

Council of Ministers Adopt Legal Instruments to Implement the Tripartite Free Trade Area

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File photo: Launching of the Tripartite FTA in Sharm el Sheikh Egypt, June 2015

The Council of Ministers of the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and the Southern African Development Community (SADC) have adopted legal instruments to implement the Tripartite Free Trade Agreement (TFTA) once it enters into force.

In its 5th meeting conducted virtually on 29 March 2023, the Ministers adopted instruments relating to trade and customs, namely the tripartite agreement on movement of businesspersons, annexes on elimination of import duties, trade remedies, rules of origin, dispute settlement mechanism and the TFTA protocol on competition policy. Further the Council adopted the guidelines, manuals and working procedures developed on rules of origin and technical barriers to trade, which comprise of sanitary and phytosanitary matters and non-tariff barriers.

The other set of instruments adopted relates to road transport. They include Vehicle Load

Management Agreement, Multilateral Cross Border Road Transport Agreement, Vehicle Load Management Model Law, Cross Border Road Transport Model Law, Road Traffic Model Law, Road Traffic and Transport Transgression Model Law, and Transportation of Dangerous Goods by Road Model Law.

In adopting the road transport instruments, the Council applied the principle of variable geometry which allows Member States that are not ready to apply them, to do so when ready. This will provide

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room for discussions to continue at bilateral level while at the same time allowing those countries that are ready, to proceed with their implementation.

With the adoption of these trade and transport facilitation instruments, focus now is on the ratification of the TFTA, which is currently short of three Member/Partner States signatures to achieve the 14 threshold to enable it enter into force. Currently, 22 Tripartite Member/Partner States have signed the Agreement out of which, 11, including, Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi, Botswana, Namibia, Eswatini, Zambia and Zimbabwe have ratified it.

Keynote speakers at the opening of the meeting including COMESA Secretary General, Chileshe Kapwepwe, who is also the current chair of the Tripartite Task Force stressed the need for political will and commitment to ensure the successful implementation of the TFTA.

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Chirundu border post

COMESA, Zimbabwe Sign €920,544 to Construct Border Market at Chirundu

COMESA Secretariat, and the Government of Zimbabwe, have signed a Euro 920,544.28 sub-delegation agreement to construct a cross-border market at Chirundu border post between Zambia and Zimbabwe.

The Secretary General of COMESA, Ms. Chileshe Mpundu Kapwepwe and the Permanent Secretary, Ministry of Women Affairs, Community, Small and Medium Enterprise Development, Zimbabwe Mr. Moses Mhike signed the agreement in a virtual event, on 24 March 2023.

The traders' market which is located at Chirundu on the Zimbabwe side, is funded under the 11th European Development Fund (EDF), Small Scale Cross Border Trade Initiative (SSCBTI). The SSCBTI supports the provision of gender sensitive basic infrastructure for use by small scale cross border traders.

According to an assessment carried out by a consulting firm, IMANI Development in May 2017 at five regional border posts, basic workspace infrastructure is a major requirement of small-scale traders, hence the availability of border market infrastructure would increase the connection between traders and customers and lead to reduced losses especially in perishable stock.

The assessed borders were Kasumbalesa (DRC and Zambia), Chirundu (Zambia and Zimbabwe), Nakonde/Tunduma (Zambia and Tanzania), Mwami/Mchinji

(Zambia and Malawi) and Moyale (Ethiopia and Kenya).

The infrastructure to be constructed will include trading space, secure storage and sanitary facilities and decent trading environment especially for women traders. The provision of this market infrastructure is expected to boost formal small-scale cross-border trade flows between Zambia and Zimbabwe. This will lead to higher revenue collection for governments, increased security and higher income for the small-scale cross-border traders.

In his statement, Mr. Mhike said the development of the Chirundu Traders' Market is part of the Government's thrust to develop decent workspace for micro, small and medium enterprises.

"The support from the European Union is highly appreciated and I would want to assure COMESA of our full cooperation to ensure the completion of the market and its subsequent use by the small-scale traders," he added.

In her remarks, Ms. Kapwepwe noted: "The modalities of implementation of the sub-delegated activities provides an opportunity for Zimbabwe and its key stakeholders to take ownership and lead in the implementation of the activities and final management of the Market as COMESA Secretariat provides the necessary technical guidance to ensure all the rules and procedures are adhered to."

