4	37.2	83.0	0.0	0.0	26.9	1,597.6	2.3	87.4	3,531.7
Tunisia	44.0	563.5	10,256.0	69.0	27.5	11.0	123.5	158.6	61.2	294.1	2,240.4	13,848.9
Uganda	3.0	608.3	485.8	11.0	2.9	8.5	24.5	11.5	1,897.1	41.5	285.3	3,379.4
Zambia	1,458.6	1,270.9	181.6	40.0	0.0	198.8	3,461.7	0.3	22.5	22.9	1,159.2	7,816.6
Zimbabwe	0.0	235.1	78.7	0.0	1.2	1,730.5	1.5	0.0	891.2	0.7	1,456.0	4,394.8
COMESA	9,484.9	9,700.3	23,318.2	1,515.3	1,934.4	4,524.4	4,835.2	1,810.0	9,371.3	3,111.7	20,646.9	90,252.5

Source: COMESA (2021)

Table 6: Key Import Markets for COMESA Member States, 2020 (US\$ Millions)

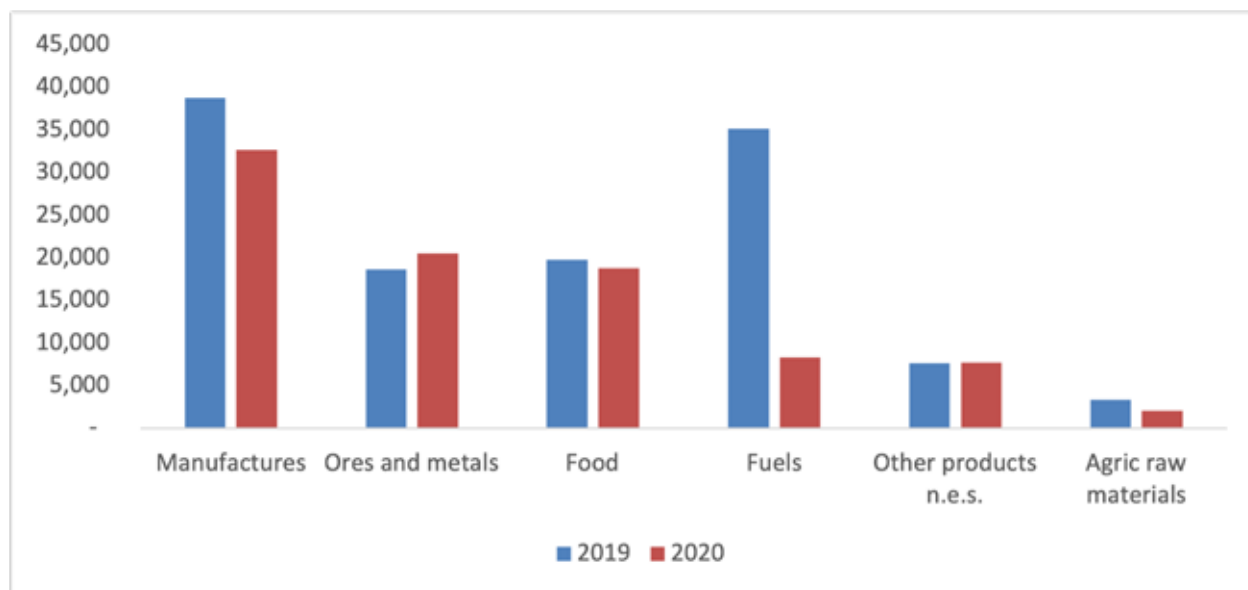
Market	China	COMESA	EU	India	Russia	Saudi Arabia	South Africa	Turkey	UAE	USA	ROW	Total
Burundi	1391	180.5	1284	84.9	8.9	111.0	13.7	9.9	63.3	10.9	164.2	914.8
Comoros	16.8	10.7	45.2	9.0		5.0	5.7	14.2	49.8	0.3	72.9	229.6
Congo DR	1,793.8	587.7	9071	334.8	1030	70.6	659.4	75.6	210.3	1,425.8	828.1	6,996.2
Djibouti	75.2	71.9	130.8	8.4		46.4	2.4	40.7	72.8	171.5	339.4	959.4
Egypt	8,062.3	698.5	15,306.9	2,118.4	2,211.9	3,406.8	52.6	2,684.8	1,236.7	3,619.1	14,617.4	54,015.4
Eritrea		870	15.5				10.2			19.0	1.8	133.5
Eswatini	118.0	26.8	74.9	54.3	0.7	9.4	1,145.8	1.0	12.7	28.2	126.7	1,598.6
Ethiopia	4,258.4	393.3	1,620.6	1,472.4	51.0	359.2	165.1	779.1	657.5	734.4	3,718.5	14,209.6
Kenya	3,557.8	1,018.2	2,322.0	1,854.5	381.5	721.9	462.5	199.8	97.1	560.8	4,344.2	16,400.3
Libya		1,070.6	1,818.5				3.5			335.3	234.4	3,462.2
Madagascar	663.0	147.5	629.9	250.9	12.6	42.8	102.6	76.6	239.7	31.7	713.3	2,910.5
Malawi	435.6	217.1	293.8	208.8	19.4	44.0	553.4	9.9	269.9	29.3	611.0	2,692.2
Mauritius	701.8	153.3	995.2	404.8	1.6	6.3	325.0	79.2	526.5	69.4	978.0	4,241.0
Rwanda	660.0	520.7	326.1	278.5	47.7	45.9	144.6	53.1	221.9	71.2	1,140.5	3,510.0
Seychelles	43.3	43.4	485.0	48.0	0.9	2.5	49.1	16.6	291.6	15.0	590.5	1,585.9
Somalia		507.6	87.2				11.9			61.8	85.7	754.2
Sudan	829.1	503.7	1,775.0	648.9	125.7	284.0	2.3	714.7	318.1	18.6	2,369.1	7,589.3
Tunisia	1,971.4	336.1	9,187.7	286.4	381.1	207.7	7.2	924.3	126.3	533.2	4,461.9	18,423.3
Uganda	1,550.5	1,325.1	811.4	883.7	82.7	172.9	227.6	61.3	218.1	185.8	2,565.7	8,084.7
Zambia	896.3	422.0	523.5	285.8	34.0	45.1	1,763.3	32.9	469.2	119.1	727.5	5,318.7
Zimbabwe	470.7	349.4	289.6	162.3	12.5	8.0	2,488.9	20.0	71.4	55.4	1,119.8	5,047.9
COMESA	26,243.1	8,670.9	37,774.4	9,394.9	3,475.1	5,589.4	8,196.6	5,793.8	6,032.9	8,095.6	39,810.6	159,077.3

Source: COMESA (2021)

Merchandise Export Trade by Product

Performance of COMESA exports by sector is highlighted in Figure 13. The exports of manufactures from the region decreased by 16 percent from US\$ 39 billion in 2019 to US\$ 33 billion in 2020. Manufactures are the largest export product sector for the region, and these accounted for 36 percent of COMESA's total exports in 2020.

Figure 13: COMESA Exports by Sector, 2019 and 2020



Source: COMESA (2021)

Major COMESA exporters of these manufactures in 2020 were Egypt, Tunisia, DR Congo, and Kenya with a combined export market share of 84 percent. COMESA's exports of ores and metals increased by 10 percent in nominal value terms from US\$ 19 billion in 2019 to US\$ 20 billion in 2020. The increase was mainly due to rise in average prices of copper and gold during the period under review, Copper from US\$ 6,010/Mt to US\$ 6,174/Mt and gold from US\$ 1,392 (\$/troy oz) to US\$ 1,770 (\$/troy oz) between 2019 and 2020. Countries that contributed to this performance were DR Congo, Zambia, Zimbabwe, and Kenya.

Exports of food products in 2020 declined by 5 percent compared to 2019. Major food export commodities from the region in 2020 were tea, sesame seeds, tobacco, coffee, virgin olive oil, oranges fresh/dried, vanilla, raw cane sugar, tuna, groundnuts and fresh or chilled vegetables. Major exporters of vegetables and fruits from the region in 2020 were Egypt, Kenya, Ethiopia, and Tunisia. Egypt's exports of vegetables slightly declined by 8 percent from US\$ 2.9 billion in 2019 to US\$ 2.7 billion in 2020. Kenya's exports of vegetables and fruits grew by 25 percent from US\$ 554 million to US\$ 690 million between 2019 and 2020. Ethiopia's exports of the same products increased by 1 percent from US\$ 563 million to US\$ 567 million and Tunisia's exports of vegetables significantly declined by 14 percent from US\$ 470 million to US\$ 406 million during the period under review.

COMESA's exports of fuels significantly declined from US\$ 35.2 billion in 2019 to US\$ 8.4 billion exported in 2020, representing a 76 percent decline. This is attributable to the average price of crude petroleum oil that declined from US\$ 61 per barrel in 2019 to US\$ 41 per barrel in 2020. In the same year, Libya exported petroleum crude oil, butanes, liquefied and propane, liquefied worth over US\$ 2 billion, a decline from US\$ 25 billion exported in 2019. Libya's exports of oils were mainly to the EU, USA, Switzerland, Japan, and COMESA. Exports of Egyptian light oils & medium oils preparations and natural gas, liquefied, decreased by 43 percent from US\$ 7.5 billion in 2019 to US\$ 4.2 billion in 2020 and these were destined to several export markets but mainly to the EU, India, Malta, China, South Korea, and Saudi Arabia. Tunisia's exports of the same product registered a decline of 43 percent from US\$ 1.4 billion in 2019 to US\$ 782 million in 2020.

Tobacco exports registered a decline of 5.1 percent in 2020 compared to 2019. Zimbabwe, the largest COMESA exporter registered slight a decline of 3 percent in nominal value terms, the decline was from US\$ 818 million to US\$ 795 million, while Malawi, the second largest exporter in region registered a significant decrease of 18 percent from US\$ 494 million

to US\$ 406 million. Other notable countries that contributed to the tobacco export decline were Egypt, Tunisia, Uganda, and Seychelles by 12 percent, 40 percent, 53 percent and 67 percent respectively. During the period under review some countries from the region that registered growth in the exports of tobacco, and these were Kenya with an increase of 36 percent in nominal value terms from US\$ 130 million to US\$ 176 million. Other notable exporter countries were Zambia (from US\$ 70 million to US\$ 117 million), and Burundi (from US\$ 4 million to US\$ 7 million).

The performance of COMESA's coffee exports between 2019 and 2020 was as follows; Ethiopia export of the commodity declined from US\$ 799 million to US\$ 798 million. Kenya exports increased by 6 percent from US\$ 205 million to US\$ 218 million, Rwanda (from US\$ 87 million to US\$ 56 million), Burundi (from US\$ 38 million to US\$ 28 million), and Uganda (from US\$ 26 million to US\$ 28 million). With regards to COMESA's tea exports, the following export performance was recorded in 2020; Kenya (20%), Rwanda (-19%), Malawi (-5%), Burundi (17%), Zimbabwe (-23%), Egypt (-13%) and Uganda (-20%).

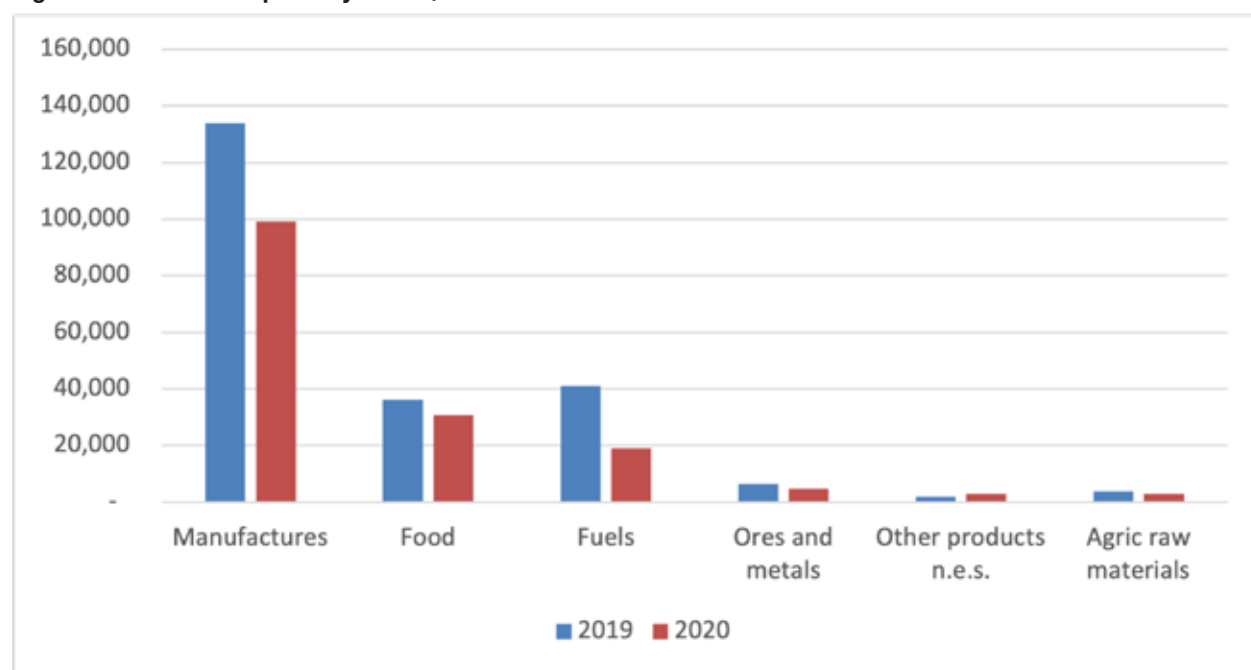
Major exporters of raw cane sugar, from the COMESA region in 2020 were Eswatini, Mauritius, Zambia, Zimbabwe, Malawi, Egypt and Uganda. Eswatini's exports of raw cane sugar in 2020 were worth US\$ 375 million an increase of 3 percent from US\$ 364 million exported in 2019. The raw cane sugar was mainly destined to South Africa, EU, COMESA, and USA markets

Merchandise Import Trade by Product

Imports of manufactured products into the COMESA region declined by 26 percent from US\$ 134 billion in 2019 to US\$ 99 billion in 2020. Imports of manufactures accounted for 62 percent of COMESA's total imports in 2020. The major products that contributed to this decline were telephones for cellular networks imported by Libya, Egypt, and Somalia whose imports dropped from US\$ 2.5 billion to US\$ 782 million between 2019 and 2020. Imports of semi-finished products of iron also dropped from US\$ 972 million to US\$ 221 million between 2019 and 2020. Imports of motor cars into the COMESA market also declined from US\$ 3.3 billion to US\$ 1.7 billion during the period under review. Major importers of motor cars in the region in 2020 were Libya, Sudan, and Egypt.



Figure 14: COMESA Imports by Sector, 2019 and 2020



Source: COMESA (2021)

The region's imports of food products declined by 15 percent from US\$ 36 billion in 2019 to US\$ 31 billion in 2020. Imports of food products accounted for 19 percent of total imports in 2020. Major foods products imported in the region in 2020 were wheat, maize, soya bean, palm oil, crude palm oil, frozen boneless meat, semi-milled or wholly milled rice, food preparation, cane or beet sugar, sugars in solid form, and sunflower-seed or sunflower oil. In 2020, imports of fuels by the COMESA region amounted to US\$ 19 billion, down from US\$41 billion in 2019. Egypt, Kenya, Tunisia, Ethiopia, and Sudan were the major importers of fuels in the region in 2020.

Intra-COMESA Trade Exports

The value of intra-COMESA total exports declined by 11 percent from US\$ 10.9 billion in 2019 to US\$9.7billion in 2020. Exports of fuels, sesame seeds, tobacco, liquefied butane gas, sulphuric acid, beans, portland cement, mixtures of odoriferous substance, cotton, refined copper and black fermented tea were the major contributors to this overall decline in 2020. The closure of borders and other restrictions due to the COVID-19 pandemic affected the exports of these products in the region during the period under review. Exports of fuels was one of the major contributors to this overall decline with a decrease of 63 percent in nominal values terms from US\$ 1.3 billion in 2019 to US\$ 493 million in 2020. This was mainly due to the drop in crude oil average prices per were at US\$ 41 per barrel in 2020 compared to US\$ 61 per barrel in 2019.

Table 7: Intra-COMESA Total Exports by Sector (US\$ Million)

Sector	2016	2017	2018	2019	2020	% Change 2019 - 2020
Manufactures	3,634.91	3,935.16	4,273.93	4,610.20	4,353.17	-6
Food	3,663.29	3,651.14	3,689.46	3,777.28	3,396.72	-10
Ores and metals	773.43	806.50	1,152.02	996.57	1,239.10	24
Fuels	564.03	749.83	830.70	1,335.45	493.01	-63
Other products n.e.s.	2.68	2.61	20.41	4.96	128.90	2,501
Agric raw materials	178.47	132.42	122.32	139.33	73.19	-47
COMESA	8,816.81	9,277.65	10,088.85	10,863.78	9,684.09	-11

Source: COMESA (2021)

Intra-COMESA manufactures exports registered a 6 percent decrease in nominal value terms decreasing from US\$ 4.6 billion in 2019 to US\$ 4.4 billion in 2020. The major export products to the region that contributed to this decrease were sulphuric acid, portland cement, mixtures of odoriferous substances and mixtures of a kind used in the food and drink industry, flat-rolled products of iron or non-alloy steel, urea, diammonium hydrogen orthophosphate and carbonates and peroxocarbonates. Intra-COMESA food exports declined slightly in nominal value terms from US\$ 3.7 billion to US\$ 3.4 billion between 2019 and 2020. COMESA exports of ores and metals to the region on the other hand increased by 24 percent between 2019 and 2020. The increase was from US\$ 997 million into 2019 to US\$ 1.2 billion in 2020. COMESA Member States that recorded positive growths in their 2020 intra-COMESA total export values were Burundi, DR Congo, Djibouti, Kenya, Uganda, Zambia, and Zimbabwe.

Table 8: Intra-COMESA Total Exports by Country, 2018-2020 (US\$ Million)

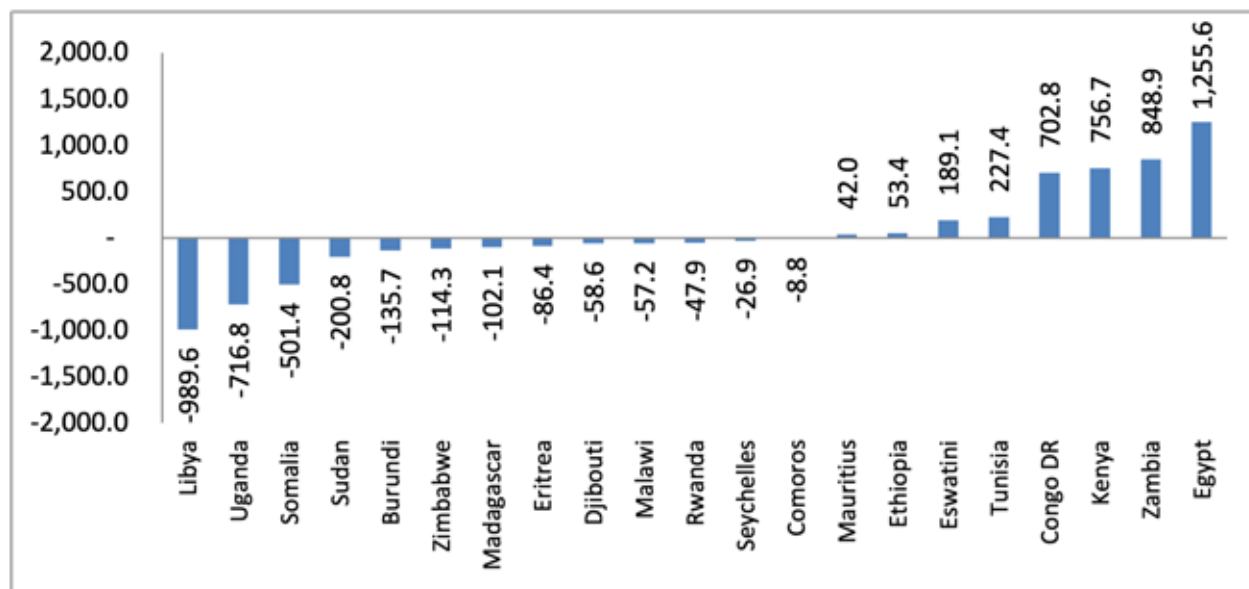
	2018	2019	2020	% Change 2019 - 2020
Burundi	37.4	37.9	44.7	18.1
Comoros	1.0	5.3	1.9	-63.9
Congo DR	1,114.7	917.9	1,290.5	40.6
Djibouti	21.6	12.4	13.3	7.6
Egypt	2,335.6	2,861.4	1,954.2	-31.7
Eritrea	2.1	1.3	0.6	-53.8
Eswatini	206.5	227.8	215.9	-5.2
Ethiopia	213.9	460.5	446.7	-3.0
Kenya	1,602.6	1,595.5	1,774.9	11.2
Libya	105.7	244.9	81.0	-66.9
Madagascar	128.6	79.5	45.4	-42.9
Malawi	155.4	206.8	159.8	-22.7
Mauritius	231.1	238.8	195.2	-18.2
Rwanda	488.4	626.7	472.8	-24.6
Seychelles	24.5	20.6	16.5	-19.9
Somalia	11.9	6.3	6.1	-2.5
Sudan	708.2	552.5	303.0	-45.2
Tunisia	641.6	848.5	563.5	-33.6
Uganda	781.1	600.9	608.3	1.2
Zambia	1,201.2	1,234.1	1,270.9	3.0
Zimbabwe	97.9	128.4	235.1	83.0
COMESA	10,111.06	10,907.94	9,700.31	-11.1

Source: COMESA (2021)

Intra-COMESA Trade Balance

In 2020, thirteen COMESA Member States had negative intra-trade balances in traded goods. The biggest negative intra-COMESA trade balances in goods for 2020 was recorded by Libya, largely due to decreased exports of petroleum to the region and increase in imports of heterogeneous products, mainly from Egypt and Tunisia. Uganda recorded a US\$ 717 million negative balance due to increased imports from the region while exports remained constant.

Figure 15: Intra-COMESA Trade Balance by Member State, 2020 (US\$ Millions)



Source: COMESA (2021)

Of the remaining COMESA Member States with positive intra-COMESA trade in goods balances in 2020, the largest observed was for Egypt, at US\$ 1.3 billion, Zambia US\$ 849 million, Kenya, at US\$ 757 million, DR Congo US\$ 702 million, Tunisia US\$ 227 million and Eswatini at US\$ 189 million.

Intra-COMESA Export and Import Shares

The value of Egypt’s exports accounted for 20.1 percent of the total intra-COMESA export market in 2020. This was a decrease in market share from 26 percent in 2019. Following Egypt was Kenya with an export market share of 18.3 percent . DR Congo was third position with an export share of 13.3 percent, Zambia was fourth with 13.1 percent share and in fifth place Uganda had export market share of 6.3 percent. On the import side, Uganda had the largest market share of 15.3 percent in 2020, up from 9.3 percent in 2019. Following Uganda were Libya, Kenya, Egypt, and DR Congo with intra-COMESA import market shares of 12.3 percent, 11.7 percent, 8.1 percent , and 6.8 percent respectively.

Table 9: Intra-COMESA Trade, 2019 and 2020 (US\$ Millions and % Shares)

Ranked by 2020 trade values	Exporter	2019 Value	2020 Value	% Share 2019	% Share 2020	Importer	2019 Value	2020 Value	% Share 2019	% Share 2020
1	Egypt	2,861.4	1,954.2	26.2	20.1	Uganda	1,045.6	1,325.1	9.3	15.3
2	Kenya	1,595.5	1,774.9	14.6	18.3	Libya	1,628.2	1,070.6	14.4	12.3
3	Congo DR	917.9	1,290.5	8.4	13.3	Kenya	1,180.4	1,018.2	10.5	11.7
4	Zambia	1,234.1	1,270.9	11.3	13.1	Egypt	1,044.8	698.5	9.3	8.1
5	Uganda	600.9	608.3	5.5	6.3	Congo DR	544.1	587.7	4.8	6.8
6	Tunisia	848.5	563.5	7.8	5.8	Rwanda	389.9	520.7	3.5	6.0
7	Rwanda	626.7	472.8	5.7	4.9	Somalia	516.7	507.6	4.6	5.9
8	Ethiopia	460.5	446.7	4.2	4.6	Sudan	818.9	503.7	7.3	5.8
9	Sudan	552.5	303.0	5.1	3.1	Zambia	699.6	422.0	6.2	4.9
10	Zimbabwe	128.4	235.1	1.2	2.4	Ethiopia	397.7	393.3	3.5	4.5
11	Eswatini	227.8	215.9	2.1	2.2	Zimbabwe	283.9	349.4	2.5	4.0
12	Mauritius	238.8	195.2	2.2	2.0	Tunisia	1,661.1	336.1	14.7	3.9
13	Malawi	206.8	159.8	1.9	1.6	Malawi	194.9	217.1	1.7	2.5
14	Libya	244.9	81.0	2.2	0.8	Burundi	156.3	180.5	1.4	2.1
15	Madagascar	79.5	45.4	0.7	0.5	Mauritius	230.6	153.3	2.0	1.8
16	Burundi	379	44.7	0.3	0.5	Madagascar	162.9	147.5	1.4	1.7
17	Seychelles	20.6	16.5	0.2	0.2	Eritrea	130.3	87.0	1.2	1.0
18	Djibouti	12.4	13.3	0.1	0.1	Djibouti	107.8	71.9	1.0	0.8
19	Somalia	6.3	6.1	0.1	0.1	Seychelles	53.8	43.4	0.5	0.5
20	Comoros	5.3	1.9	0.0	0.0	Eswatini	19.0	26.8	0.2	0.3
21	Eritrea	1.3	0.6	0.0	0.0	Comoros	11.0	10.7	0.1	0.1
	Total	10,907.9	9,700.3	100.0	100.0	Total	11,277.6	8,670.9	100.0	100.0

Source: COMESA (2021)

Tracking Dynamic Products in Intra-COMESA Exports

Analysis of the most traded products in COMESA in 2020 compares rankings in terms of export values over 2016-2020. The results are presented in Table 10 for the Top-15 most dynamic products in 2020³. The most dynamic product traded in 2020 was other cobalt oxides and hydroxides which was ranked 4th in 2020 from 37th position in 2019. Gold ranked 12th in 2020 after ranking 920 position the previous year. Electric current moved from 21st position to 16th position 2020. Binders were ranked 1,039th position in 2019 and moved to 22nd position in 2020.

Table 10: Top Intra-COMESA Export Products and Rankings, 2016 - 2020

No.	SITC	SITC Description	2020 Values (US\$ Mn)	R20	R19	R18	R17	R16
1	2831	Copper ores & concentrates	764.1	1	2	2	2	1
2	3346	Petroleum oils & oils obtained from bituminous minerals (other than crude) & preparations n.e.s., containing by weight 70 %/more of petroleum oils/of oils obtained from bituminous minerals	318.0	2	1	1	1	2
3	68212	Refined copper	296.9	3	3	14	90	511
4	52255	Cobalt oxides & hydroxides; commercial cobalt oxides	289.8	4	37	227	2,323	1,011
5	06111	Cane sugar, raw, in solid form, not containing added flavouring/colouring matter	258.7	5	6	8	6	6
6	05459	Other vegetables, fresh/chilled	252.0	6	4	24	345	293
7	07414	Other black tea (fermented) & other partly fermented tea, whether/not flavoured	246.7	7	5	3	3	3
8	66122	Portland cement	217.3	8	7	11	9	8
9	0461	Flour of wheat/of meslin	133.5	9	9	10	14	12
10	55141	Mixtures of odoriferous substances & mixtures (including alcoholic solutions) with a basis of one/more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture	132.5	10	8	9	13	17
11	0019	Live animals, n.e.s.	132.0	11	11	5	4	5
12	97101	Gold (including gold plated with platinum), non-monetary, unwrought/in semi-manufactured forms,/in powder form	127.5	12	920	123	2,075	1,196
13	54293	Medicaments, n.e.s., put up in measured doses/in forms/packings for retail sale	117.6	13	13	16	12	9
14	55422	Surface-active washing/cleaning preparations, n.e.s., put up for retail sale	117.5	14	16	17	20	15
15	84512	Babies' garments & clothing accessories, knitted/crocheted	112.2	15	14	19	15	16

Source: modified from COMESA (2021)

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 2020 were Eritrea, Somalia, Burundi, Libya and Rwanda. Eritrea and Somalia had the highest ratio of intra-COMESA trade to its global trade. Overall, the share of intra-COMESA trade to total COMESA trade was at 7 percent a slight increase from 6 percent in 2019.

3 COMESA (2021) covers the Top-25 products.

Table 11: Intra-COMESA Trade (% of Global COMESA Trade) by Country (2012-2020)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	19	31	18	18	24	19	22	19	22
Comoros	13	12	11	2	8	4	6	6	5
Congo DR	20	26	21	16	8	6	6	7	9
Djibouti	4	6	2	4	4	7	6	8	7
Egypt	4	4	3	3	3	3	3	4	3
Eritrea	12	4	11	9	14	17	13	14	65
Eswatini	1	4	6	6	6	6	6	6	7
Ethiopia	4	6	5	2	2	3	4	5	5
Kenya	12	12	10	11	12	12	12	12	12
Libya	4	4	4	6	7	4	3	4	20
Madagascar	5	4	4	5	5	6	4	4	4
Malawi	15	10	17	13	13	10	10	11	11
Mauritius	5	5	5	6	7	7	6	6	6
Rwanda	34	29	33	31	33	25	25	24	20
Seychelles	3	4	3	6	3	4	3	3	2
Somalia	13	26	24	22	2	8	7	10	65
Sudan	9	7	7	16	12	9	10	9	7
Tunisia	4	4	3	3	2	3	3	5	3
Uganda	14	14	17	17	16	17	15	13	17
Zambia	19	22	20	19	17	14	16	14	13
Zimbabwe	7	5	4	6	5	5	6	5	6
COMESA	7	8	7	7	6	6	6	6	7

Source: COMESA (2021)

Small Scale Cross Border Trade

Insights on Small-Scale Cross Border Trade (SSCBT) are reviewed based on SSCBT flow data for Zambia, which was collected under the EDF 11 Small Scale Cross Border Initiative (SSCBTI). The data was collected at four target borders, namely Chirundu, Kasumbalesa, Mwami and Nakonde. The surveys were conducted over the period 2019/Q4-2020/Q3. SSCBT data for Rwanda and Uganda was not available due to border closures on account of the COVID-19 pandemic and are therefore not reported.

Firstly, on the SSCBT exports side, Zambia's small-scale cross border exports at the four targeted borders under the COMESA SSCBTI were worth US\$ 61.94 million for the period under review. SSCBT exports at Chirundu border were worth US\$ 286,226 and 77 percent of these were beverages and tobacco. SSCBT exports at Kasumbalesa border to DR Congo were worth US\$ 43.1 million and 54 percent of these were food and live animals. In the case of Mwami border, SSCBT exports were worth US\$ 2.84 million of which food and live animals accounted for 53 percent of total exports. SSCBT exports for Nakonde border were worth US\$ 15.7 million of which food and live animals accounted for 66 percent.

Table 12: Zambia's SSCBT Exports by Border and SITC Section

STATION	SITC	Description	US\$	%
CHIRUNDU	0	0: Food and live animals	11,638	4%
	1	1: Beverages and tobacco	219,428	77%
	2	2: Crude materials, except fuels	1,129	0%
	4	4: Animal and vegetable oils,	31	0%
	5	5: Chemicals and related products,	9,435	3%
	6	6: Manufactured goods	18,446	6%
	7	7: Machinery and transp equip	784	0%
	8	8: Miscellaneous manufactured articles	19,419	7%
	9	9: Commodities and transactions n.e.c	5,916	2%
		Total	286,226	
KASUMBALESA	0	0: Food and live animals	23,425,000	54%
	1	1: Beverages and tobacco	1,430,197	3%
	2	2: Crude materials, except fuels	556,435	1%
	4	4: Animal and vegetable oils,	697,273	2%
	5	5: Chemicals and related products,	1,365,584	3%
	6	6: Manufactured goods	3,096,237	7%
	7	7: Machinery and transp equip	4,293,828	10%
	8	8: Miscellaneous manufactured articles	8,238,480	19%
	9	9: Commodities and transactions n.e.c	9,250	0%
		Total	43,112,285	
MWAMI	0	0: Food and live animals	1,515,071	53%
	1	1: Beverages and tobacco	982,715	35%
	2	2: Crude materials, except fuels	3,580	0%
	3	3: Mineral fuels, lubricants	3,321	0%
	4	4: Animal and vegetable oils,	978	0%
	5	5: Chemicals and related products,	56,380	2%
	6	6: Manufactured goods	192,303	7%
	7	7: Machinery and transp equip	29,785	1%
	8	8: Miscellaneous manufactured articles	56,503	2%
	9	9: Commodities and transactions n.e.c	279	0%
	Total	2,840,914		
NAKONDE	0	0: Food and live animals	10,436,350	66%
	1	1: Beverages and tobacco	217,591	1%
	2	2: Crude materials, except fuels	4,493,483	29%
	4	4: Animal and vegetable oils,	41,862	0%
	5	5: Chemicals and related products,	477,625	3%
	6	6: Manufactured goods	15,647	0%
	7	7: Machinery and transp equip	991	0%
	8	8: Miscellaneous manufactured articles	21,236	0%
	9	9: Commodities and transactions n.e.c	45	0%
		Total	15,704,829	

Source: COMESA (2021)

On the SSCBT imports side, Zambia's SSCBT at the four targeted borders were worth US\$ 33.2 million for the period under review. SSCBT imports at Chirundu border were worth US\$ 1.55 million and 40 percent of these were miscellaneous manufactured articles while 20 percent were food and live animals. SSCBT imports at Kasumbalesa border from DR Congo were worth US\$ 294,044 and 82 percent of these were manufactured goods.

Table 13: Zambia's SSCBT Imports by Border and SITC Section

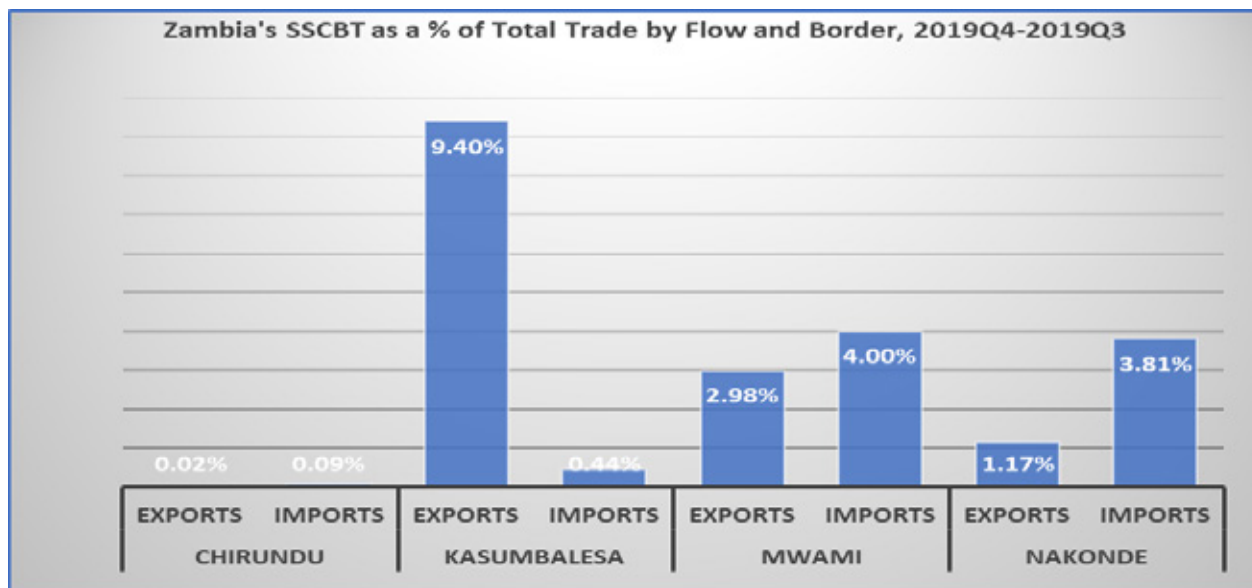
STATION	SITC	Description	Total	%
CHIRUNDU	0	0: Food and live animals	309,599	20%
	1	1: Beverages and tobacco	4,926	0%
	2	2: Crude materials, except fuels	14,976	1%
	3	3: Mineral fuels, lubricants	3,945	0%
	4	4: Animal and vegetable oils,	21,965	1%
	5	5: Chemicals and related products,	125,048	8%
	6	6: Manufactured goods	186,066	12%
	7	7: Machinery and transp equip	248,080	16%
	8	8: Miscellaneous manufactured articles	617,480	40%
	9	9: Commodities and transactions n.e.c	18,769	1%
	Total	1,550,854		
KASUMBALESA	2	2: Crude materials, except fuels	11,069	4%
	5	5: Chemicals and related products,	27,262	9%
	6	6: Manufactured goods	239,997	82%
	8	8: Miscellaneous manufactured articles	15,716	5%
	Total	294,044		
MWAMI	0	0: Food and live animals	475,221	48%
	1	1: Beverages and tobacco	2,544	0%
	2	2: Crude materials, except fuels	62,558	6%
	3	3: Mineral fuels, lubricants	3,151	0%
	4	4: Animal and vegetable oils,	275,142	28%
	5	5: Chemicals and related products,	91,407	9%
	6	6: Manufactured goods	2,214	0%
	7	7: Machinery and transp equip	1,086	0%
	8	8: Miscellaneous manufactured articles	67,784	7%
	Total	981,106		
NAKONDE	0	0: Food and live animals	18,475,482	61%
	1	1: Beverages and tobacco	531,438	2%
	2	2: Crude materials, except fuels	2,835,909	9%
	3	3: Mineral fuels, lubricants	406,875	1%
	4	4: Animal and vegetable oils,	741,537	2%
	5	5: Chemicals and related products,	1,531,922	5%
	6	6: Manufactured goods	1,817,161	6%
	7	7: Machinery and transp equip	243,467	1%
	8	8: Miscellaneous manufactured articles	3,724,339	12%
	9	9: Commodities and transactions n.e.c	63,250	0%
	Total	30,371,380		

Source: COMESA (2021)

Regarding Mwami Border, SSCBT imports were worth US\$ 981,106 of which food and live animals accounted for 48 percent of total imports while animal and vegetable oils accounted for 28 percent. SSCBT imports at Nakonde Border were worth US\$ 30.37 million of which food and live animals accounted for 61 percent.

Estimates of Zambia's small-scale cross border trade as a percentage of total trade were also reviewed⁴. For the period under review, Zambia's SSCBT accounted for 1.6 percent of her total trade in value terms at the target borders combined. Notably by border and flow, SSCBT exports at Kasumbalesa accounted for 9.4 percent of total exports, SSCBT imports at Mwami Border accounted for 4 percent of total imports, while SSCBT imports at Nakonde accounted for 3.81 percent of the total imports.

Figure 16: SSCBT (% of total trade) by Flow and Border, 2019Q4-2019Q3



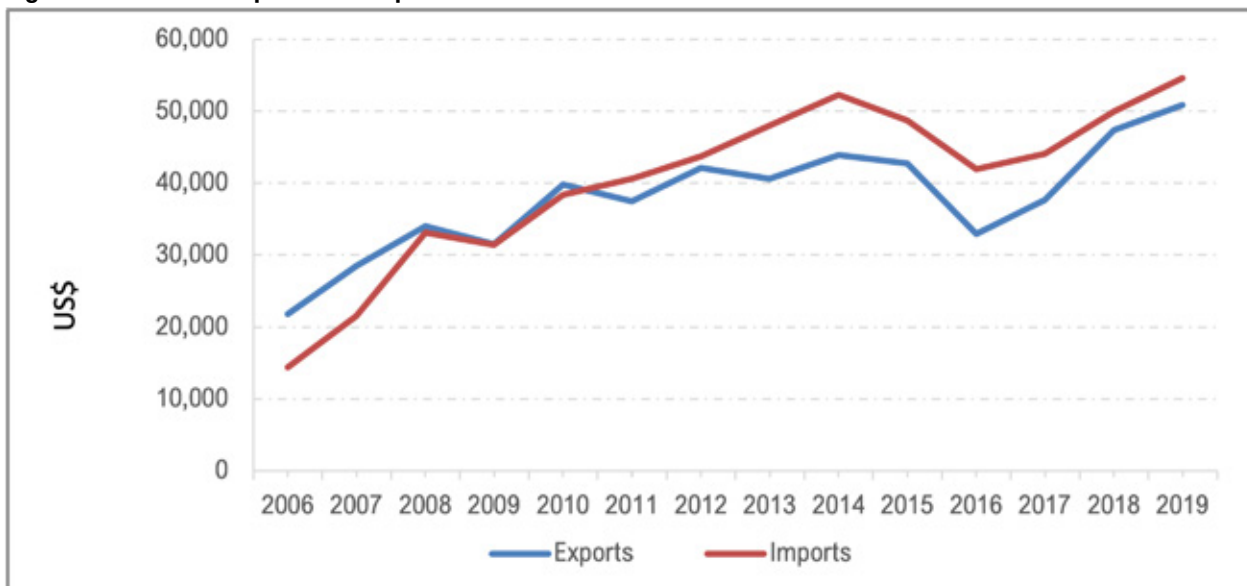
Source: COMESA (2021)

Trade in Commercial Services by COMESA Countries

After a decline in exports of commercial services between 2014 and 2016, the COMESA region has witnessed a steady upward swing in exports of commercial services after 2016. Exports from the region increased by 7.3 percent between 2018 and 2019. In value terms this was an increase from US\$ 47 billion in 2018 to about US\$ 51 billion in 2019. Similarly, imports of commercial services also showed a rebound after 2016 following the 2014 to 2016 slump in trade. Imports into the region grew by 9.3 percent in 2019 over the 2018 levels. In nominal terms, this was from about US\$ 50 billion in 2018 to about US\$ 55 billion in 2019.

⁴ Total exports are total formal exports plus SSCBT exports. Similarly, total imports are total formal imports plus SSCBT imports. For meaningful comparability, only formal total trade at the target borders of Chirundu, Kasumbalesa, Mwami and Nakonde for the same period under review was considered.

Figure 17: COMESA Exports and Imports of Commercial Services 2006 - 2019

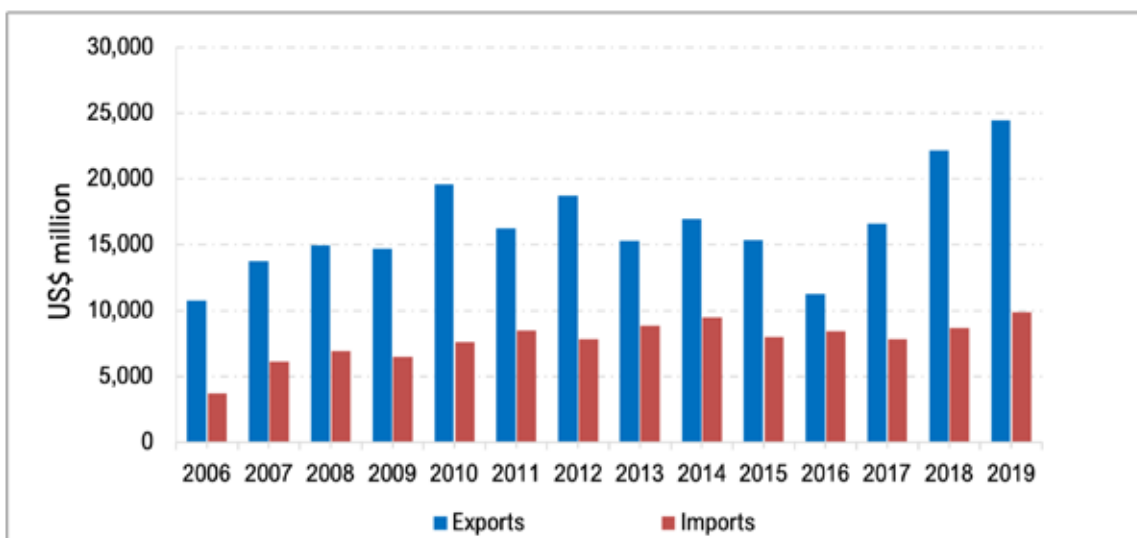


Source: COMESA (2021)

Travel services were the largest commercial services exports for the region in 2019 accounting for 48 percent of the COMESA overall services exports. Travel services receipts for the region grew by about 10 percent between 2018 and 2019. Countries that posted positive growths in their travel services exports in 2019 over the 2018 levels were Egypt with about 54 percent, Tunisia (9%) and Mauritius (with about 8%). Over a consecutive three-year period, travel services remained the largest export sector taking over from the transport services sector.

