

Common Market for  
Eastern and Southern Africa



2022  
ANNUAL REPORT



# 2022 ANNUAL REPORT

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# 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

Since its establishment in 1994, COMESA has grown into a globally recognised Regional Economic Community which has continued to be a key player in integration efforts of the region and the African continent at large. Through its regional programmes, COMESA and its specialised institutions and agencies have made notable contributions to socio-economic transformation in the areas of trade liberalization and facilitation, customs and border management, transport and transit facilitation, promotion of gender equality and women and youth empowerment, and policy coordination and cooperation in the productive sectors to boost agricultural productivity, enhance value addition and the development of beneficial regional value chains. Additionally, support has been provided in trade and project finance, institutional development, technical co-operation, and capacity development.

The year 2022 marked the 2nd year of implementation of the 2021-2025 COMESA Medium Term Strategic Plan (MTSP) which represents a bold statement of commitment, and a road map for the achievement of the goals of regional integration. Guided by the MTSP, it is critical that COMESA as an organisation remains “fit for purpose” and continues to facilitate and support regional development through its various initiatives with a deliberate approach which draws from lessons learnt and best practices and proactively responds to the socio-economic needs of its Member States. In recognizing the importance of harmonizing development efforts, COMESA’s strategy remains aligned to continental and global development frameworks including the African Union’s Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals.

As the region continued to recover from the Covid-19 pandemic in the period under review, COMESA working with various development partners at the regional and Member State’s level continued to support market integration with the view of facilitating the smooth flow of goods, persons, capital and services through its programmes focused on trade facilitation and the promotion of small-scale cross-border trade. Efforts continued to be made to develop trade facilitation tools and instruments and legal and regulatory frameworks and guidelines to promote 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 to contribute towards food security and productivity in select value chains. Additionally, through its Climate Change Programme, COMESA continued to play a key role in supporting Member State's resilience to the adverse impacts of climate change.

Concerning infrastructure development, COMESA amongst others continued to implement programmes aimed at the establishment of a harmonized and inclusive regulatory and institutional framework for the Transport, Energy and ICT sectors.

In efforts to promote gender equality and empowerment of women and youth, gender mainstreaming in all programmes was supported in addition to continued 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, the First Meeting of the COMESA Ministers of Health was held which made key resolutions to develop the health component of the programme.

To ensure that the Secretariat continues to provide technical support and advisory services to the Member States in the implementation of the Treaty, efforts continued to be made to improve efficiency and workflows and the establishment of a supporting organisation structure.

While noting continued challenges to regional integration globally and regionally, as demonstrated, COMESA programmes remain relevant and significant to socio-economic development. It is important to note that the success of regional integration efforts is dependent on the full participation and involvement of key stakeholders if the set objectives are to be achieved. COMESA'S various development partners are commended for their continued support without which COMESA's reach in the region and beyond would not be possible. I conclude with an appeal for renewed political will and continued commitment from our Member States and Partners to COMESA's regional integration agenda in line with 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 2022 COMESA Annual Report.

***Chileshe Mpundu Kapwepwe***  
***Secretary General***  
***Common Market for Eastern and Southern Africa (COMESA)***



## Message from the Chair of the COMESA Authority

Since it was established in 1994, and as one of the eight regional economic communities recognized by the African Union, COMESA has been working on deepening regional and continental economic integration. 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 excellent technical expertise and capacity in developing and implementing extensive programmes in the areas of trade, customs and monetary affairs, transport, communication and information technology and energy, agriculture and industry, environment and natural resources, and gender and youth empowerment.

Among the COMESA's key achievements in the areas of focus have been the development and implementation of trade, transport and transit facilitation instruments that have been beneficial to the promotion of cross border trade along the main regional corridors.

In the productive sector, COMESA has continued to be guided by its Industrial Strategy and Action Plan in implementing initiatives anchored on agriculture, industry and the services sectors. These are based on value addition, diversification, innovation and common regional standards.

In line with COMESA's objective to promote people-centred regional development and social inclusion, deliberate efforts continue to be made to strengthen gender mainstreaming in all programmes and prioritising women and youth empowerment.

In the context of peace and security in the region, which is key in supporting inclusive beneficial trade activities, COMESA has developed mechanisms and tools to address conflicts, insecurity and instability. These mechanisms and tools have contributed towards supporting Member States in entrenching the principles of democracy and good governance in the region.

Although the region had recovered from the negative impacts of COVID-19 in 2022, and achieved significant progress on the average economic growth rate to reach 5.9% during the second half of 2021, the global economic shock triggered by the geopolitical tensions negatively affected the region through high global commodity prices. These resulted in slow economic growth rates of 4.8% by the end of 2022.

It is worth noting that in addition to the impacts of the geopolitical tensions, there remains other challenges that affect the regional economic growth. The region is facing a difficult environment that is characterised by unpredictable prices of basic commodities, rising inflationary pressures and their negative impacts on fiscal and external balances in the commodities' importing countries. This in addition to tighter-than-expected global financial conditions affecting the regional economies, and the threat of emergence of new COVID-19 variants.

To mitigate the said challenges and enhance the potential gains as well as to guarantee protection to the vulnerable groups in the society, the main approach to be followed will include the commitment by COMESA Member States to implement the continental and regional economic integration initiatives. These should be based on trade, investment and industrialisation to achieve the desired structural transformation of the Member States' economies and to boost agricultural productivity to improve livelihoods and food security.

In addition, Member States are encouraged to leverage and actively participate in trade facilitation arrangements including the African Continental Free Trade Area (AfCFTA) and the Tripartite Free Trade Area (TFTA) to strengthen value-addition and industrial growth and increase the role of digitization to play an important role in the economies of the Continent.

In conclusion, allow me to take this opportunity to reiterate the importance of continued commitment to the COMESA regional integration agenda by our key stakeholders, and to commend the development and cooperating partners for their financial and technical support to implement the different COMESA programmes and activities. I also seize the opportunity to call upon the countries to continue their support to the regional economic integration objectives, which guarantees sustainability of programmes and greater impact in the long term. Furthermore, I'd like to express my gratitude to the Secretariat for the continued service provided to the Common Market.

***H. E. Abd-El-Fattah Al-Sisi***  
***President of the Arab Republic of Egypt, and***  
***Chairperson of COMESA Authority of Heads of States and Governments***

## 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 2022, capturing key achievements and challenges encountered. Notwithstanding the challenges experienced in the period under review globally and regionally, which amongst others included disruption in global supply chains, exchange rate pressures, and increase in oil and food prices, the post Covid-19 pandemic period allowed COMESA to re-kick start physical implementation of programme activities, guided by the 2021-2025 Medium Term Strategic Plan (MTSP) with its Member States and development partners. In the period under review, COMESA made progress in the key pillars of market integration, physical integration/connectivity integration, productive integration, and gender and social integration which are critical to the integration agenda and contribution towards the achievement of sustainable and social progress in the Member States.

In efforts to facilitate market integration by facilitating the seamless flow of goods, services, capital, people and the right to establishment and residence within the region, COMESA continued to support trade and transport facilitation and simplification and harmonization of documents and procedures amongst others. Mainly anchored in the Trade Facilitation Programme (TFP) and the Small-Scale Cross Border Initiative (SSBTI), under the EDF 11 Programme, COMESA implemented specific interventions with the objective to increase intra-regional trade flows of goods, persons and services by reducing costs/delays of imports and exports. These included the following amongst others, Elimination of NTBs, COMESA Rules of Origin, Electronic Certificate of Origin (eCO), Authorised Economic Operator (AEO) Programme, Coordinated Border Management (CBM) and related components at selected borders, Trade in Services, implementation of the WTO Trade Facilitation Agreement (TFA), Sanitary and Phyto-Sanitary (SPS) Measures and Technical Standards and the Simplified Trade Regime (STR). Activities in the period under review with the aim to further implementation of trade facilitation interventions were focused on adoption of legal and regulatory frameworks and guidelines, provision of technical and financial support to the Member States and capacity building.

To ensure that COMESA remains responsive to the dynamic environment, several research and capacity building initiatives were undertaken and supported including the 9th COMESA Annual Research Forum. The COMESA Statistics Programme mainly through technical support and capacity building at Member States level, continued to respond to the statistical needs of the 2021-2025 MTSP through the provision of policy responsive statistics, that are timely and reliable.

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 Phase II with the support of AfDB. Additionally, COMESA continued to support aspects related to the operationalisation of the African Continental Free Trade Area (AfCFTA).

COMESA through the implementation of the programme on governance, peace and security, continued to contribute

towards the promotion of inclusive peace, security, stability and enhanced democratic governance through the establishment of effective national and regional institutional mechanisms and structures under continental frameworks such as APSA. This included implementation of activities related to the COMESA Early Warning (COMWARN) Structural Vulnerability Assessment (SVA) Model. In support of the principles of democracy and governance, the programme launched and concluded an election observation mission to Kenya.

In efforts to contribute to addressing supply side constraints related to infrastructure in the sectors of Transport, Energy and ICT in the COMESA region, main activities in the period under review aimed at supporting the establishment of a harmonized and inclusive regulatory and institutional framework. Regarding the energy sector, key activities included studies, reviews of existing frameworks and development of standards and frameworks under the Regional Infrastructure Finance Facility (RIFF) Project, and the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) - Project on Enhancement of a Sustainable Regional Energy Market (ESREM). Under the ICT sector, key activities included studies under the Programme on Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean Region (EA-SA-IO). Studies undertaken in support of the energy and ICT sectors are key in mapping and establishing pre programme baseline status to support the identification and recommendation of measures to harmonize the legal and regulatory frameworks.