Ambassador of the European Union to Zambia and Special Representative to COMESA Mr. Jacek Jankowski, applauded this milestone:

"The construction of this infrastructure is an example of the EU's support to trade facilitation across major corridors and efficient border actions where they are no disruptions in trade movement of goods and services at borders within the COMESA region. A market at the border is the proximity needed for small-scale traders, especially women and youths to boost their activities. This infrastructure will go a long way in ensuring improved and efficient trade between the peoples of the two borders and beyond."

In his remarks, Mr. Jobst von Kirchmann, Ambassador of the European Union to Zimbabwe stated:

"We are encouraged by the step taken by the Government of Zimbabwe, in collaboration with COMESA, to foster regional integration, especially in the support to small-scale traders at Chirundu border. The European Union stays committed to support the formalization of trade in the COMESA region and in the promotion of sustainable value chain development within the region."

The parties to this agreement looks forward to close collaboration of all stakeholders and ensure the swift implementation and completion of the project.



COMESA Assistant Secretary General for Administration and Finance, Dr Dev Haman touring the stands

Transport Stakeholders Hold Dialogue to Promote Seamless Movement in the Region

A high-level regional dialogue between stakeholders in the transport sector and the government of Zambia took place on 23-24 March 2023, Zambia, focusing on the movement of goods and people as part of encouraging intra-Africa trade.

This was the 2nd Edition of the dialogue dubbed 'Land-linked Zambia Conference and Exhibition' themed 'Leveraging on the Impacts of the African Continental Free Trade Area for the African Transport Industry Focusing on the intra-Africa Movement of Goods and People.

The objective of the conference was to promote growth opportunities available in various countries, explore innovations and showcase ongoing trade and investments. Participants were drawn from the eastern and southern African region representing (indicate sectors/institutions).

This year's theme sought to address the impact of the African Continental Free Trade Area in the transport and logistics industry and eliminate tariffs on goods as well as address non-tariff obstacles to intra-regional and inter-African trade.

The opening ceremony took place, Thursday 23 March 2023, with the Zambia's Minister of Transport and Logistics Hon. Frank Tayali and COMESA Assistant Secretary General for Administration and Finance, Dr Dev Haman addressing the delegates.

Hon. Tayali underscored the role of transport and logistics sector as key enabler of economic growth and development, with Zambia strategically located to complement the regional development plans. Zambia, he said was the key link of the corridor network in the COMESA, EAC and SADC tripartite region.

"By providing the physical networks and services upon which the economy and society depends for the movement of people and goods, transport increases the access of businesses and consumers to market and services," he said. This, he added, promotes diversification and regional integration and thereby supports growth of the wider economy. Dr Haman stressed the importance of seamless flow of goods and people if the continent is to attain sustainable economic growth and development.

"We need a single economic space where everything should happen seamlessly. Traders, businesspeople, officials and political leaders should move seamlessly. Everything should happen seamlessly," Dr Haman said.

He added that COMESA has put in place appropriate policies for free movement of goods, services and capital noting that the private sector is critical in creating wealth and jobs and should therefore work closely with governments.

Tripartite Council of Ministers Adopt...

She appreciated the Government of Kenya for championing the tripartite agenda through its special envoy, the Minister of Trade, Hon Moses Kuria, who has already been to several regional Member/Partner States specifically to lobby for their ratification.

"This commitment by Kenya has given us renewed hope that implementation and realization of the aspirations of the Tripartite will be soon," she said.

The African Development Bank, a key financier to the Tripartite programme, through its representative at the meeting Ms. Leila Mokaddem, welcomed the finalization of the instruments as they will pave way for the implementation of the TFTA.

"Time is of essence," she stressed. "Let us not lose this opportunity. Let us do what we can to accelerate the implementation of the TFTA. The ratification of the agreement by those countries that have not done so is key."

The European Union through its Head of Delegation to Zambia and COMESA, Mr. Jacek Jankowski, informed the ministers that EU had contributed 18 million euros to address obstacles towards an integrated and liberalised road transport market in the eastern and southern African region.

"We are elated to note that through the support of the EU towards the Tripartite Transport and Trade Facilitation programme, seven transport facilitation instruments will be presented for adoption in this session," he said. He added that EU was ready to share lessons from its own process of economic integration, and, to continue supporting infrastructural investment in Africa in its new Global Gateway Strategy.

The Council adopted the decision to establish a joint tripartite and development partners forum for mobilization of resources to ensure sustainability of the projects and activities.

The TFTA was launched in 2015 and brings together 29 countries to create a single market for the COMESA-EAC-SADC Tripartite region. It is anchored on three pillars: market integration, industrial development and infrastructure development.