On the other hand, imports of transport services accounted for the biggest share of the COMESA region's imports of commercial services in 2019 with about 47 percent of the overall COMESA services imports despite a notable decline in the imports for this sector after 2015. Total regional import trade of transport services marginally grew by about 6 percent between 2018 and 2019. Egypt and Ethiopia contributed a combined share of over 53 percent of the overall region's imports of transport services in 2019.

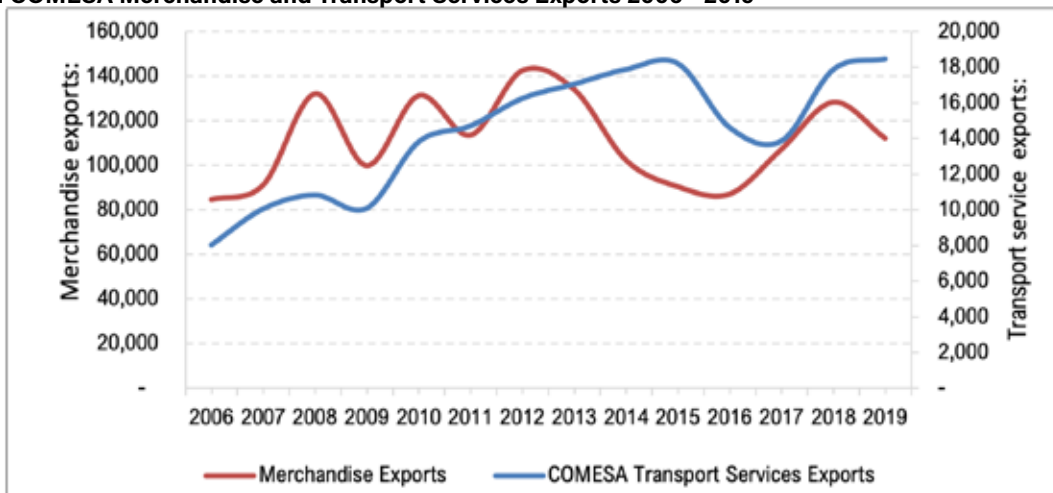
Figure 18: COMESA Trade in Travel Services 2006-2019



Source: COMESA (2021)

Transport was the second largest export sector for the region in 2019. The sector increased by 3.4 percent between the 2018 and 2019 period. Figure 19 below illustrates the relationship between COMESA's transport services exports and COMESA's merchandise exports, broadly depicting a strong visual correlation.

Figure 19: COMESA Merchandise and Transport Services Exports 2006 - 2019



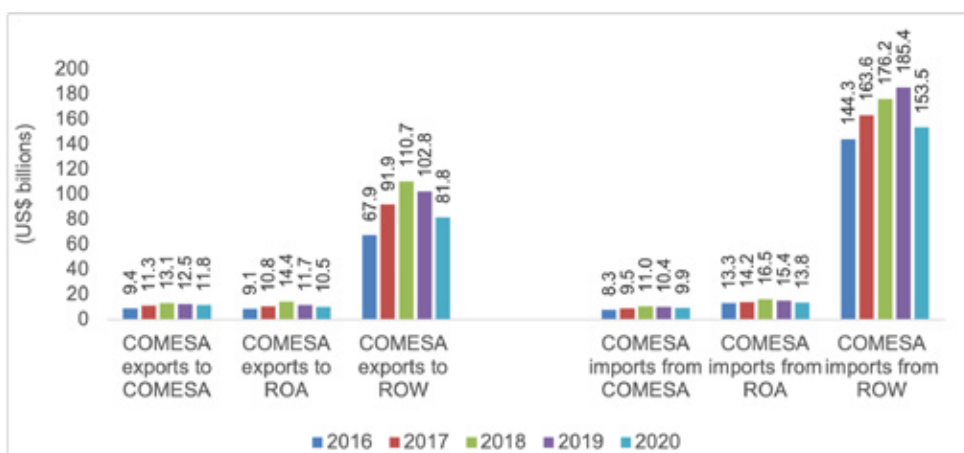
Source: COMESA (2021)

Monitoring COMESA's Trade with the Rest of Africa

With the on-going negotiations and other developments around the African Continental Free Trade Area (AfCFTA), this section monitors trade developments and the rest of the African continent. COMESA's export and import trade with the Rest of Africa - ROA (i.e., Africa, excluding COMESA countries) was quite comparable to intra-COMESA trade throughout the period 2016-2020. COMESA exports to COMESA increased from US\$9.4 billion in 2016 to US\$11.8 billion in 2020, averaging US\$11.6 billion per year over 2016-2020; whereas COMESA exports to ROA increased from US\$9.1 billion in 2016 to US\$10.5 billion in 2020, with an annual average of US\$11.3 billion over the same period (Figure 20). Therefore, COMESA exports to COMESA accounted for an annual average of 10.2 percent of COMESA's total global exports over the reference period while COMESA exports to ROA averaged 9.9 percent of COMESA total exports annually over the same period. The bulk of COMESA exports (79.9%) were destined for the Rest of the World (ROW) (i.e., excluding COMESA and Africa).

On the import side, COMESA's imports from COMESA increased from US\$8.3 billion in 2016 to US\$9.9 billion in 2020, averaging US\$9.8 billion per year over 2016-2020. On the other hand, COMESA exports to ROA increased slightly from US\$13.3 billion in 2016 to US\$13.8 billion in 2020, but averaging at US\$14.6 billion over the same period, given notable interim increases. The COMESA region was, over the period, more dependent on the rest of Africa as an import source than the COMESA internal market. That is, while COMESA imports from COMESA accounted for 5.2 percent of COMESA's total global imports per year on average over the reference period, COMESA imports from ROA averaged 7.7 percent of COMESA total exports annually over the same period.

Figure 20: COMESA Trade with COMESA, Rest of Africa and Rest of the World (US\$ billions)



Source: Constructed from UNCTAD Stata (2022) database

Going forward, COMESA Member States may consider undertaking national studies to identify their offensive and defensive trade interests in the rest of Africa under the AfCFTA vis-a-vis the on-going or planned participation in the COMESA FTA.

INTERNAL MARKET

Progress Reports on Member States Not Participating in the COMESA FTA

During the reporting period, five Member States were yet to join the COMESA FTA. These Member States are, DR Congo, Eritrea and Ethiopia as well as Eswatini (under derogation tied to implementation of the Tripartite FTA) and Somalia, which was yet to complete its accession process to COMESA.

- There were no updates for DR Congo's position during 2021. The country had confirmed to the 40th Meeting of Council that customs duties on COMESA originating products had been reduced to zero percent in accordance with the three- year phase down programme. However, by end of 2021, DR Congo was yet to secure final approval through the Ministry of Finance.
- Ethiopia's first step towards full FTA participation was in 1998 in terms of reduced tariffs for COMESA originating products by 10 percent. Over the years, various consultations between the Secretariat and different key national stakeholders in Ethiopia have seen the development of a step-by-step roadmap through which the country could definitively join the COMESA FTA. Pursuant to these on-going engagements, at the 42nd Council Meeting of November 2021, Ethiopia informed the Council that a study on the process of joining the COMESA FTA vis a vis the AfCFTA was being conducted.
- Since 1998, Eritrea has been offering 80 percent tariff preference to COMESA originating products on a reciprocal basis; implying that the country was only left with the removal of the remaining 20 percent of the MFN tariffs in order to become a full member of the FTA. By the close of 2021, there was no new report from the country on progress or movements to liberalize the remaining 20 percent of MFN tariffs.
- Eswatini continued in 2021 to operate under derogation tied to Tripartite FTA implementation while Somalia was still in pursuit of full accession to COMESA.
- Uganda joined the COMESA FTA in July 2014. However, Uganda maintained a list of products to which the FTA does not apply. Uganda had indicated that the proposed maintenance of products not covered by the FTA would not be permanent but temporary and accordingly, a schedule for phasing them out would be prepared for consideration by the Policy Organs. During the 42nd Council of Ministers' Meeting Uganda reiterated its commitment to implementation of the COMESA FTA and informed the meeting that consultations on phasing down the tariffs on the exclusion products are ongoing and assured the meeting that they will expedite the process and update the Council once the process is finalized

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 undertook to implement reforms which would turn around the sugar sector and make it competitive. 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 leading to the non-competitiveness of the sector.

Despite the efforts being made, Kenya sugar industry continues to experience production challenges and competition pressure from sugar exporting countries hence at the 41st Council Meeting, 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 to that effect.

The area under cane growing has progressively increased from 126,826 hectares in 2002 to 220,804 hectares at the end of June 2021, a 74 percent increase. During the 2021/2022 season, it was estimated that 9,276,657 tonnes of cane will be available for milling against 7,565,695 tonnes crushed in the ended year of 2020/2021, representing a 23 percent increase. Kenya's sugar industry projected sugar production for the year 2021 was 660,000MT compared to 603,788 tonnes achieved in 2020, thus an increase of 9 percent.

The projected sugar consumption in 2021 was 1,067,099 tonnes for both white refined and brown/mill white sugar. To fill the shortfall, a COMESA quota of 210,163 metric tonnes of brown sugar for the period January - December 2021 was allocated based on Kenya's projected brown sugar deficit for 2021. Total production from January - June 2021 was 361,214 tonnes

compared to 298,435 tonnes achieved in the same period 2020, representing a 21 percent increase. With the increase in area under cane and improved cane availability, it was evident enough that the industry would meet and exceed the projected sugar production.

Furthermore, based on recommendations made during the 4th Meeting of the Sub-Committee on the Kenya Sugar Safeguard, which was held in April 2021, the Secretariat facilitated development of modalities for reallocation of unused Kenya Sugar Quotas by COMESA Sugar exporting Member States. The modalities were adopted by the 42nd Council of Ministers Meeting on 9th November 2021.



Developments in the Simplified Trade Regime (STR)

The Secretariat developed the Simplified Trade Regime (STR) which was launched in 2010 in recognition of the fact that cross-border trade constitutes a significant component in intra-regional trade. 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 the 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 traders. The STR reduces costs for small traders and increases the speed of crossing the border by the use of a Simplified Customs Document (SCD) as well as simplified customs clearance procedures. The Trade Information Desk Officers (TIDOs) have been deployed at some border posts to assist small scale traders with information on border crossing procedures and form filling.

Currently, eight COMESA Member States are implementing the STR. These are Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. Other Member States including Djibouti, Ethiopia and Sudan reported that they are in process to adopt the STR with their neighbouring countries. Following requests from Member States the 40th Council Decision in November 2019, a formal study to review the STR threshold was undertaken. This followed disparities by Member States on the levels being applied which range from USD 500 in DRC to USD 3000 in Malawi. There has been expression from Member States to review the current STR threshold.

The study established that the current STR threshold has reasonably led to formalisation of small scale cross border trade. In addition, the threshold is adequate to enable economies of scale and opportunities for small scale cross border traders to grow their business. The study proposed that the current COMESA STR threshold value remains at US\$2000. The study

recommended that Member States should strive to harmonise their STR threshold value to US\$2000. Besides, Member States implementing the STR are encouraged to regularly review their STR Common List of Products to include other COMESA originating products of interest to traders.

Elimination of Non-Tariff Barriers to Trade (NTBs) in COMESA

The COMESA NTB Programme entails: COMESA Regulations on Non-Tariff Barriers; NTBs Online Reporting, Monitoring and Eliminating Mechanism and the COMESA SMS Reporting and Monitoring Tools.

COMESA is operationalizing the NTBs Regulations as adopted by the 33rd Council of Ministers and revised/adopted by the 41st Council of Ministers. The COMESA NTBs Regulations provide a legal framework for the establishment of regional reporting, monitoring and elimination tools, national and regional institutional arrangements for management of NTB programme as well as legal framework for the resolution of identified NTBs. The NTBs reporting tools 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). All COMESA Member States are encouraged to utilize the online reporting mechanism and to undertake national stakeholder sensitization and awareness programmes to promote utilization of the NTBs reporting mechanisms. The key achievements attained include the following:

- i. Convened the First NTBs Regional Forum for Focal Points that among other issues considered the draft work programme on implementation of COMESA Regulations for elimination of NTBs, the Time Bound Matrix on Elimination of NTBs and agreed on actions to undertake in resolving reported NTBs including time frame;
- ii. A regional workplan to manage and eliminate NTBs was developed and a Monitoring and Evaluation Mechanism established;
- iii. NMCs set up in 15 Member States and WhatsApp group for National Focal Points to facilitate communication and rapid resolution of NTBs was created;
- iv. Supported Member States to resolve emerging and long standing NTBs
- v. Management of the online system;
- vi. Provided technical support to Zambia and Zimbabwe on development of National Strategy on elimination of NTBs.

Update on COMESA Online Platform for Information Sharing

The 8th Extra-Ordinary Meeting of the COMESA Council of Ministers directed the Secretariat to develop an online platform for Member States to exchange and share information on the availability of essential goods within the COMESA region as part of the response measures to mitigate the effects of the COVID-19 pandemic. In this regard, the Secretariat developed an online platform on its website available on web page <https://:covid.comesa.int>. The platform contains information about production, domestic demand and supply of essential products as well as facilitates market linkages between suppliers and buyers wherever they are within the region, in real time and at a lower cost. The online platform is also expected to complement the implementation of the COMESA COVID-19 Guidelines to facilitate movement of goods and services in the region and contribute to poverty reduction in the Member States. Following the launch of the platform, the following has been achieved:

- i. The Secretariat organised awareness and mobilization workshops and webinar events for all the 21 Member States. Sixteen out of 21 Member States nominated their National Focal points who are responsible to administer and manage the platform and mobilize national stakeholders including public and private sector to utilize and benefit from the platform.
- ii. National and Regional Trainings have been conducted to ensure all the nominated focal points are able to interact with the platform and assist national stakeholders as appropriate.
- iii. As of end of August, 21 companies have been able to register in the platform while 5 out of 21 Member States have uploaded some products on the portal:
 - The distribution of the 21 companies is as follows: Mauritius (3), Zambia (6), Kenya (1), Egypt (1), Rwanda (3), Eswatini (2), Madagascar (3), DR Congo (1), Comoros (1)

- The category of products on the platform include; Cleaning & hygiene products (2), Personal Protective Equipment (2) Food Products (11); and
- Member States who have been able to upload public information including regulations and trade data/statistics are Kenya, Eswatini, Zambia, and Mauritius.

Progress in Implementation of Customs Union Activities

With regards to implementation of COMESA Customs Union activities, the following achievements were reported:

- i. **Implementation of the COMESA FTA and Customs Union Instruments:** It was projected that 100 percent of Customs Management Regulations (CMR) is domesticated by the Member States; Tariff Book is aligned with 85 percent of Common Tariff Nomenclature (CTN) and with 75 percent of Common External Tariff (CET) by 2020. The COMESA CTN is aligned to HS 2017 Version though work is advanced to transpose it to HS 2022. Most of the Member States have improved their Customs Laws and aligned their Tariff Book to HS 2017 Version. However, most of the Member States are yet to improve alignment of their tariff book with the CTN/CET as agreed to fully operationalize the Customs Union.
- ii. **Rules of Origin:** The Protocol on Rules of Origin and Guidelines have been reviewed and the revised instruments adopted by Member States. Technical work on developing the eCO instrument is ongoing and piloting is expected to commence during the end quarter of 2022.
- iii. **Authorised Economic Operator Programme:** As of September 2021, the AEO Programme 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 stage or piloting stage. The following are being developed i.e., the Standard Operating Procedures Manuals for AEO Validators and Post Authorization Management; Regional Training Materials on the implementation of the AEO Programme; and a Database for the National AEO Programme. The Secretariat also facilitated demand driven national sensitization workshops to Member States.
- iv. **Coordinated Border Management:** COMESA had adopted One Stop Border Posts (OSBPs) as part of its corridor strategy to address congestion at border crossings along major traffic corridors to complement other transit instruments and cross border transport facilitation programmes. There were over 30 OSBPs in the region reported as at different stages of implementation in the region: seventeen operational; four completed and ready for operational; six are under construction whereas others are at feasibility study or planning stages. Besides, the feasibility study, design and development of OSBPs along the corridors in the region has been adopted to facilitate development of appropriate infrastructure, procedures and systems at border posts to reduce delays encountered by transporters and travelers. Capacity building for border agencies of the selected Member States to support implementation of the OSBP concept was conducted and received financial support from different development partners such as the EU, AfDB, IGAD, JICA, NEPAD and TradeMark East Africa. The Secretariat continued to implement border post upgrade initiatives under the EDF 11 TFP to support some Member States at selected five (5) border posts to upgrade the infrastructure, review legal and regulatory frameworks/procedures and provide modern ICT equipment and solutions to enhance the operational efficiencies of the border posts. To date, implementation of the border upgrade project commenced at Chirundu (both sides), Mwami,/Mchinji, Nakonde/Tunduma, Galafi (both sides) and Moyale (Ethiopia).
- v. **Electronic Single Window Implementation:** Currently, national single windows are operational or at development stage in 14 Member States that include Burundi, Djibouti, DR Congo, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Malawi, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.
- vi. The **COMESA Digital Free Trade Area (DFTA):** The Secretariat is implementing DFTA Action Plan that was adopted by the meetings of Council of Ministers with the aim to providing traders with the necessary digital tools and infrastructure they need for enhancement of intra trade and global trade. The three various

instruments of the DFTA, namely E-Trade, E-Logistics and E-Legislation are being implemented alongside various customs programmes. For instance, under e-commerce, five Member States namely, Mauritius, Rwanda, Tunisia, Uganda and Zimbabwe have reported that they are implementing customs procedures to facilitate e-commerce. Besides, the Secretariat is in process of implementing the initiatives and action plans to develop the COMESA Online Market (e-Commerce) and harmonized regional legal framework and guidelines to develop and implement the e-Commerce in the region. Several assessments and reports indicated that most of the Member States required to make improvements in the following areas to facilitate e-commerce. These include legal framework, ICT infrastructure, internet, e-payment facilities and awareness of stakeholders from public and private sectors in utilizing and managing the e-commerce.

- vii. **The Customs Management System and Website:** Thus far 15⁵ out of the 21 Member States are using the ASYCUDA System whereas the remaining Member States namely, Egypt, Ethiopia, Kenya, Libya, Mauritius and Tunisia are implementing equivalent customs management systems. Additionally, the Secretariat worked closely with the Member States that required assistance in migrating to ASYCUDA World or its equivalent level of advanced customs management system. Further, the Secretariat 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. As part of the assignment, the UNCTAD Project Team undertook situational assessment in all Member States of their customs automation managements systems in 2019/2020. So far, all Member States except Eritrea have Customs Websites for publication of customs laws, regulations and procedures electronically. The RISM Programme supported Comoros with the upgrade from Asycuda++ to AsycudaWorld. Under the Trade Facilitation Programme, Malawi and Zimbabwe are being supported to upgrade to the latest versions of AsycudaWorld.

- viii. **Implementation of the WTO TFA:** In response to the decisions of the Council of Ministers, the Secretariat is implementing the COMESA Trade Facilitation Programme under the EDF 11 TFP 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. The Council at its 42nd Meeting in November 2021 further decided that the Secretariat in collaboration with Member States and development partners should mobilize technical and financial resources for the implementation of WTO TFA Category 'C' Commitments.

- ix. The Member States have established National Trade Facilitation Committees (NTFCs) and the TFP is supporting implementation of their work plans on a demand driven basis. Most Member States will need more support for implementation of selected Category 'C' Measures. The COMESA TFP is providing limited support for implementation of Category 'C' Measures in Member States.

The status of Member States notification of their categories and ratification of the WTO TFA is shown in Table 14:

Table 14: Notification of Categories A, B and C and Ratification of the TFA

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

The most frequently requested technical and financial types of assistance 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.

- i. **The Regional Information Portal:** As of September 2021, a total of 14 Member States reported that they have developed and implemented the National TIP. However, it was noted that the national TIPs have differences in terms of content, functionalities, and institutional framework which need to be harmonized and standardized at regional levels in line with the international standards and best practices. The UNCTAD Project Team has developed COMESA Regional Guidelines for implementation of TIPs and discussions were held with Secretariat to support development of national TIPs in 2 Member States based on the Regional Guidelines.
- ii. **Implementation of Transit Instruments:** The Secretariat is providing support to Member States for projects at the prioritized border posts that include Chirundu, Mwami/Mchinji, Nakonde, Moyale and Galafi Border Posts under the EDF 11 TFP. This is to promote implementation of transit instruments and improve efficiencies of the border posts and corridors.
- iii. **Electronic Cargo Tracking System (ECTS):** Select Member States are introducing ECTS as a modern cargo tracking and monitoring tool to enhance customs control and facilitation of movement of goods and transport from one border to another border within the country or cross-country. COMESA is supporting the installation/enhancement of ECTS in the Djibouti, Chirundu and Nacala Corridors. In addition, some Member States are implementing an extended ECTS to trace and track the movement of drivers and cargos across the borders in response to the COVID-19 pandemic.
- iv. **Time Release Studies:** During the reporting period, Zambia was supported by the Secretariat to conduct its National Time Release Study at Mwami and Nakonde Border Posts under the COMESA EDF 11 Trade Facilitation Programme. The Technical Working Group on Customs Capacity Building developed a training module on conducting of time release studies and the Secretariat will work with the WCO and other partners to enhance cooperation and support to the Member States in conducting periodical time release studies and creating a pool of WCO trained and accredited regional/national experts.

- v. **Capacity Building Training and Sensitization Workshops:** Secretariat undertook several demand driven capacity building activities on NTB's elimination mechanisms, WTO TFA, COMESA Customs and Trade Facilitation Instruments, RCTG, Yellow Card, Rules of Origin and the eCO System, Coordinated Border Management/OSBP, Single Window, Customs Automation, AEO Programme, and STR. The Secretariat support included assistance to align and implement national laws and procedures in line with the COMESA Treaty, Laws and Protocols and Council Decisions. In addition, the Technical Working Group on Customs Capacity Building established by Council at its 41st Meeting in November 2020 held its inaugural meeting and identified priority interventions in the field of customs capacity building. The TWG seeks to oversee development of training modules and manuals for use in regional capacity building and development. These include training manuals on coordinated border management; electronic single window; trade information portal; e-certificate of origin; and authorised economic operators. The TWG developed training manuals on coordinated border management, One Stop Border Post and time release study.

Trade in Services Negotiations

Services are an important and growing part of the global economy, accounting for the largest share of output and employment in both developed and developing countries. In COMESA, the services sector comprises typically around 50 percent of GDP. In addition, in several COMESA Member States, a majority of the employed are now in the services sector. Trade in services has also grown exponentially in the region, offering enormous opportunities for Member States to diversify their exports, increase investment, pursue new opportunities for dynamic and sustainable growth and promote greater efficiency in the domestic economy. The liberalization of the services sector thus provides a significant stimulus to economic growth as this would improve economic performances through efficiency gains and reductions in costs of production.

COMESA Member States have committed to liberalise seven priority services sectors, namely Communication Services, Financial Services, Tourism Services, Transport Services under Phase 1 and Business Services, Construction Services and Energy Related Services under phase 2 negotiations. The 1st round of the COMESA trade in services negotiations concluded in 2014 with the approval and adoption for implementation schedules of specific commitments for eleven Member States namely, Burundi, Djibouti, Egypt, Eswatini, Kenya, Malawi, Mauritius, Seychelles, Sudan, Uganda, and Zambia in the sectors of communication, financial, tourism, and transport Services. The 2nd 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 are ongoing.

Since the commencement of the 2nd phase negotiations, the following Member States have submitted draft offers: Burundi, Comoros, DR Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Seychelles, Uganda, Zambia, and Zimbabwe. In addition, Comoros, DR Congo, Madagascar, and Zimbabwe submitted their draft offers on the priority sectors on which they had not made offers under phase 1. During the period under review as part of the implementation of activities on enhancement of trade in services, through the EDF 11 support, the Secretariat undertook the following:

- i. Provided support and coordinated two (2) technical meetings of the Committee on Trade in Services to consider draft offers submitted by thirteen Member States and facilitating the exchange of offers and requests.
- ii. Provided technical and financial assistance to one (1) Member State, upon request, to facilitate national stakeholder consultations to revise its initial offer and develop an offer on the outstanding sector of energy related services.
- iii. Organised two virtual capacity building workshops on 12-15 July and 6-9 December 2021 respectively to continue building the capacity of Member States to negotiate trade in services.
- iv. Provided technical assistance and capacity building to three Member States namely, Djibouti, Madagascar, and Tunisia on trade in services to facilitate the development of their initial offers.
- v. Supported the development of two studies on business services, and energy-related services through consultancies to support the ongoing negotiations.

Cooperation with Other RECs, International Organisations and Development Partners

In the reporting period, the Customs Programme in collaboration with Tripartite FTA Coordinators from EAC and SADC provided inputs to the development of various working documents including the Draft Guidelines on Perishable Goods. Further, the Customs Programme was involved in the facilitation of the 27th Meeting of the TWG on Rules of Origin, 12th Meeting of the TWG on Customs Cooperation, Documentation, Procedures and Transit Instruments and 19th Meeting of the Trade Negotiation Forum.

With regards to cooperation with International Organisations and Development Partners, the Customs Programme facilitated cooperation with the European Union – World Customs Organisation Harmonised System (HS) Programme for Africa. It is envisaged that in 2022 COMESA and its Member States will be receive capacity building support on HS related matters under the EU-WCO HS Africa Programme. Having noted several challenges during the reporting period, the COMESA Trade and Customs Programme will further support digitization and continued use of trade facilitation instruments including the electronic certificate of origin, the NTB Online reporting system, etc and will enforce the Regulations on Elimination of NTBs amongst other measures.

11th EDF - Trade Facilitation Programme and Small-Scale Cross Border Trade Initiative

The 11th European Development Fund COMESA Sub-Regional Envelope covers specific objectives and expected results on trade facilitation and cross-border trade. It is implemented through the Trade and Customs Programme, with an indicative allocation of €85 million over a period of five years, meant to assist COMESA to implement its regional integration priorities. The Trade Facilitation Programme (TFP) and Small-Scale Cross Border Trade Initiative (SSCBTI) fall under the ambit of 11th EDF Sub-Regional Envelope. The three objectives specified are as follows:

- a) 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:
 - i) *Small Scale Cross Border Trade Initiative €15 million*, 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.
 - ii) *Trade Facilitation Programme €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.
- b) 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. This is expected to achieve the following results, small and medium enterprise productive/innovation capacity and competitiveness enhanced, enabling environment for small and medium enterprises and the private sector in general in the COMESA region improved.
- c) Objective 3: €7 million: Enhanced capacity of the COMESA Secretariat and Member States, including the private sector to deepen regional integration. The following results are foreseen; capacity, both at Secretariat and country level, to monitor domestication/implementation of regional commitments and to engage in a multi-stakeholder dialogue on regional economic integration increased; COMESA Secretariat procurement and financial management capacity enhanced; production and dissemination of harmonized gender responsive regional statistics improved.

Trade Facilitation Programme (TFP)

In 2021, COMESA strived to advance work on improving the functioning of the internal market through several trade facilitation activities, among others: adoption of digital technology-based initiatives such as the DFTA; advancing developments of the eCO prototype to support piloting; finalised the development of the COMESA AEO Standard Operating Procedures

**FRONTALIER
DE
LUBIRIHA**



D.R. CONGO



and Training Manuals; advanced work on development of the COMESA Regional Customs Automation Support Centre (CARSC) and the Regional Trade Information Portal (TIP); developed and adopted training manuals on a number of customs topics and supported implementation of a number of activities under the Sub-Delegation Agreements signed with Member States for border post upgrade projects at the five target border posts for implementation of interventions to advance trade facilitation. This notwithstanding the disruptive effects of the Covid-19 pandemic which negatively impacted on trade and trade facilitation programmes, particularly those implemented in Member States. Key highlights amongst others of the TFP some of which have been highlighted in this report are as follows;

- i. Ten Member States (Burundi, Comoros, Egypt, Zambia, Zimbabwe, Rwanda, Seychelles, Madagascar, Malawi and Mauritius) have notified their NTB's National Monitoring Committee's and Focal Points. This is an increase by 6 from the number reported in last year's report;
- ii. Supported Zambia and Zimbabwe with the development of NTB's Elimination Strategies;
- iii. More than 200 Members of National Monitoring Committees and National Focal Points were trained on the COMESA NTB's Elimination Mechanism including the adopted COMESA NTB's Regulations, Working Procedures, the Online Reporting System and SMS Tool and development of National NTB's Elimination Strategies;
- iv. Facilitated Burundi with preparation of Category 'C' projects to be presented to WTO TFA Secretariat and other donors for funding;
- v. Supported Madagascar with development of a work plan, budgets and ToR's for implementation of priority activities under National Trade Facilitation WTO TFA Measures Action Plan;
- vi. Monitoring and Evaluation Tool to facilitate assessment of Member States implementation of WTO TFA Category B and C Measures was developed;
- vii. Seychelles was supported with development of an Implementation Strategy and Action Plan for a national AEO Programme;
- viii. COMESA Customs and Trade Facilitation Work Programme (2021-2025) was prepared and adopted by Council in November 2021;
- ix. A Demo RTIP based on the NTIPs from the EAC Partner States has been hosted on a COMESA Domain and is accessible to Member States on tradeportal.comesa.int. user name – comesa; password – tradeportal;
- x. Sub-delegation Agreements for implementation of Border Upgrade projects have been signed between COMESA Secretariat and Djibouti, Ethiopia, Malawi, Tanzania, Zambia and Zimbabwe. Process of signing of Sub Delegation Agreement with Kenya is at an advanced stage.

Small-Scale Cross Border Trade Initiative (SSCBTI)

Key highlights amongst others of the SSCBTI in the period under review some of which have been highlighted in this report were as follows;

- i. A National Sensitisation Workshop was held in Ethiopia in September 2021 to create awareness of relevant stakeholders on the importance of formally adopting the Simplified Trade Regime (STR) and other COMESA trade facilitation instruments. Resultantly, the country developed roadmap towards implementation of the STR with its neighbours.
- ii. Six studies were completed and validated by the relevant Member States on:
 - Reviewing Member States Policies Related to Formalising the Informal Economy, Focusing on Informal Trade.

- 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 Small Scale Cross-Border Trade (SSCBT).
 - Exploring options to include selected services (especially mode 4 – Movement of Natural Persons) to the STR.
 - A Technical Paper on Bilateral Versus Regional Common Lists for the Simplified Trade Regime.
 - The Suitability of the Current Threshold of the Simplified Trade Regime.
 - The Sustainability of the Trade Information Desk Officers after the expiry of the Small-Scale Cross Border Trade programme.
- iii. Trained Trade Information Desk Officers on customs and immigration procedures to cross the borders as well as on gender and trade issues;
 - iv. Supported bilateral meeting on the STR between D R Congo and Zambia held on 16-18 December 2021 in Ndola, Zambia. The meeting made good progress towards the implementation of the STR. The outstanding issues will be escalated to higher authorities; Meeting also held to discuss the framework and modalities of the e-jeton solution to be piloted at Kasumbalesa Border;
 - v. Green Pass/Mini-Labs Equipment installed and commissioned at Luangwa Border Post on 7 October 2021.
 - vi. A Trade Information Desk Officer was recruited at Moyale Border, Kenya in addition to the seven already recruited at the five targeted borders of Chirundu, Kasumbalesa, Mwami/Mchinji and Nakonde;
 - vii. Signed an MoU between the Secretariat and the Kenya National Bureau of Statistics and conducted training of 17 enumerators for Moyale-Kenya on 8-17 November 2021 at Moyale border in preparation for the commencement of SSCBT data collection at the border;
 - viii. Carried out feasibility studies and reports with findings and recommendations were finalised for the construction of border markets at Chirundu (Zambia side), Chirundu (Zimbabwe side), Nakonde; Tunduma, and Mwami (Chipata);
 - ix. Negotiated and signed sub-delegation agreements with Tanzania and Zambia for the construction of border markets at Majengo, Tunduma and Mwami (Chipata), respectively.

Implementation of the Great Lakes Trade Facilitation Project (GLTFP)

The objective of the GLTFP was 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 borders. The total project amount is \$79 million distributed as follows: Rwanda US\$34 million (loan), DR Congo \$30 million (loan), Uganda US\$10 million (loan) and Secretariat US\$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 led 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 for 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.

Key achievements of the GLTFP amongst others in the reporting period were as follows:

- i. Capacity building through training and awareness creation on STR and the Charter. The development of five TOT manuals and subsequent regional training sessions for officials from both private and public sectors.

- ii. Establishment of trade information desks and facilitation of small-scale cross-border traders.
- iii. Establishment of Joint Border Committees and training to promote and facilitate good trading relations between project countries.
- iv. Sensitization and awareness creation workshops were conducted in various areas including the STR, COMESA Regulations on the Minimum Standards for the Treatment of Small-Scale Cross Border Traders.
- v. Facilitation of a bilateral meeting between DR Congo and Uganda which discussed Standards and SPS issues which affect implementation of the STR.

TRADE NEGOTIATIONS

Update on the Tripartite FTA Negotiations

The AfDB extended a grant of US\$1.17 Million 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. On 25 February 2021, the implementation of the project commenced with COMESA as the Implementing Agency working on behalf of the Tripartite Partner RECs. The programme is supporting the Tripartite Work Programme activities under the market integration pillar. As of December 2021, 22 Member/Partner States had signed the TFTA Agreement of which 10 Member States⁶ had ratified. Fourteen ratifications are required for the Agreement to enter into force.

The COMESA-EAC- SADC negotiations cover two phases: The first phase of the negotiations covered trade tariffs liberalisation, rules of origin and trade remedies. Except for a few areas on the rules of origin covering a few products of the textiles and automotive sectors, which are still outstanding, the first phase of negotiations was largely concluded, including the Tripartite Agreement on Movement of Businesspeople which was negotiated under a separate track. The phase two covers negotiations on liberalisation of trade in services and other trade related issues such as intellectual property rights, competition policy and cross border investments. The Tripartite Negotiations are covered in three pillars: Market Integration Pillar, Industrial Development and Infrastructure Development.

Market Integration Pillar

The 8th Meeting of the Tripartite Sectoral Ministerial Committee on Trade, Customs, Finance, Economic Affairs, and Home/Internal Affairs held in Addis Ababa in June 2019 observed that the cumulative progress attained in negotiating TFTA Agreement and Instruments aided the process of continental integration, which stresses the significance of TFTA as a single-largest trading block towards realization of a successful AfCFTA. Through a protracted process that commenced with negotiating the text of TFTA and later the Annexes to the TFTA Agreement; several achievements have been realised to date. They include:

- i. Several Tripartite/Member Partner States have exchanged tariff offers
- ii. The Customs Unions of EAC and SACU have concluded negotiations on tariff offers
- iii. Negotiations between Egypt and SACU and EAC have been initiated - pending conclusion
- iv. Ninety percent of the TFTA List of Rules of Origin have been agreed and are contained in Annex 1V of the TFTA Agreement. Annex 1V contains a provision on transitional arrangements on Rules of Origin that would be applied to commence the TFTA. It should be noted that the 8th Meeting of TSMC allowed Member/Partner States that had concluded the tariff negotiations and ratified the TFTA Agreement to begin trading on the principal of variable geometry.
- v. Only two issues regarding the rules of origin of some products of the textiles and automobiles sectors remain outstanding

⁶ Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi, Namibia, Botswana, Eswatini, Zambia and Zimbabwe.

In the period under review, meetings of the relevant Tripartite Technical Working Groups (TWGs) and the Tripartite Trade Negotiations Forum (TTNF) were organised and negotiated the following:

- Working Procedures for Elimination of NTBs
- Manual of Working Procedures for Implementation of the Tripartite Rules of Origin
- Regulations for Implementation of the Manual of Procedures for the Rules of Origin
- General Guidelines on Customs Cooperation, Documentation, Procedures and Transit Instruments
- General Guidelines Trade Facilitation and Transit Facilitation
- Working procedures for the Tripartite Subcommittee on TBT
- Working procedures for the Tripartite Subcommittee on SPS
- Working Procedures for the Tripartite Subcommittee on NTBs
- Other instruments to implement the Annexes of the TFTA were at various stages of development in the relevant TWGs

On Phase II negotiations, the Draft Protocol on Competition Policy was discussed by the Relevant TWG and 19th TTNF Meeting held in June 2021. Further, modalities for conducting negotiations on the Trade in Services were discussed by the relevant TWG and TTNF and studies were recommended to guide further negotiations.

Highlights of key achievement by the Tripartite Task Force (TTF) with the support of the TCBP-II amongst others were as follows:

- i. Organized the 28th Meeting of the Technical Working Group (TWG) on Rules of Origin to discuss the outstanding issues deferred by the 19th Meeting of Tripartite Trade Negotiation Forum (TTNF) held in June 2021 on the Draft Manual of Standard Procedures for Implementation of Annex IV of the TFTA Agreement on Rules of Origin; the S&D Treatment for Island States on Fisheries; and Development of Regulations on Implementation of Rules of Origin under the TFTA;
- ii. Conducted a survey on implementation of cumulation provisions under the current COMESA, EAC and SADC Rules of Origin;
- iii. Prepared a Paper on the Cumulation of Origin with AfCFTA Members that are not party to the TFTA and shared with REC Rules of Origin Coordinators for comment;
- iv. Drafted the technical paper to guide negotiations on rules of origin for the outstanding textiles and textile products;
- v. Drafted a Technical Paper on Rules of Origin to guide negotiations on the rules of origin for the remaining products of the automotive sector of Chapter 87 under the Harmonized System;
- vi. Stakeholder sensitization of the Tripartite NTBs reporting, monitoring, and elimination mechanisms among COMESA Members;
- vii. Conducted stakeholder NTMs database development and training workshop on upgrading NTMs data collection in Mozambique.

Update on AfCFTA Negotiations

The agreement establishing the African Continental Free Trade Area (AfCFTA) entered into force on 30 May 2019 after 24 countries had deposited their instruments of ratification. Trading under the AfCFTA Agreement commenced on 1 January 2021 while negotiations on outstanding issues regarding tariff liberalization, rules of origin and trade in services continue. As of December 2021, 54 Member countries had signed out of which 41 countries had ratified.

As of August 2021, 42 Member/Partner States have submitted their schedules of tariff concessions, 12 of which are COMESA Member States namely: Burundi, Eswatini, DR Congo, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Uganda and Zambia. Further, agreed RoO cover approximately 87.1 percent of tariff lines, and the June 2021 deadline for

conclusion of negotiations on tariff offers and Rules of Origin was not achieved. Therefore, Senior Trade Officials made a recommendation to the Council of Ministers to consider an extension.

The AU Summit approved the liberalization of five priority service sectors namely, 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. The services negotiations are being conducted through the request and offer approach. To expedite the process, it had been recommended that all Member States finalize their national consultations regarding the preparation of their offers and submit their schedules of specific commitments by June 2021 to conclude the negotiations however the agreed deadline was not met.

Member States were requested to make commitments in all five (5) priority services sectors in their offers, 32 AU Member States and 2 RECs submitted their offers in respect of the five priority sectors for trade in services of which 13 were COMESA Member States. These countries are encouraged to participate in the meetings of the Committee on Trade in Services to ensure constructive negotiations on their offers. Regarding the negotiations of Phase II covering Intellectual Property Rights (IPR's), Investment and Competition Policy, the Extraordinary Assembly noted that it was not possible to conclude Phase II negotiations by the agreed deadline of December 2020 due to the COVID-19 Pandemic and approved that the negotiations on Phase II and Phase III on E-Commerce be concluded by 31 December 2021. The Fourteenth African Union Session of the Assembly was expected to meet in October 2021 to review progress and take decisions regarding the implementation of the AfCFTA and other related issues and the next steps in the process. Despite the start of trading, the following are outstanding:

- i. Finalization of the modalities for implementation of trading instruments, including the tariff offers and RoOs;
- ii. Conclusion of the Framework Agreement on Division of Labour and Roles between AfCFTA Secretariat and the African Union Commission on the one hand and the RECs and Member States on the other hand;
- iii. Financial and human capacity constraints; and
- iv. Coordination and rationalization of programmes (meetings) with other REC's activities.

Update on The African Growth and Opportunity Act (AGOA)

As of August 2021, 12 COMESA Member States were eligible for AGOA benefits while eight were eligible for the apparel benefits. Egypt, Libya, Somalia, and Tunisia are COMESA Member States which are not eligible for AGOA as the arrangement targets Sub-Saharan African countries. Rwanda was suspended from the application of duty-free treatment for all AGOA-eligible goods in the apparel sector.

Concerning trade performance under AGOA, the US 2021 Trade Policy and 2020 Annual Report observed that trade between US and AGOA beneficiary countries (including under the US GSP Programme) declined to US\$4.1 billion in 2020, compared to US\$8.4 billion in 2019, mostly due to a decrease in imports of oil (down 85%) to US\$695 million in 2020, compared to US\$4.6 billion in 2019. Trade between the US and COMESA Member States, which are eligible for AGOA has been erratic since its commencement in 2000. The peak was in 2019 when total value of exports from COMESA to US under AGOA was recorded at US\$935,861. The top two commodities exported to US under AGOA were textiles and apparel worth US\$788,603 and agricultural products worth US\$111,937. Generally, trade has largely been dominated by textiles and apparel products. The US exported substantial volumes to COMESA AGOA beneficiary countries in 2018 at a value of US\$2,247,702 and the number of exported commodities was transportation equipment at US\$1,467,482. The lowest volume of exports from US to COMESA AGOA beneficiary countries was recorded in 2020 at US\$1,104,028.

Development of the AGOA Regional Strategy

The AGOA Extension and Enhancement Act of 2015, provides for the development of national and regional AGOA utilization strategies. These strategies should spell out amongst others, identification of strategic needs and priorities to bolster utilization of benefits available under AGOA. As of August 2021, 19 AGOA Beneficiary countries developed national strategies of which 8 are COMESA Member States namely: Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda and Zambia.

The COMESA Regional Strategy for utilization of AGOA preferences was considered for use by eligible Member States in November 2018 during the 39th Meeting of the Council. With key identified drivers, the strategy prioritized five broad categories namely: textiles & garments, metal-based light manufacturing, leather/leather products, speciality foods, and extractive natural resources.

Developments in US Trade Policy

In 2020, the US Government conducted the AGOA country eligibility review to ensure that beneficiary countries comply with statutory requirements. The results of the review led to the reinstatement of DR Congo which became effective on 21st January 2021. The last extension of AGOA preferences to 2025, necessitated AGOA beneficiary countries to start considering post AGOA engagement with the US. This led to the launch of the Free Trade Area Agreement Initiative by the US. According to the 2021 US Trade Policy Agenda and 2020 Annual Report, the US launched a Free Trade Agreement (FTA) Initiative which has been designed to build on the AGOA programme's successes and aims to establish a model agreement that could be replicated across the continent, unlocking economic opportunity for mutual benefit. There is however, a shift in US policy towards reciprocity away from unilateral trade preferences, hence ongoing negotiations for bilateral agreements with select African countries.

Updates on the World Trade Organization (WTO)

Build-up to the 12th Ministerial Conference (MC-12)

Following slow-down in activities in recent years, several members considered WTO reform a priority for the organization and put forward reform concepts including improvement of the functioning of the Appellate Body. Subsequently Heads of WTO Member Delegations exchanged views on issues for agreement in the run-up to the 12th Ministerial Conference (MC12) during the year 2021. The identified three main areas were as follows;

- i. **The Fisheries Negotiations** - There remained urgency to reach a deal on fisheries subsidies. The main negotiating priority is to reach agreement on eliminating subsidies to illegal, unregulated, unreported (IUU) fishing and prohibiting certain subsidies that contribute to overfishing and overcapacity, giving due consideration to special and differential treatment for developing countries. Commitment was shown to conclude negotiations by the 12th Ministerial Conference.
- ii. **Agriculture and Food Security** - The COVID-19 pandemic, and rising hunger around the world made a strong case for development a WTO "Food Security Package". Elements for a prospective package included public stockholding, the proposed exemption from export restrictions of World Food Programme humanitarian purchases, domestic support and transparency.
- iii. **COVID-19 Pandemic and Vaccine Scarcity** - The WTO highlighted export restrictions, the need to increase vaccine production volumes, the roles of global value chains in combating scarcity of vaccines, especially in low incomes economies and the need for the TRIPS waiver.