Regarding the transport sector, activities were implemented under the Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa, and Indian Ocean (EA-SA-IO) Region Programme with a focus on aspects of the Yamoussoukro Declaration (YD). Additional activities in support of the transport sector included, continued efforts to establish the COMESA Shipping Line, resource mobilisation for the establishment of a Navigational Line between Lake Victoria and the Mediterranean Sea (VICMED) Project and activities related to the implementation of the Road Transport Policy and Regulatory Harmonization under the Tripartite Transport and Transit Facilitation Programme (TTTFP) at the COMESA cluster level and Member States level.

In efforts to catalyse inclusive agricultural growth and sustainable transformation, the COMESA Agriculture Programme in the period under review, focused on advancing the implementation of Comprehensive African Agriculture Development Programme (CAADP) /Malabo commitments to boost agricultural productivity and production in the region for improved livelihoods and food security and facilitation of sectoral reviews of the implementation of agriculture, environment and natural resource strategic plans and programmes to inform and provide strategic guidance. Additionally, the programme contributed to strengthening agri-food data systems in the region for improved agricultural market access and trade in select commodities in the region and developed COMESA regional strategic frameworks/guidelines to enhance post-harvest management, agri-food market access and trade, and food and nutrition security in the region.

The COMESA Livestock and Fisheries Programme implemented activities aimed at contributing to increased 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. These were mainly implemented under the following projects at regional and national level, ECOFISH Programme, Fish-GOV II Programme with AU-IBAR for Sustainable Development of Fisheries and Aquaculture, and the Enhancing Regional Livestock and Product Trade Project supported through Live II-Africa Project.

Guided by the 2017 – 2026 COMESA Industrial Strategy and Action Plan, highlights of the COMESA Industrialisation Programme included amongst others, support towards the domestication of the COMESA Local Content Framework in Member States, implementation of the Zambia – Zimbabwe Joint Industrialisation Cooperation Programme, and development of the COMESA Support Towards Regional Pharmaceutical Sector Development Project with the support of the AfDB aimed at providing institutional support for the development of the pharmaceutical industry.

In the period under review, Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) with the support of the EU continued to contribute towards the deepening of regional economic integration in the COMESA region by enhancing the competitiveness of the private sector, with a specific objective of increasing private sector participation in sustainable regional and global value chains. Through its implementing partner institutions, Member States received technical support towards expanding market access and improving competitiveness in the targeted value chains.

Key activities aimed at improving levels of implementation of harmonized, science based Sanitary and Phyto-Sanitary (SPS) Measures and Technical Standards in the period under review included amongst others: facilitation of procurement of metrology equipment for National Metrology Institutes and Legal Metrology Organisations, in efforts to strengthen/upgrade metrology infrastructure at Member States level, identification of potential additional laboratories to strengthen the COMESA Reference Laboratory System and Conformity Assessment, capacity building of laboratory analysts and implementation of activities related to the Green Pass Scheme which is an initiative targeted at small-scale traders to reduce trading costs associated with SPS measures.

In efforts to contribute to the improvement of regional and national adaptation and mitigation responses to climate change challenges faced by COMESA Member States at the operational, institutional and financial levels, the COMESA Climate Change programme implemented the Intra ACP GCCA+ Programme. The programme aims to increase the resilience of the COMESA region to climate change and achieve the UN's Sustainable Development Goal on climate change and its impacts to reduce poverty and promote sustainable development. Amongst the key activities implemented by the programme at the regional and specific country level support, was the Climate-Smart Agriculture (CSA) Projects including landscape- and ecosystem-based solutions scaled up from which select Member States benefitted.

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 continued to promote gender equality and empowerment of women, support to Women SMEs in selected value chains, strengthening the generation of gender statistics, women's participation in leadership and research and networking. Additionally, the programme implemented various activities in support of social affairs and youth empowerment. Most notably, the First Meeting of the COMESA Ministers of Health was held which made key resolutions to develop the health component of the programme. Additionally, the programme 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). Key achievements of the intervention included implementation of national and regional activities on youth engagement and capacity building.

In continued efforts to establish an effective Secretariat in line with the 2021-2025 MTSP, activities were undertaken to provide legal support and legal advisory services to the organs of the Common Market, Institutions and Specialized Agencies, and Secretariat, strengthen modalities for resource mobilization and international cooperation, undertake strategy management, implement and maintain information systems, IT infrastructure and IT system support services and manage its human resource base. Additionally, work was undertaken to enhance access to information on the COMESA regional integration agenda, its opportunities, and benefits among stakeholders, for increased visibility. The Secretariat continued to work towards the automation of identified core processes to improve efficiency.

The COMESA Institutions created to promote regional co-operation and development in the implementation of the provisions of articles of the Treaty continued to adequately play 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 support to the rest of the African continent demonstrating their growth and relevance to economic progress.

Perennial challenges continue to affect implementation of COMESA Work Programmes, these include 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 all key stakeholders to adequately address the challenges.

# 1

Chapter One

## MACRO-ECONOMIC DEVELOPMENTS IN THE COMESA REGION IN 2022

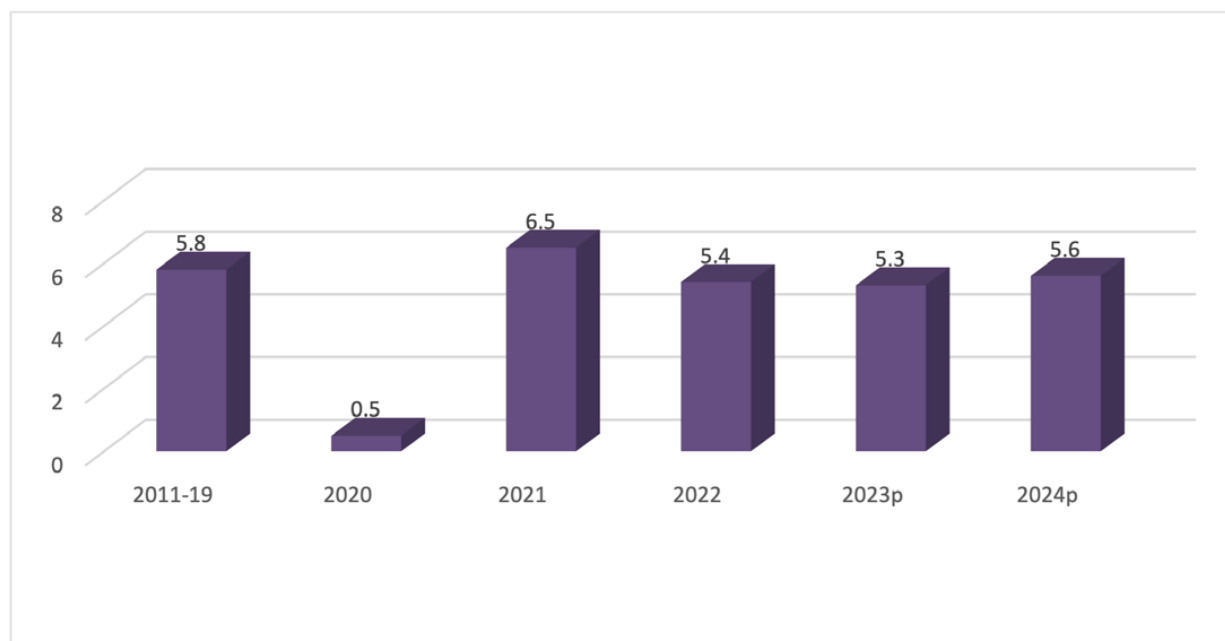
## Background

This report presents macroeconomic developments in the COMESA region in 2022. 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.

## Economic Growth

COMESA region's average growth declined to 5.4% in 2022 from 6.5% in 2021. On average, economic activity contracted in most COMESA member countries (Figure 1), on confluence of several factors, including elevated economic imbalance in the wake of the COVID-19 pandemic, a drastic and pro-cyclical tightening of global financial conditions on account of the protracted Russia-Ukraine war. The tight financial conditions have led to higher global interest rate spreads and exacerbated exchange rate depreciations — raising dollar-denominated borrowing and debt servicing costs. The economic situation is further complicated by persistently increasing global inflation leading to a cost-of-living crisis (high prices of food, fuel and fertilizer).

**Figure 1: COMESA average real GDP Growth (y-o-y % change)**



Source: IMF REO Sub Saharan Africa April 2023

Looking outward, IMF projects the region's growth momentum to slow down for a second year in a row to 5.3% in 2023 following the strong rebound in 2021. Growth will recover somewhat to 5.6% in 2024, but remain subdued relative to pre-pandemic levels. The projected decline in 2023 is on account of shrinking fiscal space arising from the financing squeeze the region currently faces. The global tightening cycle continues to pose higher uncertainty, including increasing foreign currency denominated borrowing and debt servicing costs and exchange rate depreciations. This is compounded by policy struggles from the ramification of the pandemic, including rises in central bank rates to fight inflation; and the dampening effects of the war in Ukraine on global economic activity and thus the region's export demand.