Taking Stock of The Tripartite FTA Progress Seven Years on

Ministers in charge of trade, customs, finance, economic matters and home/internal affairs from the three regional economic communities (RECs) met virtually on Tuesday, 28 March 2023 to review progress on the implementation of various activities under the Tripartite Free Trade Area Agreement (TFTA).

This was the 9th meeting of the ministers who constitute the Tripartite Sectoral Ministerial Committee (TSMC) of the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and the Southern Africa Development Community (SADC).

Key issues on their agenda were to consider progress reports of the Tripartite Committee of Senior Officials covering the three key pillars of the TFTA namely; market integration, industrial development and infrastructural development.

The last meeting of the TSMC was in 2019, and since then, progress have been reported especially on the market integration pillar and in particular on the exchange of tariff offers and on rules of origin. Negotiations have been concluded on the list of Rules of Origin for 90% out of a total 5,387 tariff lines which are already contained in Annex IV of the Agreement and can be applied when the TFTA Agreement enters into force.

The Minister of Trade and Industry of Egypt, Hon. Ahmed Samir who chaired the meeting stressed the need to ensure the ratification of the TFTA was achieved. He said this will enable the agreement to enter into force and support the Member States to overcome the current challenges such as the impact of the COVID-19 and the global economic difficulties.

Malawi and Tanzania reported that their respective processes to ratify the agreement were underway and are expected to be completed soon. Other key milestones of the TFTA reported at the meeting was the development of an Online Non-Tariff Barriers reporting, monitoring and resolution platform. Under this platform individual RECs can effectively and expeditiously report and have NTBs resolved.

The report of the sectoral ministerial meeting was presented to the 5th Tripartite Council of Ministers, on 29 March 2023.

The Tripartite Free Trade Area Agreement was launched in 2015.



Inset: CCC CEO Dr Willard Mwemba (L) present a dummy cheque of \$10,000 to Malawi Minister Hon. Simplex Banda in support of the cyclone relief efforts

Cyclone Devastation has Renewed our Resolve to Address Climate Change, COMESA SG

Given the increasing impact of climate change-related disasters in the COMESA region and particularly the effect of the recent Cyclone Freddy, which caused unprecedented levels of devastation, we have renewed our resolve to develop and implement programmes that address the effects of climate change, and which enhance the region's preparedness, says COMESA Secretary General Chileshe Kapwepwe.

This was in a solidarity message to the Heads of State of Madagascar and Malawi, two COMESA Member States that have suffered severe destruction of lives, property and infrastructure from the effect of the tropical storm Freddy.

"I take this opportunity to reassure Your Excellency our total commitment to working with government stakeholders through targeted programmes to address structural causes and to help build climate resilience at both regional and national levels," Ms Kapwepwe stated.

Further, she reiterated COMESA's support to the implementation of the outcomes of COP 27 that was held in Sharm el-Sheikh, Egypt in 2022 and called on all States to fulfil their obligations.

She further called upon COMESA Member States and the international community to stand with Madagascar and Malawi to ensure the quickest return to normalcy, noting that the region is yet to fully recover from the economic devastation from

COVID-19 and the impact of the conflict in Europe.