The other issues of interest in the negotiations include:

- i. Reforms in the Appellate Body on dispute settlement,
- ii. The issues specific to least-developed countries such as the G-90 proposals on special and differential treatment as well as on small economies and areas such as the e-commerce work programme; and
- iii. The desire to move ahead in areas such as services domestic regulation, e-commerce, investment facilitation, women's economic empowerment, micro, small, and medium-sized enterprises as well as issues related to trade and climate change.

ECONOMIC AND TRADE POLICY RESEARCH PROGRAMME

Eighth COMESA Annual Research Forum

The 8th COMESA Annual Research Forum was held on 13-16 September 2021 under the theme "*Rethinking Trade and*

Doing Business in the Wake of the COVID-19 Pandemic” with five sub-themes, namely: Intra-COMESA Trade and COVID-19, Digitalizing Trade, Trade Facilitation and COVID-19 Pandemic, COVID-19 and Trade in Services in COMESA, Manufacturing, Regional Value Chains and COVID-19 in COMESA and Agricultural Trade, Food Security and COVID-19. A total of eight papers were presented under the sub-themes, notably:

- i. Effect of COVID-19 Pandemic on Intra-COMESA Trade: Case of Kenya and Uganda Trade,
- ii. Impact of COVID-19 on Intra-COMESA Trade,
- iii. The Impact of COVID-19 on Madagascar Agricultural Exports to the COMESA Region,
- iv. The Daily Effect of COVID-19 on Kenya’s Trade under COMESA: A Firm-Level Analysis,
- v. COVID-19 Pandemic and Intra-regional Trade Flows: A Comparison of Regional Economic Communities in Africa,
- vi. Estimating COMESA’s Trade Potential in Africa: Optimizing Export Opportunities in the AfCFTA,
- vii. Agri-Food Trade a Catalyst Toward Sustainable Food Security in COMESA, and
- viii. Digitalizing Trade in the Wake of the COVID-19 Pandemic in COMESA.

The COMESA Innovation Awards was held along the margins of the 8th Annual Research Forum. The following innovations were presented:

- i. Crop diseases and pests detection device to detect and predict crop diseases and pest infections;
- ii. BRIISP Medicine Dispenser (BMD) for dispensing drugs remotely; and
- iii. Moringa infusion and Moringa powder, an innovation of the Moringa product

The 2021 Innovation prizes were awarded to BRIISP Medicine Dispenser (BMD); and Moringa infusion during the 21st Summit of the COMESA Authority of the Heads of State and Government on 23 November 2021.

Trade Policy Research Programme

Research studies and policy briefs prepared included the following:

- i. A Study on Export Potentials of Intra-COMESA Trade: Reaping the Benefits of COMESA Integration was prepared and published.
- ii. Two consultancy research works were commissioned and commenced in 2021, focusing on topical issues on deepening intra-regional trade namely:
 - Implications of Non-Tariff Measures and Non-Tariff Barriers on Intra-COMESA Trade; and
 - Implications of Brexit on COMESA Trade with the European Union and the United Kingdom.
- iii. In addition, the following policy briefs were prepared and published:
 - Towards Enhancing COMESA-UK Ties- Post Brexit
 - The African Continental Free Trade Area: A Stimulant to Intra-COMESA Trade
 - Customs digitalization and deepening intra-COMESA Trade

COMESA Virtual Master’s Degree Programme in Regional Integration

Following the decision of the 28th COMESA Council of Ministers Meeting held in Eswatini on 25-27 August 2010 on setting up a professional or graduate school of regional integration which was endorsed by Summit, COMESA has been working towards the establishment of a Master’s Degree Programme in Regional Integration. Currently, 22 universities have agreed to participate in the implementation of a collaborative masters’ programme. Two additional universities, namely University

of Malawi and Makerere University signed an MoU with COMESA in 2021. Thus, in total, COMESA has signed MoUs with eight Universities namely: Kenyatta University; University of Mauritius; Open University of Mauritius; l'Institut Supérieur de Gestion des Enterprise (ISGE) of Burundi; University of Zambia; University of Zimbabwe; Makerere University, Uganda; and University of Malawi.

COMESA secured EUR 120,000 for annual scholarships from the European Union through OACP under the TradeCom II Capacity Building Programme, which will end in November 2022. 39 students were awarded scholarships as at end of 2021. Kenyatta University and University of Mauritius commenced the Master's Degree Programme in September 2020. Kenyatta University and University of Mauritius have admitted students to the programme. Twenty-eight students are completing their first year while the second cohort of students from both universities commenced their first-year studies during the year under review. The University of Zambia were awarded approval to offer the Masters programme during the year.

As part of the MRI Programme implementation, in May 2021, COMESA initiated virtual Webinars/Guest Lectures series for students, lecturers and COMESA staff under the programme. The objective of the Guest Lectures Series is to provide a platform for sharing experiences regarding COMESA's integration agenda. The Guest Lecture Series were held occasionally depending on the time availability of the lecturers and the students. The first presentation on the series was made by COMESA Secretariat on "COMESA and Its Role in Fostering Regional Economic Integration", held virtually on 1 May 2021.

OACPS Research & Innovation Policy Support Facility (PSF)

COMESA Secretariat submitted an Expression of Interest for a Policy Support Service which was honoured by the Organisation of African, Caribbean and Pacific States (OACPS) Secretariat. The main objective of the PSF Service is to provide technical support to COMESA towards the development of a Regional Science, Technology & Innovation (STI) Policy that is adaptable to national needs. The COMESA region requires an STI Policy to be able to steer its scientific research and innovation agenda in a collaborative, harmonized and uniform manner whilst engendering the same at the national level. The development of a Regional STI Policy will contribute to address this gap. Moreover, the service will contribute to the achievement of the Treaty provisions (Article 100(d)) regarding COMESA's STI Strategy and Programme by providing the framework for implementation to enhance domestic productive capacities, product sophistication and competitiveness.

Subscription to e-journals and e-books

- i. COMESA in collaboration with the two universities has identified appropriate journals in economics, trade, development, law, international relations, amongst others. To this effect, COMESA Secretariat working in collaboration with lecturers from Kenyatta University and University of Mauritius identified 20 e-journals for use. Additionally, COMESA is a member of the Zambia Library Consortium (ZALICO). Under the ZALICO arrangement, COMESA Secretariat has linked the staff, lecturers, and students to access the journals available under that arrangement.
- ii. COMESA subscribed to the e-journals from Elsevier publishers. A Subscription Agreement with Elsevier Publishers to access 2,745 e-books and 1,066 e-journals was signed in May 2021, and COMESA has since paid the required annual subscription fee to enable students, lecturers and COMESA staff access the e-materials.

Policy Research Visibility Activities

A Draft Communication and Visibility Plan for the Enhancing COMESA Policy in Trade Policy Analysis, Research and Training for Deeper Regional Integration and Participation in Global Economy was submitted to the EU for inputs and guidance. Additionally, various visibility materials were procured.

COMESA STATISTICS PROGRAMME

The COMESA Regional Strategy for the Development of Statistics (RSDS 2021-2025) is a tier two policy that responds to the statistical needs of the 2021-2025 Medium-Term Strategic Plan. This is done through the provision of policy responsive statistics, that are timely and reliable. The RSDS 2021-2025 has two core strategic objectives namely, strengthening statistics that support the COMESA 2021-2025 MTSP and strengthening strategic partnerships. Below are highlights of progress on implementation in the period under review:

Strengthening Statistics that Support the COMESA MTSP 2021-2025

Statistical Support to the Market Integration Pillar

i. International Merchandise Trade Statistics

The EUROTRACE software is the most widely used compilation software for international merchandise trade statistics in Africa. COMESA as a regional centre provides technical assistance to requesting Member States and Partner States from other RECs. Technical support for the EUROTRACE software was provided to the following countries: Zambia, Malawi, Seychelles, Zimbabwe, Kenya, Lesotho and Burundi.

ii. Small Scale Cross Border Trade (SSCBT) Statistics

- a) Fact-finding missions were undertaken to Moyale Border on both sides of Kenya and Ethiopia in August 2021 to establish the status quo of SSCBT activities.
- b) Conducted a data validation and cleaning workshop for Zambia SSCBT data. The workshop validated data for the period October 2020 – September 2021.
- c) A training workshop was conducted by the Kenya National Bureau of Statistics (KNBS) for enumerators recruited for data collection at Moyale-Kenya. In total 17 enumerators (10 females) were trained on CAPI data collection techniques.
- d) Data validation sessions were conducted for Tunduma and Mchinji SSCBT data alongside technical support and supervision missions in December 2021.

iii. Statistics of International Trade in Services (SITS)

Support to the Trade Facilitation Programme under the 11th EDF with specific reference to trade in services statistics focused on enhancing the COMSTAT Regional Database with new components of trade in services statistics and providing capacity building activities for Member States to collect the statistics of international trade in services in accordance with the Manual on Statistics of International Trade in Services (MSITS2010). The following activities were undertaken in 2021.

- a) Training on the development of a Tourism Satellite Account (TSA) for the Ministry of Tourism and Arts and the following agencies in Zambia, Zambia Statistics Agency (ZAMSTATS), Zambia Tourism Agency, Bank of Zambia, Ministry of Commerce, Industry and Trade and National Heritage Conservation Commission. 25 experts were trained on the development of the TSA.
- b) A consultancy to strengthen the capacity of National Compilers to compile and analyse statistics of international trade in services was launched in 2021. This was a result of the 7th Meeting of the Committee on Trade in Services recommendations to provide support to requesting countries on improving their SITS. A key output of the work undertaken in 2021 was the production of an instruction manual on SITS and SITS survey questionnaires.

iv. Migration Statistics

Migration statistics are an integral part of the market integration strategic objective of COMESA. Therefore, COMESA is developing an approach to ensure that its cross-sectional membership moves in a progressively similar direction in the development of migration statistics. In addition to its own mandate, COMESA derives a mandate as one of the RECs foreseen to play a role in the domestication of SHaSA 2 Objectives. Two initiatives on migration statistics are now being implemented by COMESA namely, the COMESA-AUC-Statistics Sweden Migration Programme and the Southern African Migration Management Programme.

The following activities were undertaken in 2021 under the initiatives:

COMESA-AUC-Statistics Sweden Programme

- a) The second annual review meeting of the cooperation project between STATAFRIC, Statistics Sweden and Sida took place on 14 – 17 September 2021 to discuss project implementation and to review results from the mid-term review of the project conducted in 2021.
- b) COMESA conducted bilateral meetings with Member States to discuss project activities from July to August

2021. During the meetings, various challenges of labour migration data were discussed, and Member States assigned focal persons for communication purposes and data sharing. Additionally, issues related to collection and coordination of migration statistics, data disaggregation and the publication road map for the first COMESA Migration Report were agreed. Member States were encouraged to submit their needs for targeted support.

- c) The 5th Steering Committee Meeting Cooperation Programme on Migration Statistics in Africa between Statistics Sweden, the African Union and RECs was held in 2021. The meeting was attended by representatives of AU/STATAFRIC, RECs (IGAD, EAC, ECOWAS and COMESA), Statistics Sweden and IOM-GMDAC.
- d) COMESA commenced the process of harmonization of the regional core-set of labour migration indicators and crucial quality statistical information of migration in the region. The core set of labour migration data in the region will contribute towards harmonization of concepts and methodology to produce labour migration that aligns with international standards.
- e) The development of the first COMESA Migration Statistics Report commenced during 2021 and the first draft was sent for review to the national focal points at the end of the year. The report disseminates ten-year time series on the REC and Member States level. A key achievement in 2021 was the addition of an indicator on labour migration to the M&E framework of the 2021-2025 COMESA MTSP.
- f) A key development and output of the Migration Statistics Programme is the improved coordination at regional level among different agencies and organisations supporting migration statistics. Through this coordination, meetings of all stakeholders were regularly convened, and activities planned, financed, and conducted jointly in both IGAD, ECOWAS, EAC and COMESA. Among these meetings, COMESA participated the following: Inter-Rec Workshop on Labour Migration Policies, Djibouti, 8-11 November 2021. The African Union created a Tripartite African Labour Migration Advisory Committee (LMAC) to improve labour migration governance in Africa, addressing the issues of labour force gaps, and social protection mechanisms initiated by Member States and RECs. In addition, the Revised Migration Policy Framework for Africa and its Plan of Action (2018-2030) called for the operationalisation of the LMAC. COMESA has attended meetings of the LMAC, including an online workshop under the theme "*Leaving No Migrant Behind*" aimed to help countries to report on SDGs and Agenda 2063 indicators by migratory status.

Southern African Migration Management Programme

- a) COMESA Labour Migration Trends Report Draft: SAMM provided technical support to the collection and analysis of labour migration statistics provided by COMESA Member States and towards drafting of the report. The report was developed to align with the International Conference of Labour Statisticians (ICLS) Guidelines on Labour Migration Statistics as well as the SAMM Project Minimum Labour Migration Indicators.
- b) Labour Migration Statistics Capacity Building e-Course (May-June 2021): The SAMM Project conducted a 4-week online training course focused on strengthening technical and analytical capacity of staff as well as identify gaps and needs at country level to produce harmonized labour migration statistics. The course was open to staff of National Statistical Offices of project countries as well as technical staff of participating RECs. Representatives from DR Congo, Eswatini, Comoros, Malawi, Mauritius, Seychelles, Zambia, and Zimbabwe, and the COMESA Secretariat took part in the training.
- c) Support to MIDCOM and Chiefs of Immigration Meetings (January 2021): The SAMM Project advocated for harmonized labour migration statistics according to the most recent International Statistical Standards.
- d) The SAMM Project supported work of the COMESA Migration Programme, under the Division of Legal and Corporate Affairs including revision of the COMESA Model Migration Law, which includes a section on

strengthening the evidence-base through collecting and producing harmonized migration data at national and regional levels.

Statistical Support to the Productive Integration Pillar

i. Foreign Direct Investment Statistics

The Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) among its activities, supports enhancing the capacity of Member States in production of key statistics on investments (data collection, compilation, and reporting) across the identified value chains. COMESA, in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) held a regional workshop on foreign direct investment statistics. The objectives of the workshop were to build capacity on undertaking foreign assets and liabilities surveys, use on non-survey sources, validation of investment survey data using financial statements, forecasting techniques and compilation of foreign affiliates statistics. Sixty-seven (67) Member States experts from Central Banks and Statistical Agencies and Investment Promotion Agencies attended this workshop.

ii. Food Security Statistics

Since 2020, COMESA with funding from Statistics Norway (SSB) has been implementing a project to build capacity on food security statistics in COMESA Member States. The overall project goal is improved food security situation in low and middle-income countries. Resultantly, more statistics will be produced from household consumption and expenditure surveys such as the Living Conditions Monitoring Survey (LCMS) to be used for better policies and implementation of concrete projects. Capacity will be built at COMESA through conducting national and regional analysis for pilot countries. At the national level, National Statistical Offices (NSOs) in Member States interested in undertaking the analysis are currently receiving training and mentoring from COMESA and SSB. Thus far, three Member States have signed up namely, Malawi, Zambia, and Zimbabwe. The project can accommodate up to a six Member States. Several benchmarks were achieved in 2021 as listed below:

- A COMESA based expert was engaged to work on the project and was oriented by SSB experts on the Food Security Analytical Framework which is the backbone of the programme.
- A framework for assessing Household Consumption and Expenditure Survey (HCES) Dataset was developed and used to assess datasets of the three participating Member States.
- COMESA, SSB and FAO conducted a Food Security Statistics Webinar on 29 November - 3 December 2021. Zambia, Malawi and Zimbabwe participated in the webinar.

Support to the Blue Economy Statistics

Under the ECOFISH programme, COMESA has been coordinating the development of the Blue Economy Fisheries Satellite Account in programme countries. The key activity for the period under review was the finalization of the Blue Economy Fisheries Satellite Account Report in readiness for the regional validation workshop in early 2022.

Statistical Support to the Physical Integration/Connectivity Pillar

Infrastructure and Energy Statistics

With support of the AfDB, COMESA as the executing agency for the Statistical Capacity Building Programme - Phase 5, launched surveys to compile statistics on transport, energy, water and ICT in 21 countries. Results of these surveys are expected in late 2022.

Strengthening Strategic Partnerships

Development of partnerships in statistical development is key to ensuring support for achievements of statistical demands of the MTSP is achieved. The following partnerships as highlighted were finalised in 2021:

- COMESA signed a Protocol of Agreement with the AfDB to be the Executing Agency for the Statistical Capacity Building Programme - Phase 5.
- COMESA signed a Cooperation Agreement with Statistics Norway on Food Security Statistics.

- COMESA signed a Cooperation Agreement with Statistics Sweden on Migration Statistics under the AUC programme.

Coordination - The 12th COMESA Committee on Statistical Matters was convened in late 2021 at which the RSDS 2021-2025 and the 2022 Work Programme were approved

COMESA AID FOR TRADE PROGRAMME

Key progress on implementation of the COMESA Aid for Trade Programme for the period under review was as follows:

Finalization of Closure Activities Under the 9th EDF Programme

Implementation of the 9th EDF RISM Programme ended in December 2018. The programme had total funding of €78 million of which 94 percent (€73.4M) was for support to countries, while 6 percent (€4.6M) was for administrative and operational support under the programme. The programme recorded an overall achievement of 89 percent on indicators in line with the programme's logical framework. In addition, a total of 12 projects were successfully implemented by 11 Member States. The utilization of resources was complementary to the RISM targets on indicators and allowed countries to address country specific gaps necessary for improved participation in the regional integration process. All the activities were aligned with the COMESA Treaty and its related policies. Based on the country specific logical frameworks, over 90% of project outputs were achieved against a budget absorption of 99 percent. This was reflective of the strong result frameworks that were used to focus activities on objectives and achievement of intended outputs. Closure of the 9th EDF Programme was finalized in December 2021 following the submission of the recovery order by the European Union (EU) for unspent and ineligible expenditures. Secretariat is expected to remit the fund in January 2022 to allow EU to complete the closure process. In addition, documents were received for two countries that were yet to submit their documents to Secretariat for archiving.

Member States Outstanding Allocations Disbursed and Monitored

With the main 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 countries as adjustment support. About 95 percent of these resources have been disbursed to the 16 countries during the period 2010 to 2020. In 2021, €2,809,893 was disbursed to Comoros, Eswatini, Madagascar, Malawi, Sudan, Uganda and Zimbabwe for the implementation of their respective projects. The total disbursed funds represent 94 percent (€24,894,659) of the total amount approved for Member States under the 10th EDF RISM programme. Table 15 below shows the summary disbursements under the 10th EDF Programme as at December 2021.

Table 15: Disbursements 2021 (Euro)

Country	APPROVED	DISBURSED	BALANCE
Burundi	439 384	439 384	0
Comoros	1 515 782	1 512 091	3 691
Djibouti	0	0	0
DR Congo	1 100 878	1 100 878	0
Eswatini	1 185 899	1 185 899	0
Ethiopia*	1 166 519	1 166 519	0
Kenya*	5 101 633	5 101 633	0
Madagascar	1 338 795	1 298 795	40 000
Malawi	1 408 109	1 380 764	27 345
Mauritius*	2 509 934	2 509 934	0
Rwanda*	1 271 999	1 271 999	0
Seychelles*	567 045	567 045	0
Sudan	2 201 700	1 817 778	383 922
Uganda	2 766 945	2 443 846	323 099

Zambia	2 105 529	1 808 460	297 069
Zimbabwe	1 791 259	1 289 634	501 626
TOTAL	26 471 410	24 894 659	1 576 751

Project Implementation under the 10th EDF Envelope Monitored and Completed

Implementation of projects under the 10th EDF programme ended on 24 November 2021 with a total of 14 projects implemented by 10 countries. The main areas of support for the projects were in line with the Aid for Trade initiatives that are mainstreamed in the regional programmes of COMESA under the Medium-Term Strategic Plan. The areas of support as per the Aid for Trade categories includes;

- i. Support for trade policy and regulations which covers negotiations and implementation of the COMESA FTA and Customs Union, Tripartite FTA and AfCFTA; it additionally covers strengthening of the NTB mechanism; improved customs data management systems, the single window and border management systems; significant support was also extended to the Simplified Trade Regime as well as setting up of Trade Information Desks;
- ii. Support for trade-related infrastructure which includes construction of border markets as well as construction of trade hubs;
- iii. Support for building productive capacity and trade development which includes significant support to the private sector for the development and implementation of regional value chains such as leather, cotton, vegetables, grain, cereals, and honey; creating linkages for SMEs to national, regional and international markets; and improving capacities to meet SPS standards; and
- iv. Support to other trade-related needs which includes improved and harmonized production of statistical data and improved capacities of national and regional statistical bureaus.

Some project activities were not completed by the deadline due to the effects of the COVID-19 pandemic which affected procurement and physical interactions such as trainings, surveys and construction activities. Despite these limitations, at the overall programme level, it is expected that an average of 80 percent of the objectives has been achieved in respective countries and about 85 percent achievement of the overall objectives has been attained at the regional level.

Closure of Projects Funded Under the 10th EDF Programme Completed

Closure of the 10th EDF Programme was on-going covering national and overall regional closure activities. At national level, activities include preparation of all national narrative and financial reports, national expenditure verification audits, transfer of assets in the countries, transfer of projects documents to Secretariat, recoveries and closure of accounts. The activities are on-going and expenditure verification audits commenced and some completed for five projects while nine were yet to commence. At the regional level, closure includes finalization of the annual audit for 2021, preparation of the consolidated narrative and financial reports, consolidated RISM evaluation report and archiving of RISM files at Secretariat and handover. The Consolidated RISM Evaluation Report is pending finalization following the completion of seven country level evaluations. The consolidated narrative and financial reports will be finalized following completion and submission of similar reports from the beneficiary countries. Preparations for the 2021 external audit for RISM is expected to commence in March 2022.

Evaluation of the RISM Programme

A total of seven national end-line evaluations were finalized which covered Burundi, Comoros, Djibouti, DR Congo, Kenya, Zambia and Zimbabwe. The evaluation for Madagascar is yet to be concluded. The consolidated report for all national evaluations is expected to be finalized in the 1st quarter of 2022. The evaluation covered four main areas of assessment, namely: Knowledge, Attitudes and Practices (KAP) survey; Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis; Relevance, Efficiency, Effectiveness and Sustainability (REES) Assessment; and Project Evaluation Component (PEC). In this regard, the evaluation established the knowledge attitudes and practices, strengths weaknesses opportunities

and threats, and quantitative and qualitative outcomes on relevance, efficiency, effectiveness and sustainability of the CAF/RISM in the seven Member States as well as the specific project implementation performance. This broadly covered the period 2012-2021. Generally, the results suggest that the CAF/RISM Programme as applied in the respective countries was highly relevant, effective and efficient at delivering the intended results, both in the Regional Integration Implementation Programme (RIIP) Framework and the project component. The sustainability of the achievements fostered by CAF/RISM was less clear-cut as more needs to be done in order to guarantee institutional and financial sustainability.

Review of the COMESA Fund Implementation Framework in View of Resource Mobilization Initiatives

The review of the CAF Operational Regulations was finalized by Secretariat in consultation with Member States. The proposed review is part of the efforts to address the concerns regarding the sustainability of CAF. The revised regulations are yet to be presented to the COMESA Fund Technical and Ministerial Committees for adoption. The revisions amongst others mainly addressed the expansion of support to a wider development partner set and inclusion of other sources of funding to ensure viability of the CAF.

COMESA GOVERNANCE, PEACE AND SECURITY PROGRAMME

Through the implementation of the programme on governance, peace and security, COMESA has continued to contribute towards the promotion of peace, security, stability and enhanced democratic governance through effective national and regional institutional mechanisms and structures.

The following was achieved in the intervention focused on effective early warning systems under APSA;

- i. COMESA made progress towards incorporating dynamic data into the COMWARN Structural Vulnerability Assessment (SVA) Model to improve accuracy;
- ii. COMESA and the AU supported Zambia efforts towards undertaking the CSVRA process through sensitisation of permanent secretaries and senior government officials in Zambia on the process in October 2021. This was followed by national CSVRA consultation for stakeholders in November 2021;
- iii. Following the rise of a new terror group in Southern Africa that has been operating in the northern Mozambique, COMESA facilitated a study tour for officials from the counter terrorism center of Zambia to the African Centre for the Study and Research on Terrorism in Algiers in October 2021. Additionally, officials from Kenya Counter-Terrorism Center were facilitated for peer exchange and peer learning with their Zambian counterparts;
- iv. Concerning development of indicators to be incorporated into the COMWARN SVA Model to track climate change impact in the region, a study on mapping of climate change induced conflicts in the region was completed in May 2021. An expert's round table held in December 2021 identified additional indicators and possible data sources that will enhance the accuracy of the model;
- v. COMESA commissioned an impact assessment for the Trading for Peace Project (TfP) to enhance border management in February 2021 which was completed and submitted in September 2021.

Concerning enhancement of the effectiveness of cooperation guided by the APSA Framework (including with CSOs) the following was achieved:

- i. COMESA co-hosted a meeting with the AU that brought together participants from nine RECs/RMs in October 2021. The meeting deliberated on issues concerning coordination, collaboration, and joint activities. Additionally, the meeting addressed mainstreaming of human rights in early warning and developed operational guidelines amongst others;
- ii. COMESA in collaboration with the AU trained CSOs of the Southern Africa Region on COMWARN and AU early warning tools in December 2021, co-sponsored by UNDP. The training resulted in the identification of modalities for rolling out training to other CSOs in the region on early warning tools, proposals to strengthen collaboration and partnership between CSOs with COMESA/SADC and the AU in early warning amongst



other outcomes. Additionally, in May 2021 at a workshop held in close collaboration with Save the Children, COMESA took the opportunity to disseminate the accreditation process to raise interest in other activities for CSOs;

- iii. COMESA made progress towards closer collaboration with ECOSOCC to draw synergies on support to CSOs this included development of a joint proposal for joint implementation of programmes to enhance the role of CSOs in APSA.

The following was achieved in the intervention focused on making APSA more inclusive of youth and children:

- i. COMESA, AU and Save the Children convened an Inter-Ministerial Meeting for youth in November 2021 for Ethiopia, Djibouti, Sudan, Somalia, Kenya and Uganda that enabled over 50 youth representatives to meet their respective Ministers. The youth developed and shared a declaration with the Ministers who committed to support their aspirations;
- ii. The programme engaged interns following a call for proposals who have who have been oriented on the programme's activities;
- iii. Concerning rights, protection, and welfare of Children Affected by Armed Conflicts (CAAC) mainstreamed into APSA, COMESA commissioned a study which was validated in December 2021 and formed the basis for the 2022 programming on the subject area.

Democracy and Governance

The COMESA Ministers of Foreign Affairs, which met on 15th November 2021 considered the transition processes in Libya, Sudan, and Somalia and made key decisions that were endorsed by the 21st Summit of the COMESA Authority held on 23 November 2022 to advance the transition processes and thus consolidate democracy. Further, the Ministers considered the situation in Ethiopia, terrorism in the region, the impact of climate change on peace and security as well as the negative forces in the Great Lakes Region. Furthermore, the Ministers provided policy directives to guide implementation of the programme.

COMESA Maritime Security (MASE) Programme

The following was achieved under MASE:

- i. Financial analytical capacity in the region enhanced** - ICT equipment for the Financial Intelligence Unit (FIU) of Comoros was delivered in August 2021.
- ii. Common, coordinated and inter agency frameworks for information sharing developed**
 - COMESA supported the Zambia FIC to ensure continued exchange of information with other global FIUs that belong to the Egmont Group by providing payments of the Egmont Secure Website (ESW) annual subscription. Information exchange is a critical tool in the fight against money laundering.
 - In December 2021, COMESA supported Comoros AML/CFT stakeholders with the development of a numeric platform for domestic sharing information. This will replace the manual record-keeping systems and enable more timely exchange of information.
- iii. National anti-money laundering laws and regulations are strengthened**
 - COMESA supported the review of the Anti-Money Laundering and Combatting Financing of Terrorism (AML/CFT) Laws for Madagascar upon request from Madagascar.
 - COMESA finalised and submitted AML/CFT Guidelines for various Designated Non-Financial Businesses and Professions (DNFBPs) including for Madagascar, for the following sectors: accountants and auditors, dealers in minerals, lawyers, gambling sector and the real estate sectors. For Kenya, the sectors included lawyers, real estate sector and the gambling sector. This is intended to assist the less regulated sectors to adhere to international standards. The guidelines were completed at the end of 2020 and submitted to the Member States in 2021.
 - COMESA supported the translation of the Money Laundering and Terrorism Financing (ML/TF) Risk Assessment Report for Madagascar from French to English in June 2021 to adhere to the requirements of the FATF-Styled Regional Body (FSRB).

STRENGTHEN DEVELOPMENT OF ECONOMIC INFRASTRUCTURE – TRANSPORT, ICTS AND ENERGY

The development of adequate and efficient infrastructure is underlined in the COMESA Treaty and reinforced through various decisions of the Authority. COMESA infrastructure pillar evolves around three (3) strategic areas; development of key priority physical infrastructure in transport network (road, rail, water and air), energy and ICT; policy and regulatory harmonization and facilitation. The following highlights key achievements in the indicated areas during the period under review.

Transport

Corridor Performance Improvement - Proposed Kasumbalesa One Stop Border Post

The project is intended to promote smooth flow of trade and movement of people through Kasumbalesa border station between the DR Congo and Zambia. Implementation of the project will result in:

- i. Reduced delays and congestion at the border post
- ii. Reduced cost of doing business through shorter transit periods
- iii. Improved utilization of resources through improved turnaround of trucks and drivers

- iv. Improved coordination and flow of information between the agencies of the two countries
- v. Reduced risk of pilferage of cargo and exposure to health risk for drivers.

The legal and institutional framework for the proposed OSBP at Kasumbalesa developed in 2020 is undergoing legislative review and approval by the DR Congo authorities.

Establishment of Corridor Management Institutions

The objective of establishing Corridor Management Institutions (CMIs) is to improve management of international traffic and support regional integration through harmonization of operating procedures, policy, skills, infrastructure and equipment among the corridor states. Establishment of CMIs was planned for the Djibouti and Port Sudan Corridors. Work is ongoing towards finalization of agreements for the two corridors.

Support to the Air Transport Sector Development in the East Africa, Southern Africa and Indian Ocean Region (€8million)

The COMESA Secretariat and the European Union signed a Grant Contribution Agreement amounting to €8million for implementation of the Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa, and Indian Ocean (EA-SA-IO) Region Programme. The SATSD is a four-year programme aimed at supporting operationalization of the Single African Air Transport Market (SAATM); strengthening the regulatory and institutional capacity of civil aviation institutions; and improving air navigation efficiency in the EA-SA-IO region. The programme is expected to contribute to the development of the air transport sector in the EA-SA-IO region. The following progress was registered in the period under review:

- i. The 1st Programme Steering Committee meeting was held virtually in March 2021
- ii. The Programme Management Unit was set up at COMESA through recruitment of all project staff as per project design.
- iii. Terms of reference were developed and advertised for the recruitment of consultants to undertake the baseline study for the aviation sector and conduct a training needs analysis in the EA-SA-IO region.
- iv. A high-level ministerial conference on the operationalization of SAATM to be held in conjunction with the African Civil Aviation Commission (AFCAC) to improve awareness and solicit for stakeholder buy-in.

Facilitate a Feasibility Study on the Establishment of a Shipping Line for COMESA/Island States - The main objective of the feasibility study of establishing a shipping line for COMESA Island States is to identify the legal requirements, costs, traffic volumes/business case, investments and operational requirements, requisite infrastructure and equipment for establishing the shipping line and make recommendations on market segments for service delivery. The island states involved are Comoros, Madagascar, Mauritius and Seychelles. Commencement of the exercise is expected in early 2022.

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

The project seeks to establish a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea. The strategic objectives of the project are to achieve amongst others reduction of transportation costs for trade, Socio-economic integration and cohesion and sustainable integrated multimodal transport system. The riparian countries covered by the project include Burundi, DR Congo, Ethiopia, Egypt, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda.

The VICMED Project has been approved as a Trans Regional Project in PIDA PAP2 following the AU Summit in February 2021. Consequently, resource mobilisation has been accelerated. Most notably, a donor roundtable was organised in October 2021 during which the African Development Bank pledged USD 2 million to support the project.

Tripartite Initiatives: Road Transport Policy and Regulatory Harmonization under the Tripartite Transport and Transit Facilitation Programme (TTTFP)

The Tripartite of the COMESA, EAC and SADC has since July 2017 been implementing the TTTFP which is anchored on one of the key infrastructure pillars of policy and regulatory harmonization. The TTTFP is funded by the European Union under the 11th EDF at a total of €18million. 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 TTTFP envisions the creation of enabling legislation, standards, systems and facilities for training of drivers, testing of drivers and vehicles and weighing of vehicles (including the licensing of vehicles for cross border road transport) under two anchor multilateral agreements namely the Vehicle Load Management Agreement (VLMA) and the Multilateral Cross Border Road Transport Agreement (MCBRTA).

The following is progress made on various specific objectives during the period under review:

- i. Work is ongoing to facilitate the approval of the MCBRTA and the VLMA (including five supporting model laws) by the Tripartite Council of Ministers.
- ii. As an immediate remedial response to the COVID-19 pandemic and to facilitate the continuation of cross-border trade of essential goods, the Regional Electronic Corridor Trip Monitoring System (CTMS) was developed and piloted in 2021 supported by the European Union at an additional amount of €3.6 million. The CTMS allows 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. In addition, 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 Guidelines for Safe Cross Border Movement of Persons and Personal Goods during the COVID-19 Pandemic were developed for approval by the Tripartite Council.
- iii. Countries are implementing National Plans and Tripartite Standards on driver licenses, motor vehicle test centers, as well as agreed ARSO Standards on automotives and transport. In addition, select countries have started amending their laws to be in line with the agreed Tripartite model laws.

ICTs

Implementing the Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) Programme

COMESA and the European Union signed a Grant Contribution Agreement worth EUR 8M for the 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 EGEE-ICT is a four year programme that aims at supporting the effective review or and development of various regional policy and regulatory frameworks in a harmonized manner that will contribute to enhancing competition, improved access to cost effective and secure ICT services. The EGEE-ICT Programme will be implemented by COMESA as the lead REC collaboration with other partner RECs (SADC, EAC, IGAD and IOC). The programme is scheduled to run from January 2021 to December 2024. The overall objective of the programme is to deepen regional integration and growth of the ICT sector in EA-SA-IO region. Notable progress in the year under review included the following:

- i. Launched tender for the stakeholders and baseline survey consultancy and carried out the evaluation for both technical and financial proposals received from bidders. The contract for best bidder is in the final stages of being signed.
- ii. Prepared terms of reference for the consultancy services to provide technical assistance to the regional associations to develop institutional strategies and business models that will sustain their role of ensuring coordinated public and private sector policy and regulatory development.
- iii. Launched tender for the studies on existing national and regional e-commerce, data protection, Public Key

Infrastructure (PKI) and intellectual property rights policy and regulations. Additionally, evaluations were carried out for both technical and financial proposals received for bidders. The contract for best bidder by end of 2021 was in the final stages of being signed.

- iv. Prepared terms of reference for consultancy services to carry out a study on existing national and regional policy and regulation on roaming and interconnection, compared with best international practices and identify needs and gaps and develop cost of models.

Hosting of the Association of Regulators for Information and Communication for Eastern and Southern Africa (ARICEA) Secretariat - Rwanda won the bid to host the ARICEA Secretariat. Consequently, the Secretariat submitted the draft host agreement and MOU to Rwanda for review and is awaiting comments.

Energy

Regional Infrastructure Finance Facility (RIFF) Project

The main activity implemented in 2021 was the implementation of the Regional Infrastructure Finance Facility (RIFF) Project with funding from the World Bank. The RIFF Project is an Investment Financing Facility Project with funding from the World Bank to COMESA and the 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 subprojects 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. Key highlights for the period under review included the following:

- i. Webinar on Promoting Off Grid Renewable Energy
- ii. The First Stakeholder Workshop on the RIFF Project was held in July 2021 to create awareness on the objectives of the project.
- iii. Process commenced to facilitate the Renewable Energy Market, Needs and Capacity Building Needs Assessment
- iv. Process commenced to support the activity to Develop Solar Standards/Tariff Framework and Provision of Technical Assistance Support for Domestication of Frameworks
- v. Process commenced to support consultancy to Develop Public Private partnership (PPP) Frameworks and Provision of Capacity Building
- vi. Development and Implementation of Renewable Energy Capacity Building Plan - The RIFF Project Implementation Unit developed a training programme for stakeholders. The development process included circulation of a questionnaire to stakeholders and a virtual consultation workshop.
- vii. Stakeholder Engagement - COMESA and the African Minigrid Development Association (AMDA) signed an MoU to cooperate in the promotion of Minigrid development in the region.



European Union Funded Project on Enhancement of Sustainable Regional Energy Market in Eastern Africa-Southern Africa-Indian Ocean Region under Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA)

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 2021:

Harmonization of Legal and Regulatory Frameworks

'Blueprint' reports providing guidelines for the creation and operationalization of autonomous electricity regulators were developed under the project for Comoros, Djibouti, DR Congo and South Sudan. Additionally, a second country report describing international best practice on the structure, budget, funding and mandate of an effective and well governed national regulatory electricity authority was developed for each country.

Technical support was provided under the project to compare the national legal and regulatory frameworks of a sample of 14 Member States which were representative of the different regions of COMESA including South Sudan, with the Harmonized Regional Regulatory Framework (HRRF). The HRRF identifies the essential factors that are required to remove barriers to investment and facilitate free trade between Member States. The HRRF sets out how progress towards a better enabling environment for free cross-border trade can be measured. The output of the study were specific country reports and a single report comparing the overall results of the state of concordance of the 14 Member States identified with the regional regulatory framework and individual reports for each participating Member State with more detailed results of its own concordance with the regional regulatory framework and recommendations for increased alignment. The 14 Member States that participated in the study are: Burundi, Comoros, DR Congo, Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Seychelles, South Sudan, Uganda, Zambia and Zimbabwe.

On review of the Eastern Africa Power Pool (EAPP) and the Southern Africa Power Pool (SAPP) Legal Documentation to Establish Best Practices in Regional Regulatory Objectives and Functions, the following reports and documents were developed:

- i. Inter-Regional Economic Community Memorandum of Understanding (MoU)
- ii. Inter Power Pool Memorandum of Understanding (MoU)

- iii. Draft Commercial Arrangements between EAPP and SAPP
- iv. Draft High-Level Guidelines for Initial National Open Access
- v. Draft Market Surveillance and Compliance Monitoring Report

Renewable Energy - The following reports and guidelines whose main purpose is to increase the share of renewable energy in the energy mix of COMESA and to support renewable energy projects in Eastern Africa, Southern Africa and Indian Ocean Region (EA-SA-IO), were finalized in 2021:

- i. Regional Guidelines for Renewable Energy Integration in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- ii. A Credit Facility Guideline to Support Renewable Energy Projects
- iii. Renewable Energy Procurement Guidelines for the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- iv. Gender Mainstreaming Strategy and Action Plan in Renewable Energy (RE) and Energy Efficiency (EE) in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- v. The Revised Monitoring and Evaluation Framework for the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) and an On-Line Monitoring Tool for Monitoring the Implementation of the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP)- EA-SA-IO Region

Energy Efficiency - The following reports and guidelines whose main purpose is to establish best practice methodology to assist with the reduction of losses in the supply side and in the demand side and to ensure that energy efficiency in the EA-SA-IO region is enhanced and to assist Member States to establish common minimum energy performance standards to improve the quality of the electricity appliances and energy efficiency, were finalized in 2021:

- i. Minimum Energy Performance Standards (MEPS) and Policy Guidelines for Electric Fans and TVs in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- ii. The On-Line Monitoring Tool for The Implementation of Minimum Energy Performance Standards (MEPS) and Labelling Standards in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- iii. Regional Guidelines on Demand Side Management for the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- iv. Regional Guidelines on Power System Losses Measurement and Mitigation
- v. Lifeline Tariff Policy and Guidelines
- vi. Gender Mainstreaming Strategy and Action Plan in Renewable Energy (RE) and Energy Efficiency (EE) in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region
- vii. Credit Facility Guidelines for Energy Efficiency Projects; and
- viii. The Revised Monitoring and Evaluation Framework for the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) and an On-Line Monitoring Tool for Monitoring the Implementation of the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP)- EA-SA-IO region.

Capacity Building – A total of 137 officials from Member States, regulatory institutions and power pools were exposed to international, regional and best practice on regulatory, energy markets, renewable and energy efficiency issues.

COMESA AGRICULTURE PROGRAMME

Agriculture plays a crucial role in the regional trade and integration and remains an important sector in sustaining most economies of the COMESA Member States. The sector accounts for more than 32 percent of COMESA's gross domestic product (GDP), provides a livelihood to about 80 percent of the region's labour force, accounts for about 65 percent of foreign exchange earnings and contributes more than 50 percent of raw materials to the industrial sector. The COMESA region is endowed with opportunities for increased agricultural production and intra-Africa trade in food and agricultural commodities- critical for contributing to improved food and nutrition security and economic development of the region and the Africa continent. The objective of the COMESA Agriculture Programme is to catalyse inclusive agricultural growth and sustainable transformation. The foci for the programme in the year under review were as follows;

i. Advancing the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)/ Malabo Commitments

The COMESA Agriculture Programme supported Member States in the 3rd CAADP Biennial Review (BR) Reporting Process, participated in the technical training of Member States on the CAADP reporting tools, assisted select Member States to access technical and financial resources to facilitate data collection and compilation as well as conducted technical reviews of country CAADP data and reports. This process culminated into the preparation of the 3rd CAADP BR Report that was endorsed by the Assembly of African Heads of State and Government convened in February 2022. The BR Report is the main mutual accountability tool to track the progress of the AU Member States in implementing the CAADP Malabo Declaration. It enables each Member State to assess progress, identify constraints and formulate actions to improve on the CAADP implementation and impacts. Additionally, the BR Report helps to trigger continental, regional and national level action programmes to collectively drive agriculture transformation in Africa continent.

Out of the Member States that reported on the progress in implementing the CAADP Malabo Declaration for the 2021 cycle (3rd BR), one (1) out of 19 COMESA Member States is on track to achieve the Malabo Goals and Targets by 2025. However, 10 Member States are on positive trajectory and made steady progress towards the goals and targets between the second (2019) and third (2021) biennial cycles. Table 16 below gives a summary of the performance of the region in terms of the seven Malabo Commitments translated into seven thematic areas, making comparison between 2019 BR and 2021 BR results.

Table 16: Member States Performance Per Thematic Areas of Malabo Commitments

S/N	CAADP Malabo Commitments	Country on-track towards achieving the commitments (2019)	Country on-track towards achieving the commitments (2021)
1	Commitment 1: Recommitment to the Principles and Values of the CAADP Process	Rwanda	Zimbabwe and Rwanda
2	Commitment 2: Enhancing Investment Finance in Agriculture	No Member State on track	Egypt, Eswatini, Seychelles, and Zambia
3	Commitment 3: Ending Hunger by 2025	Uganda	Kenya
4	Commitment 4: Halving Poverty through Agriculture by 2025	Burundi, Rwanda, and Tunisia	No Member State on-track
5	Commitment 5: Boosting Intra-African Trade in Agriculture Commodities and Services	Eritrea and Madagascar	No Member State on-track
6	Commitment 6: Enhancing Resilience to climate variability	Burundi, Ethiopia, Rwanda, Seychelles, Tunisia, and Uganda	Burundi, Egypt, Ethiopia, Malawi, Rwanda, Seychelles, and Zimbabwe
7	Commitment 7: Enhancing Mutual Accountability for Actions and Results	Malawi, Mauritius, Rwanda, Uganda, and Zambia	Ethiopia, Rwanda, and Tunisia

Source: 3rd CAADP Biennial Review Report, 2015-2021, AUC

Additional highlights in advancing the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)/Malabo Commitments included,



- Contribution to the formulation of the Africa Common Position on the UNFSS game-changing solutions in the context of the Comprehensive Africa Agriculture Development Programme (CAADP) and Agenda 2063 through participation in the UN Food System Summit (UNFSS)
- Conducted a seminar on legal tools for responsible agricultural investment for government officials from Eastern and Southern Africa which facilitated sharing and discussion of best practices to promote fair, balanced, and equitable legal tools for improving negotiation outcomes for responsible investments in agriculture and food systems to achieve national and regional development objectives.
- In collaboration with AUDA-NEPAD/Initiative on Food and Nutrition Security for Africa (IFNA) Secretariat and other RECs, organised an experience sharing meeting with Member States as a platform to share progress, good practices and lessons learnt on food and nutrition security programming. Additionally, a training handbook on food security and nutrition has been developed to guide Member States in conducting capacity building trainings on food security and nutrition issues. This initiative is expected to support the realisation of food and nutrition security indicators and targets that Malabo Declaration setup.

ii. Strengthening Agri-Food Data/ Information System

- In collaboration with the Alliance for a Green Revolution in Africa (AGRA) and other development partners, the COMESA Agriculture Programme is leading an effort to strengthen agri-food data system in Eastern and Southern Africa through the development of a regional digital food balance (RFBS). The RFBS initiative will leverage digital technology to provide forecasts for major food commodities in the Eastern and Southern Africa context in a manner that informs policy and business decisions on food security, agricultural trade as well as investment. The RFBS National Kick-Off Workshops were conducted for the initial six pilot countries in Eastern and Southern Africa.
- The Secretariat conducted strategic study on regional agricultural value chains namely: horticulture, agro-processing and leather and leather product value chains to analyze production trends, enabling environment, and market conditions. The findings of this study will inform the design and development of appropriate interventions to enhance regional competitiveness and markets access for Small and Medium Enterprise

(SME) agribusinesses in the targeted agricultural value chains and thus, improve regional trade in agricultural commodities and products as well as improve regional food security.

iii. Development of Regional Strategic Frameworks/Guidelines

- Efforts included an activity to benchmark Warehouse Receipt Systems (WRS) within and outside of the COMESA region to support development of COMESA regional guidelines for the establishment, operation, and management of WRS for agricultural commodities. The guidelines will serve as a strategic framework for Member States to enhance food aggregation, reduce post-harvest losses through improved storage, and promote the development of agricultural commodity exchanges for enhanced trade, and market integration in the region.
- Working with the African Union Commission (AUC), the programme contributed to the development of Africa Continental Land Governance Strategy. The purpose of the strategy is to ensure that land is equitably governed with secured land rights and tenure for all to have sustainable livelihoods, ecosystems, and socio-economic development in Africa.
- The programme contributed to the formulation of the continental guidelines for the harmonisation of seed regulatory frameworks in Africa. This effort builds on the COMESA regional seed regulatory harmonisation initiatives and will ensure harmonization of seed policies and legal frameworks.