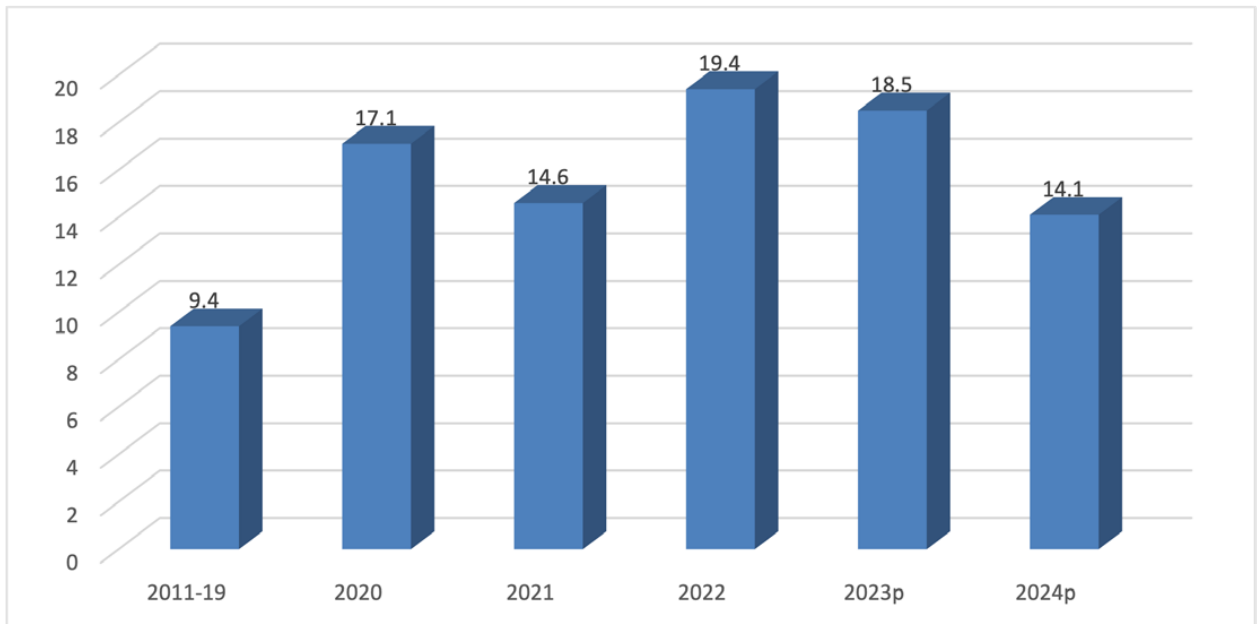
Recovery in 2024 is premised on among others, expected recovery in global economic activity from the effects of the war in Ukraine; expected easing in global financial conditions as global inflation is expected to recede somewhat and expected decline in crude oil prices as demand pressures subside. These factors are expected to jointly lead to higher private consumption and investment in these countries. However, the outlook for global economic recovery is clouded by downside risks, including sizeable uncertainty on account of multiple shocks seen in recent years; sticker-than-expected global inflation which could prompt further tightening of global financial conditions which could pile more

pressure on the exchange rate and further squeeze the already tight financing conditions in the region.

### **Inflation Rate**

The COMESA region wide average inflation rate rose to 19.4% in 2022 from 14.6% in 2021, which is more than double the pre-pandemic average of 9.4% (Figure 2). There was strong build-up of inflationary pressures in most COMESA countries in 2022, hitting double digit particularly in countries that have greater reliance on food imports or suffered the wrath of climate change (droughts, storms and floods) which amplified the effect of distortions in global supply chain and on a significant increase in international energy prices during the year under review. Furthermore, some countries yielded to significant pressures to raise public wages in response to increases in the cost of living triggered by higher food and fuel prices. As per IMF REO data, nine (09) COMESA member countries, namely Djibouti, Eritrea, Eswatini, Kenya, Libya, Madagascar, Seychelles, Somalia, and Uganda achieved the COMESA macroeconomic Convergence Criteria of 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 2023

The fuel pump price pressures have started to recede following a fall, by up to 30% in international crude prices, as at end of 2022 from their peak in mid-2022 and are estimated at \$74.2 and \$70 per barrel in 2023 and 2024, respectively, down from \$85.5 in 2022. Global food prices have also started to ease and are projected to continue on easing trajectory over the IMF’s two year’s projection horizon, by 4.9% and 2.5% in 2023 and 2024, respectively. These developments are expected to slow down global inflation, providing some retrieve for the region.

Reflecting these considerations, region wide inflation is projected to ease somewhat to 18.5% in 2023 and further to 14.1% in 2024 (Figure 2), although largely remain above the pre-pandemic average of 9.4%. As noted in part above, the bright picture on inflation outlook is contingent on expected easing of global but also local supply challenges, and the likelihood that the region’s central banks would anchor inflation expectations should inflationary pressures threaten to strengthen.

### **Monetary and Exchange Rate Developments**

In 2022, inflation, on average, remained elevated, hitting double digit particularly in some countries that have greater reliance on food and fuel imports and/or suffered the wrath of climate change and/or yielded to significant pressures to raise public wages in response to increases in the cost of living triggered by higher food and fuel prices. IMF projections point to inflation staying above the pre pandemic level over the immediate two-year forecast horizon. Output levels, at the same time, remain depressed, and is projected to decline steadily for a second year in a row to 2023 at levels below the pre-pandemic level. Deterioration of business and consumer confidence could depress economic activities in key advanced economies and spill over to economies of the region through lower demand for

imports and lower commodity prices. Regional Central Banks, thus, face a difficult balancing act between curbing inflation and supporting the still-fragile recovery. To reign on persistently high inflation, exchange rate pressures and to anchor inflation expectations, almost all central banks in the region tightened policy rates through the end of 2022. But this will continue to pose a challenge to a quick recovery in most countries in the region.

Going forward, monetary policy needs to be increasingly data-dependent depending on country specific circumstances. Jurisdictions experiencing persistently high inflation may consider to continue the tightening cycle in a decisive manner to de-anchor the second-round effects. Elsewhere, tight policy stance may be continued but at a pace consistent with the level and trajectory of inflation and in close coordination with fiscal policy, in part, to tame, where they exist, domestic demand pressures; while where inflation has peaked but still relatively elevated, monetary policy need to be steered cautiously until inflation is firmly on a downward trajectory and projections have returned to the central bank medium term target.

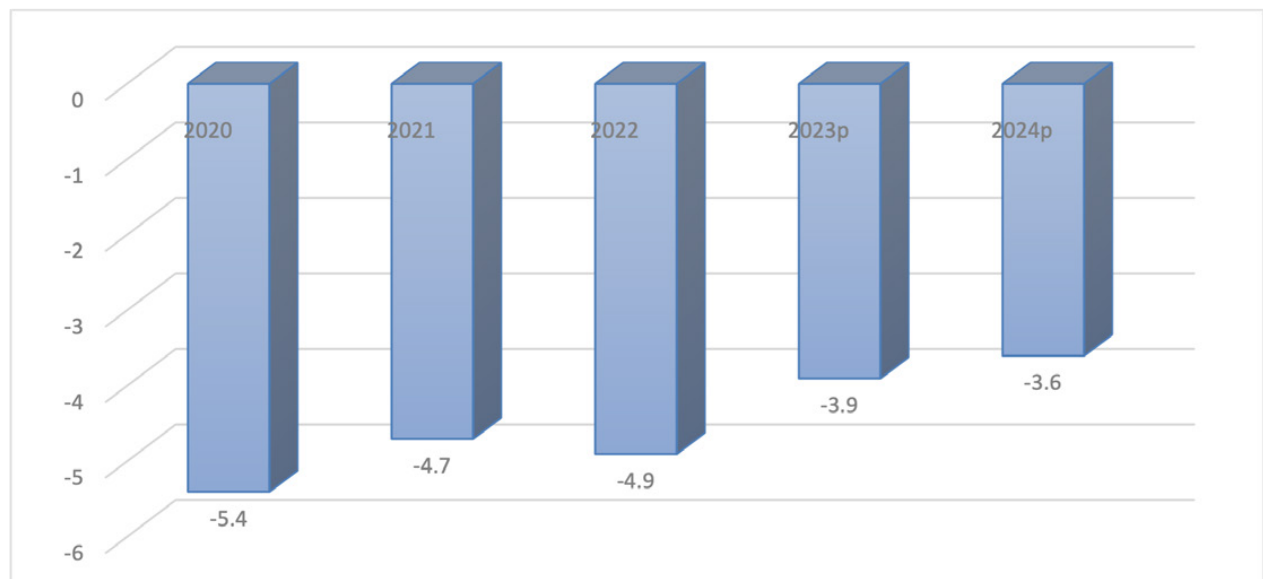
For countries in the region under a flexible exchange rate and where inflation was aggravated by the exchange rate passthrough and/ or fiscal imbalances, the tight monetary policy stance and fiscal consolidation helped to alleviate the pressure by keeping inflation expectations in check and stem capital outflows while attracting inflows, and rein in external imbalances and contain the increases in debt related to exchange rate depreciation. Most countries are going through high inflation and also experiencing depreciation of local currencies against the US dollar attributed to a high dependency on imports that are invoiced using US dollars. Currency depreciation is also contributing to higher general government debt especially because most external debt is dollar denominated.