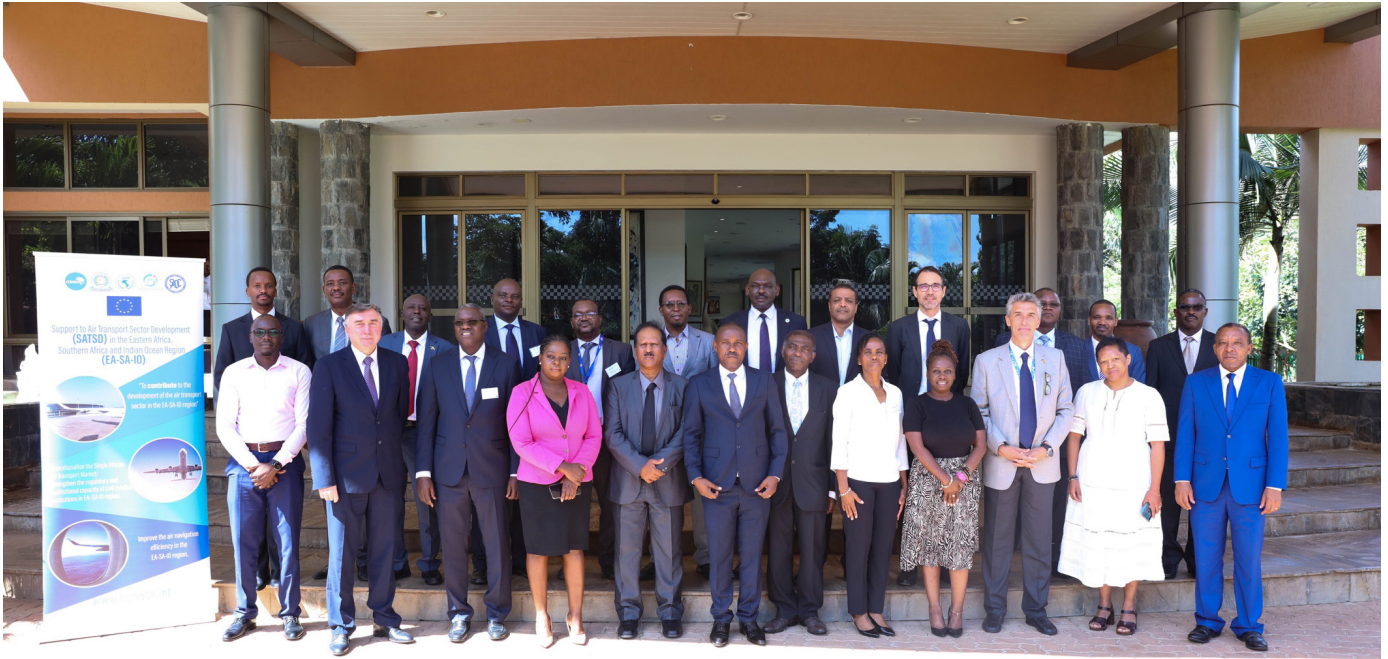
Meanwhile, the COMESA Competition Commission (CCC) donated US\$ 10,000 to the Government of Malawi towards the relief effort in response to the effects of the Cyclone. CCC Chief Executive Officer, Dr. Willard Mwemba handed over the cheque to the Minister of Trade and Industry, Hon Simplex Chithyola Banda.

"We cannot talk of enhanced trade when one Member State of the regional bloc cannot participate in that trade because of the tragedy that has befallen them" Dr Mwemba said. "We are, therefore, compelled from an official and formal point of view as COMESA to ensure that we do something to alleviate the suffering of our brothers."

Hon Banda appreciated the gesture extended by the COMESA institution. He appealed to more organizations and companies both domestic and international to assist the Government to support the survivors as well as in the post-recovery initiatives such as offering moratorium or re-financing of macro, small and medium enterprises.

He said the Ministry will embark on an assessment of MSMEs and analyze the data to inform about measures to be taken to assist those SMEs affected

(Additional source: Ministry of Trade and Industry, Malawi)



Aviation experts at the Programme Steering Committee

Aviation Experts Meet to Review Air Transport Programme

The steering committee of the Programme on Support to the Air Transport Sector Development Programme (SATSD) met in Lusaka, Zambia from 30 – 31 March 2023 to review the programmes implementation and approval of the 2023 work programme.

SATSD was established in 2020 with a Grant Agreement Euro eight million between COMESA and EU to operationalize the Single African Air Transport Market (SAATM), strengthen the regulatory and institutional capacity of civil aviation institutions in the eastern African, Southern African and Indian Ocean. The three-year programme is funded under the 11th European Development Fund and covers COMESA, East African Community, Intergovernmental Authority on Development, Indian Ocean Commission, and the Southern African Development Community.

This year's focus will be preparatory activities to conduct SAATM awareness among the

Member States that have not yet signed the Solemn Commitment to fully implement the 1999 Yamoussoukro Declaration (YD), which allows all participating countries to lift market access restrictions for airlines, remove restriction on ownership, grant each other extended air traffic rights and liberalize flight frequency and capacity limits.

SAATM also seeks to harmonise safety and security regulations in aviation, based on International Civil Aviation Organization (ICAO) requirements.

The Lusaka meeting was the second for the steering committee and was opened by COMESA Assistant Secretary General Administration and Finance Dr Dev Haman who appreciated the EU support to the programme.

Head of Cooperation of the EU delegation to Zambia and COMESA, Mr Claudio Bacigalupi noted that the

aviation sector has the potential to make Africa a better place, improve connectivity within and outside the Region and contribute to economic, social progress and improve the lives of its people.