In addressing challenges which included negative effects of climate change and fall-out from the COVID-19 pandemic which affected the agricultural sector and access to food, the programme will work towards effective collaboration and coordination among key continental, regional and national partners as this is critical in leveraging resources - both technical and financial, as well as building synergies for greater impact of the regional integration programmes. Additionally, the programme will aim at strengthening multi-stakeholder and multisectoral approaches to the development of inclusive, resilient, and sustainable agri-food systems in the COMESA region.

COMESA Livestock Programme

With the objective to increase production and productivity of livestock and fisheries through utilization of technologies, enhanced animal husbandry, health and resilience to shocks and access to markets and value addition, the COMESA Livestock Programme has been working with Member States Veterinary and Animal Production Authorities, Regional Economic Communities, continental and global organizations such as the African Union Inter-African Bureau for Animal Resources (AU-IBAR), United Nations Food and Agriculture Organizations (FAO) and World Organization for Animal Health (OIE) in improving animal production, productivity and trade in animal and animal products. The Livestock Programme accomplished the following activities in the period under review;

- In implementation of the Enhancing Regional Livestock and Their Product Trade Project with support through the LiveIIAfrica Project organized the COMESA Regional Consultative Meeting on optimizing returns from intra-African trade in Animals and Animal Products under the AfCFTA.
- In implementation of the Enhancing Regional Dairy Value Chain activity with support through the LiveIIAfrica Project and in partnership with AU-IBAR and EAC supported the East African Dairy Value Chain Workshop which discussed key value addition aspects.
- Employed efforts to Enhance Animal Health in partnership with AU-IBAR, World Organization for Animal Health (OIE). Interventions amongst others included support to Member States to prepare and submit reports on the outbreak of Trans-boundary Animal diseases (TADs) to AU-IBAR and OIE and contribution to the Regional Antimicrobial Resistance Training organized by FAO, OIE and WHO in partnership with AUC.

COMESA Fisheries Programme

The aim of the COMESA Fisheries Programme is to enhance the private sector particularly small and medium scale fisheries producers' participation in sustainable regional and global value chains. The programme is supported by the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) under EDF 11. In the period under review, the COMESA Fisheries Programme held an engagement with Member States, partner organizations including the African

Union Inter-African Bureau for Animal Resources (AU-IBAR) and adjacent Regional Economic Communities (RECs) which amongst others discussed means to strengthen the capacity of producers, producer organizations and other value chain actors to enhance competitiveness, value addition and market access and through identification of major challenges agreed on the way forward to support small and medium scale fish producers to improve their competitiveness and market access.

Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa, and Indian Ocean region - E€OFISH Programme

The ECOFISH Project is funded by the 11th EDF for Eastern Africa, Southern African and the Indian Ocean Region and has the following result areas:

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.

The following milestones were achieved by the ECOFISH Project:

- The Blue Economy Fisheries Satellite Account (BEFSA) for Eastern Africa-Southern Africa and Indian Ocean Region was developed by COMESA Statistics Unit in partnership with ECOFISH. The developed Blue Economy Satellite Accounts will be piloted by the Kenyan Fisheries and Aquaculture Institute to pinpoint the challenges and come up with solutions. Additionally, a situational analysis of marine fisheries in Kenya and Sudan was conducted including development of fisheries profiles of Marine fisheries of Tunisia, Libya, and Egypt.
- The following projects are being implemented through different organizations in COMESA Member States,
 - i. Improving Economic Resilience and Food Security of the Artisan Fishers in the Northern Sudanese Red Sea Coast- **SOS Sahel Sudan**
 - ii. Small-scale Fisheries for Sustainable Blue Growth Improving Food Security and Livelihoods in **Coastal Kenya and East Africa (KECOFISH)**
 - iii. Zambia Sustainable Small-Scale Fisheries Programme- **ZSSFP- Action Aid Zambia**
 - iv. Supporting the Economic Empowerment of the Artisanal Fishing Community of the **Republic of Mauritius - UNDP**
 - v. Sustainable Management of Small-Scale Coastal Fisheries in **Northern Madagascar - Conservation Centrée sur la Communauté Madagascar (C3M)**

During implementation, the programme recognised that partnering with global (FAO, OIE, WHO, WTO), continental (AUC, AU-IBAR, AfDB) and regional organizations (RECs and other regional blocks including IOC, Regional associations, civil service organizations) is essential to leverage resources. It is important therefore to ensure that there is effective coordination and allocation of the required resources to mitigate challenges.

THE COMESA INDUSTRIALISATION PROGRAMME

Guided by the COMESA Industrial Strategy and Action Plan for the period 2017 –2026, the 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

The COMESA Industrialisation Programme accomplished the following activities in the period under review:

- i. Convened a *Technical and Ministerial Meeting on Industry* which facilitated the presentation and discussion

of the following policy frameworks for domestication by the Member States:

- *Implementation Strategy of the COMESA Local Content Policy Framework.*
- *COMESA Framework of managing Special Economic Zones (SEZs) and Industrial Parks (IPs).*
- *COMESA Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after COVID 19.*

The Ministerial Meeting requested the Secretariat to facilitate the domestication of the policy frameworks in the Member States and mobilise resources for implementation. The Secretariat was further directed to work with Member States to develop the COMESA Framework on Industrial Integration as proposed by the Government of the Arab Republic of Egypt as a tool to drive the industrialization agenda in the region.

ii. Domestication of the COMESA Local Content Framework in Member States

With the financial support from the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), the programme commenced support to Member States to domesticate the regional Local Content Framework in select Member States.

iii. The Zambia - Zimbabwe Joint Industrialisation Cooperation Programme

The Zambia-Zimbabwe Joint Industrialisation Programme is a flagship programme of the COMESA Secretariat whose aim is to increase the production of industrial goods and services for the bilateral market of the two Member States and deepening regional integration by expanding intra-regional trade. During 2021, a Memorandum of Understanding was signed by Ministers responsible for Industry in the two Member States on 18 March 2021. Additionally, the Secretariat mobilized resources by engaging cooperating partners to finance key studies. Notably, two studies were commissioned with the support of the United Nations Economic Commission for Africa (UNECA) Southern Region Office (SRO) namely, a pre-feasibility study on the establishment and management of a common agro-industrial park between Zambia and Zimbabwe and a study on the development of a harmonised policy, legal and regulatory and institutional framework for the establishment and management of a common agro-industrial park between Zambia and Zimbabwe. Further UNIDO undertook the financing of a detailed feasibility study of the proposed common agro-industrial park whilst the AfDB supported Zambia and Zimbabwe to secure financing for implementation through available facilities. Furthermore, the programme continued to undertake resource mobilisation efforts for various activities related to industry and private sector development.

COMESA Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP)

The COMESA Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) was signed between the European Union and COMESA in November 2019 with the objective to contribute to the deepening of regional economic integration in the COMESA region through enhancing the competitiveness of the private sector while the specific objective is to increase private sector participation in sustainable regional and global value chains by increasing access to markets and improving business climate.

In supporting the Productive Integration Pillar of the COMESA 2021-2025 MTSP, RECAMP is implemented through a participatory and collaborative approach with other COMESA programmes including the Gender and Social Affairs Programme and the COMESA Statistics Programme, COMESA Implementing Institutions that include the COMESA Business Council (CBC), Alliance for Commodity Trade for Eastern and Southern Africa (ACTESA), Africa Leather and Leather Products Institute (ALLPI), COMESA Federation of Women in Business (COMFWB), COMESA Regional Investment Agency (COMESA- RIA), and Member States' national and regional institutions.

Key achievements of RECAMP in the period under review included in the target results areas were as follows:

- i. Strengthening Business and Market Intelligence Platforms-** Under CBC BIZNET expansion to include market information for the targeted value chains namely; Horticulture, Agro Processing and Leather and Leather Products, was supported with data collection to feed into BIZNET. This was undertaken in six Member States namely, Kenya, Malawi, Seychelles, Tunisia, Ethiopia, and Mauritius. The activity aimed to support business linkages between SMEs, Intermediaries, and large firms. Furthermore, on Local Sourcing Partnership Workshop was conducted in Zambia as part of the business dialogue meeting to enhance business and market linkages between SMEs and Lead firms.

- ii. **Profiling of SMEs under Gender Division-** The programme supported SMEs sensitization on mainstreaming gender through the Gender and Social Affairs Programme. The sensitization meetings were completed in four member states namely Rwanda, Malawi Uganda, and Zimbabwe. Further profiling of SMEs was undertaken in select Member States with data collection completed. Furthermore, under COMFWB, women entrepreneurs were trained under the various COMFWB Chapters on removing barriers to internationalization and access to finance in Member States,⁷ to ensure that different good practices in the value chains are documented and widely shared.
- iii. **Designing a regional hides and skins traceability systems in line with global developments capacity building to COMESA Member States -** The programme supported the designing of the regional hides and skins traceability system and data base system for coding and providing trace marks implementation tools. Additionally, SMEs were trained under ALLPI. Further, capacity building on Certification of Eco-Friendly Leather Products System Implementation in Line with Global development to strengthen the human and institutional capacity of Member States was undertaken.
- iv. **Value Chain study was undertaken** assessing the status of the three (3) target value chain
- v. **Assisted Member States in the domestication of selected regional COMESA policies and regulations** - Under ACTESA developed a clear roadmap of detailed SOPs for select COMESA Staple Food Crops. Additionally in efforts to expand domestication and harmonization of seed regulations, ACTESA with the support of the programme launched the COMESA Seed Harmonization Implementation Plan (COMSHIP) in Tunisia to trigger domestication of the COMESA Seed Harmonisation regulations
- vi. **Technical Assistance Facility** - The Technical Assistance Guidelines (TAF) under the 11th EDF were approved and a call for proposal made in April 2021. TAF sensitisation meetings were conducted in which Member States participated in including other stakeholders such as COMFWB Chapters, this resulted in the submission of proposals which are at various stages of evaluation, approval and implementation.
- vii. **Regional public - private dialogue platforms are supported and enhanced aimed at promoting business opportunities** - A dialogue meeting on the Fish Value Chain to enhance Private Sector Small and Medium Scale fisheries producers' participation in sustainable regional and global value chains was conducted for East African and IOC Member States.
- viii. **Assisted Member States in the domestication of selected regional COMESA policies and regulations** - Various activities were conducted to assist Member States in the domestication of selected regional COMESA Policies. This included amongst others sensitisation meetings on the need for domestication of the Regional Guidelines on Local Content Policy.

GENDER AND SOCIAL AFFAIRS PROGRAMME

Gender equality, empowerment of women and youth, and social justice are key elements to achieve progress in all areas of development. Achieving gender equality, women and youth empowerment, and social development are some of the goals outlined in global, continental, and regional development frameworks. In 2021, Secretariat continued to implement initiatives that contribute to the achievement of these development goals through gender mainstreaming, women and youth empowerment, and social development initiatives for inclusive and sustainable regional integration.

Strengthening Gender Mainstreaming - Through capacity building, research, and networking. The Ministers responsible for Gender and Women's Affairs during their 11th Meeting held in March 2021, approved the Gender Mainstreaming Guidelines, Indicators and Checklists, and the Online Course on Gender and Trade. Following the approval of the Online Gender and Trade Training Manual and Gender Planning Tools that facilitate gender mainstreaming in different programmes and projects, training workshops were conducted for the Gender Technical Working Group professionals and project officers from all Divisions and Units at Secretariat and staff of COMESA Institutions to enhance gender skills and application of tools for gender mainstreaming in various programmes. The Gender Planning Guidelines cover the following areas: trade and

⁷ Comoros Islands, Djibouti, DR Congo, Eritrea, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

customs, industry and agriculture, infrastructure and logistics, governance, peace and security, climate change, COMAID, statistics, human resources, legal and institutional affairs, corporate communication, internal audit, research, strategic planning, and resource mobilization. In addition, the planning guidelines cover gender issues in all COMESA Institutions and COMESA affiliated sectors in the Member states.

Gender Statistics- Strengthened availability of gender statistics is critical to enable monitoring and tracking of progress towards the achievement of gender equality and women and girl's empowerment. In 2021, Secretariat engaged a consultant to undertake research and update the regional gender statistics bulletin.

Women Economic Empowerment through the 50 Million African Women Speak (50MAWS) digital information and networking platform and support for women SMEs.

- i. **The 50MAWS Digital Information and Networking Platform (www.womenconnect.org)** - In 2021, Secretariat continued to implement the digital platform with business information for women entrepreneurs to enhance access to financial and non-financial services for business growth. The platform provided business content, success stories and content on social services.
- ii. **Business content** - The 50MAWS Platform -www.womenconnect.org has content to help women entrepreneurs to prosper in their business. The content available on the platform is on business services, market information, access to finance, capacity building, mentorship, social services, success stories and news. Specifically, this content provides relevant information on business registration processes, immigration information for cross border traders, legal aid, financial services and products (financial services providers and their products targeted to women), market access information, import and export requirements, learning modules for entrepreneurship, financial literacy as well as e-resources amongst others.
- iii. **Success stories content-** is available to inspire existing women entrepreneurs as well as those who wish to get into business by highlighting cases of women who have succeeded in doing business in the various Member States.
- iv. **Social services content** – is non-business information but critical for business success because it helps women to access services that may impede their effective participation in business. Information on social services include among others guides on reproductive health, institutions which provide capacity building and training programmes, services for survivors of gender-based violence including helplines.
- v. **Increased use number of women entrepreneurs registered on the platform-** In 2021 more than 250,000 women from 38 Member/Partner States of COMESA, EAC and ECOWAS and other African countries visited the platform compared to 66,000 in 2020, and more than 13,000 women registered and established their own accounts on the platform. Set up accounts are used to advertise goods and services, share experiences and receive mentorship. The increase in the statistics of users of the platform was due to publicity and marketing activities undertaken in the first quarter of 2021 in partnership with a media marketing firm, as well as national launches of the platform which were conducted in hybrid formats in Mauritius, Malawi, Sudan and Ethiopia.
- vi. **Retention of project officers and support to national content developers** - Secretariat retained three project staff, after the end of funding from AfDB on 31 March 2021, to continue to support the platform. The staff continued to support national content developers at national level including training of country team for Libya, as well as ensuring continued operations and customization of the platform and enhancement of features and adding new functionalities including SMS integration, audio content and new languages – Swahili and Portuguese to enhance access and use by the targeted users.

Profiling and Support to Women and Youth SMEs- In 2021, Secretariat continued to undertake the profiling survey for women and youth SMEs in selected value chains (horticulture; leather; leather products and agro-processing) in Member



States under the RECOMP Project. The findings will assist in providing targeted support and capacity building, technical assistance and advisory services to women and youth SMEs to enhance their participation in regional and continental trade through market access in the targeted value chains. The survey was completed in Zimbabwe with 331 profiled, Malawi with 325 profiled, and Uganda with 275 profiled. Progress was made in Rwanda, DR Congo, Zambia, and Ethiopia to profile the SMEs. The study will capture market, sector and enterprise-level information in order to identify key constraints and opportunities for the SMEs.

Social Affairs - In 2021, Secretariat implemented activities on COVID-19 response. These include:

- i. The development of the COVID-19 Dashboard in partnership with the Commons Project, to provide the national and regional outlook on the evolution of the pandemic in Member States. The dashboard tracks the number of people tested, number of positive cases, number of people on treatment, and those discharged among other details.
- ii. Collaboration with the African Centre for Disease Control (Africa-CDC) and UNECA, to support Member States in mitigating the effects of COVID-19. This partnership stresses the importance of increasing investment in the strengthening of health systems and the production of vaccines, diagnostic and therapeutic medicines in Africa while advocating for equitable access to vaccines across the world for the benefit of all nations.
- iii. Convened meetings of Member States to exchange information and experiences on the access, rollout and uptake of COVID vaccines, and impact of COVID-19 on youth and best practices on the response.
- iv. Developed position papers on the gendered impact of COVID-19 on women and youth and initiated a study on impact of COVID on women in the region.

Youth Engagement and Empowerment - Secretariat in collaboration with the African Union AGA Secretariat continued to implement the Youth Engagement in Democratic Governance and Socio-Economic Development Processes in Africa Project with support from the Swiss Agency for Development and Cooperation (SDC). The project strategic intervention is promoting democratic governance and socio-economic development in COMESA Member States, SDC supported countries and AU Member States in general. It seeks to do this by catalyzing and creating transformative youth leadership, engagement and participation in decision making processes that impact on the livelihood of citizens in terms of policies that are responsive to their needs and aspirations. The aim of the project is to increase youth empowerment and participation in entrenching democratic values and culture towards the promotion of accountable governance in African countries in general and COMESA Member States in particular.

At regional level, in 2021 the project achieved the following:

- i. Establishment and institutionalisation of the COMESA Youth Advisory Panel (COMYAP). COMYAP which is a regional consultative and advisory body was adopted by the Meeting of the COMESA Ministers of Youth Affairs held virtually in June 2021 and endorsed by the COMESA Council of Ministers held in November 2021. The first members of the COMYAP were elected representing North, South, East, Horn of Africa and Indian Ocean countries. Members are from DR Congo, Egypt, Eswatini, Kenya, Seychelles, Somalia and Zambia.
- ii. Development and adoption of the COMESA Youth Engagement Strategy 2021-2025 (COMYES) which provides best approaches for better engagement and participation of youth in the areas of democratic governance and socio-economic development. The establishment and operationalization of the COMYAP is one of the strategies highlighted in the COMYES.
- iii. Adoption of the Manual on Youth Participation in the Electoral Process by the COMESA Council of Ministers. The manual will be used in regional capacity building programme for youth in the COMESA region.

- iv. The Inaugural COMESA Ministers of Youth met in June 2021 to deliberate on youth affairs. This was a key milestone towards sustained COMESA Committee on Youth Affairs. The Meeting recommended that the COMESA Technical and Ministerial Meetings on youth should be organised on yearly basis.
- v. Increased participation of youth leaders (as observers) from the COMESA Region in COMESA Policy Organs Meetings to enable them to learn regional policy-making processes. Members of the COMYAP attended various meetings of COMESA to learn the decision-making processes and programmes.

At continental level, the following were achieved:

- i. Launch of the Youth Participation in Political and Electoral Processes Manuals as a tool for young people, youth organisations and other beneficiaries. The manuals were officially uploaded online in all AU official languages (Link- www.au.int/aga) at the 10th AGA High Level Dialogue held on 10 - 11 December 2021. The manual was rolled out in the training of trainers conducted in Banjul, The Gambia from 23-27 August 2021 ahead of the Presidential elections.
- ii. Recognition of the Top 5 youth innovators under the AGA youth innovation challenge worldwide platform to show case best ideas at Expo Dubai, UAE from 20-21 December 2021.

At national level, the following achievements were noted:

- i. The establishment of the Centre for Governance and Leadership (CEGOL) in Malawi by a youth representative supported by COMESA. The mission of the center is to advance the youth and women leadership in civic and governance processes through advocacy, capacity building and community service.
- ii. In Zambia, "Be Relevant Youth Leadership Summit" was held in March 2021 under the leadership of a youth representative supported by COMESA. The initiative was recognized as a youth organization and registered with the Zambia National Youth Council. The summit was attended by youth from all parts of the country. Key messages were to promote of democratic governance, and to sensitize youth to contribute to the electoral process and prevention of violence before, during and after elections. Youth committed to participate and contribute meaningfully to the elections of 2021 in the country. The 2021 elections in Zambia were largely free from violence and the youth turned out in large numbers to vote.
- iii. Youth who participated in the Training of Trainers in political and electoral processes conducted in The Gambia in August 2021, developed actions plans to replicate the training within their contexts.

RESOURCE MOBILISATION AND INTERNATIONAL CORPORATION (RMIC)

Strengthening of Modalities for Resource Mobilization - Under this priority area, RMIC continued to spearhead the processes and activities aimed at operationalizing of the Common Market Levy as a modality of sustainable domestic resource mobilization. The unit developed ToRs for the consultancy to develop the Resource Mobilisation Strategy (RMS) and the Protocol on the Common Market Levy and organized and facilitated RMS Task Force Meetings.

In efforts to further strengthen modalities for resource mobilisation, the unit continued to spearhead activities aimed at efficient and effective coordination of development partners aimed at mobilization of extra budgetary (grants) resources from development partners. For 2021, the Unit undertook the following:

- i. Supported programmes and institutions in the resource mobilization through provision of technical support on grant applications and preparation of proposals including - pharmaceuticals, upscaling IT, 50 Million African Women Speak Platform 2nd phase, 2nd phase of the Great Lakes Project, Swiss Development Cooperation (SDC) Youth Project /SC and Extension Duration Project, EU-MIEUX Project on the Migration, Youth Volunteers Programme (CYIVP), etc. Additionally, the unit worked with the COMESA Federation of Women in Business (COMFWB) on cassava and food security proposals and with ZEP-RE on the Pandemic Pool Fund Proposal.

- ii. Organized and facilitated the World Bank Implementation Support Mission and AfDB negotiation and appraisal missions, amongst others.
- iii. Organized the 3rd COMESA Development Partners Coordination Forum, attended by 35 partners.
- iv. Coordinated and facilitated the negotiations and signing of MoUs between COMESA and strategic partners: MoU with UNITAR, IITAA, Amendment Agreement with SDC – Youth Programme.
- v. Participated in Steering Committee Meetings: Great Lakes GLTFIP, Youth, Governance Democracy, Statistic Capacity Building V, SSCBTI, Tripartite Capacity Building II.

Strengthening International Cooperation activities through enhancement and promotion of COMESA participation and influence with other regional, continental and international organizations included the following:

- i. Organization and facilitation of the accreditation of seven Ambassadors and Special Representatives to COMESA namely, Canada, Germany, France, Brazil, Turkey, Zimbabwe, and Egypt.
- ii. Coordinated and facilitated various courtesy calls and visits to the COMESA Secretary General including Heads of Diplomatic Missions and Ambassadors of Ethiopia, Italy, Egypt and Ireland, and the AfCFTA Secretary General amongst others.
- iii. Organized and coordinated COMESA's participation in the work of EU negotiations with Duly Mandated Regional Organisations (DMROs) including the 2nd EU-RECs/DMROs Dialogue Platform on Sub-Saharan Africa Regional Programming Meeting, DMROs Technical Meeting, DMROs/CEOs Meeting, and the Tripartite Resource Mobilization Sub-Committee Meetings.
- iv. Organized and coordinated COMESA's participation in the work of AUC, AU-NEPAD, AfCFTA, AU-IBAR, AU-SARO including the development of the AUC-Partnership Management Information System (PMIS), AU spotlights on Africa – preparation of the AU Expo Dubai 2020, the 3rd AU-RECs-RM Mid-Year Coordination Summit, and the AU-ECOSOCC Meeting amongst others.

Strengthening of the Development Partners Coordination and dialogue mechanisms by facilitating and coordinating the continuous update of the development partners database, holding of biannual development partners dialogue and exchange of information, experiences and lessons learnt across programmes and partners, included the following activities:

- i. Organized and/or hosted bilateral meetings with existing and new partners to strengthen cooperation and partnerships, this included meetings with representatives of Brazil, Ireland, Italy, Japan, AfDB, World Bank, EU-MIEUX, BADEA, UNDP, DANIDA, SDC, USAID, AFI, ENABEL, and New Zealand High Commission amongst others.
- ii. Participated in national, regional and international meetings including the UNDP Consultation of the New Regional Programme 2022-2025, AfDB Mid-Term Regional Integration Strategic Framework Review, UNDP Consultation on Youth, Peacebuilding and Governance, etc.
- iii. Continued to maintain an updated list of the MoU and development partners database.



EUROPEAN DEVELOPMENT FUND (EDF) PROGRAMMES

COMESA has been implementing European Development Funded (EDF) Programmes since 2002 covering three programme cycles namely the 9th, 10th and 11th EDF Programmes, targeting all COMESA Member States as follows:

- Under the 9th EDF (2002-2007) Regional Strategic Paper (RSP) for the Eastern and Southern Africa and the Indian Ocean (ESA-IO) Region, economic integration and trade, the management of natural resources and transport were the focal sectors of EU cooperation. The Regional Indicative Programme (RIP) amounted to Euro 223 million for COMESA.
- The 10th EDF (2008-2013) RSP for the ESA-IO Region provided the strategic framework for the co-operation between the European Commission and four regional organisations namely, COMESA, EAC, IOC and IGAD. A total of Euro 619 million was allocated to promote regional integration in the ESA-IO region, of which approximately Euro 150 million was allocated to COMESA.
- The 11th EDF Regional Indicative Programme (RIP) had a total envelope of Euro 1.490 million allocated as follows: (1) Sub-Regional Envelope Euro 385 million (26%) broken down into allocations for each of the RECs; (2) Cross-Regional Envelope Euro 507 million (34%); (3) Infrastructure Envelope Euro 588 million (39%); (4) Technical Cooperation Facility Euro 10 million (1%). Under the Sub-Regional Envelope indicated above, Euro 85 million was allocated to benefit COMESA and its Member States' priority areas, namely peace, security and regional stability, regional economic integration; and regional natural resource management.

Current Status of Implementation of EU Funded Programmes

Under the 11th EDF envelop, the focus is on Priority Area 2 - *Regional Economic Integration* with the following result areas:

reduced costs of border trade; increased private sector participation in regional and global value chains and capacity building which encompasses the following regional actions highlighted in the report that COMESA is currently implementing:

- i. Trade Facilitation Programme (TFP)
- ii. Small Scale Cross-Border Trade Initiative (SSCBTI)
- iii. Regional Enterprise Competitiveness and Market Access Programme (RECAMP)
- iv. COMESA Institutional Capacity Building Programme (ICBP)
- v. COMESA component of the East Africa and Southern Africa (EA-SA) Transport and Transit Facilitation Programme
- vi. Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa and Indian Ocean Region
- vii. Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean Region.

COMESA's mandate for regional policy development and experience in implementing EDF funded programmes, based on the positive past pillar assessments has been taken into consideration. COMESA implements its actions under the EDF under indirect management, following ex-ante assessments, and, subject to appropriate supervisory measure in accordance with Article 154(4) of the Financial Regulations. In 2021, COMESA commenced an assessment of its systems and procedures through the 9 Pillar Assessment, which notably considers 3 additional pillars introduced by the European Commission.

Under the overall leadership of the Secretary General, and to ensure a harmonised, effective and timely implementation and oversight, as well as adherence to EDF procedures of the actions' activities, an umbrella EDF Management Unit based at the COMESA Secretariat has been established. The management unit provides the necessary guidance for the implementation of EDF programmes.

The Secretariat continues to exert ownership of the programmes to guarantee that changes in its Member States as well as internally, in its systems and processes are sustainable. It is worth noting however that implementation of the programme during 2021 was met with challenges brought on by the COVID-19 pandemic. The effects of the pandemic devastated the region particularly border communities and operations which resulted in high costs of transport, goods and scarcity of goods owing to restrictions on movement and border closures. This contributed to delays in implementation and support to Member States under respective programmes.

Future Funding Opportunities

COMESA remains active in the consultative process and participates in the design and formulation of new and upcoming programmes funded by the European Union. In 2021, COMESA was involved in the consultation with the European Union on the EU Neighbourhood, Development and International Cooperation Instrument (NDICI). The NDICI is a new instrument to unify all EU external policies of which a Multi-Annual Indicative Programme for Sub-Saharan Africa (Regional MIP) will be supported to cover the EU's partnership with Sub-Saharan Africa. The NDICI represents a radical change in the financing set-up of the EU as it merges most of the existing instruments for external action including the EDF. In practice, this implies merging crucial areas and interests of EU's work, including development, international cooperation, neighbourhood policies and blending instruments which include subsidiarity, simplification, geographisation and policy first as part of the EU interaction with key stakeholders which include RECs. All actions to be funded under this Regional MIP, implemented at country level and/or at regional and continental level, will demonstrate a clear added value to address an issue from a regional perspective. In this context, progressive regional integration will play a critical role on the continent as guided by the various regional organisations and the African Union.

The Regional MIP will have a 7-year duration from 2021-2027 with the following thematic areas of focus:

- Priority Area 1: Human Development
- Priority Area 2: Governance, Peace and Security, and Culture
- Priority Area 3: Green and Climate Transition
- Priority Area 4: Digital and Science, Technology and Innovation
- Priority Area 5: Sustainable Growth and Decent Jobs
- Priority Area 6: Migration and Forced Displacement

From analysis, these thematic areas are clearly aligned with the pillars of the 2021- 2025 COMESA MTSP. Cognizant of this new programming cycle, COMESA Secretariat will continue coordinating, interacting at all levels of cooperation such as with the African Union, COMESA Member States, continuous dialogue and cooperation with both the European Union Delegation to Zambia and COMESA and European External Action Service for International Partnership.

COMESA BRUSSELS LIAISON OFFICE (BLO)

In supporting the strategic objectives of the 2021-2025 MTSP specifically resource mobilization and capacity building, 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 as well as to promote common views within other African Groups in multilateral negotiations. The COMESA BLO is instrumental in representing the COMESA Secretariat to European Union (EU), the OACPS and other cooperating partners based in Brussels and assist in coordinating activities of COMESA to build a political constituency and support for COMESA in Europe and in European Commission (EC) in particular. In this context, the Office is regularly involved in the multilateral trade negotiations and discussions organised in Brussels at OACPS Secretariat and WTO in Geneva.

The COMESA BLO continues to play a support role for the COMESA Secretariat in its relations with the European Union/ European Commission 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 COMESA Secretariat, the COMESA BLO ensures regular follow-up of the programmes/projects financed by the EU and the Intra-ACP Funds.

The COMESA BLO plays a key role, notably by contributing in drafting of the documentations for the Projects Identification and Action Documents. Further, BLO provides a linkage with EU HQ (INTPA and EEAS) in view of following up the discussions and providing complementary information where necessary on the COMESA submissions at that end and keeping COMESA Secretariat team informed on progress and decisions.

The COMESA BLO participates 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. Further, The COMESA BLO plays an important role in facilitating development cooperation and regional integration, through developing cooperation 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, IGAD, OECS, and Pacific Forum).

In the period under review, the COMESA BLO focused on the following areas:

i. Providing Adequate Representation for COMESA

The BLO provided adequate and efficient representation to enhance visibility of COMESA in the OACPS, the European Union and within the African Group of Ambassadors as well as with other RECs and international organisations based in Brussels. 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 renew the COMESA relationship with EU and create a renewed partnership with the OACPS. The BLO continued to participate in the process of negotiation at various levels, which continued till April 2021.

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 the regional dimension in Post-Cotonou Agreement, particularly 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.

The COMESA BLO participated in the ceremony of the Initialling of the Post-Cotonou Agreement between the EU and the OACPS held on 15 April 2021, which marked the formal conclusion of the negotiations of the Post-Cotonou Agreement setting the political, economic and sectorial cooperation framework for the next twenty years. The BLO continued to follow up on the implementation of the New Partnership Agreement and the role of RECs in this process after the signature of the Agreement which was expected in the second half of 2021.

As regards to the follow up and representation on issues related to multilateral trade, the COMESA BLO participated actively in meetings organized at all levels in the OACPS, EU and other stakeholders in the field of multilateral trade in Brussels. The COMESA BLO contributed, with other RECs represented in Brussels, to the dialogue between the OACPS and the EU on the EU List of Non-Cooperative Tax Jurisdictions and the EU Money-Laundering Blacklist of countries. Through the coordinated action on these EU lists, the BLO aims at helping the COMESA countries concerned to find mutually acceptable solutions.

Regarding the issue of regional programming, the BLO reported to the Secretariat on the EU proposed regional priorities and participated effectively in the meetings of the Dialogue Platform on Sub-Saharan Regional Programming between the RECs and the European Union as well as the bilateral consultative meetings between COMESA and the EU. In this regard, the BLO held several bilateral meetings with the Ambassadors of COMESA Member States in Brussels as well as with the AU Permanent Representative and the OACPS Secretariat to sensitize the EU on the continuation of the regional envelopes and the direct allocations to the RECs under the Neighbourhood, Development and International Cooperation Instrument (NDICI).

The BLO represented COMESA in the 2nd AU-EU Foreign Affairs Ministerial Meeting held in Kigali, Rwanda on 25-26 October 2021. The BLO contributed to the deliberations on the AU-EU cooperation on strengthening resilience, peace, security and governance, migration and mobility. As well as the AU-EU cooperation on mobilization of investment for African Structure Sustainable Transformation and investing in people education, science, technical and skills development.

ii. **Mobilisation of Resources**

The COMESA BLO played a crucial role in identifying opportunities of available resources for funding COMESA programmes, engaging with partners to discuss funding modalities and proceeding with funding agreement signing, identifying call for proposals initiated by the EU and OACPS and reporting to the Secretariat as well as identifying opportunities of funding efforts against COVID-19 in COMESA region,

In this regard, the BLO followed up on several projects and funding opportunities to COMESA, which included: ACP Project on Strengthening Sustainable Health Emergency Beyond COVID-19 (Euro 25 million); the Third Call for Proposals of the ACP-EU Culture Programme (Euro 4,150,000 under the 11th EDF), the ACP-EU Project on Support for Cultural and Creative Sectors (Euro 26 million); the Intra-ACP Project on Supporting Agricultural Value Chains Development (Euro 140 million); EU Call for Proposals on Partnerships for Sustainable Cities (Euro 111.5 million); and the EU Financial Support against Economic and Social Consequences of Coronavirus Global Pandemic (Euro 2.06 billion for Sub-Saharan Africa).

The BLO coordinated with the team of the Investment Climate Reform Facility (ICR) to explore opportunities of capacity building that can be offered to COMESA. It supports the requests from COMESA to the ICR Facility which is funded by the EU under the 11th EDF together with the German Federal Ministry for Economic Cooperation and Development (BMZ) and the British Council (Euro 11,625 million).

iii. **Implementation of the European Development Fund**

The BLO held discussions with OACPS Secretariat and the European Commission on principles to improve development effectiveness and its delivery mechanism within the COMESA region. Additionally, the BLO participated actively in the seminar on the EU NDICI – Global Europe held on 24 May 2021.

The BLO followed up on the European Commission proposal for the new NDICI as highlighted. Further, the BLO followed up on the decisions of the EU Council concerning the commitment of the funds stemming from the reflows under the ACP Investment Facility from operations under the 9th, 10th and 11th EDFs.

iv. **Enhancing International Cooperation with Strategic Partners**

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, IGAD, OECS and Pacific Forum). Most notably, the BLO followed up on various issues which have been highlighted including, 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, the Post-Brexit process through its participation in seminars and discussions on the impact of post-Brexit procedural rules and customs processes for African exports into the UK. Further, the BLO represented COMESA in matters related to the OACPS Inter-Regional Organisations Cooperation Committee (IROCC).

In the next planning period, there are several key issues that commenced during 2021 and are expected to continue. Given the direct and indirect impacts of developments of these issues on COMESA and its Member States, the BLO will continue to follow up on these closely and submit the necessary reports and recommendations to the Secretariat. Among these issues are: The new EU's NDICI; EU Regional Programming in Sub-Saharan Africa (SSA); The establishment of the OACPS Inter-Regional Organisations Coordination Committee (IROCC); The role of COMESA in the implementation of the OACPS-EU Partnership Agreement (Post-Cotonou Agreement); and Eastern and Southern Africa – EU Economic Partnership Agreement Negotiations (ESA – EPA).

LEGAL AND CORPORATE AFFAIRS

The Legal and Corporate Affairs Division in the reporting period continued discharging its institutional mandate of providing legal support and legal advisory services to the Organs of the Common Market, Institutions and Specialized Agencies, Office of the COMESA Secretary General and the COMESA Secretariat. The services rendered included provision of legal opinions, vetting of draft contracts and agreements, and attending to litigation and arbitration before the COMESA Court of Justice. Further, the Division leads in the implementation of two programmes namely, the COMESA Intellectual Property Rights and the COMESA Migration Programmes.

In 2021, the Division undertook the following activities:

- i. Revision of Secretariat contract templates;
- ii. Assisting divisions in the negotiation and conclusion of Donor Funded Agreements;
- iii. Facilitation of the appointment and swearing in of a new judge to the bench of the COMESA Court of Justice Appellate Division, Commissioners of the COMESA Competition Commission and Members of the COMESA Committee of Elders for the Governance, Peace and Security Programme;
- iv. Dispute resolution and Court attendances before the COMESA Court of Justice;
- v. Implementation of the COMESA Intellectual Property Rights; and COMESA Migration Programmes.
- vi. In the period of January to December 2021, the Legal Division was seized with four (4) court cases which were enrolled before the COMESA Court of Justice for litigating and arbitrating.

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. The following are highlights in the implementation of 2021 communication and visibility initiatives:

- i. **COMESA News and Information:** The activities carried out in the implementation of COMESA regional integration programmes constitutes the main source of news and information for raising public awareness. COMESA news and information was generated from reports on programmes implementation, meetings, conferences and workshop and other related activities. This content was packaged into news products including press releases, newsletters and posts for online platforms. Subsequently, 30 weekly newsletters and four quarterly newsletters were printed published and shared with stakeholders. A total of 15 press releases were prepared and issued out to media.
- ii. **Media Relations:** Mobilization and facilitation of the media for coverage of key COMESA events is central in raising awareness and public education on regional integration. Hence, constant media engagement was conducted including one-on-one interviews, responses to inquiries and questions and answers. This contributed to COMESA visibility regionally and globally. As part of an incentive package, the annual COMESA Media Awards Scheme was conducted with a call for entries made and best entries selected. A total of eight journalists that won the award from 2019 – 2021 were recognized and rewarded during the 21st COMESA Summit in Egypt in November 2021.
- iii. **Publishing:** Publications constitute the COMESA information toolkit, and which is shared directly with stakeholders including libraries, learning institutions, country delegations, diplomatic missions, among others. Key publications published during the year included: the COMESA Gazette No 26, Key Issues in Regional Integration Volume 8 and 9 and related policy briefs, Intra-COMESA Trade Potential, COMESA Annual Report 2020, special reports on topical issues, facts sheets on various projects among others.
- iv. **Publicity:** The key publicity event in 2021 was the implementation of the COMESA 21st Summit Publicity Plan in collaboration with the Government of Egypt. This comprised concepts for development of publicity products, summit publications, video productions, press briefings, and outdoor advertising. Additionally, a publicity video on Enhancing Sustainable Regional Energy Market was produced and disseminated in focus countries.

The effect of COVID-19 pandemic remained a challenge particularly on enhancement of visibility and direct stakeholders' engagement in Member States. Optimization of digital technologies in publishing and publicity, however present opportunities for achieving the COMESA communication objectives.

STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION (SPR)

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 2021, the Unit undertook the following activities:

- i. Coordinated the final assessment of the 2016-2020 MTSP and its presentation to stakeholders notably COMESA Management and Member States Coordinating Ministries highlighting key lessons learnt.
- ii. Undertook consultations to support finalisation of the Draft 2021-2025 MTSP including the following:
 - Draft MTSP presented at the following technical and ministerial meetings; Gender and Social Affairs Committee, (March 2021), New Auditors, (April 2021), Infrastructure and Logistics Committee, (May 2021).
 - COMESA 2021-2025 MTSP Virtual Meeting held on 26 – 27 May 2021.
 - COMESA 2021-2025 Medium Term Strategic Plan (MTSP) Virtual Continuation Meeting held on 15 – 16 July 2021.

- iii. Coordination with Regional Intergovernmental Organisation (RIGO) for M&E support to develop and finalise the M&E Framework for the 2021-2025 MTSP with all programmes/projects.
- iv. Worked with Divisions/Units and Member States to highlight strategy performance
- v. Undertook communication and advocacy of the Draft 2021-2025 MTSP to COMESA Institutions and Member States
- vi. Supported formulation of Tier 2 Strategies for COMESA Court of Justice, Competition Commission, Regional Investment Agency and Statistics Programme.
- vii. Undertook engagement with external stakeholders including UNECA as input into the 2021-2025 MTSP.
- viii. Participated in activities with the aim to improve alignment of the COMESA Strategy with efforts at the continental and regional levels. This included support towards the preparation of the 2021 African Regional Integration Index Report.
- ix. Participation in the roll out the M&E Framework and Reporting Template on Agenda 2063 First Ten Year Implementation Plan (FTYIP).
- x. Compiled the 2021 Schedules of Meetings and Workshops.
- xi. Coordinated and prepared reports on strategy implementation including, the 2020 COMESA Annual Report and the 2020 COMESA Status of Integration Report.
- xii. Participated in the Working Group of the COMESA-USAID RIGO System Strengthening Programme.
- xiii. Participation in the RIGO-SS Community of Practice for Strategic Planning and Monitoring and Evaluation.
- xiv. Support to the formulation of EDF 11 Objective 3 – Institutional Capacity Building Programme.

INFORMATION NETWORKING

In implementing and maintaining the Common Market's information systems, IT infrastructure and IT system support services, the Information and Networking Division undertook the following activities in the reporting period:

- i. Fully Functional Intranet - The IT Division enhanced the COMESA Intranet to allow staff members to access the system offsite. Additionally, staff were enabled to access private departmental data based on authentication and authorization. Awareness sessions were carried out to train COMESA staff members on the effective and efficient use of the Intranet.
- ii. Website Development for Information Sharing and Visibility (Upgrades and Enhancements) - The following web portals were developed inhouse; Governance Peace and Security and RAERESA. The division maintained, upgraded and enhanced the following websites: COMESA Portal, Competition Commission Website, COMESA Monetary Institute Website, 50 Million Women Speak Platform, COMESA COVID-19 Information Sharing Portal.
- iii. Integrated Paperless Business Operating Environment with Improved Access to Information and Efficient Reporting - To achieve this, the Secretariat acquired Public Key Infrastructure for the implementation of secure email authentication using digital signatures as well as implementation of a digital signature signing platform. This is expected to reduce paper-based document signing.
- iv. Designed and Developed Digital FTA Instruments in close collaboration with the Trade and Customs Division - The sensitization and engagement of consultants to assist in the development and rollout of DFTA instruments continued. This included engagement of an eCO IT Consultant as well as tender for the design and development of an online market. Further, sensitization and Member States engagements were

- conducted in Eswatini, Madagascar, Kenya, Uganda, Rwanda, Zambia and Malawi. Additionally, a visit to one border post was undertaken among the three borders in anticipation of selecting a border to pilot the Smart Border Initiative.
- v. Provision of Efficient Uninterrupted IT Services - Working with all Divisions/Units, the Secretariat designed and activated a Business Continuity Plan (BCP) to enable staff to work remotely owing to the COVID-19 pandemic. The IT Division implemented and supported a Working from Home Arrangement using ICT as a tool. Staff were trained on utilisation of IT systems and remote support tools.
 - vi. Paperless Virtual/Hybrid COMESA Meetings – All COMESA meetings including the Policy Organs Meetings were conducted virtually. This made it possible for the Secretariat to save on funds allocated to physical meetings during the year and ensured the Secretariat discharged its mandate efficiently and effectively. Meetings were conducted using various platforms including MS Teams, Zoom and Webex. The division further developed Virtual Meeting Guidelines in partnership with the Legal Division.
 - vii. System Audit for COMESA Secretariat's IT Infrastructure and Information Systems - Several audits were carried out by the Internal Audit Unit utilizing the services of the IT Auditor and external auditors. These included: General IT Controls Compliance Audit, Policies Compliance Audit and Straight2Bank Application System Audit.
 - viii. Aligned all existing ICT Services (Workflows) and ICT Policies to comply with ISO Standards - The division amended existing IT policies and created 17 new policies. The policies were approved by the Secretary General and their implementation is set to commence in 2022.
 - ix. To enable Secretariat staff to communicate efficiently, the division procured and distributed 150 Phone Apparatus. The 3cx Phone System was upgraded to the latest version.
 - x. The division continued to support IT peripherals, IT infrastructure and IT Systems during the year enabling users to experience a seamless working environment using ICT as a tool.
 - xi. The COMESA Hybrid Summit 2021 - The division facilitated the first ever held COMESA Hybrid Summit of Heads of State and Government. The major highlights included the virtual swearing-in of Judges of the COMESA Court of Justice and Commissioners of the COMESA Competition Commission. The Summit witnessed the highest participation of both Heads of State and Government and virtual participants from around the region. Further, through this arrangement, massive cost savings were made.