Continuation of foreign exchange interventions to smooth exchange rate volatility, provided reserve buffers permit, will be particularly 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. On the other hand, currency peggers generally experienced moderate inflation, and will need to keep a close watch on inflation trajectory while keeping policy rates in lock with the anchor policy rate to preserve external stability and foreign exchange reserves.

### Overall Fiscal Balance Including Grants

After a significant deterioration of the region's average fiscal deficit including grants as a percentage of GDP of 5.4% in 2020, the deficit started to decline to 4.7% and 4.9% in 2021 and 2022 respectively, with a projected consolidation to a deficit of 3.9% in 2023 (Figure 3). The deterioration reflects a combination of higher tax revenues and fiscal adjustment as countries continue to consolidate their public finances to preserve fiscal sustainability (particularly those with elevated debt vulnerabilities) on the path to a credible and transparent medium-term fiscal policy framework.

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



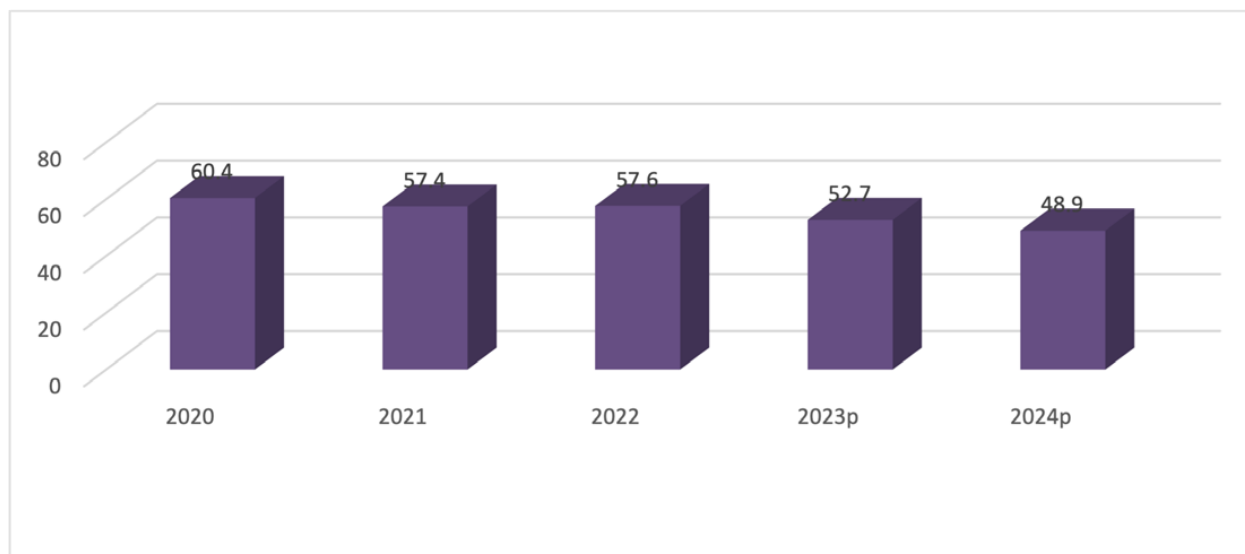
Source: IMF REO Sub Saharan Africa April 2023

Relative to 2021, the deficit in 2022, narrowed in 12 COMESA countries—Djibouti, Egypt, Eritrea, Kenya, Mauritius, Rwanda, Seychelles, Somalia, Tunisia, Uganda, Zambia and Zimbabwe, but deteriorated somewhat elsewhere. Moreover, as per IMF REO data, 10 COMESA countries, namely, Comoros, DRC, Djibouti, Eritrea, Ethiopia, Mauritius, Seychelles, Somalia, Sudan and Zimbabwe achieved the COMESA macroeconomic Convergence Criteria of overall budget deficit/GDP ratio (including grants) of 5%.

### Government Debt

The region’s average Government debt as a share of GDP increased, albeit marginally to 57.6% in 2022, compared to 57.4% in 2021 (Figure 4), reflecting a combination of still-large overall fiscal deficits because of overlapping crises, slower growth and the impact of exchange rate depreciations. As per the IMF REO data, about nine (09) COMESA member countries, including, Comoros, Democratic Republic of Congo, Djibouti, Ethiopia, Eswatini, Madagascar, Rwanda, Seychelles and Uganda, achieved the revised COMESA secondary Convergence Indicator of total government debt as a share of GDP of less than 65%.

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



Source: IMF REO Sub Saharan Africa April 2023

Going forward, average region government debt to GDP ratio is projected to ease to 52.7% in 2023 and further to 48.9% in 2024, on account of increased efforts to boost revenue mobilization, and increasing and prioritizing the efficiency of spending, including phasing out of untargeted subsidies. The challenging external financing conditions, marked, in part, by declining aid flows disproportionately adds to the funding squeeze particularly for countries relying primarily on foreign aid for financing their development needs. Climate change is presenting additional spending pressures on shrinking fiscal budgets. In addition to social spending and protection of the most vulnerable segments of the populations amid the ongoing cost-of-living crisis through targeted transfers, if continued, could raise further regional governments’ debt and financing risks, complicating choices for the existing policy space and eventually, vulnerability of these countries to debt default.

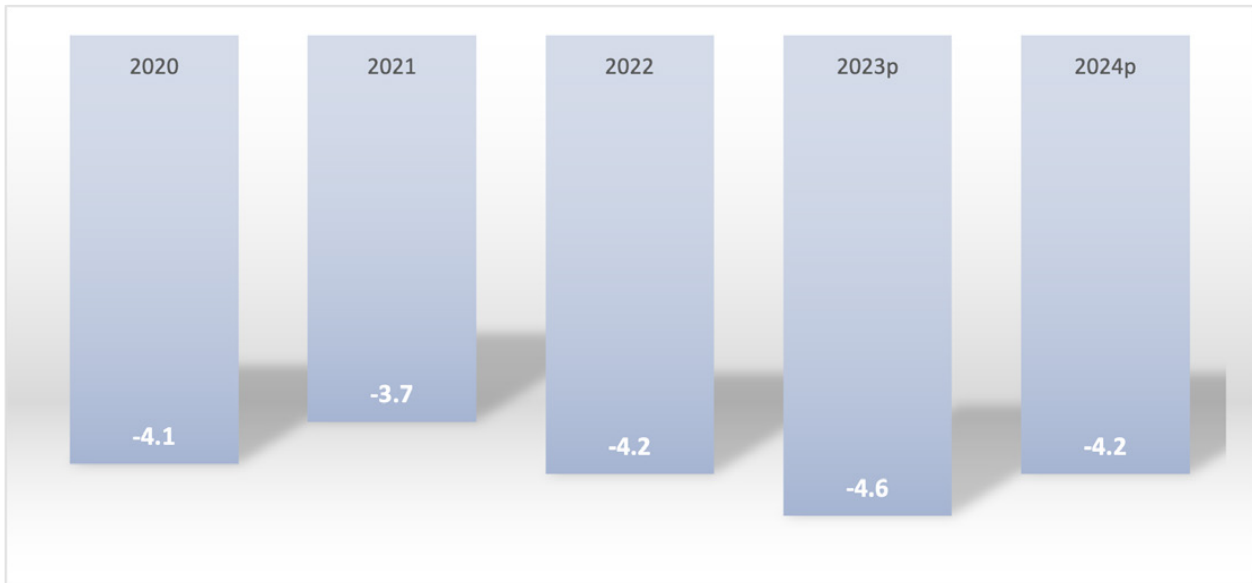
### External Current Account Including Grant

The COMESA region external current account including grants, as a percentage of GDP, deteriorated to an average of -4.2% in 2022, relative to -3.7% in 2021 (Figure 5). The persistent external current account deficit for most economies in the region is due to persistent trade imbalances due to a combination of declining export demand and relatively inelastic import bills because of higher commodity prices, and in some cases late disbursement of external aid flows



faced by most countries in the COMESA region.

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



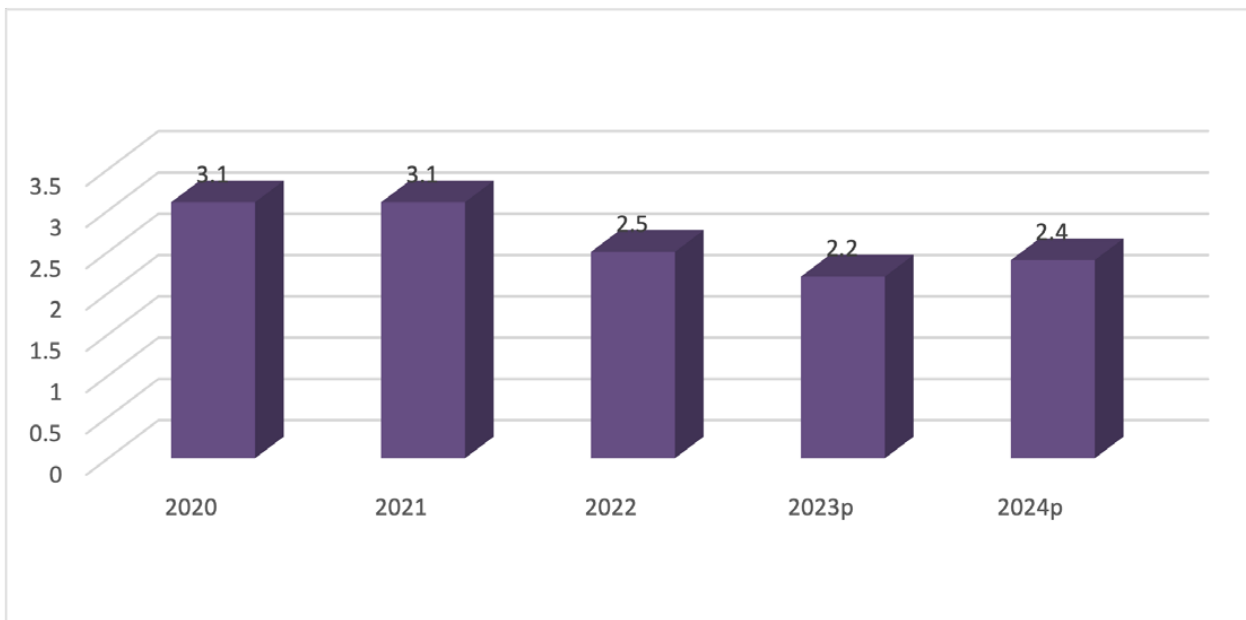
Source: IMF REO Sub Saharan Africa April 2023.