"If we want to succeed in developing the sector, an urgent need to address the financial and institutional capacity challenges that are hampering its development, and to bring the policy and regulatory framework in line with international standards," he stressed.

Other participants at the meeting were drawn from the African Union Commission, African Civil Aviation Commission Constitution, Civil Aviation Safety and Security Oversight Agency International Civil Aviation Organization - Eastern and Southern African, African Airlines Association, Satellite Navigation in Africa JPO and Aviation Sector Support Programme II.

Coming Soon: Online Platform for Trade in Services

COMESA will soon launch an Online Platform for Trade in Services that will be used to facilitate speedy and efficient negotiations and provide digital communication, thanks to the Afreximbank which has helped develop the platform. On 29 – 31 March 2023, officials from the 21 COMESA Member States, who deal with trade in services matters attended a training in Lusaka, Zambia and online, on how to use the platform. The training forum also presented an opportunity to validate two studies that have been conducted to assess the status of trade in business services and construction services in the region, to facilitate negotiations in those two sub-sectors. Also participating in the training were COMESA Secretariat staff that handle trade matters and information, communication technology.



Member States focal persons on Trade in Services at the training



Staff from regional Central Banks attending training in Kenya

Understanding Financial Market Volatility is Critical for Implementing the COMESA Framework for Assessing Financial Stability

Twenty-one staff from 10 Central Banks in COMESA Member States namely: Burundi, Egypt, Eritrea, Madagascar, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe have been trained on modelling and forecasting financial markets volatility.

The training was organized by the COMESA Monetary Institute (CMI) on 27 - 31 March 2023 in Nairobi, Kenya. Its objective was to develop the capacity of the bank staff to better understand the policy direction in the context of the current challenging macroeconomic environment that the region is facing. These include severe

exchange rate pressures owing to multiple global shocks of elevated inflation, adverse effects of COVID-19 and the war in Ukraine.

Addressing the participants CMI Director, Dr. Lucas Njoroge noted that Central Banks were confronting high inflation thus compelling them to accelerate monetary policy tightening to avoid inflationary pressures from becoming entrenched.

"The tightening global financial conditions associated with interest rate hikes in some advanced countries has disrupted capital flows,

leading to financial market volatility especially in small open economies, including those in the COMESA region," he noted.

Given the on-going turmoil in the external environment, he added, there is renewed need for a better understanding of financial variables volatility, their estimation and forecast, as this is important for gauging the vulnerability of financial markets and the economy. A better understanding of financial market volatility is there critical for the implementation of the COMESA Framework for Assessing Financial Stability.



COMESA, UNDP

Undertakes to Deepen Partnership

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COMESA and the United Nations Development Programme (UNDP) have unveiled a roadmap for deepened strategic partnership in the region and announced new areas for joint programming that considers innovation, adaptability and sustained regional leadership.

The undertaking was made at the opening of a two-day partnership dialogue between the two organisations held in Lusaka, Zambia 4 – 5 April 2023. It is themed: **“Enhancing COMESA-UNDP Synergy for Regional Integration and Promoting Socio-Economic Opportunities in the Borderlands of East and Southern Africa.”**

The focus areas include investments, peace and security, environmental sustainability, and cross border cooperation. The dialogue will also strengthen collaboration in achieving the United Nation’s 2030 Agenda and Africa Union’s Agenda 2063.

Secretary General of COMESA, Ms Chileshe Kapwepwe, who addressed the forum stressed the role of regional integration in the realization of the region’s aspirations for sustainable and

inclusive growth and development.

She cited the COMESA initiatives on trade integration focusing on gender equality and youths, democracy and governance, small-scale cross-border trade, conflict prevention and post conflict reconstruction and development.

“These initiatives have been facilitated through various cooperating partnerships both at the regional and international level to address the thematic issues, that are critical in the attainment of regional peace and security, and which include transnational organized crimes, youth empowerment, children affected by armed conflict, and climate security,” she said.

UNDP Zambia Resident Representative, Mr. Lionel Laurens said that there is need to unlock the full potential of the region by creating a more prosperous future for all.

“Through our collaboration, the UNDP and COMESA we will strive towards building resilient economies that can withstand shocks, promote sustainable development, empowering women,

and youth, and improving the livelihoods of the people in the region. This includes promoting job creation, developing infrastructure, and promoting sustainable agriculture and natural resource management,” Mr. Laurens said.

Participants at the dialogue were drawn from the UNDP regional office in Kenya and Zambia as well as COMESA members of staff.



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