HUMAN RESOURCES AND ADMINISTRATION

The mandate of the Division of Human Resources and Administration is to provide a high level of service and support to the whole Secretariat as well as the Member States. It covers issues related to human resources, knowledge and information services, conferencing, procurement and general support services which in turn supports divisions, units, projects, and Member States in the implementation of activities geared towards the achievement of the COMESA Strategy and the regional integration agenda.

The followings activities were undertaken in the year under review:

Human Resources Unit

Human resources are central to the implementation of the COMESA strategy and the regional integration agenda at large. As such, the unit ensures that it attracts and retains competent staff with adequate capacity in terms of skills, knowledge and expertise at the Secretariat. The objective of the Unit is to enhance the provision of professional advisory on human resource management services namely: recruitment, interpretation of the staff rules and regulations, capacity building, performance management and staff welfare, among others to all its stakeholders.

Recruitment into COMESA Secretariat, COMESA Institutions and Projects/Programmes - Recruitment of staff for the following was conducted: Secretariat, COMESA Competition Commission, 11th European Development Fund, and Regional Investment Agency

Change Management - With the support of the Regional Intergovernmental Organisation – System Strengthening (RIGO-SS) with funding from USAID, the unit facilitated a Change Management Training for the Senior Management Team to prepare staff on how to manage the institutional changes.

The Organizational Structure - The review of the organizational structure was completed and approved at the executive

management level. The report was thereafter presented to Council of Ministers. Consideration of the organizational structure was however deferred pending the approval of the 2021-2025 COMESA Medium Term Strategic Plan to ensure alignment with strategic objectives.

Internships - Implementation of the Internship Programme - Youth Educational Programme which was initiated and established in 2019 continued with the engagement of a total of 10 Interns.

Procurement Unit

To support the achievement of the strategic objectives of the Secretariat, the Unit continued to effectively facilitate and support the procurement requirements of stakeholders. It undertook the following key activities:

- i. Developed the annual procurement plan, in line with the rules and in consultation with the stakeholders.
- ii. Supported user divisions and units including COMESA Institutions through facilitation of procurement of consultancies and non-consultancy services, purchase of goods and equipment, and works. These were in line with the approved budget, workplan and the procurement plan; and
- iii. Supported the adaptation of offsite operations, and emergency response to the COVID-19 impact, by procuring safety tools, materials and gadgets including ICT tools to support offsite operations.

Conference Services Unit

The Conference Services Unit coordinates the provision of all conference and related support services to the Secretariat, Member States, and stakeholders. This support includes the translation of documents in all COMESA languages, interpretation during meetings and workshops, secretarial services, document control and meeting room protocol and logistics. Services are provided in conjunction with the Information Technology Division, the Procurement Unit, and other units at the Secretariat, as and when necessary. The unit undertook the following key activities:

- i. Following set guidelines for the recruitment and selection of external interpreters and translators, the unit engaged all Member States in its efforts to establish teams of competent freelance translators and interpreters to ensure efficient coordination of meetings at Member State level. Member States are encouraged to continue supporting the unit in establishing a dynamic database of service providers across the COMESA region.
 - ii. Collaborated with the Information Technology and Networking Division in servicing virtual meetings. This resulted in synergies that made on-line meetings more effective and seamless, in view of the travel restrictions and measures resulting from the COVID-19 Pandemic.
 - iii. Reinforced its records management system and put in place measures towards the standardization of translation, interpretation and storage of working documents and reports, emanating from Technical and Policy Organs Meetings and the Summit of the Heads of State and Government.
 - iv. In partnership with the Information Resource Centre, the Unit significantly progressed in finalizing the transformation of historical hard copy reports and selected documents into electronic versions for archiving in databases on the Intranet. The exercise is nearing completion and will result in an electronic archive of historical documents readily available for use.
- i. Conducted online training and sensitization sessions for its current and new staff to maintain service standards and bring new members up to date with stakeholder expectations.
 - ii. Launched a benchmarking process, aimed at aligning all conference service systems and processes, to the migration from paper-based systems to totally paperless and IT based systems. These efforts have seen the traditional paperless system adopted in 2016 being upgraded to a more efficient structure that is compatible with virtual event management guidelines.

Information Resource Centre

COMESA Information Resource Center continues to provide high level information service that is accurate, relevant, and timely in support of COMESA Secretariat programmes and support services as well as Member States, to facilitate research and regional integration processes. Owing to COVID-19 in 2021, the unit suspended physical access to the premises and resorted to digital platforms to continue serving its clientele. The Unit achieved its mandate under the following three sections:

i. Research Support and Information Services

The unit provided enhanced digital information management and access to its wide clientele in support of COMESA programmes and the COMESA Virtual Masters in Regional Integration through appropriate information systems such as the digital repository, upgraded library system, the RemoteXs federated search platform, subscriptions to authoritative subject online databases, e-books, e-journals. Additionally, the unit facilitated access to collaborative e-resources sharing with reputable e-libraries such as IMF e-Library, World Bank e-Library, UN Research4Live databases among a host of other databases.

ii. Records Management

To achieve operational efficiency through seamless flow of information at the Secretariat, the unit played a key role in implementing the Secretariat's Records Management Policy and Retention and Disposal Schedule as approved by the Secretary General in 2021 and 2022 respectively. The Intranet has become the central depository of internal records and documents providing an all-time access to information to all staff of the Secretariat in respective divisions and units.

iii. Knowledge Management

The unit is the custodian of organizational memory and maintains archival copies of COMESA history through Council Reports, COMESA Working Documents, Reserve Publications, Programme Reports. The unit is at the centre of knowledge and information sharing within the Secretariat, Member States, collaborative partners, and knowledge exchange with partners in the region and globally.



3

Chapter Three

OPERATIONS OF COMESA INSTITUTIONS

OPERATIONS OF COMESA INSTITUTIONS

AFRICA LEATHER AND LEATHER PRODUCTS INSTITUTE (ALLPI)

ALLPI's main mandate is to support the development of the leather sector in Africa in general and in the COMESA region. ALLPI aims to be Africa's premier center of excellence for competitive leather sector in the global arena through facilitation of Member States and linking partners, enterprises and institutions for value addition, sustainability and competitiveness in the leather sector through sharing of knowledge and innovation. ALLPI's membership encompasses ten countries, namely; Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia and Zimbabwe. In 2021, ALLPI activities were extended to include D R Congo, Eswatini, Egypt, Madagascar, Mauritius Morocco, Niger, Namibia and South Africa. ALLPI's activities are planned and implemented under its 10 years (2016-2025) Strategic Plan which is aligned to the COMESA 2021-2025 MTSP, AU Agenda 2063 and the SDGs.

Notwithstanding challenges brought on by the COVID-19 pandemic coupled by delayed annual membership States contribution, ALLPI's achievements in 2021 are highted below and further articulated in Table 17.

- i. ALLPI successfully hosted the Fifth World Leather Congress and XXXVI IULTCS Congress 2021 which brought together over 300 scholars, researchers, experts, leather and leather products manufacturers and investors from over 50 countries around the world. The two platforms discussed pressing issues affecting the leather sector, advancement of the leather science and technology, and facilitated networking within the leather industry. Further the platforms provided a good opportunity for Africa in general and the COMESA region in particular to present its huge leather sector resource base to the global players.
- ii. ALLPI sponsored SMEs from 9 Members States to participate in the All Africa Leather Fair (AALF) held in December 2021. As co-organizer of the event, ALLPI organised a side-line meeting with the SMEs during which key challenges affecting the leather sector activities of SMEs were discussed and recommendations were made for action by ALLPI.
- iii. ALLPI successfully completed a study on "Programs and Qualifications for Skills Recognition and Development in the Leather Sector in Africa". The study was conducted in seven countries namely, Egypt, Ethiopia, Kenya, Morocco, Namibia, Niger, South Africa and 4 RECs namely; COMESA, ECOWAS, SADC and UMA. The study was financed by the International Labour Organization (ILO), under the AUC-ILO-IOM-ECA Joint Labour Migration Governance Programme for Regional Integration and Development in Africa.

- iv. ALLPI attained the ISO QMS 9001: 2018 and EMS 14001:2015 recertification for the period 2022-2024 following fulfilment of the requirements of the recertification audit.

Table 17: Activities Implemented by ALLPI in 2021 Highlighting Accomplishment Status and Beneficiary Countries

No.	Category	Planned Activities/ Trainees	**Status of Accomplished	Description of Activities	Beneficiary Countries/ Institutions
1.	Human Capacity Development	160	240 (150%)	<ul style="list-style-type: none"> <input type="checkbox"/> Trained in proposal writing, resource mobilization, Teamwork, QMS/EMS implementation principles, and Consultancy portfolio development; <input type="checkbox"/> Trained in Certification of eco-friendly leather products; <input type="checkbox"/> Trained in regional leather value chain strategy review; <input type="checkbox"/> Trained in hides and skins traceability systems; <input type="checkbox"/> Trained application of standards for leather value chains. 	Burundi, Eritrea, Ethiopia, Kenya Malawi, Rwanda, Uganda, Sudan, Zambia, Zimbabwe, DR Congo, Eswatini, Madagascar & Mauritius.
2.	Technology Transfer	3	3 (100%)	<ul style="list-style-type: none"> <input type="checkbox"/> Reverse engineer tanning drums for vegetable tanning; <input type="checkbox"/> Hosted two global events in the leather sector, the International Union of Leather Technologists and Chemist Society (IULTCS) and the World Leather Congress (WLC). 	ALLPI Member States and more than 50 countries.
3.	Institutional Capacity Development	20	23 (115%)	<ul style="list-style-type: none"> <input type="checkbox"/> Virtual meetings were conducted for Burundi, Malawi, Rwanda, Uganda, Zambia, and Zimbabwe; <input type="checkbox"/> Internal reviews and external audit on the adherence of standards; <input type="checkbox"/> Online training Module's preparation; <input type="checkbox"/> Curricula Harmonization Study (ILO); <input type="checkbox"/> Skills gaps study in 7 countries; <input type="checkbox"/> Incubation centers/satellite design studios in 5 countries (Burundi, Eritrea, Rwanda, Kenya and Zambia) are equipped with machines and tools for footwear and leather making, under BADEA technical assistance through ALLPI facilitation. 	Burundi, Eritrea, Ethiopia, Kenya Malawi, Rwanda, Uganda, Sudan, Zambia Zimbabwe DR Congo, Eswatini, Madagascar, Mauritius, Niger, Namibia, South Africa, Egypt, & Morocco.
4.	Trade and Market Linkage	10	9 (90%)	Fully sponsored SMEs from 9 ALLPI MS to participate in All Africa Leather Fair (AALF)	Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, & Zambia.

8 Figures with in brackets show percentage of accomplishment vis a vis the planned activities

5.	Data/ Information Collection and Dissemination	15	14 (93.3%)	<input type="checkbox"/> Sustained the Online Systems (Google Drive, Smartsheet), Subscription for the LeatherBiz.com, Devex, Crosseref, Leather Magazine, Membership fee of IULTCS, Web hosting, Software renewal, Broad Band and ITC Membership that improved market intelligence and M&E System; <input type="checkbox"/> Six collaboratives researched in five countries (Sudan, Ethiopia, Kenya, Uganda, and Zimbabwe) are underway through ALLPI financial support.	Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia & Zimbabwe.
6.	Resource Mobilization	857,300 USD	650,000 USD (75.82%)	<input type="checkbox"/> Resource was mobilized through RECAP programme, ILO, and BADEA; <input type="checkbox"/> 6 new proposals prepared developed for submission	Burundi, Eritrea, Ethiopia, Kenya Malawi, Rwanda, Uganda, Sudan, Zambia Zimbabwe DR Congo, Eswatini, Madagascar, Mauritius, Niger, Namibia, South Africa, Egypt, & Morocco
7.	Preparation of Policy Documents, Guidelines, Blue Prints	4	6 (150%)	<input type="checkbox"/> Activities for the development of a directory for enterprises, production performance and trade data commenced; <input type="checkbox"/> e-directory' online software was identified and procured; <input type="checkbox"/> Blueprints for cluster development and tannery modernization finalized. <input type="checkbox"/> Model roadmaps for value addition developed; <input type="checkbox"/> A draft model of a vegetable tanning unit (tannery) designed; <input type="checkbox"/> A concept notes on strengthening of leather sectoral associations developed; <input type="checkbox"/> A Draft Roadmap on Occupational Safety and Health (OSH) in the Leather Manufacturing Activity designed; <input type="checkbox"/> Draft roadmap and environment management upgrading for leather processing developed.	Available for all ALLPI member States - Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia & Zimbabwe

THE AFRICAN TRADE INSURANCE AGENCY (ATI)

Since inception, the African Trade Insurance Agency (ATI) - an institution established as a COMESA initiative, has consistently expanded its range of product offering to meet a growing demand and increasing volumes of investment and trade in its Member States. During the period under review ATI celebrated its 20th Anniversary and has come a long way from its initial seven COMESA Member states to its current 20 African Member States, 1 Non-African Member State and 11 Institutional shareholders. ATI has rolled out a robust Enterprise Risk Management (ERM) Framework that guides its overall risk appetite, transaction limits and monitoring. ATI is a prudent underwriter as reflected in its loss ratio on Net Earned Premiums (4% in 2021 and 15% in 2020 respectively).

Rated A/Stable (S&P) & A3/Stable (Moody's) with close to 20 years of experience in providing credit and political risk insurance in its Member States, ATI is positioned as one of the largest strategic DFIs in Africa by portfolio size (recognition by Moody's, IMF and numerous international donors and DFIs) with over US\$71 Billion of Trade and Investment supported since its inception in 2001. ATI's progressive geographical footprint and growing membership base across the continent is thanks to its robust capitalization of USD 516 Million in Equity (as at December 2021), risk management, financial performance and strong policy relevance in Africa. ATI is capable of supporting its Member States through the socio-economic challenges of the COVID-19 global pandemic.

As of 31 December 2021, ATI's portfolio exceeded USD 71 billion as at inception with USD 6.6 billion worth of projects supported in 2021 alone in sectors such as Agriculture, Forestry & Fishing, Construction, Energy & Gas, Financial & Insurance Activities, Information & Communication, Manufacturing, Mining & Quarrying, Transporting & Storage, Water Supply, and Wholesale & Retail trade. As a result of the economic headwinds brought about by the Covid-19 pandemic, ATI posted a profit of USD34.9M compared to USD 39.4M in FY2020.

ATI's Equity grew by 26 percent closing at USD 516M compared to USD 410M as at December 2020 thanks to receipt of additional equity from the Governments of Benin with USD 17.8M, Cameroon with USD 13.3M, Senegal with USD 16.9M and Togo with USD22.6M (ATI's largest Equity Shareholder as at December 2021).

ATI closed the 2021 financial year with a strong growth in GWP of 14 percent above the 2020 performance, and 4 percent above the revised budget, despite the COVID-19 pandemic effects tapered off late 2021 as countries successfully navigated the second and third waves.

ATI declared dividends of USD 8.7M for FY2021 compared to USD 9.9M in FY2020 despite the challenging global socioeconomic impacts of the COVID-19 Pandemic on African economies. ATI Shareholders approved new memberships of Cameroon and Senegal as ATI's 19th and 20th Member States respectively. Further, the Governments of Angola, Burkina Faso, Chad, Egypt and Mali are in process of finalizing their full-fledged membership in ATI. With this rapid growing regional footprint, COMESA Member States are therefore urged to join ATI by acceding to the ATI Treaty to benefit from ATI Membership, Guarantees and Insurance products.

During the period under review, ATI posted an 11-year conservative recorded growth in key performance areas and made significant improvement in its underwriting operations, risk management and membership base, alongside concluding strategic partnerships with several regional development financial institutions. ATI predominantly insures sovereign transactions [70 percent of ATI portfolio] but is continuously looking to innovative private sector driven products [currently 30 percent of portfolio] including SME support and initiatives.

Despite the challenges of the COVID-19 global pandemic which has negatively affected many economies since March 2020, ATI achieved a net profit of US\$34.9m as at December 2021 a slight decline of 12 percent compared to December 2020. However, S&P Global Investment and Credit Rating Agency reaffirmed ATI's A/Stable Outlook Credit rating for the 14th conservative year noting the Agency's robust equity growth to US\$516 million. ATI closed the 2021 financial year with a strong growth in GWP of 14 percent above the 2020 performance, and 4 percent above the revised budget, despite the Covid-19 pandemic effects tapered off late 2021 as countries successfully navigated the second and third waves.

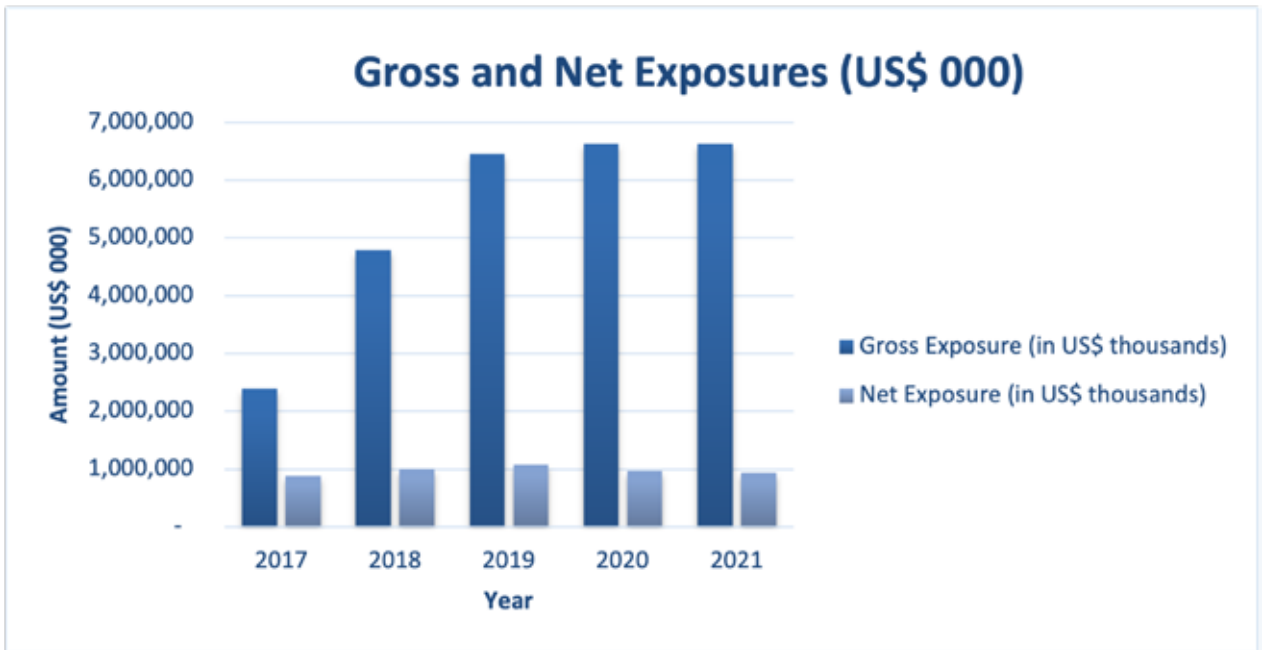
A summary of key performances of ATI are as follows:

(a) ATI Gross and Net Exposures

ATI's Gross Exposure for FY2021 amounted to US\$6.6 billion which was similar as of 31 December 2020. There was a slight

decline in net exposure from US\$ 968,386 million in FY2020 to US\$933,627 million in FY2021. Figure 21 below shows the evolution of ATI's gross and net exposures over the last five years.

Figure 21: Gross & Net Exposures: 2017 – 2021



Source: ATI 2021 FINANCIAL STATEMENTS

(b) Gross and Net Earned Premiums

ATI remains financially robust as it continued to deliver a comfortable net written premium in FY2021 compared to prior years as indicated in the table below. ATI generated a Gross Written Premium of US\$143.5 million in FY2021 compared to US\$125.6 million in FY2020.

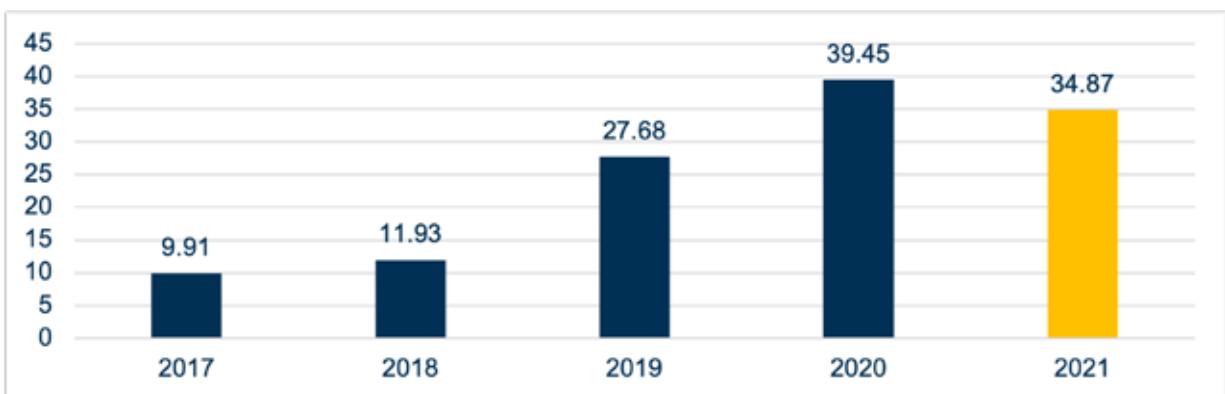
Table 18: ATI Gross Written Premium in 2021 Compared to 2020

Year	2017	2018	2019	2020	2021
Gross Written Premium (in US\$ thousands)	44,792	66,154	111,892	125,612	143,534
Net Written Premium (in US\$ thousands)	14,056	11,718	18,648	18,572	19,437

(c) Profitability

There was a slight decline of 12% in ATI's net profit from US\$39.4M to US\$34.9M in FY2021 as shown in the figure below:

Figure 22: ATI's Profitability



Source: ATI 2021 FINANCIAL STATEMENTS

Table 19: Underwriting Risk: Exposures per Member State

In Thousands of US\$	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
Benin	900,542	63,264	1,018,780	67,698
Burundi	50	50	-	-
Cameroon	14,168	4,306	-	-
Cote D'Ivoire	942,574	77,617	1,002,154	79,391
DRC	184,738	44,076	159,097	30,837
Ethiopia	329,428	27,003	271,125	25,550
Ghana	390,788	61,778	136,850	35,761
Kenya	720,367	125,725	704,356	139,113
Madagascar	44,855	9,946	33,917	10,946
Malawi	307,038	42,731	279,800	38,542
Niger	217,137	24,662	219,216	24,687
Nigeria	351,585	69,193	273,497	63,595
Rwanda	139,664	47,239	157,947	54,445
South Sudan	50,000	12,500	102,000	25,500
Tanzania	345,329	70,203	419,814	82,067
Togo	305,644	33,092	3004,490	31,266
Uganda	195,497	52,331	220,324	61,400
Zambia	346,032	22,183	400,446	29,627
Zimbabwe	85,835	21,456	107,932	27,921
Non -Country Members	755,581	124,266	450,661	140,040
Total Expenditure	6,626,852	933,627	6,262,406	968,386

Developmental Impact

There is continuous improvement being undertaken through increased resources devoted to portfolio data analysis and risk models with the ongoing revamping of the Enterprise Risk Management framework, increased focus on Environmental, Social and Governance (ESG) impact evaluation. ATI is actively working on ways to optimize its ESG impacts to more effectively support African member states. Currently ATI has a portfolio of projects near US\$282M on renewable energy projects in its Member States and hopes to further develop and its developmental activities across the continent.

Below is an illustrative representation of ATI's developmental impact and response in various areas of priorities in its Member States:



Environment	Social	Governance
<ul style="list-style-type: none"> Climate Change Natural Conditions Water & Energy Efficiency Environmental Management 	<ul style="list-style-type: none"> Human capital management 	<ul style="list-style-type: none"> Business Ethics Strategy execution & monitoring Risk management & internal controls transparency Shareholder Democracy
ATI's Response	ATI's Response	ATI's Response
<ul style="list-style-type: none"> Increased focus on Renewable Energy projects Regional Liquidity Support Facility (RLSF) in Partnership with KfW The Africa Energy Guarantee Platform (AEGF) in Partnership with EIB, KfW & Munich Re Projects supported are in line with IFC and EU standards 	<ul style="list-style-type: none"> Revised processes to improve the monitoring of job creation and other social impacts in supported projects Consensual social contract between staff & stakeholders Introduction of CSR policy as part of our social investment in Africa 	<ul style="list-style-type: none"> Treaty reviews to align with current and future market practices Confidentiality, transparency, and completeness of information Transparency Tool- created in partnership with KfW Prioritize and allocate resources on risk that underpin the sustainability of ATI

Increase in the Agency's Equity Capital

ATI's shareholding equity from Member States and Shareholding Institutions in the period under review grew by 26 percent to US\$516M in FY2021 compared to US\$410.8M in FY2020. New equity was recorded from Senegal (US\$16.9 M), Cameroon (US\$13.3M), Benin (US\$17.8M), Togo (US\$22.6M) and reinvested dividends from existing members/shareholders. It is expected that as new countries acquire membership, the Agency's capacity to support business in Africa will be significantly improved.

Thanks to the financial support of the African Development Fund (ADF), German Development Bank (KfW) and European Investment Bank (EIB), several African Member States have benefited from concessional loans and grants for their various membership contributions in ATI. These shareholders include.

Table 20: Concessional Loans and Grants Awarded to African Member States

No.	Member State / Institution	Capital	Source
1.	Benin	€ 15 million	EIB
2.	Burkina Faso	€ 15 million	EIB
3.	Cameroon	€ 11,37 million	EIB
4.	Chad	€ 15 million	EIB
5.	Côte d'Ivoire	US\$ 6,5 million	KfW
6.	Mali	US\$ 10 million	AfDB
7.	Madagascar	US\$ 1,5 million	GIZ
8.	Niger	€ 11,37 million	EIB
9.	Senegal	€ 15 million	EIB
10.	Togo	€ 20 million	KfW

ATI has seen a significant increase in its membership base and capital stock which currently stands at US\$516 million. It is expected that the upcoming 22nd ATI AGM schedule in June 2022 dividends of USD 8.7M for FY2021 will be approved by ATI Shareholders. The Agency's capital stock as of December 2021 is as follows:

Table 21: ATI Capital as at 31 December 2021

No.	MEMBER	SHARE CAPITAL	PERCENTAGE SHAREHOLDING	NUMBER OF SHARES
1.	Benin	26,900,000.00	7.36%	269
2.	Burundi	15,700,000.00	4.30%	157
3.	Cote D'Ivoire	19,900,000.00	5.45%	199
4.	DRC	20,200,000.00	5.53%	202
5.	Ethiopia	7,300,000.00	2.00%	73
6.	Ghana	15,300,000.00	4.19%	153
7.	Kenya	29,200,000.00	7.99%	292
8.	Kenya Re	1,000,000.00	0.27%	10
9.	Madagascar	7,000,000.00	1.92%	70
10.	Malawi	18,200,000.00	4.98%	182
11.	Nigeria	12,200,000.00	3.34%	122
12.	Rwanda	8,900,000.00	2.44%	89
13.	South Sudan	9,300,000.00	2.55%	93
14.	Tanzania	17,300,000.00	4.74%	173
15.	Uganda	23,400,000.00	6.41%	234
16.	Zambia	17,700,000.00	4.85%	177
17.	Zimbabwe	13,500,000.00	3.70%	135
18.	Niger	9,200,000.00	2.52%	92
19.	Togo	24,600,000.00	6.73%	246
20.	Cameroon	9,100,000.00	2.49%	91
21.	Senegal	11,600,000.00	3.18%	116
	Sub Total for Class A Members	317,500,000.00	86.91%	3,175
1.	India (Represented by ECGC)	10,300,000.00	2.82%	103
2.	Africa Re	1,000,000.00	0.27%	10
3.	Atradius	100,000.00	0.03%	1
4.	Chubb	8,700,000.00	2.38%	87
5.	COMESA	100,000.00	0.03%	1
6.	PTA Bank	1,000,000.00	0.27%	10
7.	SACE SPA	10,000,000.00	2.74%	100
8.	The African Development Bank	15,000,000.00	4.11%	150
9.	UK Export Finance	100,000.00	0.03%	1
10.	Zep Re	500,000.00	0.14%	5
11.	CESCE	1,000,000.00	0.27%	10
	Sub Total for Class B, C, D & E Members	47,800,000.00	13.09%	478
	TOTAL	365,300,000.00	100.00%	3,653

In accordance with the ATI Treaty and the Articles of Association, new share certificates were issued to these various shareholders to certify ownership of the specified number of shares in ATI capital stock.

COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)

The COMESA Regional Investment Agency (COMESA RIA) is an institution of COMESA, launched in Cairo, Egypt, in 2006. Its objective is to make COMESA one of the major destinations for regional and international investors while simultaneously enhancing national investment and carrying-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) 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 NIPA's

- i. Organized twelve regional capacity building webinars on the identification, packaging, and promotion of Investment-Projects-Ready-to-Offer (IPROs) for COMESA NIPAs. The webinars discussed the identification of bankable projects, gathering information for IPROs and investor-centric positioning, and packaging and promotion of IPROs. The webinars succeeded in enhancing institutional collaboration among NIPAs through the exchange of project profiles and enhanced NIPAs' knowledge for scaling up effective IPROs promotion efforts.
- ii. Hosted two regional capacity building webinar series titled "Emerging Stronger: Strategies for Attracting FDI During & Post-COVID 19" to build the capacities of COMESA NIPAs' officials on Foreign Direct Investment best practices in the areas devising and using country value propositions for investor outreach and image building, and guidelines for IPAs responses to investor inquiries and key elements of investment facilitation during and post COVID-19 pandemic.
- iii. Organized a virtual experience sharing event between Economic Development Board of Mauritius (EDB-Mauritius) and Zimbabwe Investment Development Agency (ZIDA). Successful experience in developing sector-specific studies and mergers between different government institutions were shared and initiatives to strengthen collaboration between the two agencies were discussed during the event.
- iv. Organized a virtual experience sharing event between Zambia Development Agency (ZDA) and Invest India. During the event Invest India shared the importance of interactive investment promotion tools in showcasing FDI locations' competitive advantages and opportunities. Specific examples of such FDI interactive tools were discussed during the event such as the India Investment Grid (IIG) and Investment Global Platform. Both agencies agreed to organize a second virtual experience sharing event to discuss Invest India's experience in investor handling and Investor Tracking Systems (ITS).
- v. Co-organized IPA Africa experience sharing event with the aim of highlighting successful experiences and practices adopted by African IPAs in their work of promoting and attracting foreign investments and enhancing intra-agency collaboration.
- vi. Supported the organization of the COMESA and Macroeconomic and Financial Institute for Eastern and Southern Africa (MEFMI) Virtual Regional Workshop on FDI. The workshop addressed challenges faced by Member States in compilation of FDI statistics and enhanced Member States' government institution's ability to provide enterprise based FDI statistics.

COMESA Region as an Attractive Investment Destination

- i. Co-organized the First Edition of IPA Africa Forum in collaboration with the General Authority for Investment and Free Zones – Egypt (GAFI) and the Egyptian Ministry of Foreign Affairs. The event brought together African IPAs (including 14 COMESA IPAs), Regional Economic Communities (RECs), regional and international

development institutions such as African Union (AU), African Development Bank (AfDB), Afreximbank, and WAIPA. Various prominent investors interested to explore prospects for regional integration, networking and encouraging cross-border investments participated in the event. The participating IPAs showcased their Member States' competitive advantage as investment destinations and presented investment opportunities available in strategic sectors to participating investors through country presentations and one-on-one meetings.

- ii. Co-organized a workshop on investment climate and opportunities in the Energy sector in the COMESA region and its Member States in collaboration with the Egyptian Government represented by the Ministry of Trade and Industry, and the Ministry of Electricity and Renewable Energy. An overview on COMESA region's competitive advantages, investment incentives and opportunities in the sector was presented to the representatives of prominent Egyptian investors investing in the sector. Additionally, the workshop discussed challenges facing Egyptian investors investing in the region, in addition to support to be provided by the Egyptian Government to the Egyptian private sector willing to expand in the COMESA region.
- iii. Mobilized public and private sector participants (COMESA NIPAs and investors and businesses in the financial services sector) to participate at an investment promotion webinar organized by the Economic Development Board of Mauritius (EDB-Mauritius) under the title of "Mauritius: an IFC and Business Hub for Prosperity". The webinar promoted Mauritius as a viable and conducive business hub for the region, and as a platform for companies seeking to raise capital and finance sustainable growth in Africa.
- iv. Implemented 16 country-specific digital marketing campaigns to create awareness among potential investors on COMESA Member States' as attractive investment destinations. The campaigns had a total reach of 600,000 of regional and international FDI stakeholders.
- v. Ten thousand 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.

COMESA RIA as an Information Hub for Investors and FDI Stakeholders

- i. **2021 COMESA Investment Teaser.** The publication identified more than 350 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.
- ii. **Two Practical Guides to Doing Business in Somalia and Comoros (English and French).** 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.
- iii. **2021 COMESA Investment and Trade reports.** The publications provided detailed analysis on trade and investment flows between COMESA Member States and beyond.

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, Swaziland. 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 eight country offices in Abidjan, Addis Ababa, Harare, Kampala, Khartoum, Kigali, Kinshasa, and Lusaka.

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 region; promote the growth of national, regional underwriting and retention capacity; and support regional economic development.

Shareholding

ZEP-RE currently has 37 shareholders comprising: 6 governments of the region namely, Djibouti, Kenya, Mauritius, Rwanda, Sudan and Zambia, 13 government owned insurance and reinsurance companies, 15 private companies, the COMESA Secretariat and TDB and two development finance institutions.

Vision and Mandate

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. As part of its development agenda is focused on working with Member States with the goal of implementing policies that enable access to insurance services and ensure retention of premiums, promoting increased insurance penetration in the region and enhancing investments within the region.

2021 Performance

For the year 2021 ZEP-RE underwrote USD 213 million in premium income compared to USD208 million underwritten in 2020. In 2021 insurance markets' growth remained subdued but the Company managed to register a 2.3 percent growth in gross premium income over that of previous year showing remarkable resilience despite a slow-down in the economy due to the global pandemic. The Company's posted a profit of USD18 million compared to a profit of USD 17 million the previous year. The Company's improved performance in 2021 was majorly attributable to improvement in the loss experience in our various markets

Table 22: Movement in Key Performance Areas Between 2020 and 2021

	2021	2020
Gross Premium	213,012,675	208,159,650
Retrocession Premium	78,698,993	139,108,474
Net Claims Incurred	80,051,874	90,091,622
Underwriting Profit	3,640,300	517,843
Net Profit	18,144,321	17,260,496
Shareholders Funds	294,840,688	275,751,918
Total Assets	476,621,314	446,992,200

Territorial Spread of Business

The COMESA region still forms the core market of ZEP-RE. The table below shows that as at 31st December 2021, business from the COMESA region represented over 78% of business underwritten by ZEP-RE.

Table 23: 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	

Credit Ratings

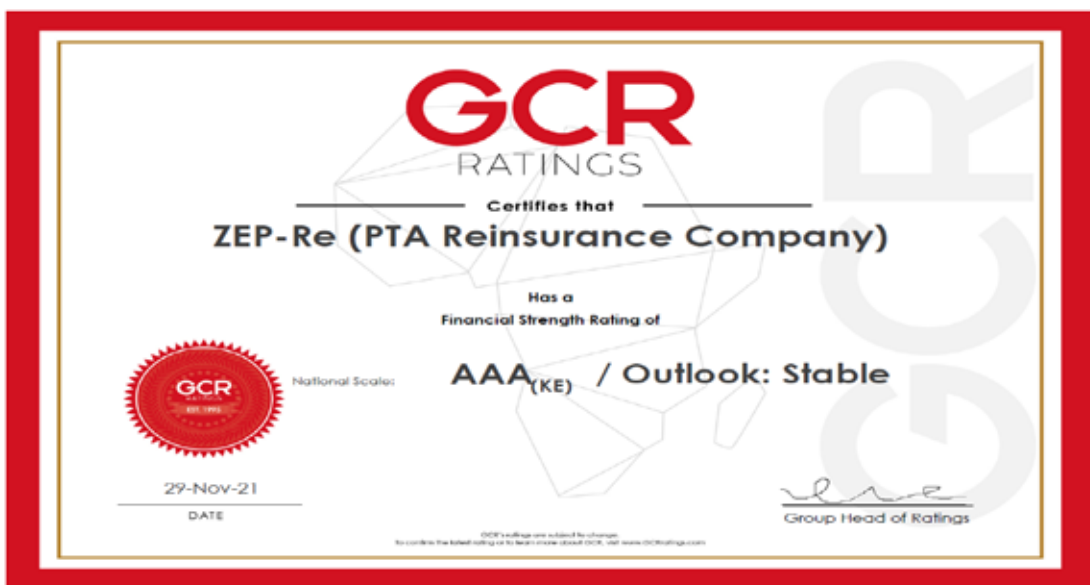
- AM Best Rating**

In 2021 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.



Developmental Initiatives

ZEP-RE has stayed true to its value proposition of being a partner to countries in the region. The Company supports initiatives meant to develop policies and activities that positively impact the region through growth, innovation, and insurance penetration.

Financial Inclusion

ZEP-RE is working with countries in the region and Development Finance Institutions (DFIs) to support financial inclusion initiatives aimed at scaling up insurance penetration and the protection of low to middle income households from risks including health, loss of income and savings.

- **Micro Credit Products**

The Company is working with governments and market players in Ethiopia, Kenya, Uganda, Rwanda, Zambia, and Zimbabwe to offer micro insurance products in life with the benefit payable being outstanding loan balances. In 2021, over 220,000 lives were covered, and loans assured stood at approximately USD 2.7 million. In Uganda over 200,000 lives have been covered and loan amounts assured stand at approximately USD 8.9 million.

- **Universal Insurance**

A long-term savings scheme in Rwanda is currently being supported in partnership with the Government and stakeholders in the market. The main cover is life and funeral expenses (with an element of government subsidy). In 2021, 90,000 lives were insured with total benefits totaling USD 117.8 million.

- **Collateral Replacement Indemnity (CRI)**

CRI is a product that targets borrowers in the lower to middle income mortgage market without the requisite deposit usually demanded by mortgage financing companies but have the capacity to pay if spread over a period. The objective is to support affordable housing initiatives for the low to middle income population. The product is offered in over 11 countries through local insurers and ZEP-RE provides reinsurance capacity. In 2021 over USD 6 million in loans were guaranteed and over 50 lenders were participating in the programme. Beneficiaries since inception of the product total over 10,000 families.

- **Agriculture Insurance**

ZEP-RE supports the regional government food security agenda programmes through reinsurance and technical capacity development in the following countries.

Zambia

ZEP-RE supports the Farmers Input Support Programme (FISP). FISP is the largest agriculture programme supported by the company. The support provided, includes reinsurance, product development and monitoring. The company works with the Technical Working Group comprised of the Ministry of Agriculture, the World Food Programme, SMART Zambia, Mayfair, etc.) and is responsible for exploring ways to restructure the scheme and make it more sustainable. During the last three years, FISP has supported over 1 million households and paid out over USD 13 million in claims. The Company has further deployed its Agric Tech Subsidiary, Acre Africa to support product development and sustainability initiatives.

Uganda

The company supports the NAIS consortium with reinsurance capacity, product improvement and capacity development. The NAIS programme provides cover to 300,000 farmers and has the potential for scalability especially in the pastoral sector. Acre Africa is currently working with the scheme on the provision of new products.

Kenya

ZEP-RE participates in the Kenya Livestock Insurance Programme (KLIP). The company supports the provision of livestock insurance for 18,000 farmers. Additionally, the company supports crop insurance for 250,000 farmers under the KAIP programme. Both the KLIP and KAIP address income protection and dependency within the covered households. Over 18,000 households and 90,000 livestock units were covered in 2021.

Horn of Africa DRIVE Initiative

Drought shocks in the past have been a key cause of livestock asset depletion and led to underinvestment, perpetuating a cycle of low investment-low productivity in pastoral economies. The Horn of Africa DRIVE Project aims to scale up financial protection for pastoralists across the Horn of Africa with a package of financial services to help address severe shocks. ZEP-RE has been appointed Implementing Agent of Component 1 of DRIVE which will provide financial de-risking services in anticipation of climate change risks. The project is scheduled to commence in June 2022. The project development objective is to protect pastoralists against drought shocks, increase their financial inclusion and connect them to markets. It is anticipated to support over 1 million households at inception and enable sustainability of the de-risking scheme.

Regional Support for Strengthening of Regulatory Framework

National Agriculture Insurance Schemes (DR Congo, Malawi and Tanzania)

The company is working with governments of the region through studies and preliminary activities to help establish national agricultural insurance schemes. These schemes are part of risk management in agriculture (crop and livestock) with the intention of providing financial support to the farmers in the event of failure due to climate risk, natural calamities, pests and diseases. NAIS programmes in the three countries have the potential to provide crop risk cover to over 4 million farmer households at inception.

Micro Insurance Regulatory Framework

The company has engaged and collaborated with governments in the region to support financial inclusion initiatives. Key engagements centered on discussions with regulators and key stakeholders in DR Congo, Malawi and Zambia with the aim of exploring how micro insurance regulatory frameworks could be established. There is growth potential for micro insurance industry in the three countries with currently two million people remaining uninsured in the micro insurance sector of Malawi and Zambia having a rural farmer population in excess of four million to whom microinsurance remains critical to providing risk mitigation solutions for their economic activities. The company intends to keep up efforts in 2022 to assist in implementation of the regulatory and business development framework.