The external current account including grants is projected to deteriorate to -4.6% of GDP in 2023, but improve, albeit marginally, to -4.2% of GDP in 2024, on account of expected fall in international commodity prices, rebounding tourism, resilient remittances and fiscal consolidation.

### Reserve Accumulation

The COMESA region external reserve cover dwindled further to an average of 2.5 in months of imports of goods and services, down from 3.1 months of import of good and services in 2021 and 2020 (Figure 6).

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



Source: IMF REO Sub Saharan Africa April 2023.

At an average of 2.5 in months of imports of goods and services, reserves have breached the standard import-cover benchmark for the COMESA macroeconomic Convergence Criteria of External Reserves of equal to or more than 3 months. As per the data beforehand, eleven (11) COMESA member countries, including, Comoros, Egypt, Eritrea, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Tunisia, Uganda and Zambia met the threshold on reserves in

months of imports of goods and services cover.

Relative to the historical average, the region's reserve cover, in the outer years of 2023 and 2024, is projected to dwindle even further to 2.2 and 2.4 months of import of good and services, largely reflecting impact of market interventions to offset unwarranted volatility and depreciation of the exchange rates in response to tightening global financial conditions.

### **Medium Term Prospects and Recommendations**

The region is facing a number of challenges including, among others, global slowdown in economic activities, higher borrowing costs following tightening of monetary policies and a global increase in inflation. Due to these challenges, IMF projects inflation to stay above the pre pandemic level over the medium-term. Output levels, at the same time, remain depressed, and is projected to decline steadily for a second year in a row to 2023 at levels below the pre-pandemic level (Figure 1). The challenging external financing conditions continue to drive the funding squeeze, worsened by climate change, which is presenting additional spending pressures on shrinking fiscal budgets. Fending off these extraordinary headwinds and uncertainties, amidst dwindling fiscal space, will require the COMESA region member countries to, among others:

- a) Take measures to bring inflation undercontrol while supporting economic recovery. The current drivers of inflation are largely external (such as imported food and fuel prices and or the effects of exchange rate pass through) rather than domestic demand pressures, and have started to subside, meaning that inflation is likely to start declining in most of these economies, although with a lag. However, the decision to tighten monetary policy further or not will be country specific depending on the evolution of inflation dynamics such as wage growth and international food and energy price developments.
- b) Most economies in the region are currently experiencing significant depreciation of their currencies due to among others increases in interest rates in advanced countries and adverse terms of trade. The depreciation contributes to a significant rise in inflation and external debt burden. Most countries have responded through tightening of monetary policy, foreign exchange market intervention and administrative measures to control foreign exchange rate flows. However, levels of reserves limits the scope for foreign exchange intervention. While the exchange rate can act as an automatic stabilizer, policy actions may still be required to mitigate possible adverse impact on the economy of excessive and volatile exchange rate adjustment. For countries where exchange rate pass through to domestic inflation is significant, tightening monetary policy can assist to contain further slide of the currency and stem capital out flow while at the same anchoring inflation expectations. For countries where fiscal imbalances are the source of exchange rate pressure, fiscal consolidation can assist contain the increase in debt related to currency adjustment. For countries with sufficient foreign exchange reserves, foreign exchange intervention can reduce the volatility of the exchange rate, but at the risk of depleting foreign reserves if the exchange rate pressures persist because of underlying economic fundamentals.
- c) To adapt to an environment with tighter financing conditions while aiming to preserve fiscal sustainability. This will require countries to double efforts at boosting revenue mobilization, and prioritize and increase the efficiency of spending where possible, while minimizing possible negative impacts on growth and poverty. Boosting revenue mobilization, in particular, can help attract more external financing as a country's revenue stream is the main metric for its debt repayment capacity. However, in the near-term, authorities will struggle to secure external financing and debt vulnerabilities are likely to worsen in the current environment of rising borrowing and debt servicing costs.
- d) Managing fiscal risks against the background of funding squeeze will be important for fiscal and debt sustainability. This will require among others, the ability to contain increased temptation for the government to accumulate arrears and off budget spending pressure, and ever increasing appetite to extend guarantee and contingent liabilities. This calls for better public finance management practices and better risk management in order to improve debt dynamics, including fiscal transparency and oversight of state-owned enterprises.
- e) For some countries faced with aggravated debt vulnerabilities /or are likely to experience the same and require debt reprofiling or restructuring, a well-functioning debt-resolution framework is vital if they are to

create the much-needed fiscal space. Countries have widened the variety of debt instruments; the creditor base has also become more diversified; and negotiations more complex. In this environment, it is crucial that creditors increase their reliability and predictability, co-ordinate credit delivery systems and also make it more transparent and introduce a standstill on debt service during the debt treatment process. It's vital for creditors to implement a well-functioning "debt-resolution framework" as reached by government's staff-level agreement with the IMF for countries faced with aggravated debt vulnerabilities and require debt reprofiling or restructuring, to create fiscal space. Coordination among creditors has been and remain challenging. Aid processes need to be predictable and timely, and creditors and the international financial institutions need to enhance earlier sharing of information, and introduce a standstill on debt service. Effective and proactive debt management is critical to lowering debt risks. Debt management can help strike the balance between funding the government's needs and ensuring that debt levels remain sustainable. This includes enhancing debt reporting, lengthening maturities, and avoiding bunching of repayments to mitigate refinancing risks.

- f) In the medium term, structural transformation and economic diversification of individual economies in the region will be crucial, particularly reforms that raise potential growth by bolstering private sector development and increasing the benefits from trade.
- g) The dislocation of trade routes and supply chain disruptions that followed the war in Ukraine highlight the importance of expediting efforts that actively pursue economic diversification and reduction of distortionary trade restrictions. Such measures will strengthen resilience to future shocks and exposure to climate change.
- h) Leverage African Continental Free Trade Area(AfCFTA) to strengthen value-addition and industrial growth and increase the role digitization continue to play in the economies of the region.
- i) There is need to fund and address climate change while ensuring continued provision of basic needs like infrastructure, health and education. Most countries in the region are experiencing limited fiscal space and funding squeeze with concerns that climate funding is putting spending pressure on already shrinking fiscal budgets. It is therefore critical that climate financing does not crowd out funding for basic needs and other development goals. Innovative ways need to be devised to ensure among others, more concessional finance is unlocked and or increased participation of the private sector in climate financing.

### **Risks to Outlook**

Policy makers in the region, on top of the ongoing repercussions from a recent cascading series of shocks, are staring at yet at another difficult year, marked by tighter financing conditions and subdued growth. This, compounded with several armed conflicts and terrorist threats and climate related shocks poses serious risks to economies of the COMESA region. On somewhat a good note, the fuel pump price pressures and global food prices have started to ease and are projected to continue on that trajectory over the medium-term, providing some reprieve for the region.

### **COMESA Trade Developments**

There was significant increase in COMESA's trade globally and within the region above pre-pandemic levels. In 2021 most COMESA Member States saw their imports and exports rise above pre-pandemic levels, resulting in COMESA recording significant increases in both her exports and imports. Increase in export values of manufactures, fuels, ores and metals and food led to the increase in COMESA's global exports value in 2021. The value of COMESA's total exports to the world significantly increased by 56% from US\$ 100 billion in 2020 to US\$ 156 billion in 2021. The sectors that contributed to this increase were manufactures, fuels, ores and metals and food.

Among the exporting countries in the COMESA region, the largest contributors to this increase were Egypt, DR Congo, Tunisia, Seychelles, Uganda, Zimbabwe, Kenya and Zambia, which registered a combined increase of 41% in exported manufactured products in 2021 compared to 2020.

Exports of fuels was another sector that recorded an increase of 223%. This increase was mainly from oil-exporting countries i.e., Libya, Egypt and Tunisia. The increase was from US\$ 13 billion in the year 2020 to US\$ 42 billion in 2021. Ores and metals exports from the region increased by 59%, from US\$ 21 billion in 2020 to US\$ 34 billion in 2021.

Countries that contributed to this increase were the DR Congo, Zambia, Zimbabwe, Madagascar, Egypt, and Libya.

Exports of food from the region also recorded an increase of 15% between 2020 and 2021. The increase was from US\$ 19.6 billion in 2020 to US\$ 22.5 billion in 2021. The major food exporting countries from the region in 2021 were Egypt, Sudan, Ethiopia and Zambia.

### **Performance in Export Key Markets**

COMESA's exports to the EU, the major export destination, increased by 96%, in nominal value terms from US\$ 26 billion in 2020 to US\$ 52 billion in 2021. COMESA's major export products to the EU were crude and refined petroleum oils, electric conductors, and natural gas, primarily exported by Libya, Egypt, and Tunisia.

China was COMESA's second largest export destination. The value of COMESA's exports to China increased by 87% from US\$ 11 billion in 2020 to US\$ 20 billion in 2021. Products that contributed to this increase from the region were refined copper, crude petroleum oils, cobalt oxides and hydroxides, copper ores and concentrates, refined petroleum oils and liquefied natural gas.

The COMESA region was ranked as the third largest export market for COMESA products. Intra COMESA exports increased by 28% from US\$ 10 billion in 2020 to US\$13 billion in 2021.

### **COMESA Import Key Markets**

EU and China remained the major sources of imports for the COMESA region. The value of COMESA's imports from the EU increased by 16% from US\$ 43 billion in 2020 to US\$ 49 billion in 2021. The value of imports from China increased significantly by 30% from US\$ 30 billion in 2020 to US\$ 39 billion in 2021.

The United Arab Emirates was the third major source of imports into the region. COMESA's imports from the UAE increased by 67% from US\$10 billion in 2020 to US\$16 billion in 2021. The region's imports from India were ranked in the fourth position with a 38% increase in the import bill from US\$10.3 billion in 2020 to US\$14.2 billion in 2021. Imports sourced from the COMESA market were in fifth position and increased by 26% from US\$9 billion in 2020 to US\$ 11.2 billion in 2021.

### **Intra-COMESA Trade**

The value of Intra-COMESA total exports increased by 28% from US\$ 10 billion in 2020 to US\$ 13 billion in 2021. Exports of palm oil, cement, copper ores and concentrates, motor vehicles, sesame seeds, beet/cane sugar in solid form, parts and accessories of the motor vehicles, live animals, refined petroleum oils, refined copper, cement clinkers, Sulphur of all kinds, food preparations, waters (including mineral waters and aerated waters) containing added sugar and arrowroot, Jerusalem artichokes, sweet potatoes and similar roots and tubers, were the major contributors to this overall increase in 2021.

### **Intra-COMESA Trade, By Country 2020 and 2021**

Most of the COMESA Member States recorded positive growths in their 2021 intra-COMESA total export values except for Zimbabwe, Seychelles, Somalia, and Eritrea whose exports to the region declined by -65%, -15%, -52% and -68% respectively.

Table 1: Intra-COMESA total exports by Country, 2019-2021 (values in US\$ million)

Reporter	2019	2020	2021	% Change 2020- 2021
Burundi	37.9	44.7	56.7	26.6
Comoros	5.3	1.9	2.7	40.6
Congo DR	917.9	1,290.5	1,512.8	17.2
Djibouti	12.4	13.3	167.4	1,155.4
Egypt	2,861.4	2,238.6	2,838.0	26.8
Eritrea	1.3	0.6	0.2	-67.7
Eswatini	227.8	215.9	240.0	11.2
Ethiopia	460.5	446.7	520.8	16.6
Kenya	1,595.5	1,774.9	2,086.2	17.5
Libya	244.9	85.8	255.4	197.8
Madagascar	79.5	45.4	52.7	16.1
Malawi	206.8	159.8	205.5	28.6
Mauritius	238.8	195.2	221.1	13.2
Rwanda	626.7	472.8	660.5	39.7
Seychelles	20.6	16.5	14.0	-15.4
Somalia	6.3	6.2	3.0	-51.6
Sudan	552.5	303.0	723.7	138.9
Tunisia	848.5	563.5	792.0	40.5
Uganda	600.9	608.3	755.3	24.2
Zambia	1,234.1	1,270.9	1,576.9	24.1
Zimbabwe	128.4	235.1	83.0	-64.7
<b>Total</b>	<b>10,907.94</b>	<b>9,989.56</b>	<b>12,767.72</b>	<b>27.8</b>

Source: COMSTAT Database

## Intra-COMESA Exports and Imports Shares

### Intra-COMESA Exports

The value of Egypt's exports to the region accounted for 22.2% of the total intra-COMESA export market share in 2021. This was however a slight decrease in market share of 22.4% recorded in 2020. Following Egypt was Kenya with an export market share of 16.3% down from the 17.8% share recorded in 2020. Zambia was in the third position with an export share of 12.4%, DR Congo was fourth with 11.8% share and in fifth place there was Tunisia with an export market share of 6.2%.

## Intra-COMESA Imports

Libya had the largest import market share of 15% in 2021, up from 13% recorded in 2020. Following Libya was Sudan with an import market share of 12% up from 6% share in 2020. Other notable countries were Uganda (10.9%), Kenya (10%), Egypt (8.2%), Zambia (5.7%), Somalia and Zimbabwe both with an import share market 5.4%. **Table 2** shows intra-COMESA's exports and imports shares for 2020 and 2021 by country.

**Table 2: Intra-COMESA Trade, 2020 and 2021, values in US\$ millions and % Shares**

Ranked by 2021 trade values	Exporter	2020 Value	2021 Value	% Share 2020	% Share 2021	Importer	2020 Value	2021 Value	% Share 2020	% Share 2021
1	Egypt	2,238.6	2,838.0	22.4	22.2	Libya	1,127.0	1,673.2	12.7	15.0
2	Kenya	1,774.9	2,086.2	17.8	16.3	Sudan	503.7	1,341.2	5.7	12.0
3	Zambia	1,270.9	1,576.9	12.7	12.4	Uganda	1,325.1	1,213.0	14.9	10.9
4	Congo DR	1,290.5	1,512.8	12.9	11.8	Kenya	1,018.2	1,115.0	11.5	10.0
5	Tunisia	563.5	792.0	5.6	6.2	Egypt	760.8	910.3	8.6	8.2
6	Uganda	608.3	755.3	6.1	5.9	Zambia	422.0	640.5	4.8	5.7
7	Sudan	303.0	723.7	3.0	5.7	Somalia	596.5	606.7	6.7	5.4
8	Rwanda	472.8	660.5	4.7	5.2	Zimbabwe	349.4	606.5	3.9	5.4
9	Ethiopia	446.7	520.8	4.5	4.1	Ethiopia	393.3	539.1	4.4	4.8
10	Libya	85.8	255.4	0.9	2.0	Congo DR	587.7	510.8	6.6	4.6
11	Eswatini	215.9	240.0	2.2	1.9	Rwanda	520.7	445.3	5.9	4.0
12	Mauritius	195.2	221.1	2.0	1.7	Tunisia	336.1	386.2	3.8	3.5
13	Malawi	159.8	205.5	1.6	1.6	Madagascar	147.5	246.4	1.7	2.2
14	Djibouti	13.3	167.4	0.1	1.3	Malawi	217.1	239.3	2.4	2.1
15	Zimbabwe	235.1	83.0	2.4	0.7	Djibouti	71.9	199.9	0.8	1.8
16	Burundi	44.7	56.7	0.4	0.4	Burundi	180.5	196.9	2.0	1.8
17	Madagascar	45.4	52.7	0.5	0.4	Mauritius	153.3	191.4	1.7	1.7
18	Seychelles	16.5	14.0	0.2	0.1	Seychelles	43.4	58.5	0.5	0.5
19	Somalia	6.2	3.0	0.1	0.0	Eswatini	26.8	20.6	0.3	0.2
20	Comoros	1.9	2.7	0.0	0.0	Comoros	10.7	11.6	0.1	0.1
21	Eritrea	0.6	0.2	0.0	0.0	Eritrea	87.0	10.3	1.0	0.1
	<b>Total</b>	<b>9,989.6</b>	<b>12,767.7</b>	<b>100.0</b>	<b>100.0</b>	<b>Total</b>	<b>8,878.5</b>	<b>11,162.8</b>	<b>100.0</b>	<b>100.0</b>

Source: COMSTAT Database

## Tracking Dynamic Products in Intra-COMESA Export Trade

The most dynamic product traded in 2021 was refined palm oil, which was ranked 6<sup>th</sup> in 2021 from 35<sup>th</sup> position in 2020. Sesame seeds ranked 14<sup>th</sup> in 2021 after ranking 49<sup>th</sup> position the previous year. Motor vehicles moved from 117<sup>th</sup> position in 2020 to 20<sup>th</sup> position 2021.