COMESA Yellow Card and RCTG Schemes

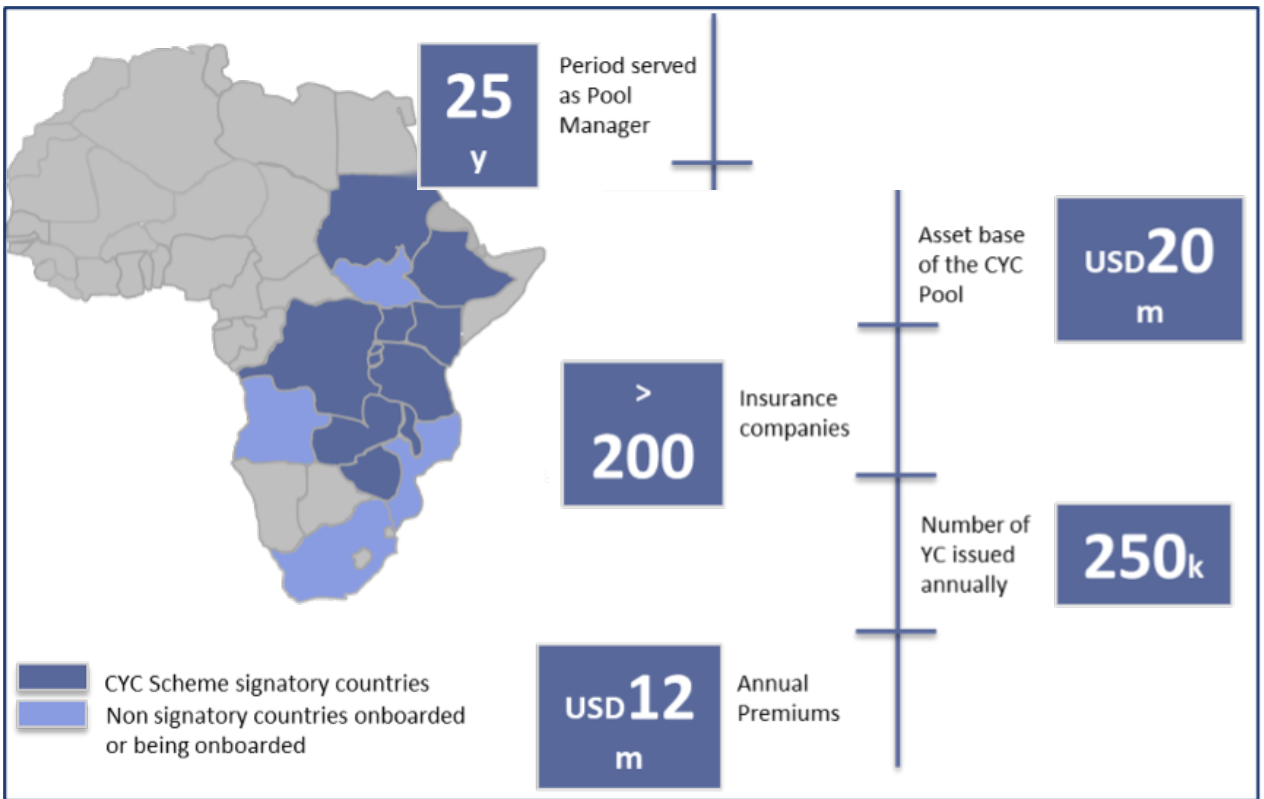
ZEP-RE manages reinsurance pools of two key schemes that support regional cross border trade. The COMESA Yellow Card scheme is a regional third-party motor vehicle insurance scheme, and the COMESA RCTG scheme is a cross border custom guarantee bond scheme used for the transit of goods through all transiting Member States. The two schemes play a critical role in supporting over USD 10 billion intra-COMESA trade.

COMESA Yellow Card Scheme

The COMESA Yellow Card Scheme is a regional third-party motor vehicle insurance scheme established in 1994 and provides third party legal liability cover and compensation for medical expenses resulting from road traffic accidents caused by visiting motorists. ZEP-RE manages the Reinsurance Pool of the Scheme and is responsible for business acceptance, payment of claims, all administrative work, management of investments and preparation of the accounts of the Schemes.

The Yellow Card Scheme is operational in 15 countries and is being expanded to 3 more countries in 2022. In 2021, 250,000 yellow cards issued annually and over 200 insurance companies participate annually. The scheme insures over 200,000 vehicles using card annually. Claims paid in 2021 amounted to USD 6 million.

Figure 23: COMESA Yellow Card Scheme Coverage

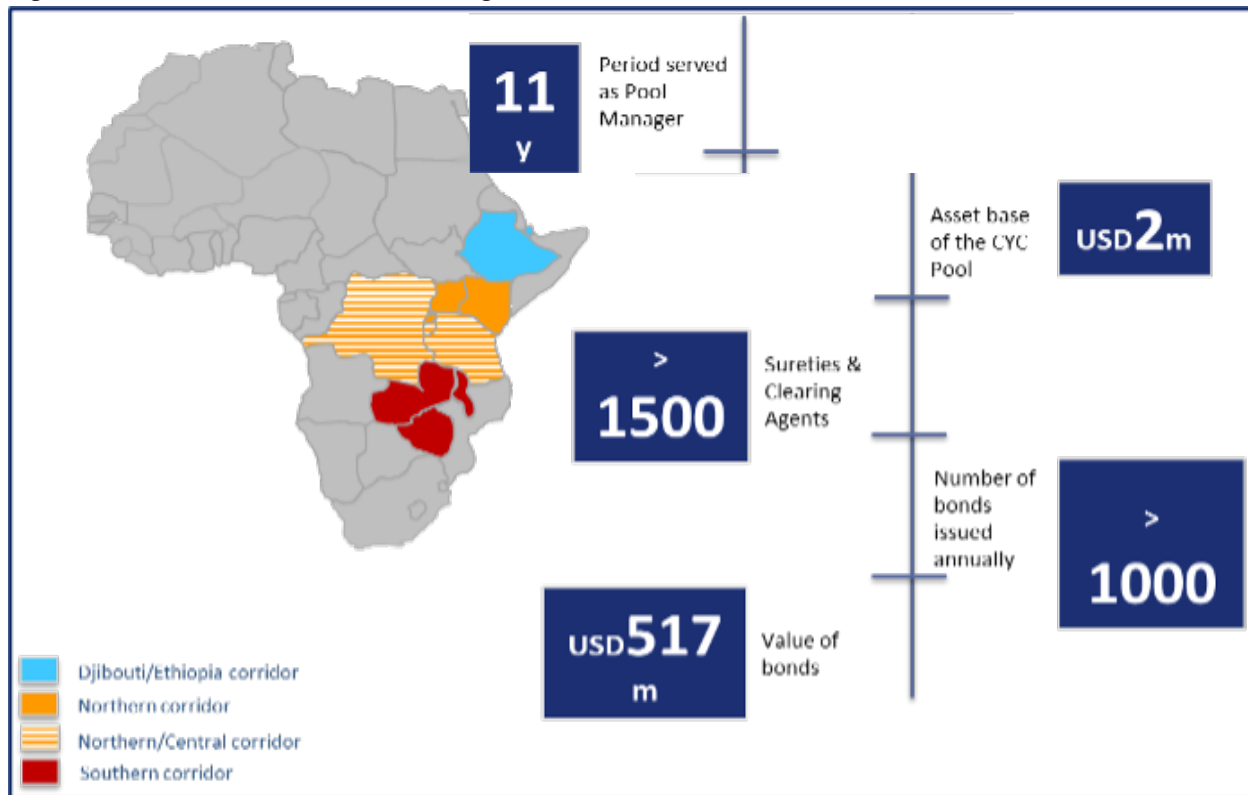


COMESA RCTG Scheme

The COMESA RCTG Scheme is a regional transit movement facility that allows a single custom guarantee bond to be used for the transit of goods across custom borders of the participating countries. As manager of the Reinsurance Pool of the RCTG Scheme, ZEP-RE is responsible for business acceptance, payment of claims, structuring of the retrocession programme, management of investments and preparation of the accounts of the Schemes.

The RCTG Scheme is fully operational in the Northern Corridor, namely: Burundi, Kenya, Rwanda, Tanzania, and Uganda. The Djibouti Corridor will be operationalised in 2022. In 2021 bonds issued by the scheme amounted to USD 517 million. Over 1500 sureties and clearing agents participate in the scheme annually.

Figure 24: COMESA RCTG Scheme Coverage



Member States Support

The company maintained its strategy of involving COMESA Member States in its activities. ZEP-RE recognizes that the good will and active participation of Member States of the region have been key in assisting the company to achieve the goals so far realised. To this end, ZEP-RE extends its gratitude for the support received from Member States and the COMESA Policy Organs in particular the 42nd COMESA Council of Ministers for the following key collaborative decisions: -

- i. That Member States should collaborate with ZEP-RE and support financial inclusion initiatives started by ZEP-RE by allocating resources and putting in place policies that will support access to insurance especially at micro level.
- ii. That Member States should implement policies aimed at retaining insurance premiums underwritten in the region through enhancement of local content in insurance business and discourage placement of big-ticket lines outside the region.
- iii. That Member States should facilitate the activities of ZEP-RE in their respective territories by allowing the Company to operate unfettered in their territories.
- iv. That Member States should prioritize the institutions foreign exchange allocation request and movement of funds in and outside the respective Member State territories.

Currently, the Company is in the process of actioning the decision in collaboration with Member States of the region.

COMESA COUNCIL OF BUREAUX ON THE YELLOW CARD SCHEME

The Regional Third-Party Motor Vehicle Insurance Scheme was established in 1986 under the provisions 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.

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

- i. Inclusion of additional third-party property damage cover for member Countries where such cover may not be included in the minimum compulsory third-party insurance cover.
- ii. Inclusion of emergency medical expenses cover for driver(s) and passengers of insured visiting motorists.
- iii. Establishment of the Reinsurance Pool in 1998 to offer reinsurance cover for participating member insurance companies for extended risk exposure for underwriting regional risks and fund management services to the Scheme; and
- iv. The automation of the Yellow Card Scheme operations through the development of the Digital Yellow Card System and the digitalization of the Yellow Card operations in line with the vision of the COMESA Secretariat to streamline COMESA applications into a robust e-trade application that would encompass all COMESA trade facilitation tools.

Operational Performance of the COMESA Yellow Card Scheme in 2021

Key achievements of the Yellow Card Scheme in 2021 include the following:

- i. Full implementation of the Digital Yellow Card System in all members countries.
- ii. Implemented the B2B arrangement for issuance Yellow Cards to motorists in Mozambique and South Africa and engagement to implement B2B in Botswana and South Sudan is progressing.
- iii. Developed Yellow Card Help Desk to achieve customer satisfaction.
- iv. Implemented the Yellow Card Strategic Plan for the period 2018- 2022.
- v. Developed the Council of Bureaux Secretariat Administrative, Financial and Procurement Rules and Regulations.
- vi. Conducted a study on overhauling the reinsurance pool and recommendations of the study were adopted and being implemented; and
- vii. Actuarial study on Yellow Card premium being conducted.

During 2021, over 224,869 digital Yellow Cards were issued to travelling motorists, generating a total annual premium income of USD 13.4 million and over USD 1.22 million claims compensation were paid to road accident victims caused by visiting/ foreign motorists. Details of the statistics are as below:

Figure 25: Digital Yellow Cards Issued in 2021

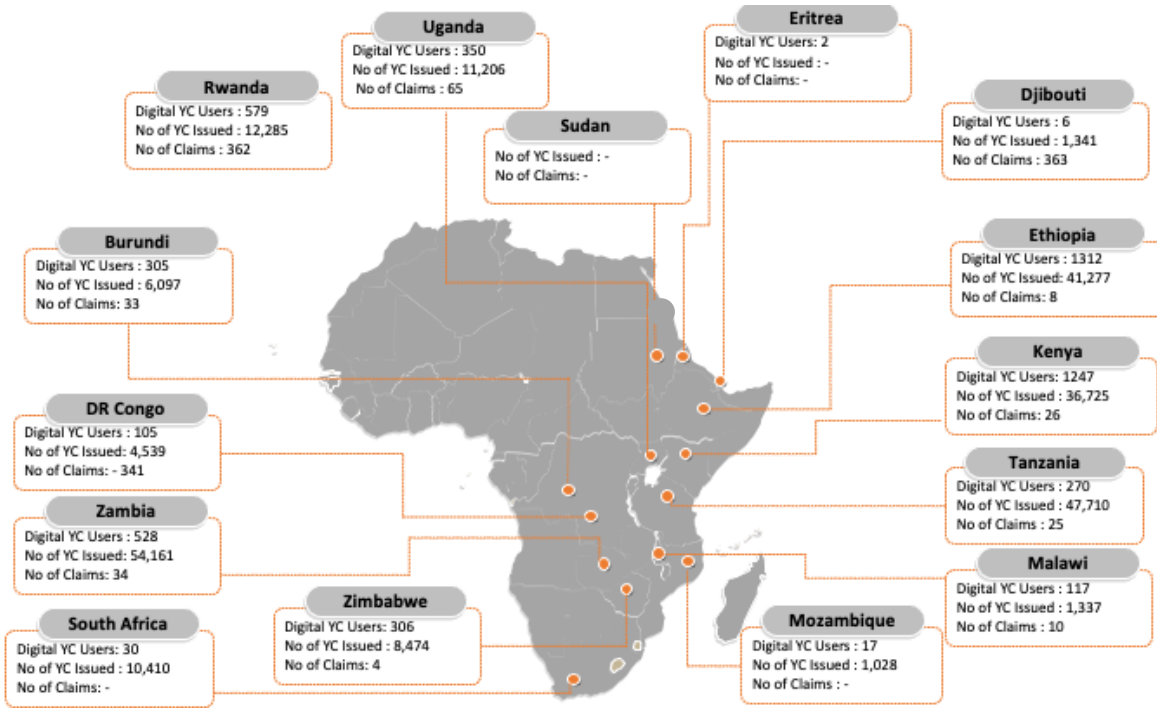


Figure 26 Premium Income Generated in 2021 in US\$

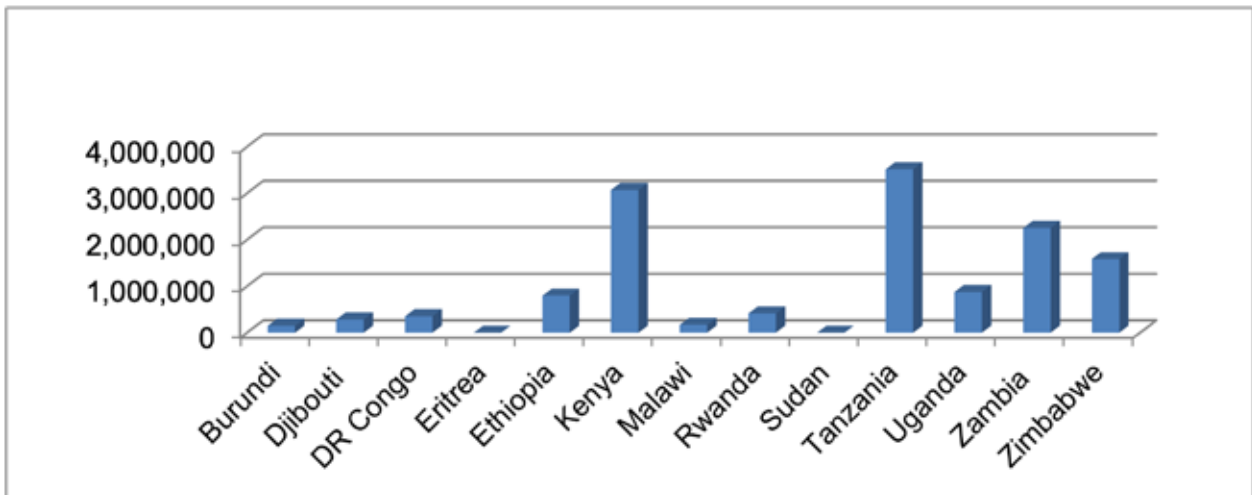
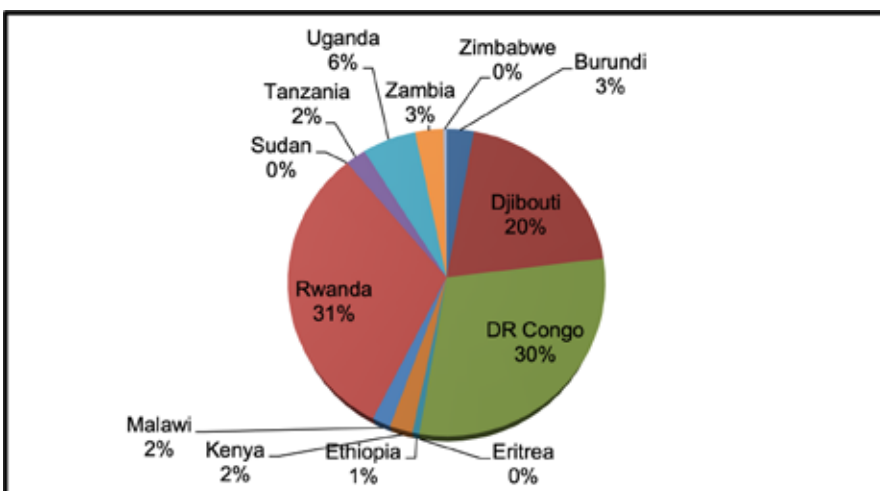


Figure 27: Number of Yellow Card Claims in 2021



Yellow Card Reinsurance Pool

As of 31 December 2021, the Yellow Card Reinsurance Pool's total assets had increased to USD 21.7 million with an investment in money markets of USD 18.76 million. The pool pays claims exceeding USD15,000 through a reinsurance arrangement and provides clearing house facilities for claims reimbursement between National Bureaux in different Member States. The pool receives only 30 percent of the total annual premium of the Yellow Card Scheme. Below is a summary of the outlook of the Pool's financial standing.

Table 24: Yellow Card Reinsurance Pool Financial Performance

	December 2021	December 2020
	US\$	US\$
Gross premium income	4,424,959	4,139,087
Reserve fund	15,867,286	13,232,530
Total assets	21,723,435	19,429,151
Capacity subscription	50,000	50,000
Short-term investments	18,760,370	15,090,803

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.

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 under the COMESA Treaty. The RCTG Agreement was signed by the Heads of State and Government of the Preferential Trade Area (PTA) 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. In addition to the 13 countries, African Export-Import Bank (Afreximbank) joined the Scheme in 2021 as a Regional Surety. 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 to customs administrations with security to recover duties and taxes from importers and exporters should the goods in transit be illegally disposed of for home consumption in the country of transit. In addition, the scheme provides a uniform basis for transit movement throughout the region, where only one guarantee is used for the transit of goods through all transiting Member States.

Progress Made in the Implementation of the RCTG Scheme in 2021

Key achievements of the RCTG Scheme in 2021 include the following:

- i. Northern and Central Corridor
 - a) Rolled out RCTG Mobile Application to enable clearing and forwarding agents to access RCTG Bond Balance and view the carnet status; and
 - b) Provided technical support to the customs administrations of Kenya, Tanzania and Uganda on integration of National Customs Systems with Digital RCTG Carnet Platform.
- ii. Ethiopia-Djibouti Corridor
 - a) Provided technical support to Ethiopia on the integration between their National Customs System

- (eCMS) and Digital RCTG Carnet Platform and conducted stakeholders' awareness on the RCTG operations;
 - b) Provided technical support to Djibouti in preparation for the commencement of the RCTG operations in the country; and
 - c) Ethiopia and Djibouti have made a commitment to finalize the preparations for the commencement of the RCTG operations by Mid 2022; and
- iii. North-South Corridor
- a) Provided technical support to DR Congo on integration of National Customs Systems (ASYCUDA World) with Digital RCTG Carnet platform;
 - b) Provided technical support to Malawi on the integration between their National Customs System (ASYCUDA World) and Digital RCTG Carnet Platform and conducted stakeholders' awareness on the RCTG Scheme
 - c) Engaged Zimbabwe on the implementation of B2B with non -COMESA Countries and the engagement with North -South Corridor key stakeholders on the RCTG Carnet; and
 - d) Re- engagement with key stakeholders, namely: Zambia Revenue Authority and Clearing and Forwarding Agents Association (CFAs) is on-going to find a lasting solution on the issue raised by CFA on loss of business,
- iv. African Export – Import Bank (Afreximbank) joining the RCTG Scheme

Afreximbank signed a Framework Agreement and the Instrument of Accession to the Inter-Surety Agreement for the implementation of the RCTG Guarantee/Bond Agreement with the Council of RCTG on 10th March 2021 and joined the Scheme and became a member of the Council, the highest decision-making body of the RCTG Carnet. The activities of the Afreximbank as a Regional Surety include the following:

- a) To issue direct guarantees to principals and indirect guarantees to sureties; and
- b) To provide capacity to sureties to issue RCTG Guarantee to major traders.

RCTG CARNET Reinsurance Pool

The RCTG Carnet has a Reinsurance Pool established in 2012, to provide additional security to secure government revenue in case sureties and clearing agents fail to meet their obligations. The pool provides clearing house facilities for claims payments. The Reinsurance Pool receives 70 percent of the RCTG General and Particular Bonds Premium Income from the sureties and handles 70 percent of all claims payable to customs administrations for loss of customs duties and taxes. The total assets of the pool are estimated around USD 2 million.

Performance of the RCTG Scheme in 2021

In 2021, a total of 1,361 Regional (RCTG) Bonds with guarantees amounting to USD 576.9million were executed by clearing and forwarding companies and 344,217 carnets were issued for the movement of goods in the region as shown below

Figure 28: Number of RCTG Bonds Executed

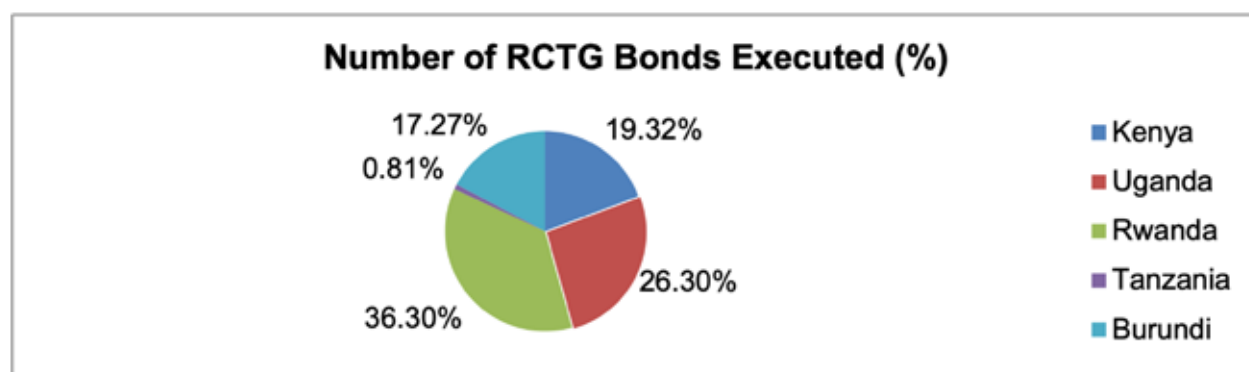


Figure 29: Amount of RCTG Bonds Executed (US\$)

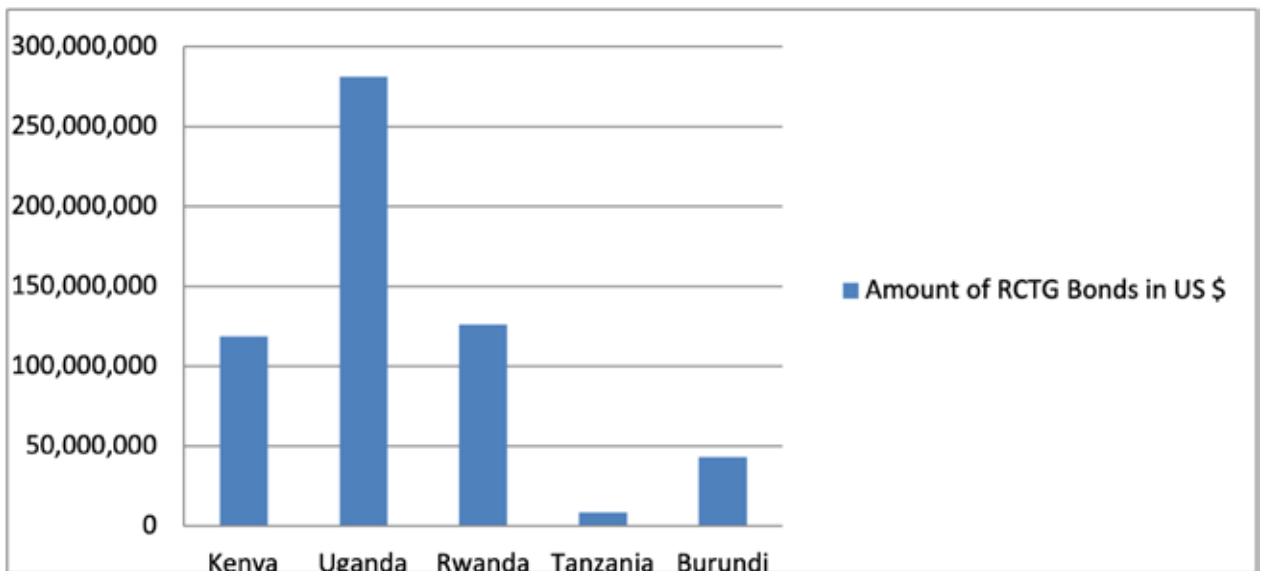
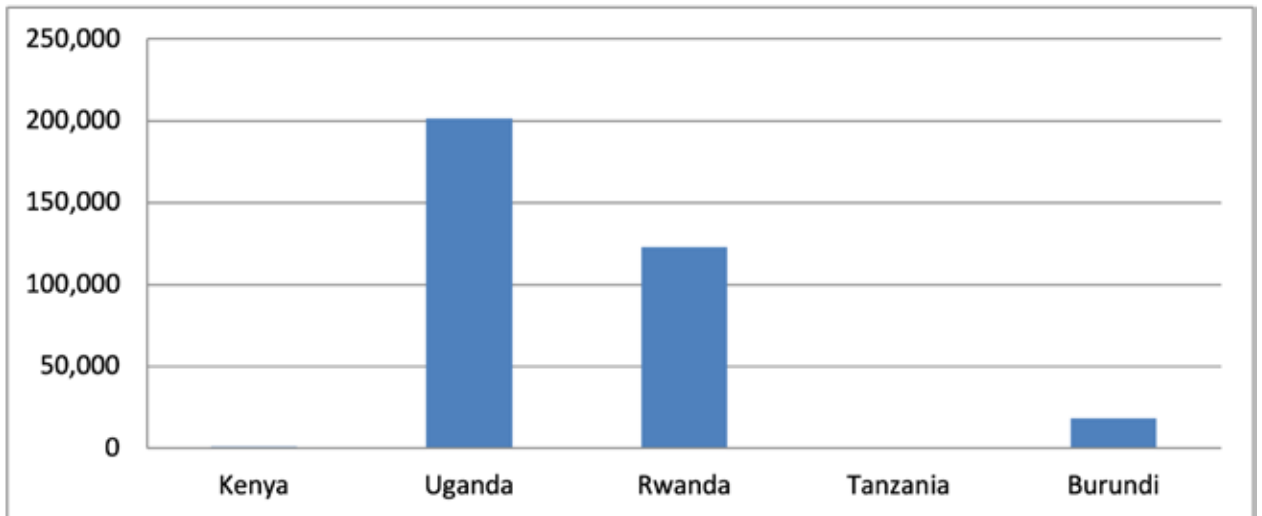


Figure 30: Number of RCTG Carnet Issued



Despite good progress made in the operations and implementation of the RCTG Carnet in the Northern, Central, and Djibouti Corridors, implementation of the RCTG Carnet in the North-South Corridor countries, namely, DR Congo, Malawi and Zimbabwe is stalled, as Zambia a key transit country, is yet to join the RCTG Scheme. In addition, limited capacity by small and medium clearing and forwarding companies to carry out regional operations and lack of clarity among stakeholders owing to duplication of the scheme by other regional economic groupings

COMESA MONETARY INSTITUTE (CMI)

The COMESA Monetary Institute (CMI) was established in 2011 to implement programmes that enhance the COMESA Monetary Cooperation Programme. The Institute's activities and programmes contribute towards making the region a zone of macroeconomic and financial stability and to ultimately achieve the COMESA Monetary Union and to attain the status of an economic community. Since its establishment, CMI continues to undertake capacity building and research activities related to the improvement of macroeconomic management and financial stability in the region. Notwithstanding challenges brought on by the COVID-19 Pandemic, which affected undertaking of face-to face activities, the following are the main tasks accomplished in 2021:

- i. Conducted the following capacity building activities virtually:
 - a) Transmission Mechanism of Macro Prudential Shocks to the Financial System: Application of Vector Auto Regressions (VAR), Structural VAR (SVAR) and Vector Error Correction Models (VECM),
 - b) International Financial Reporting Standards (IFRS9) and Internal Capital Adequacy Assessment Process (ICAAP),
 - c) Macro and Micro Stress Testing for Financial Institutions,
 - d) Analysis of Banking System Interconnectedness and Systemic Risk using Network Analysis Framework, and
 - e) Practical Application of Bayesian Vector Auto Regressions (BAVR) Approach to the Analysis of Monetary Policy Transmission Mechanism.
- ii. Conducted Virtual Validation Workshops on the following:
 - a) A User's Guide on Fiscal Stress Testing for Central Banks and Ministries of Finance,
 - b) Studies on The Interbank Markets and Effectiveness of Monetary Policy, and
 - c) Studies on The Impact of Financial Systems Development on Macroeconomic Stability.
- iii. Finalized and published the user guides on Fiscal Stress Testing for Central Banks and Ministries of Finance and Banking System Interconnectedness and Systemic Risk Analysis.
- iv. Prepared the following reports on:
 - a) Macroeconomic Developments in the COMESA Region in 2020,
 - b) Implementation of the COMESA Assessment Framework for Financial System Stability in 2020,
 - c) Report on Achievement of Macroeconomic Convergence Criteria in 2020,
 - d) Progress and Challenges of the COMESA Monetary Integration Programme,
 - e) Capital Market Solutions that Help Mobilize Financing for SMEs, and,
 - f) Potential Constraints for Public Private Partnerships in Africa.
- v. Attended the following Virtual Workshops/Meetings and Seminars:
 - a) The AUC-AACB-RECs Technical Meeting on the Alignment of the Macroeconomic Convergence Criteria and the Review of the Draft Structure and Statute of the African Monetary Institute,
 - b) The First Continental Seminar of the Association of African Central Banks (AACB) for the Year 2021 on the Theme: "Remittances, Fluctuations of Exchange Rates and Management of Foreign Reserves: Financing Opportunities for Africa and Implications for African Central Banks" and,
 - c) The Second Continental Seminar of the Association of African Central Banks (AACB) for the Year 2021 on the Theme: "High Levels of Non - Performing Loans in Africa: Determinants and Implications for Financial Stability and the Real Economy in the Region"
- vi. Published an article on "Capital Inflows and Economic Growth in Selected COMESA Member Countries" in the Journal of Finance and Investment Analysis, Vol. 10, No. 4, 2021, 25-50.
- vii. Prepared the Draft Rules of Procedure for the COMESA Committee of Governors of Central Banks.

COMESA COURT OF JUSTICE (CCJ)

The Court of Justice of the Common Market for Eastern and Southern Africa was established in 1994 under Article 7 of the COMESA Treaty as one of the Organs of COMESA. The Court's primary function is to uphold the rule of law in the interpretation and application 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. Its day-to-day operations are coordinated through a Court Registry headed by a Registrar. The Court sits on an ad hoc basis. Pursuant to Rule 4(1) of the Rules of Procedure (2016), the Court may hold its court sessions in any Member State on a need's basis.

Some of the Court's planned activities for 2021 were not fully achieved due the COVID-19 pandemic and the situation at the Seat of the Court. Nevertheless, during the year 2021, the Court held and concluded six matters via hybrid court sessions, that is, virtually through the COMESA Court Digital Evidence Management System (CCDEMS) and physically. Additionally, the Court continued to build the capacity of its Judges and Members of Staff through participation in various training activities, workshops, and conferences both physically and virtually. The table below is a summary of the main activities undertaken by the Court in year 2021.



Table 25: Main Activities Undertaken by the CCJ in 2021

Activities	2021	Result /Outcome
<p>Dispensation of Justice The core mandate of the Court is to ensure adherence to the rule of law within COMESA region. The Court continued to conduct hearings using a hybrid system of both physical as well as virtual hearings.</p>	<p>The Court finalized six matters between January and December 2021 as follows:</p> <ul style="list-style-type: none"> ▪ Application No.1 of 2020 arising from Ref. No. 1 of 2019; ▪ Application No.1 of 2021 arising from Appeal No.1 of 2021; ▪ Taxation Appeal No.2 of 2019 arising from Taxation Appeal No.1 of 2019 (Appeal against Re-Taxation); ▪ Arbitral Cause No 1 of 2020; ▪ Revision Application No. 1 of 2017; arising from Appeal No. 1 of 2016; and ▪ Appeal No. 1 of 2021. 	<p>The COMESA Court Digital Evidence Management System (CDEMS), as well as Zoom and Microsoft Teams facilitated the holding of hybrid court sessions.</p>
<p>Visibility of the Court The Court had planned to carry out several publicity seminars and other outreach programmes in 2021.</p>	<p>Due to the COVID-19 Pandemic, it was not possible to hold any publicity seminars in 2021.</p>	
<p>Operations of the Court The operations of the Court continued to be adversely affected by the situation at Seat of the Court.</p>	<p>The operations of the Court suffered due to the situation at the Seat and the effects of the COVID-19 Pandemic.</p>	<p>The Court will continue exploring ways to enhance its operations including engaging the Policy Organs.</p>
<p>Enhance Skills and Competencies Building/ Conferences The Court took part in various activities aimed at building the capacity of Judges and Members of Staff, promoting judicial best practices, and improving service delivery.</p>	<p>The Court participated on the following activities:</p> <ul style="list-style-type: none"> ▪ The Management of the Court Registry and the training on Corporate Governance and the Law in Mombasa, Kenya ▪ One Judge and a Member of Staff participated virtually on the First Judicial Retreat of Judges of the African Court on Human and Peoples Rights ▪ All Judges and key Registry Staff participated virtually in the Tralac Annual Conference, and ▪ Five Judges and one Member of Staff virtually attended the Commonwealth Magistrates and Judges' Association Conference. 	<p>The Court continued to focus on training and conferences aimed at improving service delivery by both Judges and Registry staff.</p>

<p>Meetings/ Workshops The Court held various meetings and workshops that have a bearing on its operations.</p>	<p>The Court has held/attended following workshops and meeting:</p> <ul style="list-style-type: none"> ▪ Validation Workshop of the 2021- 2025 CCJ MTSP; ▪ Review of Financial Rules and Procurement Rules; ▪ CCJ Rules of Procedures, 2016 Draft Amendments Review; ▪ 29th and 30th Administrative Meeting; ▪ COMESA Ministers of Justice and Attorneys General; ▪ The Council of Ministers; and the Summit. 	<p>The Meetings were held physically and virtually with the following outcomes;</p> <ul style="list-style-type: none"> ▪ The Council of Ministers approved the 2022 Budget of the Court and the CCJ 2021- 2025 MTSP ▪ The Ministers of Justice and Attorneys General elected Her Ladyship Justice Salohy Norotiana Rakotondrajery Randrianarisoa as Judge of the Appellate Division. Her Ladyship was sworn in before the Chairperson of the COMESA Authority on 23 November 2021; ▪ The Ministers of Justice and Attorneys General approved the CCJ 2021- 2025 MTSP
<p>Institutional Strengthening Institutional strengthening is a continuous process – the following activities were undertaken in 2021</p>	<ul style="list-style-type: none"> ▪ The Appellate Division is now fully constituted after the appointment of Her Ladyship Justice Salohy Norotiana Rakotondrajery Randrianarisoa. ▪ The review of the terms and conditions of service for Judges and of the Human Resource and Organisational Structure of the Court began in 2021. ▪ The review of the Financial Rules and the formulation of Procurement Rules and the Financial and Procurement Procedures Manuals commenced in 2021. 	<p>The reviews were delayed due to the COVID-19 Pandemic. They are all currently in progress.</p>
<p>Enhance ICT Infrastructure Digitisation of court processes and operations became more critical at the onset of the COVID-19 Pandemic. Among the key activities planned for 2021 were the development of an ICT Masterplan and the enhancement of the Resource Centre</p>	<ul style="list-style-type: none"> ▪ The CCDEMS enabled the Court to remain functional and to maintain continuity of essential court activities. ▪ The ICT Masterplan and enhancement of the Resource Centre are yet to be implemented due to the highlighted challenges. 	<p>The use of ICT in general and the CCDEMS in particular, enabled the Court to continue operations in 2021. Activities that could not be undertaken in 2021 were carried over to 2022.</p>

COMESA FEDERATION OF NATIONAL ASSOCIATIONS OF WOMEN IN BUSINESS (COMFWB)

The COMESA Federation of National Associations of Women in Business (COMFWB) is a COMESA Institution which promotes women in business interventions in the COMESA region. COMFWB is implementing its Medium Term Strategic Plan, covering the period 2021-2025. The aim of this strategic plan is to provide guidance and focus its efforts on priorities of National Chapters and ensure alignment to COMESA priorities. During the period under review, the implementation of the programmes was affected by COVID-19 Pandemic restrictions in the Member States. Furthermore, budgetary constraints affected the implementation of programmes. As a way of addressing these challenges, COMFWB held most of its meetings virtually and engaged new partners to support programme implementation. The institution accomplished the following under the approved 2021 Work Plan:

Under the strategic priority intervention focused on necessary conditions and capacities for effective operations, the following highlights were noted:

- i. Construction of the FEMCOM Complex** - COMFWB engaged a consultant to undertake the feasibility studies on the development of its office and commercial complex. A virtual meeting was held on 3 February 2021 attended by Ministers of Trade and Lands of Malawi to review the conceptual design. The meeting recommended that a technical committee be constituted comprised of a civil engineer, architect, quantity surveyor and one board member of COMFWB to provide technical guidance to the consultants working on the study. The consultants submitted draft technical drawings, mechanical drawings, engineering, and bills of quantities for review. Further, the Government of Malawi issued a new title deed to COMFWB for the plot with a deed plan which is compatible with the area survey map.
- ii. Development of COMFWB 2021-2025 MTSP** - COMFWB Secretariat hosted a virtual meeting on 26 February 2021 to validate the COMFWB Medium Term Strategic Plan 2021-2025. The meeting was attended by representatives of the following chapters: Burundi, Comoros, DR Congo, Egypt, Eritrea, Eswatini, Kenya, Libya, Madagascar, Malawi, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe. With the mission to develop women entrepreneurship in COMESA through programmes that promote economic integration and trade facilitation, four strategic goals of COMFWB have been articulated and include: strengthening the institutional capacity; resource mobilization capacity of COMFWB; development programmes for women in business in Member States; and enhance the advocacy, public image, and branding. While the first two goals focus on developing COMFWB's capacity, the third goal focuses on services provided to the National Chapters and the last goal contributes to adding visibility and networking with other partners of the COMFWB Secretariat and the National Chapters. A monitoring and evaluation tool has been included as part of the strategic plan.
- iii. Strategic Plan Support for COMFWB Chapters** - COMFWB supported the Women Investment Cooperative (WINCO) in Malawi and COMFWB Eritrea Chapter in the development of their strategic Plans.
- iv. Board Meetings and Annual General Assembly** - COMFWB convened three board meetings during the reporting period on 20 April 2021, 30 June 2021, and 27 September 2021. The Board reviewed progress made in the implementation of the 2021 Work Plan and Budget. Further, COMFWB Convened its Annual General Assembly on 26 September 2021 which was attended by 20 National Member Chapters. Additionally, monthly meetings were held during the year to provide access to information to all Chapter Members on the mandates of COMESA Institutions and other partners and relevant matters of the federation.

Interventions under the strategic priority intervention focused on resource mobilization included the following:

- i. Mobilization of Resources** - A concept note was developed on Women Empowerment and Combating Gender Based Violence (GBV) at the Workplace. The EU Delegation in Lilongwe was engaged, and discussions held on exploring areas of collaboration. Further, COMFWB held discussions with the African Development Bank Malawi National Office on project support and collaboration. COMFWB prepared a

concept note in response to the call by the AfDB on women empowerment.

- ii. Engagement of Development Partners** - During the reporting period, COMFWB engaged with the following development partners: EU Delegation in Malawi, COMESA Competition Commission (CCC), African Development Bank, GIZ, the African Union Southern Africa Regional Office (AU-SARO) and the UN Resident Coordinators Office. The meetings with the EU and AfDB focused on identifying potential areas of collaboration on existing projects with COMFWB. COMFWB continued to collaborate with CCC on creating awareness on the mandates of the two institutions through promotion of CCC mandates in monthly sessions and supporting trade fair events and gala night fundraising activities. Further, COMFWB collaborated with GIZ on capacity building and empowerment for women farmers and traders in business management and governance. The AU-SARO Office agreed to collaborate in advancing sensitization and implementation efforts of AfCFTA by women and youth in COMFWB Chapters. Furthermore, the UN Resident Coordinator's Office collaborated with COMFWB on elimination of workplace gender-based harassment and violence against women.

The highlights under the strategic intervention to strengthen the COMFWB Women in Business included the following:

i. COMFWB Development Programmes

- **Promoting Cassava Projects** - COMFWB provided support to Lusolawo Cooperative in Nkhata Bay in Malawi on value addition of cassava. The equipment supplied by an engineering company based in Malawi was delivered to the project site, installed and training on utilisation of the machinery undertaken. Additionally, COMFWB installed a solar drier at the project site to expedite drying of the products. COMFWB is building on the lessons learnt from the cassava project and procured similar equipment for the Chiwila Women's Association based in Mzuzu, Malawi.
- **Cassava Cooperatives Capacity Building** - COMFWB, in collaboration with GIZ trained Lusolawo and Chiwila cooperative members in Malawi on business management, governance and product development aimed at enhancing their competitiveness in the cassava value chain. In addition, COMFWB Malawi Chapter along with the Secretariat provided advisory services and facilitated six new cooperatives to become formally registered. Furthermore, COMFWB engaged the Malawi Bureau of Standards to train women associations on how to meet the cassava market standards in Malawi.
- **Situational Analysis of the Cassava Value Chain** - COMFWB engaged a consultant to undertake a situational analysis of the cassava value chain. The consultant submitted the final report which was validated by the COMFWB Members on 25 February 2021.

ii. Business Incubation Initiative Programmes

- **BIAWE AUDA-NEPAD Spanish Fund** - COMFWB supported the Sudanese University of Sciences and Technology (SUST) to implement the BIAWE project. Additionally, COMESA requested AUDA-NEPAD -Spanish Fund to release funds for the procurement of Sanitary Pad Equipment for the Kenya Pilot Project.
- **Sustainable Incubation Projects**- COMFWB continued to support Kasolanthu Creatives in Malawi which aims to build skills and business capacity for women and adolescent youth in the creative sector. COMFWB supported the procurement of the textile's equipment, training, and website development to promote their products. The project will benefit over 200 women and girls through the textile incubator.

iii. RECAMP Programme Implementation

- **Production of a Best Practice Video Documentary**- COMFWB is one of the implementers of COMESA's Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), funded under the 11th EDF. As highlighted in this report, the programme aims at contributing to increased private sector participation in regional and global value chains. COMFWB with the support from RECAMP produced a video documentary on best practices to promote and share experiences with women entrepreneurs on how

they can enhance the performance of their businesses.

- **Facilitation of Technical Advisory Services** - COMFWB under RECOMP developed training materials on product branding, labeling, and packaging, export management, logistics & supply chain management, e-commerce in SMEs, and financial literacy and access to credit. COMFWB trained 330 women entrepreneurs on internationalization of businesses and access to finance in DR Congo, Sudan, Eritrea, Madagascar, Eswatini, Zambia, Libya, Uganda, Tunisia, and Comoros Islands.
- **Oil Seed Value Chain** - COMFWB supported Home Industries based in Kalonga, Malawi to manufacture sunflower cooking oil. The project will reach over 2300 out growers who will also produce marketable products. COMFWB procured mechanical oil extractor and oil filtering machines and a bottling machine.

iv. Trade and Investment Facilitation

- **Implementation of 50million African Women Speak project** - As highlighted in the report, COMESA, the East African Community (EAC) and the Economic Community of West African States (ECOWAS) have been implementing the digital platform - the 50 Million African Women Speak (50MAWSP) Project designed to address the information needs of women in business in the region. COMFWB participated in the launch of the platform in Mauritius and Malawi. Furthermore, the COMFWB Chapters have been sensitized on how to use the platform, how to use technology, support access to technology and utilize the platform for B2B linkages and access to information.
- **SOKOKUU Digital e-Platform** - COMFWB signed a Memorandum of Understanding with the Ae-Trade Group on the Sokokuu Digital Platform. AeTrade Group is supported by African Diaspora and the African Union to undertake grassroots transformation and sustainable development of the continent.

Under the strategic priority intervention focused on advocacy, public awareness and branding the following was achieved:

Advocacy

- i. **International Women's Day** - COMFWB participated in convening an event on International Women's Day under the theme "*Women in Leadership: Achieving an Equal Future in a COVID-19 World*". COMFWB used this event to advocate for women empowerment and equal opportunity in the job market, 30 percent of public procurement to be awarded to women entrepreneurs and upgrading girls' digital skills for employment and e-commerce. The event was graced by the President of Malawi, HE. Dr. L. Chakwera, Former President of Liberia President Ellen Johnson, Former President of Malawi, Dr. Joyce Banda and representatives of development partners including UN Resident Coordinator, EU, AU-SARO, Banker's Association and GIZ.
- ii. **SADC First Ladies Summit Virtual Meeting** - COMFWB was given an opportunity to present a speech representing women businesses who have been affected by COVID-19 to the SADC First Ladies. The Summit was held on the margins of the SADC Head of States and Government Summit held in Malawi in August 2021.