**Table 3: Top Intra-COMESA Export Products and Rankings, 2017 - 2021**

No.	SITC	SITC Description	2021 Values (USDM)	R21	R20	R19	R18	R17
1	2831	Copper ores & concentrates	892.4	1	1	2	2	2
2	3346	Petroleum oils & oils obtained from bituminous minerals (other than crude) & preparations n.e.s., containing by weight 70 %/more of petroleum oils	405.6	2	2	1	1	1
3	68212	Refined copper	375.1	3	3	3	14	90
4	66122	Portland cement	349.9	4	8	7	11	9
5	05459	Other vegetables, fresh/chilled	268.5	5	6	4	24	345
6	42229	Palm oil, refined, & its fractions	262.7	6	35	38	43	44
7	07414	Other black tea (fermented) & other partly fermented tea, whether/not flavoured	256.4	7	7	5	3	3
8	0019	Live animals, n.e.s.	221.7	8	11	11	5	4
9	52255	Cobalt oxides & hydroxides; commercial cobalt oxides	201.0	9	4	37	227	2,323
10	06111	Cane sugar, raw, in solid form, not containing added flavouring/colouring matter	182.6	10	5	6	8	6
11	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	177.2	11	10	8	9	13
12	0461	Flour of wheat/of meslin	173.6	12	9	9	10	14
13	06129	Other beet/cane sugar in solid form, other than flavoured/coloured matter	171.9	13	24	23	12	7
14	2225	Sesame (Sesamum) seeds	162.6	14	49	12	4	23
15	11102	Waters (including mineral waters & aerated waters) containing added sugar/other sweetening matter/flavoured	159.4	15	18	22	20	21
16	54293	Medicaments, n.e.s., put up in measured doses/in forms/packings for retail sale	153.9	16	13	13	16	12
17	66121	Cement clinkers	150.6	17	25	70	56	97
18	89319	Articles for the conveyance/packing of goods, n.e.s.	143.7	18	17	15	15	19
19	55422	Surface-active washing/cleaning preparations, n.e.s., put up for retail sale	141.6	19	14	16	17	20
20	7812	Motor vehicles for the transport of persons, n.e.s.	135.3	20	117	89	105	59
21	05483	Arrowroot, Jerusalem artichokes, sweet potatoes & similar roots & tubers (other than manioc) with high starch/inulin content whether/not sliced/in the form of pellets;	129.2	21	26	82	1,047	755
22	2741	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur & colloidal sulphur	122.9	22	32	29	28	65
23	3510	Electric current	122.2	23	16	21	29	17

24	84512	Babies' garments & clothing accessories, knitted/crocheted	119.8	24	15	14	19	15
25	66245	Glazed ceramic flags & paving, hearth/wall tiles; glazed ceramic mosaic cubes & the like, whether/not on a backing	118.5	25	27	20	36	36

Source: COMSTAT Database

### Intra-COMESA Trade as Percentage of Global COMESA Trade

Burundi, Rwanda, Uganda, and Sudan were the countries with the highest ratio of intra-COMESA trade to their global trade. Overall, the share of intra-COMESA trade to total COMESA trade was at 6% a slight decrease from 7% recorded in 2020.

**Table 4: Intra-COMESA Trade as a percentage of Global COMESA trade by country (2014-2021)**

Reporter	2014	2015	2016	2017	2018	2019	2020	2021
Burundi	18	18	24	19	22	19	22	21
Comoros	11	2	8	4	6	6	5	4
Congo DR	21	16	8	6	6	7	9	6
Djibouti	2	4	4	7	6	8	7	5
Egypt	3	3	3	3	3	4	3	3
Eritrea	11	9	14	17	13	14	8	1
Eswatini	6	6	6	6	6	6	7	6
Ethiopia	5	2	2	3	4	5	5	6
Kenya	10	11	12	12	12	12	12	12
Libya	4	6	7	4	3	4	5	4
Madagascar	4	5	5	6	4	4	4	5
Malawi	17	13	13	10	10	11	11	11
Mauritius	5	6	7	7	6	6	6	6
Rwanda	33	31	33	25	25	24	20	21
Seychelles	3	6	3	4	3	3	2	2
Somalia	24	22	2	8	7	10	10	9
Sudan	7	16	12	9	10	9	7	13
Tunisia	3	3	2	3	3	5	3	3
Uganda	17	17	16	17	15	13	17	16
Zambia	20	19	17	14	16	14	13	12
Zimbabwe	4	6	5	5	6	5	6	5
<b>COMESA</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>

Source: COMSTAT Database



## Small Scale Cross Border Trade

Small Scale Cross Border Trade (SSCBT) in Zambia continues to be driven by the performance of food and live animals. SSCBT data flows highlighted below are for Zambia collected under EDF 11 SSCBTI at the four target borders of Chirundu, Kasumbalesa, Mwami and Nakonde for the period 2019 – 2021.

### SSCBT Exports

Zambia's exports of SSCBT at the four targeted borders under the COMESA SSCBTI were worth US\$190.5 million in the year 2021, representing an increase of 136%, from levels of US\$80.7 million in 2020. SSCBT exports at the Chirundu border were worth US\$8,158. 70% of these were food and live animals and beverages and tobacco. SSCBT exports at the Kasumbalesa Border to DR Congo were worth US\$ 146.4 million in 2021 and 49% of these were food and live animals. At the Mwami Border, SSCBT exports in 2021 were worth US\$4.3 million of which beverages and tobacco accounted for 41% of total exports. SSCBT exports for the Nakonde Border were worth US\$40 million in 2021 of which crude materials, except fuels, accounted for 70%.

### SSCBT Imports

Zambia's SSCBT imports at the four targeted borders were worth US\$70.5 million in 2021, almost double the value exported in 2020 of US\$35.5 million. SSCBT imports at the Chirundu Border were worth almost US\$7million in 2021 and 41% of these were miscellaneous manufactured articles while 20% were manufactured goods, classified. SSCBT imports at the Kasumbalesa Border from DR Congo were worth only US\$3,167 and were all manufactured goods, classified.

At the Mwami Border, SSCBT imports were slightly over US\$2 million in 2021 of which manufactured articles accounted for 47% of total imports while food and live animals accounted for 25%. SSCBT imports at the Nakonde border were worth US\$62 million of which food and live animals accounted for 72% of total imports in 2021.

### Exports to the Rest of Africa

Trade with Africa is dominated by Southern, Eastern and North African neighbours. COMESA's trade with the rest of Africa is dominated by her trade with South Africa. COMESA's exports to South Africa increased by 28% from US\$ 4.5 billion in 2020 to US\$ 6.8 billion in 2021. South Africa alone accounted for 24% of COMESA's African-bound exports in 2021, up from 21% share recorded in 2020. The other major markets and their share of Africa-bound COMESA exports in 2021 are Tanzania (10.4%), Mozambique (6.3%), Morocco (3.6%), Algeria (2.9%), South Sudan (1.2%) and Nigeria (1%). Among these markets, exports to Tanzania increased by 32% from US\$2.2 billion in 2020 to US\$3 billion in 2021 in nominal value terms, while exports to Mozambique grew by 46% from US\$ 1.2 billion to US\$1.8 billion between 2020 and 2021. Other notable exports to African market were as follows, Morocco (up 47%), Algeria (up by 4%), South Sudan (down by 9%), and Nigeria (up by 10%).

### Imports from the Rest of Africa

COMESA's imports from the rest of Africa are equally dominated by her trade with South Africa. Imports from South Africa increased by 33% in nominal value terms from US\$8.2 billion in 2020 to US\$11 billion in 2021. Notably, COMESA's imports from South Africa accounted for 40% share of COMESA's imports from African countries in 2021. Other notable African sources of COMESA's imports in 2021 were Tanzania (8%), Algeria (3.3%), Morocco (3%), Mozambique (1.5%) and Namibia (1%). Imports from Tanzania, Morocco and Mozambique grew by 17%, 16%, and 21% respectively, while imports from Mozambique and Namibia declined by 21% and 32% respectively.

# 2

Chapter Two

## IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES

### COMESA FREE TRADE AREA (FTA)

#### 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 namely, DR Congo, Eritrea, Ethiopia, Eswatini (under derogation tied to implementation of the Tripartite FTA) and Somalia which is yet to complete its accession process to the COMESA Treaty.

- In 2022, DR Congo informed the 43<sup>rd</sup> Meeting of Council of Ministers that it was in the process of undertaking measures to finalize adoption/ratification of relevant instruments in due course. The country had confirmed to the 40<sup>th</sup> Meeting of Council that customs duties on COMESA originating products had been reduced to 0% in accordance with the three-year phase down programme.
- In 2022, Eswatini continued to operate under derogation tied to the Tripartite FTA implementation while Somalia was still in pursuit of full accession to the COMESA Treaty. At the 43<sup>rd</sup> Council of Ministers Meeting, Eswatini confirmed that the country had ratified the TFTA Agreement, which would enable it to participate in the COMESA FTA.
- Ethiopia's first step towards full FTA participation was in 1998 in terms of reduced tariffs for COMESA originating products by 10%. At the 43<sup>rd</sup> Council of Ministers Meeting, Ethiopia informed the meeting that it had held a consultative meeting with Secretariat on 19 – 20 August 2022 in Bishoftu City, Ethiopia to discuss on Status of Ethiopia's implementation of COMESA FTA. The meeting agreed to fast track Ethiopia's accession to the FTA as per the action plan which runs from September 2022 to January 2023. Subsequently, COMESA Secretariat is providing technical support to facilitate implementation of the Action Plan.
- Uganda joined the COMESA FTA in July 2014. However, Uganda maintained a list of products to which the FTA does not apply. Uganda informed the 43<sup>rd</sup> Meeting of Council of Ministers regarding the phasedown of tariffs on products not covered by the FTA, that national consultations were underway. Additionally, Uganda informed the meeting that it would circulate the sensitive list to Member States and would provide an update on progress being made.
- Since 1998, Eritrea has been offering 80% tariff preference to COMESA originating products on a reciprocal basis; implying that the country was only left with the removal of the remaining 20% of the MFN tariffs in order to become a full member of the FTA. By the close of 2022, there was no new report from the country on progress or movements to liberalize the remaining 20% of MFN tariffs. Eritrea's end-year position on full participation in the COMESA FTA was therefore unclear.
- Somalia is still yet to join the COMESA FTA. There was no update on progress from Somalia.