THE EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

The Eastern and Southern African Trade and Development Bank (TDB or the Bank) is a multilateral legal entity established pursuant to Chapter 9 of the Treaty for the establishment of the Preferential Trade Area for Eastern and Southern African States (the PTA Treaty). The designation Eastern and Southern African Trade and Development Bank Group (TDB Group or the Group) refers to TDB and its subsidiaries which comprise TDB, the Trade and Development Fund (TDF), Eastern and Southern African Trade Advisors Limited (ESATAL), and TDB Captive Insurance (TCI). TDB continued to perform well in 2021, despite the challenging environment marked by worsening inequalities across the region in terms of human development indicators, continued supply chain disruptions, the persistent liquidity crunch linked to continued high-risk aversion and tighter macro-prudential constraints, and higher spending requirements for policy makers with simultaneous pressure to contain public debt. Those constraints set the tone for TDB's interventions throughout the year.

TDB Key Figures:

- Net profit: USD 174mn in 2021, up 11.01% from 2020, at a 5-year compound annual growth rate (CAGR) of 11.43%
- Total equity: USD 1.73bn in 2021, up 11.25% from 2020, at a 5-year CAGR of 15.13%
- Total assets: USD 7.94bn in 2021, up 9.58% from 2020, at a 5-year CAGR of 13.26%
- Gross loans: USD 5.78bn in 2021, up 5.67% from 2020, at a 5-year CAGR of 11.62%

In 2021, TDB's gross portfolio grew by almost 6 percent to USD 5.8bn (on balance sheet) and the proportion of transactions with low or no environmental or social risk (E&S risk) grew from 73 percent to 79 percent, alongside growth in assets, profits and equity of around 10 percent. During this period, TDB's asset quality remained solid as demonstrated by non-performing loans (NPLs) which remained around the 3% mark. Reflecting continued improvement in TDB's risk profile, GCR and Fitch revised TDB's outlooks from stable to positive in 2021, while Moody's raised it to stable from negative during the first quarter of 2022. Thanks to TDB's consistent track record in terms of performance, impact and risk management, and continued diversification and growth in terms of portfolio, shareholding and funding sources, investment grade ratings were affirmed by both Moody's (Baa3) and GCR (BBB and A3), with BB+ ratings also affirmed by Fitch. This demonstrates TDB's commitment to strong credit assessment practices, a disciplined lending approach and vigilant portfolio monitoring, which allowed it to continue working with sovereign, financial institutions and corporate clients, including those whose revenues have been interrupted during the pandemic. This performance is also a result of TDB's client-centric approach, underpinned by TDB's hybrid coverage-product operational model, which allows it to be close to clients and communities.

Shareholding

Despite the challenging operating environment, TDB was successful in 2021 in strengthening and growing its shareholder base, with all shareholders honouring their subscription obligations, some subscribing to additional shares, and many reinvesting their 2020 dividends – demonstrating their confidence in the performance and impact of the Bank.

It is to be recalled that TDB's Board of Governors had approved in 2020 a historic capital increase programme of USD 1.5 bn alongside the doubling the Bank's authorised capital stock from USD 3 bn to USD 6 bn. TDB shareholders had also authorized the issuance of up to USD 1bn of a new Class C share segment in view of attracting, further, non-traditional pools of impact and other types of investors. In 2021, the Board approved the labelling of TDB's novel Class C shares as green shares and TDB is working on refining its characteristics ahead of launch.

Table 26: TDB Member States	
<ul style="list-style-type: none"> <input type="checkbox"/> Republic of Burundi <input type="checkbox"/> Union of the Comoros <input type="checkbox"/> Democratic Republic of Congo <input type="checkbox"/> Republic of Djibouti <input type="checkbox"/> Arab Republic of Egypt <input type="checkbox"/> State of Eritrea <input type="checkbox"/> Kingdom of Eswatini <input type="checkbox"/> Federal Democratic Republic of Ethiopia <input type="checkbox"/> Republic of Kenya <input type="checkbox"/> Republic of Madagascar <input type="checkbox"/> Republic of Malawi 	<ul style="list-style-type: none"> <input type="checkbox"/> Republic of Mauritius <input type="checkbox"/> Republic of Mozambique <input type="checkbox"/> Republic of Rwanda <input type="checkbox"/> Republic of Seychelles <input type="checkbox"/> Federal Republic of Somalia <input type="checkbox"/> Republic of South Sudan <input type="checkbox"/> Republic of the Sudan <input type="checkbox"/> United Republic of Tanzania <input type="checkbox"/> Republic of Uganda <input type="checkbox"/> Republic of Zambia <input type="checkbox"/> Republic of Zimbabwe
Member Countries	
<input type="checkbox"/> JSC Development Bank of the Republic of Belarus	<input type="checkbox"/> People's Bank of China
Institutional Members	
<ul style="list-style-type: none"> <input type="checkbox"/> African Development Bank (AfDB) <input type="checkbox"/> African Economic Research Consortium (AERC) <input type="checkbox"/> African Reinsurance Corporation (Africa-Re) <input type="checkbox"/> Arab Bank for Economic Development in Africa (BADEA) <input type="checkbox"/> Banco Nacional de Investimento (BNI, Mozambique) <input type="checkbox"/> Caisse Nationale de Sécurité Sociale (Djibouti) <input type="checkbox"/> Eagle Insurance (Mauritius) <input type="checkbox"/> Investment Fund for Developing Countries (IFU, Denmark) 	<ul style="list-style-type: none"> <input type="checkbox"/> National Pensions Fund (NPF, Mauritius) <input type="checkbox"/> National Social Security Fund (NSSF, Uganda) <input type="checkbox"/> OPEC Fund for International Development (the OPEC Fund) <input type="checkbox"/> PTA Reinsurance Company (ZEP-RE) <input type="checkbox"/> Rwanda Social Security Board (RSSB) <input type="checkbox"/> Sacos Insurance Group (Seychelles) <input type="checkbox"/> Seychelles Pension Fund (SPF) <input type="checkbox"/> TDB Staff Provident Funds <input type="checkbox"/> TDB Directors & Stakeholders Provident Funds

Impact

Sustainability Framework

In line with its mandate, TDB seeks to generate healthy financial returns by meeting unmet market needs in its Member States, while minimizing environmental and social risks, and maximizing environmental and social benefits. Through this triple bottom line, TDB has committed to ensuring that its interventions have a measurable development impact in its Member States – in line with SDGs, Agenda 2063, the Paris Agreement and Member States development plans.

TDB's drivers for sustainable development are supported by specific development outcomes as stated in its Sustainability and Development Impact Monitoring System (SDIMS), Environmental and Social Management System (ESMS) and CSR Policy. Guided by TDB's robust ESG, policies like gender mainstreaming in projects, a new energy policy prioritizing renewable energy projects, adherence to IFC performance standards, and sustainability-themed debt are further infusing impact-driven requirements in the deployment of capital in the region and leading to a shift in TDB's portfolio towards more SDG and climate action content. TDB requires an environmental and social assessment to be performed for all transactions that are considered by the Bank and monitors environmental and social impact of projects supported. As such, TDB includes relevant environmental and social protections and monitoring clauses in the loans it arranges and clients are required to adhere to and provide periodic updates on project sustainability related issues. 2020 marked the first year that the Sustainability and Development Impact Monitoring System (SDIMS) component of the Bank's sustainability framework, launched the previous year, was operationalized, allowing the Bank to monitor its effect on achieving specific development outcomes. TDB now produces a Sustainability and Development Impact Report on a yearly basis. Internally, some policies geared at sustainability including diversity and inclusion, health and safety, gender sensitivity and staff wellness amongst others, and staff learning and development programmes have enabled the creation of an environment that is conducive to sustainability internally.

Through Main Operations

TDB provides bespoke solutions that allow its sovereign, financial institutions, and corporate clients, including SMEs, to do business and contribute to supporting activities which are critical to the growth of member States and which underpin their real economies. Through its short-term trade finance and long-term project and infrastructure windows, and guided by its ESG framework, TDB has been able to:

- Promote scalable projects that create thousands of jobs across various sectors;
- Finance government infrastructure plans to support growth despite the economic disruption caused by the COVID-19 pandemic;
- Source strategic commodities and essential agricultural inputs to improve food security, and safeguard energy security by mitigating grave fuel shortages;
- Provide pre-export financing to encourage high-value and diversified exports to enhance government foreign exchange earnings and boost reserves;
- Support higher export efficiency and forex generation via transport and logistics investments;
- Support industrialization, strengthening of regional and local value chains, technology transfer, and imports of equipment to promote productivity;
- Improve health, education, and poverty outcomes via access to social and economic infrastructure;
- Shore up the capacity of regional and national financial institution to support SMEs;
- Support local ownership and import substitution; and
- Facilitate greater intra and inter-African trade and regional integration, thus catalysing the region's socio-economic progress.

In 2021, TDB's loans grew by 6 percent to USD 5.8 bn and the proportion of transactions with low or no environmental or social risk (E&S risk) grew from 73 percent to 79 percent. TDB has been working on various fronts to continue mitigating COVID-related shocks while keeping development objectives on track. It continued implementing:

- A safety-first programme for its employees;
- Its COVID-19 Emergency Response Programme (CERP) via which the Bank provides mostly locally produced PPE to the region as part of CSR;
- Tailored solutions for clients to ensure availability of liquidity; and
- Mobilized over USD 2.5bn in new and expanded funding partnerships to scale-up impact.

In particular, TDB worked on reducing inequalities by stepping-up its support to SMEs and in particular women and youth-led SMEs, including via sister institutions like TDF. Regarding liquidity and risk, it continued availing more financing on a prudent basis to its clients, contributing to bridging a financing gap that the commercial space cannot cover on its own. In addressing supply chain disruptions, it grew its trade finance portfolio by 16 percent, continued using blockchain technology to execute some of these transactions, and continued supporting the localization of productive capacity in the region. As well, for sovereigns, it extended support through both trade and project finance, including for long-term infrastructure projects, the adverse impact of COVID, and food and energy security.

Funding

Thanks to TDB's consistent track record in terms of performance and impact, policy and commercial banks from across

the globe are increasingly coming to TDB to transform their capital into impact in the region. TDB mobilized over USD 2.5 bn in 2021 funding including through long and short-term themed-lines of credit, eurobonds, risk-sharing agreements, co-financing arrangements, and more.

Asset Management and the Eastern and Southern African Trade Advisors Limited (ESATAL)

In 2021, the highlight for the Group's asset management operations was the completion of a second year of successful operations by the Eastern and Southern African Trade Fund (ESATF) despite a continued challenging business environment. This was following ESATF's soft launch on 1 August 2019, anchored by the Group with an initial investment of USD 50mn. ESATF seeks to advance trade-led economic and social development by supporting exporters, importers and other regional borrowers. It invests in trade finance, structured commodity finance, export finance, and project related finance transactions originating in or having exposure to TDB Member States and select African economies. The fund finances short to medium-term transactions across various industry and commodity sectors in the region, including those of SMEs.

Since its launch, Eastern and Southern African Trade Advisors Limited (ESATAL), a joint-venture fund manager established between the Bank (with just over 50 percent ownership) and London-based GML Capital (with just under 50 percent ownership), has managed to deliver steady returns in line with expectations. In 2021, ESATF's size doubled to over USD 106 million, and the fund delivered an annual performance of 3.52% in USD, and an absolute return of 9.59 percent in USD since launch.

Trade and Development Fund

To step-up impact, reach and sustainability, TDB Group launched in 2020 the Trade and Development Fund (TDF). TDF is a member of the TDB Group which provides blended finance solutions to clients in TDB Group Member States, with a particular focus on groups that are traditionally excluded from mainstream economic activity, such as SMEs, women and youth. TDF also provides project development grants, capacity building services, thought leadership and programme management services. TDF continued to grow in 2021, supporting 1,700 MSMEs, including some women and youth-led, and 16,000 small scale-farmers, including by blending loans with guarantees and technical assistance to scale-up impact.

TDB Academy

Set-up in 2020 as a platform to continuously enhance the capacity of TDB staff and external stakeholders, in 2021, TDB Academy implemented 16 training programs and 17 brownbag sessions for TDB staff, organized its first external training for the Mozambican Ministry of Finance, and signed an MOU with the African Legal Support Facility to train its region's public sector lawyers. The first training session took place in March 2022 and focused on topics fundamental to the legal operating environment, namely partnerships in the infrastructure sector as well as legal ethics and anti-bribery and corruption obligations of public sector lawyers with practical examples from various African countries.

Awards and Recognitions 2021

- **Global Finance - Sustainable Finance Awards: Outstanding Leadership in Sustainable Finance by a Multilateral Institution for the Africa Region**

This award recognizes TDB for its "global and regional leadership in sustainable finance for initiatives designed to mitigate the negative impacts of climate change and help build a more sustainable future for humanity".

- **Global Trade Review (GTR) - Leaders in Trade: Leaders in Trade for Resilience**

This award recognizes TDB Group's innovative approach to supporting trade in emerging economies, specifically, in the context of the pandemic. It is the only winner globally in the development finance category for resilience.

- **Global Finance - The Innovators 2021: Top Innovations in Trade Finance**

This award – one of only ten globally in this category – acknowledges TDB's relentless drive to stay at the forefront of innovation, specifically in relation to its pioneering role on the continent in executing trade finance transaction using blockchain technology.

- **African Banker Awards: Infrastructure Deal of the Year**

TDB won this award jointly with Standard Chartered Bank and Nedbank for its contribution as part of the DFI tranche to Tanzania's Standard Gauge Railway Loan Facility.

- **Global Trade Review (GTR) – Best Deals: Best Deal of the Year, in the commodities category**

This award – one of eleven winning best deals globally – recognizes TDB’s support for access to pre-export finance for one of Madagascar’s main vanilla exporters, Épices de Madagascar, a woman-owned fair-trade business.

- **Global Finance – World’s Best Bank Awards: Best Bank in Ethiopia**

This accolade recognizes the role of TDB in deploying solutions to enhance its productivity levels in agriculture, support employment, and contribute to ensuring food and energy security.

- **Global Finance – Trade and Supply Chain Finance: Best Trade Finance Bank in Mauritius and Best Trade Finance Bank in Kenya (2)**

Mauritius being one of the Bank’s principal offices, and Kenya, its operational hub, these two awards celebrates the impact of TDB’s trade finance activities in the region it serves and more specifically those which “responded to the unprecedented landscape of 2020 with new technologies and improved capabilities that helped their clients succeed”.

- **Global Trade Review – Leaders in Trade: Best Trade Finance Bank in Ethiopia**

TDB won this award for the second year in a row. It is a tribute to the Bank’s far-reaching bespoke trade finance solutions which have enabled the country to enhance its productivity levels in agriculture, support employment, ensure food security and more.

- **Financial Afrik: Development Banker of the Year for Admassu Tadesse, TDB President Emeritus and Group Managing Director**

TDB’s President Emeritus and Group Managing Director was awarded Financial Afrik’s Development Banker of the Year. The decision on the awardee was made by a jury and the participation of more than 25,000 Financial Afrik and Kapital Afrik readers.

COMESA COMPETITION COMMISSION (CCC)

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 (the “**Common Market**”) 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 2021 Annual Work Programme developed which is developed in line with the CCC 2021 – 2025 Strategic Plan. The following summarises the progress in implementing the activities:

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

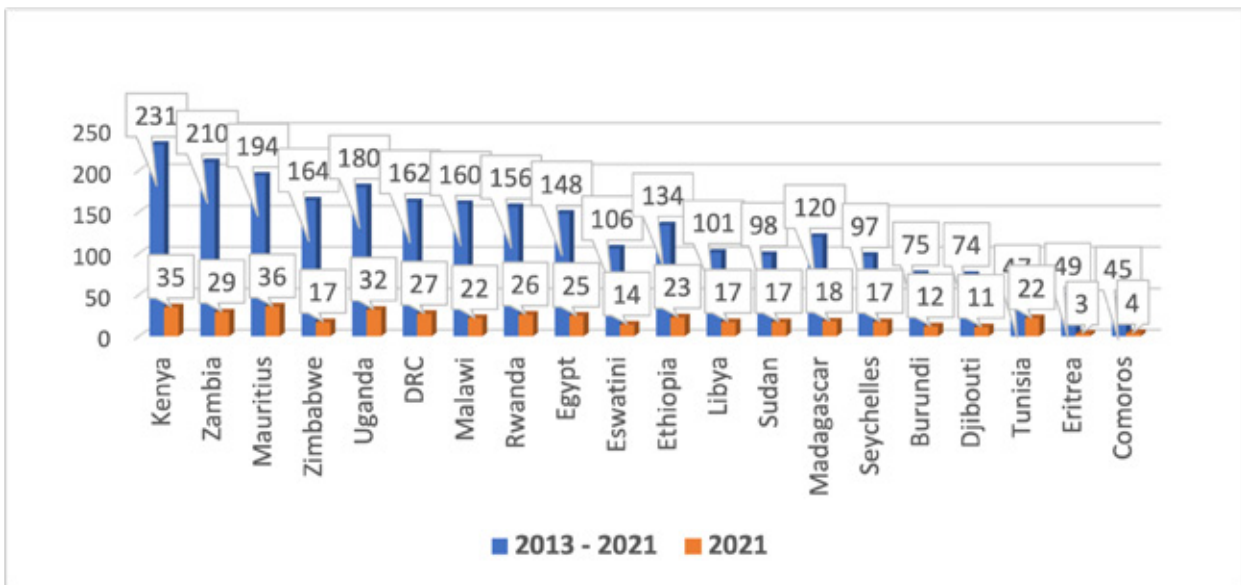
The CCC’s goals under this objective include effective and timely assessment of mergers and restrictive business practices to prevent any likely competition harm in the region. The CCC seeks to enhance consumer protection and strengthen market monitoring to detect any competition and consumer rights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

Effective and Timely Assessment of Competition Cases

□ Mergers and Acquisitions

In 2021, the CCC investigated and approved a total number of 41 mergers 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.

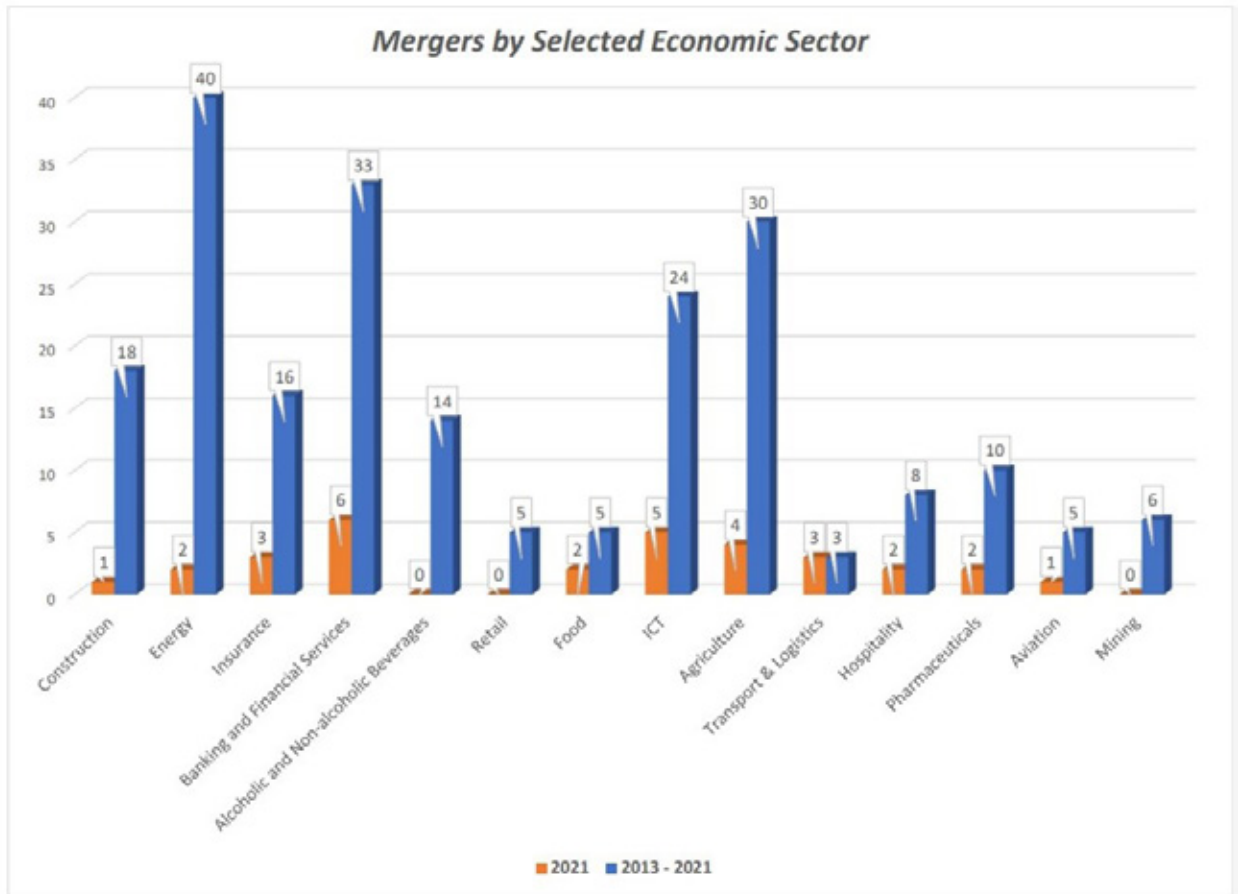
Figure 31: Number of Mergers by affected Member States, 2021



The five Member States most affected by mergers in the 2021 included Mauritius, Kenya, Uganda, Zambia, and Rwanda. The figure also presents the number of mergers affecting Member States from 2013 to 2021 with the five most affected countries being Kenya, Zambia, Mauritius, Uganda and Democratic.

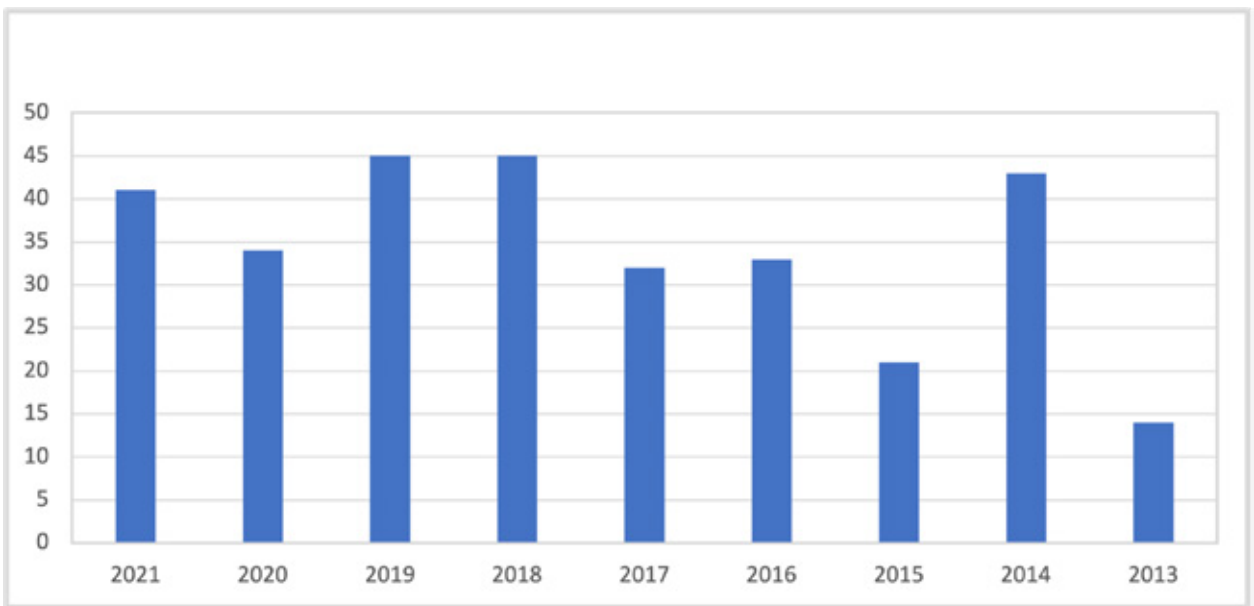
With regard the economic sectors affected by mergers in the period under review, the most recurring economic sectors included banking and financial services, ICT, energy, agriculture, transport and logistics and insurance as presented in figure 32 below.

Figure 32 Number of Mergers by Selected Economic Sector, 2021



The CCC experienced at least a 20 percent increase in the number of mergers reviewed in 2021 when compared to the number reviewed in 2020 whereby the Commission reviewed thirty-four (34) mergers as presented in figure 33 below.

Figure 33: Merger Assessment Trend, 2013 - 2021

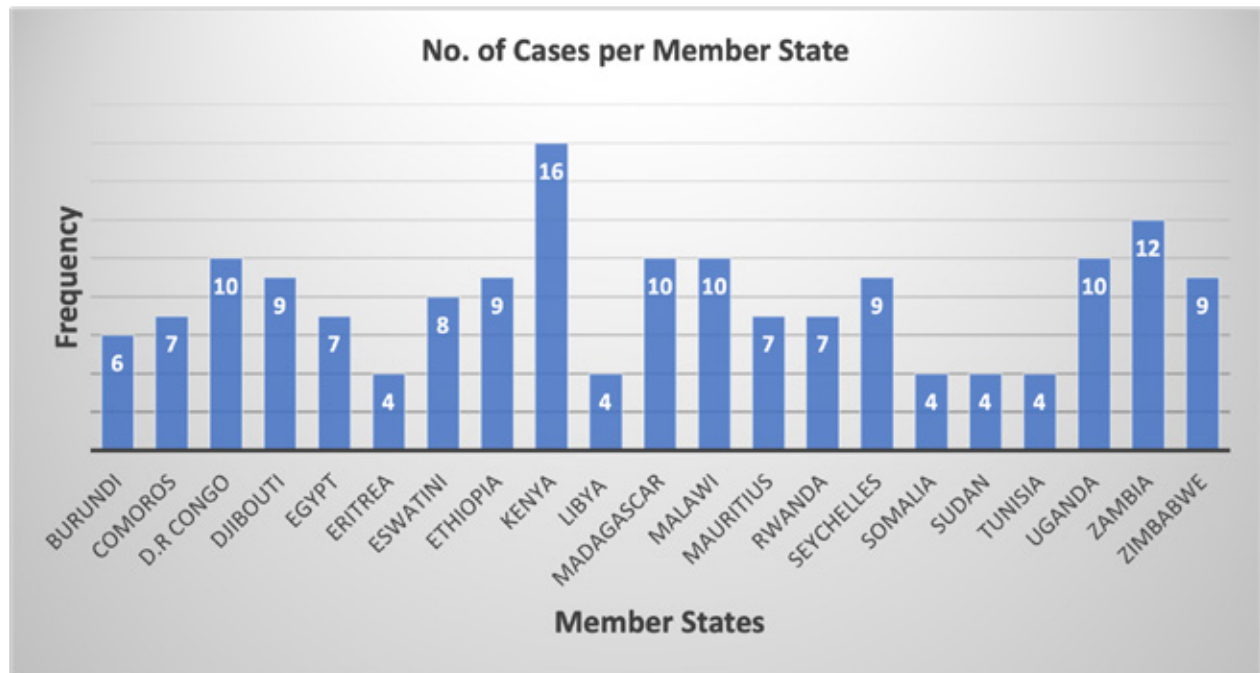


The increase may be attributed to a merger boom resulting from the global economy recovering from the COVID-19 pandemic which saw most businesses reopening and scaling up their operation.

- *Restrictive Business Practices*

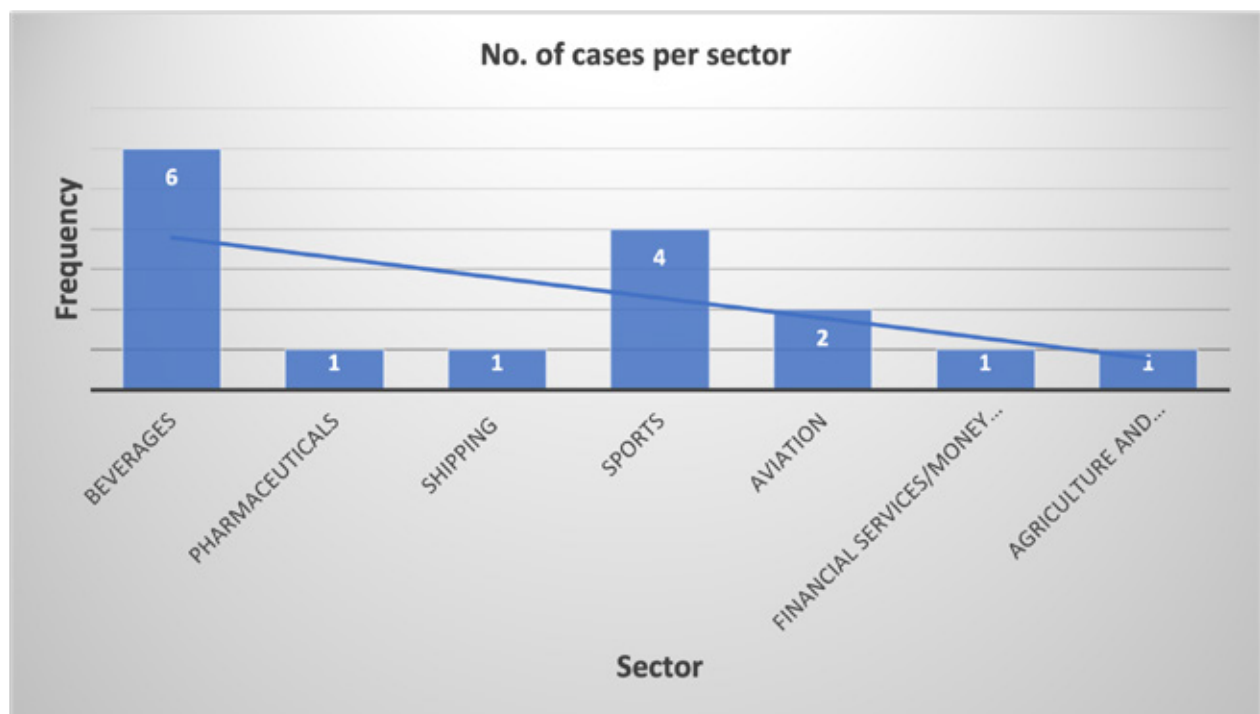
In 2021, the CCC considered a total of **11 restrictive business practice cases**. The following figures illustrate the trends on restrictive business practices case investigations by the CCC in 2021

Figure 34: Number of RBP Cases per Member State



The Figure above illustrates that most of the cases handled by the CCC affected Kenya, Zambia, Malawi, Uganda, Madagascar, and the Democratic Republic of Congo. The restrictive business practice cases also affected a number of economic sectors such as beverages, sports marketing and aviation as illustrated in figure 35 below.

Figure 35: Number of RBP Cases per Economic Sector, 2021



- *Bilateral Cooperation with Member States*

Among the functions of the CCC is to cooperate with Member States National Competition Authorities (NCAs) in

competition and consumer protection law enforcement. The CCC achieves this mandate through, *inter alia*, the conclusion of Memorandum of Understandings (MoUs) with Member States NCAs. The areas of focus under the MoU's include exchange of information, joint sensitization and advocacy programmes, and most importantly, enforcement cooperation.

As of 31 December 2021, the CCC had concluded MoUs with several Member States including the Democratic Republic of Congo (the "**DRC**"), Egypt, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Sudan, Seychelles, Zambia and Zimbabwe. Further to signing the MoUs, the CCC develops implementation works to facilitate the smooth implementation of the MoUs. During the period under review, the CCC had existing implementation work plans with Kenya, Malawi, Sudan and Zambia. The key milestones in 2021 under bilateral cooperation with Member States included the following:

- a) The signing of an MoU with the National Competition Authority of the Democratic Republic of Congo on 19 April 2021 in Lilongwe, Malawi.
- b) The conclusion of an MoU with the Competition and Tariff Commission (CTC) of Zimbabwe which was virtually signed on 15 April 2021. The CCC and the CTC issued a joint press statement in which they stating that they would mutually recognized the importance of sound and effective enforcement of competition laws to ensure the efficient operation of the Common Market, the national market in Zimbabwe and that trade between COMESA Member States is facilitated.
- c) Revision of the 2015 MoU with the Competition and Fair Trading Commission (CFTC) of Malawi. The revised MoU together with an implementation workplan was signed in May 2021 in Lilongwe, Malawi.
- d) Convened a meeting to revise the MoU with the Competition Authority of Kenya (CAK) on 15 – 20 November 2021 in Mombasa, Kenya. The CCC and the CAK also developed a 2022 - 2023 MoU Implementation Plan during this meeting. The signing of the revised MoU was pending to 2022.
- e) Convened a meeting on 10 - 13 November 2021 in Egypt, Cairo with the Egyptian Competition Authority (ECA) under the auspices of the exiting joint MoU. The mission also engaged the Central Bank of Egypt (CBE), and the Ministry of Trade of Egypt. During the meeting, the CCC discussed with the CBE and ECA the cooperation mechanisms in the enforcement of the Regulations including the need for technical assistance. The CCC learnt that the CBE had jurisdiction on competition and consumer matters in the banking sector in Egypt. In view of this, the CCC considered CBE as a critical stakeholder in the enforcement of the regional competition and consumer law. The meeting further noted the need to develop a tripartite working arrangement among the CBE, the ECA and the CCC which will facilitate the enforcement of the Regulations in the Common Market.
- f) The CCC conducted a fact-finding mission to Uganda on 14 -15 October 2021 which sought to establish the technical assistance needs towards Uganda's Development and implementation of the National Competition and Consumer Protection Law including engagement with High Level government officials. Following this mission, a draft MoU was developed by the CCC. The MoU is expected to strengthen the existing cooperation between Uganda and the CCC in the enforcement of competition laws at regional and national levels.
- g) On 2 March 2021, the CCC held a bilateral virtual meeting with the Competition Authority of Tunisia to discuss strategies for enhancing collaboration in the regulation of competition and consumer protection laws. Consequently, the CCC conducted a fact-finding mission to Tunisia on 25 – 28 October 2021 which sought to understand the implementation status of competition and consumer protection law and policy in Tunisia. In this mission, the CCC discussed cooperation mechanism between the CCC and the Competition Council of Tunisia including other relevant agencies in Tunisia

Enhance Consumer Protection in the Common Market

- *Investigation of Consumer Complaints*

In 2021, the CCC handled **13** consumer protection cases, some of which are summarized below:

a. **The recall of Appletiser by the Cola-Cola South Africa**

The Commission became aware through its market observatory that Coca-Cola South Africa (CCSA) initiated a voluntary recall of some batches of Appletiser from the market in South Africa in September 2021, as the products were found to contain mycotoxin ('patulin') above the permitted limit of 50 parts per billion (50ppb) for foodstuff. According to the World Health Organisation, patulin is a form of mycotoxin. Coca-cola South Africa however, did not recall Appletiser from some of the Member States of the Common Market.

The Commission issued a compulsory recall notice to Coca-cola South Africa requiring them to have the affected product removed from markets in all the Member States of the Common Market. Coca-cola South Africa complied with the notice and informed the Commission that all the affected products were removed from the shelves in the Common Market, with some of the products destroyed while others are yet to be destroyed pending approval by the local authorities.

b. **Recall of Cevite Vitamin C by Shalina Pharmaceuticals Zambia Limited**

Shalina Pharmaceuticals Zambia Limited recalled Cevite Vitamin C from Zambia without recalling the same products from other affected Member States of the Common Market such as Malawi. The recalled Cevite Vitamin C had the effects of harming consumers in the Common Market as it was not safe for consumption. The product was changing colour from yellow to brown.

The Commission directed Shalina Pharmaceuticals Zambia Limited to recall the Cevite Vitamin C from Malawi and any other affected Member States of the Common Market. The Commission also collaborated with the Competition and Fair Trading Commission of Malawi to ensure that the products were removed from the market.

c. **Recall of certain Vegetables by Tiger Brands Consumer Limited**

In 2021, Tiger Brands had recalled certain vegetables from the KOO brand in South Africa without doing the same in some Member States of the Common Market where they sold the products. The recalled KOO products had the effect of harming consumers as they had a can defect which could cause illness and injury to consumers.

The Commission engaged Tiger Brands Consumer Limited and required them to recall the affected products from all the Member States of the Common Market where they were sold. Tiger Brands Consumer Limited complied.

d. **Warning Notice to the public on the use of Caro Light and Bronz Toni Maxi Tone**

The Commission became aware of a recall of Caro Light, Bronz Tone Maxi Tone in Europe due to high levels of hydroquinone and presences of clobetasol propionate. The Commission carried out an investigation on samples collected from some Member States of the Common Market, which confirmed that some of the products contained high levels of hydroquinone, above that recommended by World Health Organisation. Hydroquinone is classified as a toxic substance by the United Nations Committee of Experts on the Transport of Dangerous Goods. The Commission therefore issued a warning notice to Member States as provided for under Article 30 of the Regulations.

e. **Sale of wrongly labelled masks manufactured by Marbon Daily and Chemical Company Limited**

The Commission investigated some Dycrol face masks which were labelled as medical masks on the 50 pack box, while the 10 pack sachet inside was labelled as non- medical masks. This conduct had the effect of misleading consumers who purchased the 50 pack boxes to believe that they were medical masks when in fact they were not. The Commission engaged with the distributors that were selling the masks in the Common Market to ensure that they sold masks that complied with the provisions of the Regulations. The Distributors complied with the Commission's directive.

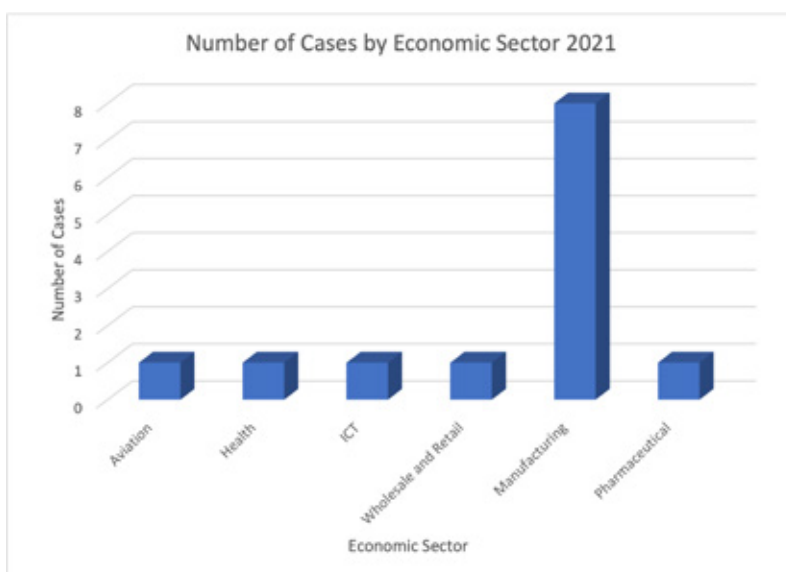
The number of cases handled in 2021 per Member State is illustrated in the figure below. The figure illustrates the frequency with which each Member States was affected by the thirteen (13) cases handled. Generally, most of the cases affected Kenya, Malawi, Uganda and Zambia.

Figure 36: Number of Consumer Cases per Member States, 2021



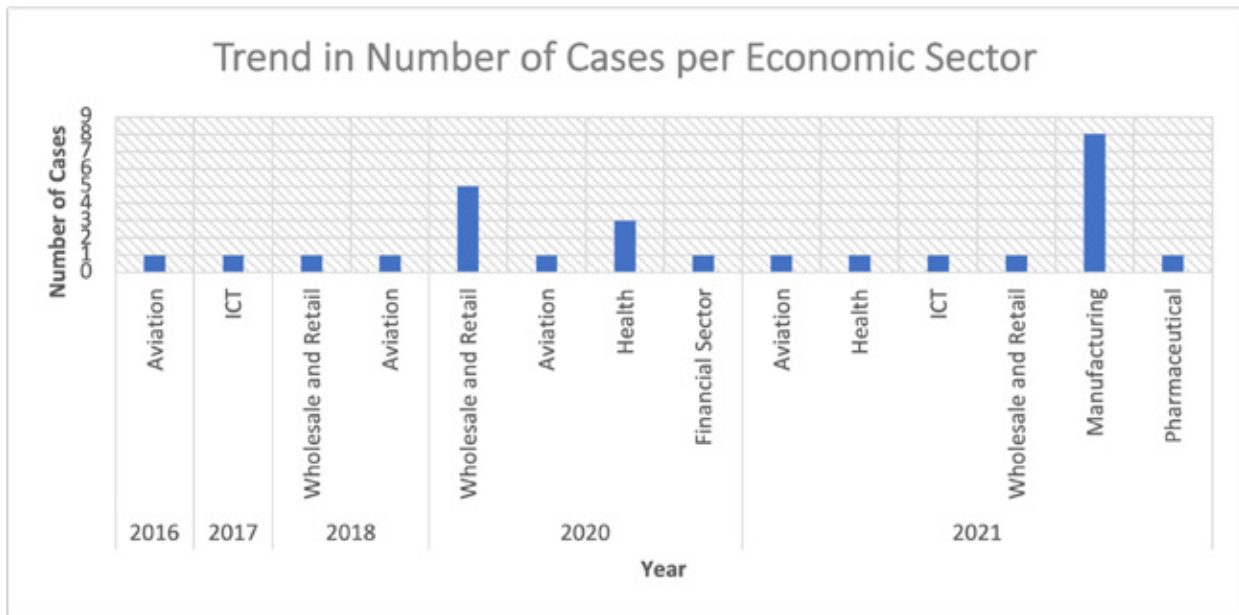
The Figure below illustrates the consumer cases handled per economic sector. As can be noted, the wholesale and retail sector had the majority of cases most of which involved consumer product safety affecting consumers in the Common Market.

Figure 37: Number of Consumer Cases per Economic Sector, 2021



The Figure below shows the trends in consumer cases per sector from 2016 to 2021. From the figure it is noted that wholesale and retail as well as the aviation sectors have consistently had cases over the years with the health sector having more cases in 2020.

Figure 38: Trend in Consumer Case Assessment, 2016 - 2021



Strengthening Research

The CCC recognises that research is a critical component for the effective enforcement of the Regulations through, *inter alia*, ensuring the CCC's decision on cases are fact based. The following were the CCC's efforts in this area.

Market Observatory: In 2021, the CCC partnered with the University of Johannesburg's Centre for Competition, Regulation and Economic Development ("CCRED") in July 2021 to undertake a Market Observatory. The objective of the Market Observatory was to track how markets are functioning for small-scale food producers and consumers in order to promote more inclusive and competitive markets across the continent.

The Market Observatory collated and analyzed relevant data from small scale producers of maize, maize meal, soya, soyabean meal, rice and urea and DAP fertilizers across five Member States of the Common Market namely, Kenya, Malawi, Uganda, Zambia and Zimbabwe.

The Market Observatory was intended to identify key trends in the region in real-time focusing on issues such as market access, border and transport related problems and other, potentially anti-competitive, considerations. As such, it was envisioned that the outcomes of the Market Observatory would support the development of appropriate policies for inclusive growth and market integration.

World Bank Project: The CCC in partnership with the World Bank, continued to implement a two-part project which commenced in 2019. The project aimed at screening for cartel conduct in the Common Market and improving the legislative framework for the effective cartel enforcement. The first component of the project involved screening markets for characteristics that could facilitate cartels in specified sectors in the Common Market. The review involved an analysis of market players and multi-market contact which could facilitate collusive behaviour in the Common Market. The Member States which participated in the screening exercise were Kenya, Eswatini, Malawi, Mauritius, Seychelles, Zimbabwe and Zambia. Following the review, various countries in the Common Market initiated investigations into possible cartel behaviour in their respective markets. The second component of the project involved strengthening the legal framework for anti-cartel enforcement and the development of a regional leniency program in the Common Market. The Member States which participated were DRC, Kenya, Eswatini, Malawi, Mauritius, Seychelles, Sudan, Zimbabwe and Zambia. The output of the project includes Regional Guidelines for Leniency and an accompanying Participation Agreement.

Strategic Objective: Strengthening Enforcement

- ***Enhance the legal framework and promote due process of the law***

The Commission commenced the process of reviewing and amending the COMESA Competition Regulations and the COMESA Competition Rules in order to align them with current trends in competition law legislations. Additionally, the Commission commenced the review and amendment process of its Executive Management Staff Rules, the Staff Rules, Procurement Rules and Financial Rules.

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

The CCC implemented the following activities in the period under review:

- a. The CCC engaged Member States on technical assistance and capacity building activities such as assistance towards the development of appropriate instruments for the effective operation of national competition authorities and implementation of national competition legislation. In this respect, the CCC provided technical assistance as follows:
- b. In 2021, the CCC provided financial support to the Eswatini Competition Commission (ECC) on training of their management and leadership on Agency Efficiency on 18 November 2021. Such assistance is very important to ensure effective and efficient national competition authorities, a precursor to effective and efficient regional competition law enforcement.
- c. A capacity building virtual training workshop was organized and held for the newly established Rwanda Inspectorate, Competition and Consumer Authority (RICA) staff and other stakeholders on 26 – 30 April 2021 at which the CCC made presentations on the various aspects of competition and consumer protection law and enforcement. Other stakeholders that attended the meeting in Rwanda included Rwanda Consumer Protection Organisation, Africa Centre for Competition, Consumer Protection and Intellectual Property Policy, National Bank of Rwanda, Rwanda Utilities Regulatory Authority, Rwanda Development Board, Ministry of Trade and Industry and various Law firms in Rwanda.
- d. The CCC held a meeting with the COMESA coordinating Ministry in Djibouti on 5 and 6 October 2021 to discuss the review of the national law and harmonisation with the COMESA Competition Regulations. During this meeting the CCC and the officials from the Ministry agreed on the roadmap for engaging an international and local expert for the law review process. The review of the law is set to begin in 2022
- e. The CCC reviewed and provided comments on the proposed amendment to the Sudan Competition law based on the Chairperson of Sudan Competition Council's request. The Commission sent its views and comments on the draft law on 22 June 2021. The review ensured that the national Competition Law is harmonised with the Regulations and that it explicitly recognized the Regulations to have force of law in the territory of Sudan.
- f. The CCC conducted capacity building and sensitization workshops in the DRC during the period of 27 September – 2 October 2021. The capacity building sought to support operationalization of the DRC National Competition Authority and sensitize the business community, consumer associations, judiciary, and government officials on the enforcement of competition and consumer protection laws including the Regulations.
- g. The CCC conducted a fact-finding mission and awareness campaign with COMESA coordinating Ministry officials in Burundi from 7 - 8 October 2021. The main objectives of the mission included familiarization of the CCC with progress being made by the Government of Burundi in the implementation and enforcement of the National Competition and Consumer Protection law, creation of awareness to the competent authorities of Burundi, consumer associations, business organisations and other stakeholders on the mandate and activities of the Commission in the Common Market and assessment of the technical assistance needs of the country on competition and consumer related matters so that an appropriate technical assistance strategy for the country is devised.

- h. The CCC held meetings with the Ministry of Economy of Comoros from 11 – 12 October 2021 to follow-up on the action plan for the operationalization of the Comoros National Competition Authority that was agreed upon with the Ministry in 2018 and 2019. During the meetings, the Director General in the Ministry of Economy, Mr. Abdou Nassur Madi, assured the CCC delegation that concerted efforts to operationalise the national competition authority were ongoing. The main deliverables of the mission were, among others, that the CCC commence training on competition and technical matters once the relevant officers of the National Competition CCC are appointed and engaged.
- i. The CCC finalized the procurement process of hiring an International Consultant to assist the Competition Commission of Mauritius (CC) to put in place the requisite legal and procedural framework underpinning a sound, effective and functional cooperation mechanism between the CCC and the CC in cross-border enforcement, and in so doing, to assist the CC in fulfilling its obligations under the Regulations, including the enforcement of the CCC decisions at national level. The project is expected to commence in the first quarter of 2022.
- j. Under the auspices of the MoU with the Competition and Fair-Trading Commission, of Malawi the CCC partnered with CFTCA on training its Board Members at a meeting held on 24 - 25 November 2021.

Strategic Objective: Advocacy and Strategic Collaboration

- **Enhance the visibility of the CCC**

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

- a. **World Consumer Rights Day:** In the week 15-19 March 2021, the CCC partnered with CFTC of Malawi in commemorating the World Consumer Rights Day under the theme “Consumer Protection in the COVID-19 era” and to this effect issued a press release and had a live panel discussion on the national media of Malawi, Zodiak TV and Radio Station, on 17 March 2021. The CCC also collaborated with the Competition and Consumer Protection Commission (CCPC), Zambia and other National Institutions within Zambia by co-sponsoring two videos under the theme “Tackling Plastic Pollution and Consumer Protection amidst the COVID-19 Global Pandemic” prepared in commemoration of the World Consumer Day Rights Day. One of the videos highlighted the dangers of plastic pollution and the responsibilities of consumers in combatting it. The second video highlighted the role of various institutions in tackling plastic pollution, dangers of plastic pollution and some measures put in to tackle plastic pollution.
- b. **World Competition Day:** On 5 December 2021, the CCC joined the rest of the world in commemorating World Competition Day under the theme “Competition Policy for an inclusive and resilient economy”. On this day the CCC issued a press release which highlighted the activities it undertook under the theme of the day such as the cases handled regarding Resale Price Maintenance and Exclusive Agreements and its ongoing market observatory project done in partnership with Centre for Competition Regulation and Economic Development (CCRED) on how markets are working for small scale food producers and consumers;
- c. **American Bar Association:** On 23 – 26 March 2021, the CCC attended the virtual Conference of the America Bar Association (ABA) Antitrust Law Spring Meeting and was updated on recent legal developments on enforcement of Antitrust law;
- d. **African Consumer Protection Dialogue:** On 8 April 2021, the CCC attended the African Consumer Protection Dialogue Webinar on ‘Protecting Consumers from Corona Virus Scams and Misinformation; one year on’ held on and was able to exchange information on emerging Consumer protection issues during COVID-19 Pandemic;
- e. **United Nations Conference for Trade and Development/ African Competition Forum:** On 13 April 2021, the CCC participated on the UNCTAD/ACF webinar on cross-border cartels where the Commission

was able to learn and enhance its skills on best international practices relating to cross border cartels and the need for collaboration among the competition agencies and coming up with a mechanism of sharing information;

- f. **Collaboration with East African Community:** On 15 April 2021, the CCC collaborated with the East African Community (EAC) Competition Authority virtually towards the development of EAC Competition Authority merger notification thresholds. In this meeting, the Commission discussed with a consultant recruited by EAC Competition Authority to develop the EAC Merger Thresholds and provided its views on setting thresholds;
- g. **UNCTAD Inter-Government Group of Experts Meeting:** The CCC participated at the UNCTAD Intergovernmental Group of Experts (IGE) on Consumer Protection Policy and Law held on 5 - 6 July 2021 and IGE on Competition Policy and Law held on 7-9 July 2021. Dr Willard Mwemba shared the experience of the Commission on the session on International experiences and best practices in competition law enforcement against cross-border cartels
- h. **International Competition Network:** The Commission participated in a Virtual ICN Promotion & Implementation workshop as facilitators in September 2021 which covered investigation techniques on mergers and unilateral conduct.
- i. **International Bar Association:** The Commission participated in the 25th IBA Antitrust Section Annual Competition Conference on 10 -11 September 2021 which featured debates on pressing issues including environment sustainability and the future of supply and distribution chains in a digital world.
- j. **European Commission and UNCTAD Meeting:** The Commission attended the Joint European Commission (EC)- United Nations Conference on Trade and Development (UNCTAD) virtual workshop on Consumer Product Safety held on 9 November 2021 as Member of the Panel shared and picked lessons on key experiences in the area of Legal framework for consumer product safety, benefits of Cross-border and regional cooperation and cross border coordination challenges.
- k. **Peer Review of the Eurasian Economic Union (EAEU):** The Commission took part as one of the Lead Examiners in the Peer Review of the Eurasian Economic Union (EAEU) law under the OECD. A series of meetings interviewing various stakeholders of the EAEU were held from 19 -22 October 2021 and Examination Session took place on 8 November 2021. During the Examination Class, the Commission highlighted some of the areas where it observed that the EAEU could consider making some changes.
- l. **UNCTAD Global Policy Dialogue:** The Commission also took part in the UNCTAD's Global Policy Dialogue which took place from 1 - 3 December 2021. The Commission represented by the Director was a speaker on the topic "Interagency cooperation between MSME agencies and competition authorities". During the session, the Commission shared their work with MSMEs in the Common Market with regards to competition and consumer law enforcement.
- m. **International Competition Network:** Every Thursday of the month September, 2021, the Commission participated in the ICN Practical training by senior investigators for case handlers using ICN work product and ICN Training On Demand video modules. The workshop introduced participants to Planning and Conducting Investigations, investigative processes, developing reliable evidence as well as international cooperation in investigations.
- n. **COMESA-EAC-SADC Tripartite Meetings:** As part of its strategic collaboration efforts, the Commission is a member of the Tripartite Task Force involving COMESA, SADC and EAC. Under this activity, the Commission participated in the fourth Tripartite Technical working Group on Competition Policy which was virtually held on 27- 28 April 2021, and it contributed towards the drafting of the Second Draft Tripartite Protocol on Competition and State of Play on Competition in the TFTA. The Commission also serves as Secretariat for the Tripartite Technical Working Group.



F

Financial Report

2021 Secretary General's report

Financial Report

1. Introduction

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.

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 audits 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.

In the interim, I have the pleasure of submitting to the Council of Ministers the Management Accounts for the financial year ended 31 December 2021 pending the finalization of the audit of 2021 financial statements by COBEA. The delay in the finalisation of the audit due to the challenges arising from the COVID-19 Pandemic impacting the commencement of the audit of 2020 which had a spill over effect on the audit of 2021 financial statements. COBEA has undertaken to expedite the audit of 2021 financial statements for finalization this year.

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 2021. 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.

To reflect the multi-annual nature of the Secretariat's activities, the management accounts include explanations of the key financial figures. The financial year 2021 was characterized by some achievements and some challenges for the Common Market as highlighted below.

2. Achievements and Challenges 2021

This brief summarizes programmes implemented and activities undertaken by COMESA in 2021, capturing key achievements made and challenges encountered during the year. Notwithstanding the challenges experienced in the period under review owing mainly to the continued COVID-19 pandemic, in the post-recovery period, COMESA continued to work closely with its Member States and development partners to implement integration programmes in the new environment. The Member States and development partners provided the necessary financial and technical resources to support programmes and projects. Predominantly, guided by the new Medium Term Strategic Plan (MTSP) for the period 2021-2025, COMESA continued to facilitate harmonization of policies, standards and regulations in its pillars 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.

Implementation of COMESA Regional Cooperation and Integration Programmes

COMESA Trade and Customs Programme

Anchored mainly by the Trade Facilitation Programme (TFP) and the Small-Scale Cross Border Initiative (SSBTI)

supported by the EU, COMESA has continued to support market integration with the view of facilitating the smooth flow of goods, persons and services across the COMESA region. The TFP is implemented through a number of initiatives which include amongst others the Digital Free Trade Area (DFTA), the electronic certificate of origin (eCO), customs automation, electronic window, coordinated border management, the Non-Tariff Barriers (NTB) Monitoring System, trade in services, implementation of the WTO TFA, and capacity building for border agencies and other government bodies with mandates to regulate cross-border trade. The SSCBTI aims at facilitating measures specifically for small scale cross-border traders at selected border posts and in the COMESA/Tripartite region. The project focuses on reducing bribery, corruption and harassment experienced by small scale cross-border traders at selected border posts and upgrading border infrastructure at targeted border posts. Further, the project has a specific focus on improving standards and facilities for female traders who make up the majority of small-scale cross border traders in addition to supporting the implementation of the Simplified Trade Regime (STR) and COMESA Green Pass amongst others.

Concerning trade negotiations, COMESA has continued to play a significant role in advancing the Tripartite FTA Negotiations as the implementing agency of the Tripartite Capacity Building Programme aimed at supporting Phase II of the conclusion of negotiations and implementation of the Tripartite FTA. Further, COMESA continues to be support conclusion of outstanding matters to support operationalisation of the African Continental Free Trade Area (AfCFTA)

The COMESA Economic and Trade Policy Research Programme, held the Annual Research Forum highlighting the role played by research in fostering evidence-based policy making and programme implementation in the areas of economics, trade and regional integration seen through the lens of the COVID-19 Pandemic. Additionally, innovation awards were awarded to individuals and institutions recognised to have used science, technology and innovation to advance the regional integration agenda. The COMESA Trade Policy Research Programme continued to undertake research studies and prepare policy briefs in addition to supporting operationalisation of the COMESA Virtual Master's Degree Programme in Regional Integration in partnership with universities within the region.

COMESA Agriculture Programme

The agriculture sector plays a crucial role in the regional trade and integration and is an important sector sustaining most economies of the region. The sector contributes more than 30% of the COMESA GDP and is critical for industrial development through provision of the required raw materials. In addition, around two-thirds of the region's population is employed within the sector.

COMESA has continued to collaborate with the African Union Commission, other RECS, and partner institutions to support effective implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) Malabo Declaration, the framework guiding agricultural-led transformation and development. In addition to supporting the CAADP process in Member States, COMESA is implementing the Livestock Development Programme and the Fisheries Programme to raise the capacity and economic productivity of the respective sectors. Working with partners, the COMESA Livestock Development Programme has made significant contributions towards improving animal production, productivity and trade in animal and animal products. A key intervention under the COMESA Fisheries Programme which is making significant contributions to the Blue Economy is support to the implementation of the Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa, and Indian Ocean Region – E€OFISH Programme. The ECOFISH Project funded by the 11th EDF Programme amongst others aims at enhancing regional policies and institutional frameworks to secure sustainable fisheries management and contribute to marine biodiversity.

Further, COMESA continues to implement the SPS/TBT programme aimed at enhancing food and nutrition security and the facilitation of agricultural trade, exports, and investments.

COMESA Industrialisation Programme

COMESA recognises the importance of industrialization in generating employment opportunities, encouraging advancement and innovation, and better utilization of resources. These benefits make industrial development extremely valuable to a population and the national and regional economy. COMESA is currently implementing the

COMESA Industrialization Strategy and Action Plan 2017-2026 adopted in September 2017 which recognises the following key priority areas as those that will have the greatest impact on the sustainable and inclusive economic growth to attain a structural transformation of the economies of COMESA Member States: Agro-processing, Energy, Textiles and Garments, Leather and Leather Products, Mineral Beneficiation, Pharmaceuticals, Chemicals and Agro-Chemicals, Light Engineering and the Blue Economy.

A flagship project of the COMESA Industrialisation Programme is the Zambia - Zimbabwe Joint Industrial Project which is aligned to the Member State's and COMESA Industrialization Strategy and is consistent with the Africa Continental Vision 2063 and Accelerated Industrial Development For Africa (AIDA) Agenda as well as the Third Industrial Development Decade for Africa (2016-2025) - IDDA III. Through a number of interventions, the project will enable the two countries to harness comparative advantages from their diverse natural resources and synergies in resources utilization, improve the competitiveness and reap the benefits of economies of scales. Most importantly, successful implementation of the project will serve as a basis for implementation in other Member States.

Further, in supporting development of the private sector through enhancing private sector competitiveness and access to markets in the COMESA region and beyond, COMESA is implementing the Regional Enterprise Competitiveness and Access To Markets Programme (RECAMP) under the 11th European Development Fund (EDF). The targeted value chains sectors prioritized for support under the programme are agro-processing (maize, livestock, fish, dairy, poultry, meat) and agro-inputs in particular quality seeds, horticulture and leather and leather products. RECAMP promotes business linkages, builds capacity related to Sanitary and Phyto-Sanitary (SPS) and other standards, and supports regional public-private dialogues and value chain policies.

COMESA Infrastructure Development Programme

Guided by the Treaty, COMESA's focus for infrastructure development targets the transport, energy and information communications technology sectors and uses a programme approach to facilitate the development of priority regional physical infrastructure, policy and regulatory harmonization and facilitation.

In efforts to address supply side constraints related to infrastructure, COMESA has continued to support the development of regional corridors and management of corridor institutions. Accordingly, COMESA continues to promote the One Stop Border Posts in selected borders of the region to mainly reduce delays and congestion at the border posts and improve coordination and flow of information between operating border agencies.

As concerns air transport, COMESA in partnership with the EU is implementing the Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa, and Indian Ocean (EA-SA-IO) Region Programme. The programme aims at supporting operationalization of the Single African Air Transport Market (SAATM); strengthening the regulatory and institutional capacity of civil aviation institutions; and improving air navigation efficiency in the EA-SA-IO region. The programme is expected to contribute to the development of the air transport sector in the EA-SA-IO region.

Implementation of the Establishment of a Navigational Line between Lake Victoria and the Mediterranean Sea – VICMED aimed at establishing a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea received a boost following its approval as a Trans Regional Project in PIDA PAP2 subsequent to the AU Summit in February 2021. Resultantly, resource mobilisation for the project has accelerated.

Regarding road transport policy and regulatory harmonization, COMESA in partnership with the EU is implementing the Tripartite Transport and Transit Facilitation Programme with the objective to facilitate the development of a more competitive integrated and liberalized regional road transport market in the Eastern and Southern African (EA-SA) Region. Thus far, work is ongoing to finalise and adopt key agreements which will guide the establishment of enabling legislation, standards, systems and facilities amongst others in the region.

Regarding the COMESA ICT Programme, efforts have been targeted towards implementation of the Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) Programme in the Eastern Africa, Southern

Africa and the Indian Ocean Region (EA-SA-IO). The EGEE-ICT aims at supporting the effective review or and development of various regional policy and regulatory frameworks in a harmonized manner that will contribute to enhancing competition, improved access to cost effective and secure ICT services. COMESA is the lead REC in implementation of the programme in partnership with partner RECs namely SADC, EAC, IGAD and IOC.

As concerns the energy sector, COMESA with the support of the European Union is implementing the Programme on Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa, and Indian Ocean Region (ESREM). 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. Under the programme, efforts have been made to harmonize legal and regulatory frameworks, promote renewable energy and energy efficiency and most notably undertake capacity building for Member States, regulatory institutions and power pools in the areas of regulatory, energy markets, renewable and energy efficiency issues. Further, under the Regional Infrastructure Finance Facility (RIFF) Project with funding from the World Bank which aims at expanding long-term finance to private firms in selected infrastructure in the power sector, as well as in the transport, logistics and social sectors work has been undertaken with a focus on promoting renewable energy, this will be supported by a training programme for stakeholders to build capacity.

COMESA Gender and Social Development Programme

In line with global and continental development agendas, specifically the UN Global Agenda and AU Agenda 2063, COMESA recognises that gender equality, empowerment of women and youth and social justice are key to achieve the objectives of the integration agenda. For this reason, COMESA through the implementation of the gender and social affairs programme continues to push for and advocate for gender mainstreaming in all programmes, women empowerment through the 50 million Africa Women Speak Project, and youth empowerment. Most notably, the Gender Mainstreaming Guidelines, Indicators and Checklists, and the Online Course on Gender and Trade which support gender mainstreaming in different programmes and projects, have been approved by the 11th Meeting of the Ministers responsible for Gender and Women's Affairs. In addition, Secretariat in collaboration with the African Union AGA Secretariat continued to implement the Youth Engagement in Democratic Governance and Socio-Economic Development Processes in Africa Project with support from the Swiss Agency for Development and Cooperation (SDC). The project strategic intervention is promoting democratic governance and socio-economic development in COMESA Member States, SDC supported countries and AU Member States in general. As a response to the COVID-19 Pandemic, the programme in partnership with the African Centre for Disease Control (Africa-CDC), convened meetings of Member States to exchange information and experiences on the access, rollout and uptake of COVID vaccines, and impact of COVID-19 on youth and best practices on the response.

COMESA Governance, Peace and Security Programme

Through the implementation of the programme on governance, peace and security, COMESA has continued to contribute towards the promotion of 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 region, support to Member States to consolidate democracy and good governance and utilization of the COMESA Committee of Elders to support the prevention, mitigation, and resolution of conflicts. Through election observation missions, the Governance, Peace and Security Programme has been instrumental in contributing to the upholding of democratic values and principles and participated in several election observation missions. Further, the programme has continued to strengthen the COMESA Early Warning System and National Anti-Money laundering laws and regulations for select Member States and enhance the financial analytical capacity in the region amongst others.

Effective COMESA Secretariat

In efforts to strengthen the capacity of the Secretariat, work continues to be undertaken with the aim to improve efficiency and workflows and integrate information across core processes with the support of the EU and USAID. Identified core processes for improvement mainly through the process of automation include amongst others, human resource management, performance management, financial management, and donor coordination.

With the conclusion of its 2016-2020 MTSP, COMESA coordinated and facilitated the formulation of the 2021-2025 Medium Term Strategic Plan (MTSP) and M&E Framework by engaging key internal and external stakeholders. The MTSP was successfully adopted and endorsed by the COMESA Authority at the 21st Summit held in Cairo, Egypt on 23 November 2021. The Strategic Plan outlines COMESA's strategic vision in pursuit of achieving and accelerating our regional integration goals. The beneficiaries of this strategy are the citizens of our region as this will seek to improve socio-economic conditions through economic growth in the various areas of cooperation.

COMESA Institutions

COMESA Institutions created to promote regional co-operation and development in the implementation of the provisions of articles of the treaty have adequately played their roles with respect to their functions and business in specific sectors, namely, financial, advocacy and facilitation, and regulatory. Most of the Institutions have expanded their services to the rest of the African continent demonstrating their growth and significance to economic progress

Challenges and Conclusion

As the region continued to recover from the COVID-19 pandemic, a specific challenge in implementing the 2021 Work Programme owing to the resulting requisite restrictions on travel and physical meetings was the delayed implementation of activities which required physical interaction. Other challenges experienced in the implementation of programmes was attributed mainly to the continued slow signature, ratification and domestication of legal instruments by Member States, delayed implementation of Authority and Council Decisions, inadequate domestic resources to support sustainability of programmes and low levels of awareness and sensitisation on regional integration programmes. Effective and efficient implementation of regional programmes is determinant on renewed political will and commitment from key stakeholders to adequately address the challenges. Furthermore, the Secretariat will continue to implement initiatives focused on automation of identified core processes to make them efficient.

3. Oversight over operations of the COMESA Secretariat

COMESA has eight organs with decision making powers as established by the COMESA Treaty. These are:

- i) The Authority of Heads of State and Government the preeminent Policy of the Common Market.
- ii) The council of Ministers: The second highest Policy Organ of COMESA charged with ensuring a well-functioning Common Market in accordance with the provisions of the COMESA Treaty.
- iii) The COMESA Court of Justice: the premier judicial organ of COMESA and
- iv) The Committee of Governors of Central Banks empowered under the Treaty to monitor and ensure a well-functioning Monetary and Financial Cooperation regional System
- v) The Inter- Government Committee
- vi) The Technical Committees
- vii) The Secretariat
- viii) the Consultative Committees which make recommendations to the Council of Ministers which in turn makes recommendations to the Authority.

There are also the Ministers of Foreign Affairs that deals with peace and governance issues and make recommendations to the Authority.

Composed of Ministers from the Coordinating Ministries of all the Member States the Council has the mandate of providing policy guidance on issues of regional integration and in that regard, Council has consistently made decisions that have assisted in providing policy certainty to both the Member States and the Secretariat.

In keeping with the principles of good corporate governance, the Council of Ministers provides oversight over the operations of the COMESA Secretariat by giving direction to the COMESA Secretariat through among other activities:

- i) Approval of COMESA Secretariat's annual budget and annual financial statements.
- ii) Enacting and amending of Staff Rules and Regulations and Financial Regulations of the COMESA Secretariat; Review technical reports on the implementation of policy, rules and regulations by the COMESA Secretariat; and
- iii) Appointing of external auditors and receiving reports of the external auditors.

In between meetings of the Council of Ministers, the Bureau of Council attends to urgent financial and human resource matters as well as other emerging issues, within the framework of the Treaty and as provided within specific Council decisions, policies, rules and regulations. Bureau of the Council comprising of Chairman, Vice-Chairman and Rapporteur thus oversee the functioning of the Secretariat in between meetings of the Council of Ministers. For 2021, the following Member States constituted the Bureau:

Chairperson-----Madagascar

Vice Chairperson-----Egypt

Rapporteur-----Ethiopia

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

Auditors Generals from COMESA Member States (COBEA) were designated as External Auditors of COMESA Secretariat.

COMESA – Secretariat 2021 Management Accounts

Statement of financial position
as at 31 December 2021

In COMESA Dollar

	Note	2021	2020
Assets			
Non-current assets			
Property and equipment	6	26,973,437	27,738,659
Investment in equity	7	2,883,004	2,764,116
Member states contributions receivable repayment plan	8(a)	916,464	2,077,133
Total: Non-current assets		30,772,905	32,579,907
Current assets			
Member states contributions receivable	8(b)	24,225,971	23,255,627
Amounts due from other COMESA entities	9(a)	420,358	429,337
Grant overheads receivable	9(b)	310,298	361,673
Amounts due from other regional economic communities	9(d)	303,485	308,529
Other receivables	10	790,074	619,791
Cash and cash equivalents	11	20,988,625	18,529,505
Total: Current assets		47,038,811	43,504,462
Total: assets		77,811,716	76,084,370
Accumulated funds and liabilities			
Accumulated funds and reserves			
Reserve fund	12	15,606,018	11,403,912
Accumulated funds		39,896,690	41,759,166.88
Revaluation reserve		16,424,697	16,969,950
Total: Accumulated funds and reserves		71,927,404	70,133,029
Non-current liabilities			
Capital grants	13	435,293	447,258
Total: Non - current liabilities		435,293	447,258
Current liabilities			
Trade payables	14	311,196	274,043

Member States Payable	8(d)	-	521,470
Amounts due to COMESA entities	9(e)	2,199,616	2,388,400
Trust Creditors	9(f)	1,047,297	1,021,011
Post-employment benefit	15	763	1,572
Accruals and provisions	16	1,890,147	1,297,588
Total: Current liabilities		5,449,019	5,504,084
Total: liabilities		5,884,312	5,951,341
Total: accumulated funds and liabilities		77,811,716	76,084,370

COMESA – Secretariat 2021 Management Accounts

Statement of income and expenditure and other comprehensive income
for the year ended 31 December 2021

	Note	2021	2020
Income			
Member States contributions	8(b)	13,103,948	14,256,925
Other Member States contributions	8(c)	1,920,672	-
Grant Overhead contributions	17(a)	335,743	467,344
Other income	17(b)	665,003	958,712
Impairment gain	8(a,b)	61,276	-
Total income		16,086,642	15,682,980
Expenditure by function			
Executive management		(1,360,585)	(959,548)
Human resources and administration		(2,577,881)	(2,886,223)
Budget and finance		(1,926,275)	(1,305,300)
Trade and customs		(700,284)	(644,593)
Infrastructure and logistics		(483,959)	(455,543)
Agriculture, environment and natural resources		(601,566)	(544,122)
Legal and institutional affairs		(346,351)	(510,909)
Gender and social affairs		(453,349)	(368,782)
Information technology		(1,003,917)	(762,354)
Internal audit		(318,073)	(346,958)
Resource mobilisation and international cooperation		(203,458)	(187,760)
Strategic planning		(206,197)	(206,539)
Public relations		(350,904)	(346,661)
Resource centre		(152,660)	(136,391)
Estates unit		(331,517)	(319,446)
Brussels liaison office		(309,004)	(284,329)
Statistics unit		(26,093)	(18,176)
External audit framework		(187,322)	(155,634)
Depreciation on property and equipment	6	(900,230)	(933,648)
Total expenditure: Member States funded	18(a)	(12,439,624)	(11,372,915)
Finance income	19	293,261	311,600

Finance costs	20	(81,990)	(584,164)
		211,271	(272,564)
Operating surplus		3,858,289	4,037,500
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Increase in fair value of investments	17(c)	85,499	-
		3,943,788	4,037,500
Items that will not be reclassified subsequently to profit or loss			
Amortization of the revaluation reserve		(545,253)	(539,297)
Total Comprehensive Income for the year		3,398,535	7,535,704

COMESA – Secretariat 2021 Management Accounts

Statement of income and expenditure for Grants Funded Programmes
for the year ended 31 December 2021

In COMESA Dollar

	2021	2020
Income		
Opening balance - Deferred Income	34,081,496	34,933,450
Grant contributions	8(b) 12,214,199	17,658,856
Total cash available for Grant funded activities	46,295,695	52,592,306
Expenditure		
Africa Peace and Security Architecture Support (APSA)	(417,108)	(131,945)
Transit Transport Facilitation Programme	(1,255)	(54,265)
Cross Border Trade Initiative	(1,033,783)	(937,713)
Maritime Security Programme	(290,533)	(566,585)
Trade Facilitation	(2,315,953)	(1,161,049)
Enhancing Capacity in Trade Policy Analysis -TradeCom	(626,465)	(116,080)
Enhancement of Sustainable Regional Energy Market	(922,652)	(2,024,375)
EU Global Alliance for Climate Change Plus	(1,670,075)	(1,273,940)
Regional Enterprise Competitive & Access to Market Program	(813,864)	(182,912)
Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT)	(133,394)	(24)
Support to Air Transport Sector Development (SATSD)	(109,719)	(24)
Regional Intergration Support Mechanism	(6,609,855)	(8,190,196)
Fifty (50) Million Women Speak	(1,294,205)	(1,519,403)
International Comparison Programme	(98,149)	(195,379)
Statistical Capacity Building	(6,696)	(114,228)
Statistical Capacity Building V	(167,153)	-
COMESA-EAC-SADC Tripartite Capacity Building Programme	(314,139)	(7,978)
Great Lakes Trade Facilitation Programme	(656,233)	(773,662)
COMESA Regional Infrastructure Finance Facility	(502,419)	-
Mainstreaming SPS Capacity Building	(99,859)	(117,649)
Developing Capacity in Migration	(66,806)	-
Enhancing Regional Agriculture Commodity	(20)	-
COMESA SDC Youth Project	(469,056)	(412,404)
Short Term Projects	(582,214)	(209,595)
BIAWE	(260,329)	(108,662)
Eleventh EDF	(0)	(341)
Total Grant Funded Expenditure	(19,930,988)	(18,510,810)
Total Deferred Grant Income	26,364,707	34,081,496

COMESA – Secretariat

Statement of changes in accumulated funds
for the year ended 31 December 2021

In COMESA Dollar

	Reserve funds	Accumulated funds	Revaluation Reserve	Total
At 1 January 2020	7,924,318	40,736,530	17,509,247	66,170,095
Surplus for the year	-	4,037,500	-	4,037,500
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)
Transfer to RIA for COBEA costs	(2,679)	-	-	(2,679)
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	11,403,912	41,759,166	16,969,950	70,133,028
At 1 January 2021	11,403,912	41,759,166	16,969,950	70,133,028
Surplus for the year	-	3,943,788	-	3,943,788
Receipts into the reserve fund	7,754,501	(7,754,501)	-	-
Transfer from the reserve fund	(1,662,904)	1,662,904	-	-
Transfer to income - Secretariat 2021 budget	(1,660,672)	-	-	(1,660,672)
Transfer to income - Secretariat 2021 budget	-	(260,000)	-	(260,000)
Withdrawal - COMESA CC 2021 budget	(68,660)	-	-	(68,660)
Withdrawal - COMFWB budget	(56,160)	-	-	(56,160)
Withdrawal - COMESA RIA 2021 budget	(104,000)	-	-	(104,000)
Prior year adjustments - depreciation adjustments	-	(20,050)	-	(20,050)
Prior year adjustments - expenses	-	(32,355)	-	(32,355)
Prior year adjustments - income	-	52,485	-	52,485
Amortisation of the capital grant	-	545,253	(545,253)	-
At 31 December 2021	15,606,018	39,896,690	16,424,697	71,927,404

2021 Budget Performance.

COMESA Secretariat Performance – Cost Centre

Expenditure	2021 Budget	2021 approved Budget Reallocation	2021 Revised Budget	2021 Actual	2021 Budget Utilisation	2020 Actual
Executive Management	2,075,610	(60,188)	2,015,422	(1,360,585)	68%	(959,548)
Human Resources and Administration	3,657,128	(160,157)	3,496,971	(2,577,881)	74%	(2,886,223)
Budget and Finance	1,946,148	(11,285)	1,934,863	(1,926,275)	100%	(1,305,300)
Trade and Customs	936,207	(5,406)	930,801	(700,284)	75%	(644,593)
Infrastructure and Logistics	697,285	(25,000)	672,285	(483,959)	72%	(455,543)
Agriculture, Environment and Natural Resources	749,918	19,917	769,835	(601,566)	78%	(544,122)
Legal and Institutional Affairs	526,383	9,800	536,183	(346,351)	65%	(510,909)
Gender and Social Affairs	501,757	26,451	528,208	(453,349)	86%	(368,782)
Information Technology	1,042,298	152,151	1,194,449	(1,003,917)	84%	(762,354)
Internal Audit	497,896	-	497,896	(318,073)	64%	(346,958)
Resource Mobilisation and International Cooperation	230,018	7,125	237,143	(203,458)	86%	(187,760)
Strategic Planning	221,237	88	221,325	(206,197)	93%	(206,539)
Corporate Communications	387,020	33,560	420,580	(350,904)	83%	(346,661)
Resource Centre	178,598	-	178,598	(152,660)	85%	(136,391)
Estates Unit	505,144	-	505,144	(331,517)	66%	(319,446)
Brussels Liaison Office	395,474	12,944	408,418	(309,004)	76%	(284,329)
Statistics unit	60,000	-	60,000	(26,093)	43%	(18,176)
External Audit Framework	120,000	-	120,000	(187,322)	156%	(155,634)
Add: Depreciation on property and equipment				(900,230)		(933,648)
Total Expenditure	14,728,120	-	14,728,120	(12,439,624)	84%	(11,372,915)
Add: Finance Costs	75,000	-	75,000	(81,990)		(584,164)
	14,803,120	-	14,803,120	(12,521,614)	85%	(11,957,079)

	2021 Work plan	2021 Available Budget	2021 Actual Expenditure (Draft)	Variance	2021 Commitment/Advances to Member States/ Sub Delegates/ Co Delegates
Expenditure					
Africa Peace and Security Architecture Support (APSA)	818,465	818,465	(417,108)	401,358	119
Transit Transport Facilitation Programme	439,964	439,964	(1,255)	438,709	9
Cross Border Trade Initiative	9,153,296	9,153,296	(1,033,783)	8,119,513	(24,369)
Institutional Capacity Building	-	-	-	-	-
Maritime Security Programme	976,304	976,304	(290,533)	685,772	1
Trade Facilitation	12,845,736	12,845,736	(2,315,953)	10,529,783	(41,323)
Enhancing Capacity in Trade Policy Analysis -TradeCom	2,616,817	2,616,817	(626,465)	1,990,352	-
Enhancement of Sustainable Regional Energy Market	2,710,972	2,710,972	(922,652)	1,788,320	10
EU Global Alliance for Climate Change Plus	2,204,153	2,204,153	(1,670,075)	534,078	(2,547)
Regional Enterprise Competitive & Access to Market Program	2,816,069	2,816,069	(813,864)	2,002,205	(302,765)
Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT)	1,611,726	1,611,726	(133,394)	1,478,331	-
Support to Air Transport Sector Development (SATSD)	1,064,550	1,064,550	(109,719)	954,832	-
Regional Intergration Support Mechanism	7,028,500	7,028,500	(6,609,855)	418,644	373
Fifty (50) Million Women Speak	479,321	479,321	(1,294,205)	(814,884)	24
International Comparison Programme	339,942	339,942	(98,149)	241,793	-
Statistical Capacity Building	174,762	174,762	(6,696)	168,066	-
Statistical Capacity Building V	14,239,164	14,239,164	(167,153)	14,072,012	-
COMESA-EAC-SADC Tripartite Capacity Building Programme	973,184	973,184	(314,139)	659,045	-
Great Lakes Trade Facilitation Programme	694,597	694,597	(656,233)	38,364	(114)
COMESA Regional Infrastructure Finance Facility	2,450,080	2,450,080	(502,419)	1,947,661	-
Mainstreaming SPS Capacity Building	69,737	69,737	(99,859)	(30,122)	-
Developing Capacity in Migration	295,627	295,627	(66,806)	228,820	-
Enhancing Regional Agriculture Commodity	-	-	(20)	(20)	-
COMESA SDC Youth Project	415,350	415,350	(469,056)	(53,706)	(6)

Short Term Projects	139,000	139,000	(582,214)	(443,214)	(2,356)
BIAWE	-	-	(260,329)	(260,329)	-
Eleventh EDF	-	-	(0)	(0)	55
Total Grant Funded Expenditure	<u>64,972,665</u>	<u>64,972,665</u>	<u>(19,930,988)</u>	<u>45,041,677</u>	<u>(372,896)</u>

2020 Audited Financial Statements

During the year 2022 the Financial Audits for 2020 for COMESA Secretariat were finalized and I am pleased to also submit the 2020 audited Financial Statements which will complement the 2020 Management Accounts that you already received.. 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 2020, 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.

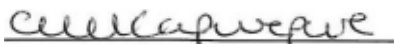
The Secretary General is also responsible for such internal control as she determines are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk 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 Secretariat 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, as identified in the first paragraph, were approved by the Secretary General on 16 June 2022 and are signed by:



Chileshe Mpundu Kapwepwe

Secretary General

Independent Auditors' Report

To the members 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 COMESA – Secretariat set out on pages 12 to 65, which comprise the statement of financial position as at 31 December 2020, the statement of income and expenditure, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of COMESA – Secretariat as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the COMESA financial rules and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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 the Kingdom of Eswatini, Kenya, Democratic Republic of Congo, and Libya 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.

Other Information

The Secretary General is responsible for the other information. The other information comprises the Director's report, the statement of responsibility in respect of the preparation of financial statements and the comparison of budgeted to actual expenditure at the Appendix. The other information does not include the financial statements and our opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

- In accordance with Thirty Sixth Council of Ministers Meeting decision and Article 76 of COMESA financial rules and regulations, we consider and report that:
- The annual budget performance report correctly allocates and reflects actual expenditure to budgetary appropriations as approved by COMESA Council of Ministers;
- The financial rules pertaining to budget implementation were complied with; and

The commentaries on the budget performance included at the appendix to this report were reasonable.

Responsibilities of the Secretary General for the financial statements

The Secretary General is responsible for the preparation of the financial statements that give a true and fair view in

accordance with International Financial Reporting Standards, the requirements of the COMESA rules and regulations and for such internal control as the Secretary General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary General is responsible for assessing the Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretary General is aware of the intention to liquidate the Secretariat or to cease operations.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

COBEA



.....
Timothy S. Matsebula
Auditor General of Eswatini



.....
CPA Nancy Gathungu CBS
Auditor General – Kenya

Date. 16.06.2022.....



.....
Victor BATUBENGA PANDAMADI
Inspecteur General des Finances
Chef de Service Adjoint – DR Congo



.....
KALED AHMED SHEKSHEK
President of Libyan Audit Bureau

COMESA – Secretariat

Statement of financial position
as at 31 December 2020

In COMESA Dollar

	Note	2020	2019
Assets			
Non-current assets			
Property and equipment	6	27,738,659	28,552,705
Investment in equity	7	2,764,116	2,373,776
Member states contributions receivable repayment plan	8(a)	2,077,133	3,156,775
Total: Non-current assets		32,579,907	34,083,255
Current assets			
Member states contributions receivable	8(b)	23,255,627	18,704,515
Amounts due from other COMESA entities	9(a)	429,337	1,019,945
Grant Overheads Receivable	9(b)	361,673	-
Amounts due from other regional economic communities	9(d)	308,529	308,529
Other receivables	10	619,791	604,636
Cash and cash equivalents	11	18,529,505	16,701,718
Total: Current assets		43,504,462	37,339,343
Total: assets		76,084,370	71,422,598
Accumulated funds and liabilities			
Accumulated funds and reserves			
Reserve fund	12	11,403,912	7,924,318
Accumulated funds		41,759,167	40,736,531
Revaluation reserve		16,969,950	17,509,247
Total: Accumulated funds and reserves		70,133,029	66,170,096
Non-current liabilities			
Capital grants	13	447,258	544,644
Total: Non - current liabilities		447,258	544,644
Current liabilities			
Trade payables	14	274,043	272,453
Member States Payable	8(d)	521,470	-

Amounts due to COMESA entities	9(e)	2,388,400	2,344,720
Trust Creditors	9(f)	1,021,011	984,702
Post-employment benefit	15	1,572	11,590
Accruals and provisions	16	1,297,588	1,094,393
Total: Current liabilities		5,504,084	4,707,858
Total: liabilities		5,951,341	5,252,502
Total: accumulated funds and liabilities		76,084,370	71,422,598

These 2020 financial statements of COMESA Secretariat were approved by the Secretary General on **16 June 2022** and signed by:

Chileshe Mpundu Kapwepwe
Secretary General

Dr. Dev Haman
Assistant Secretary General
(Administration and Finance)

Auleria Olunga
Director of Budget and Finance

COMESA - Secretariat

Statement of income and expenditure and other comprehensive income

for the year ended 31 December 2020

In COMESA Dolla

	Note	2020	2019
Income			
Member states contributions	8(b)	14,256,925	14,345,018
Other member states contributions	8(c)	-	508,940
Grant overhead contributions	17(a)	467,344	109,502
Other income	17(b)	958,712	446,770
Total income		15,682,980	15,410,230
Expenditure by function			
Legal and institutional affairs		(510,909)	(407,145)
Gender and social affairs		(368,782)	(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		(346,661)	(350,605)
Resource centre		(136,391)	(150,727)
Estates unit		(319,446)	(295,270)
Brussels liaison office		(284,329)	(323,695)
Statistics unit		(18,176)	-
External audit framework		(155,634)	(50,581)
Depreciation on property and equipment	6	(933,648)	(1,024,102)
Total expenditure	18(a)	(11,372,915)	(13,483,695)
Finance income	19	311,600	315,502
Finance costs	20	(584,164)	(362,615)
		(272,564)	(47,113)
Operating surplus		4,037,500	1,879,422
Amortization of the revaluation reserve		(539,297)	(549,763)
Other comprehensive income		(539,297)	(549,763)
		3,498,203	1,329,659

COMESA – Secretariat

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

In COMESA Dollar

	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	-	4,037,500	-	4,037,500
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)
Transfer to RIA for COBEA costs	(2,679)	-	-	(2,679)
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	11,403,912	41,759,167	16,969,950	70,133,029

COMESA – Secretariat

Statements of changes in accumulated funds (*continued*)
for the year ended 31 December 2020

In COMESA Dollar

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.

COMESA – Secretariat

Statement of cash flows
for the year ended 31 December 2020

In COMESA Dollar

	Note	2020	2019
Surplus for the year		4,037,500	1,879,422
<i>Adjustments for:</i>			
- Depreciation	6	933,647	1,024,102
- Non cash movement in fixed Assets	6	(65,223)	
- Dividend Income	17(b)	(54,040)	(2,802)
- Interest income	19	(311,600)	(305,335)
- Non Cash movement in reserve funds		(74,567)	(447,755)
		4,465,717	2,147,632
<i>Changes in:</i>			
- Member states contributions receivables	8(b)	(3,471,470)	(4,179,386)
- Investment in equity	7	(390,340)	(18,823)
- Amounts due from other COMESA entities	9(a)	590,608	79,772
- Grants overheads receivable	9(b)	(361,673)	-
- Other receivables	10	(15,155)	339,356
- Capital grants	13	(97,386)	(20,724)
- Trade payables	14	1,590	123,318
- Member States payable	8(d)	521,470	-
- Amounts due to other COMESA entities	9(e)	43,680	(111,687)
- Trust creditors	9(f)	36,309	72,750
- Post-employment benefits	15	(10,018)	6,220
- Accruals and provisions	16	203,195	338,163
		1,516,527	(1,223,409)
- Interest received	19	311,600	305,335
Net cash utilized in from operating activities		1,828,127	(918,074)
Cash flows from investing activities			
Dividend received	17	54,040	2,802
Proceeds from disposal of equipment	6	54,335	-
Acquisition of property and equipment	6	(108,712)	(163,269)
Net cashflows in investing activities		(338)	(160,467)
Net (decrease)/increase in cash and cash equivalents		1,827,789	(1,078,541)
Cash and cash equivalents at beginning of the year	11	16,701,718	17,780,259
Cash and cash equivalents at end of the year		18,529,505	16,701,718



COMESA SECRETARIAT
COMESA Center
Ben Bella Road
P.O. Box 30051



+260 211 229 725



www.comesa.int



info@comesa.int



facebook.com/ComesaSecretariat/



[@twitter.com/comesa_lusaka](https://twitter.com/comesa_lusaka)