#### COMESA Kenya Sugar Safeguard Implementation

At the commencement of the implementation of the COMESA FTA 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 committed to undertake a number of 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 the Government and other concerned stakeholders, were expected to address the constraints leading to the non-competitiveness of the sector.

Sugar production increased from 493,937 tonnes in 2012 to a record high of 700,241 tonnes in 2022. During the period January to April 2022, a total of 276,986 tonnes of sugar was produced as compared to 244,646 tonnes in the same period last year. This reflects a 13% increase in production attributed to increased cane availability and private sector investment in the industry. Kenya projected a deficit of 179,655 metric tonnes of brown sugar for the year 2022. The deficit was used as a basis for allocating quotas to COMESA Sugar producing countries.

Despite the efforts being made, the Kenya sugar industry continues to experience production challenges and competition pressure from sugar exporting countries. Consequently, the 43<sup>rd</sup> Council of Ministers Meeting in December 2022, granted Kenya an extension of sugar safeguard for nine months beginning February 2023.

### **Developments in the Simplified Trade Regime (STR)**

The Secretariat developed the COMESA 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 on 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-scale traders and increases the speed of crossing the border through 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 (8) COMESA Member States are implementing the STR namely, Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. Other Member States including Djibouti, Ethiopia and Sudan reported that they are in the process to adopt the STR with neighboring countries.

### **Elimination of NTBs in the COMESA Region**

The COMESA NTB programme entails the following: the COMESA Regulations on Non-Tariff Barriers; NTBs Online Reporting, Monitoring and Eliminating Mechanism and the COMESA SMS Reporting and Monitoring tools. COMESA is operationalizing the NTBs Regulations as adopted by the 33<sup>rd</sup> Council of Ministers and revised/adopted by the 41<sup>st</sup> Council of Ministers. The COMESA NTBs regulations provide a legal framework for establishment of regional reporting, monitoring and elimination tools, national and regional institutional arrangements for management of NTB programme as well as the legal framework for the resolution of identified NTBs.

The NTBs reporting tools comprises of the internet based online reporting, monitoring and eliminating mechanism available on the website [www.tradebarriers.org](http://www.tradebarriers.org), short message service (SMS) reporting and monitoring tool as well as use of other methods including telephone, fax, email and reporting forms.

As of December 2022, there were a total of 19 NTBs unresolved among the Member States some of which have been outstanding for periods exceeding 2 years which mainly arise from trade restrictive Non-Tariff Measures. The Secretariat and Member States are working to resolve the outstanding NTBs.

The key achievements attained in 2022 include the following:

- i. Convened the 2<sup>nd</sup> NTBs Regional Forum for Focal Points that among other issues considered status of implementation of Council Decisions related to elimination of NTBs, the Time Bound Matrix on Elimination of NTBs and agreed on actions to undertake in resolving reported NTBs including time frames.
- ii. Supported Member States to resolve emerging and long standing NTBs.

- iii. Trained more than 120 members of National Monitoring Committees and National Focal Points on the COMESA NTB's Elimination Mechanism including the adopted COMESA NTB's Regulations and Working Procedures, the Online Reporting System and SMS Tool
- iv. Management of the online system
- v. Provided technical support to Egypt, Madagascar and Malawi on development of National Strategies on Elimination of NTBs.

Among the key lessons learnt to fast track elimination of NTBs in the COMESA Region are as follows:

- i. The need for continuous engagement with Member States Structures including NMC's and Focal Points by the Secretariat to institutionalize the rules-based approach to eliminating NTB's and to ensure successful adoption and implementation of the COMESA NTB's regulations.
- ii. Involvement of the private sector during national sensitization workshops will contribute towards wider usage of the reporting tools and demonstrated commitment to follow the procedures laid down in the regulations for the resolution of NTB's and will reinforce confidence of system users.

### **COMESA-EAC-SADC TRIPARTITE FREE TRADE AREA (TFTA)**

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. Implementation of the project commenced on 25<sup>th</sup> February 2021 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 with support ending in February 2023.

As of December 2022, twenty-two (22) Member/Partner States had signed and 11 had ratified the Tripartite Agreement, namely: Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi, Namibia, Botswana, Eswatini, Zambia and Zimbabwe. Fourteen (14) ratifications are required for the Agreement to enter into force.

The Tripartite Negotiations are covered in three pillars namely: Market Integration, Industrial Development and Infrastructure Development. The negotiations cover two phases: The First Phase of the negotiations covered trade tariffs liberalization, rules of origin and trade remedies. Save 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. Phase Two covers negotiations on liberalization of trade in services and other trade related issues such as intellectual property rights, competition policy and cross border investments.

The final Draft Tripartite Protocol on Competition Policy was developed, and significant progress made in the development of the Draft Implementation Modalities for the Tripartite Protocol on Competition Policy

The TTF commissioned a consultancy to undertake the study that would bring clarity on the interfaces between the AfCFTA and TFTA services negotiations and, specifically, to inform positioning of the Tripartite Member/Partner States to take advantage of the AfCFTA processes.

#### **Progress in Various Pillars**

##### **Market Integration Pillar**

The 8<sup>th</sup> Meeting of the Tripartite Sectoral Ministerial Committee (TSMC) 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 the TFTA Agreement and TFTA 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.

Several achievements have been realised to date including:

- i. The Customs Unions of EAC and SACU have concluded negotiations on tariff offers;
- ii. Negotiations between Egypt and Tanzania are on-going;
- iii. Ninety percent of the TFTA List of Rules of Origin have been agreed and are contained in Annex 1V of TFTA Agreement. Annex 1V contains a provision on transitional arrangements on Rules of Origin that would be applied to commence the TFTA.
- iv. Only two issues regarding the rules of origin of some products of the textiles and automobiles sectors remain outstanding.

Other achievements include development of customs declaration documents, SPS instruments for streamlining border inspection, documents on working procedures and guidelines for Tripartite NTBs reporting, monitoring and reporting mechanism and the Tripartite SMS Reporting System.

On Phase II Negotiations, the Draft Protocol on Competition Policy has been completed and Draft Rules and Regulations are being developed. Additionally, studies on Trade in Services are being held to further inform on the nexus with AfCFTA negotiations to avoid duplications and conflicts.

### **Challenges in Operationalization of the TFTA**

The TFTA is facing various challenges including but not limited to the following:

- i. Absence of a dedicated Secretariat and institutional structure to run the affairs and activities of the TFTA. Presently, the coordination of tripartite activities is carried out by the RECs on a rotational basis;
- ii. Inadequate financing is hindering the effective implementation of the Tripartite FTA Agreement. This has partly been attributed to delays in the establishment of a Tripartite Secretariat. It has further resulted into slowed down implementation of the Infrastructure and Industrialization Pillars of the Tripartite;
- iii. Multiplicity of membership to various RECS including COMESA, EAC, SADC and the AfCFTA has been observed as a challenge to smooth implementation of the Tripartite FTA. Consequently, negotiators supporting ongoing negotiations must keep alternating across the various RECs and in some cases, this results in duplication of efforts and/or conflicting positions; and
- iv. Implementation of the Tripartite suffers from acute human and technical capacity constraints. This is a challenge at the REC Secretariats and Member States levels.

### **Recommendations and Way-Forward**

- i. Develop Tripartite Resources Mobilisation Strategy, specifically the formula for contribution by Member States for submission to the Tripartite Council of Ministers for consideration and possible adoption;
- ii. Member/Partner States to volunteer to host various technical and policy organs meetings, and forums after closure of the TCBP- II;
- iii. TTF to prepare proposals to AfDB, EU, WCO, UNCTAD, World Bank, AFREXIM, and other development partners for funding of various Tripartite programmes and activities;

- iv. TTF to revive the multi-donor resource mobilisation activities, "Friends of the Tripartite."
- v. The Tripartite RECs to continue implementation of Tripartite related instruments such as the NTBs online mechanism and infrastructure related instruments; among others.
- vi. Need to strengthen activities relating to visibility and publicity of the Tripartite including simplification and publication of the Tripartite instruments.

## **Customs and Trade Facilitation**

### **Progress in Implementation of the COMESA FTA and Custom Union Instruments**

#### **Rules of Origin**

During the reporting period, the 43<sup>rd</sup> Council of Ministers adopted amendments to the COMESA Protocol on Rules of Origin which included provisions to facilitate implementation of the electronic certificate of origin and self-certification procedures. Implementation of the new provisions coupled with implementation of the electronic certificate of origin system will reduce clearance delays which arise from the verification procedure of the paper version of the COMESA Certificate of Origin. The Council further adopted Appendix V of the COMESA Protocol on Rules of Origin which contain the goods requirements to meet the change in tariff heading criterion under Rule 2(b) (iii). Alignment of Appendix V to the HS 2022 version which entered into force on 1<sup>st</sup> January 2022 and is currently in use by most COMESA Member States was pertinent as a means to ensure uniform classification of goods which determines whether goods qualify for preferential treatment under the change in tariff heading criterion.

#### **Electronic Certificate of Origin (eCO)**

As part of the DFTA plan, an eCO and related regulations for implementation were developed by the Secretariat and adopted in 2019 by the 40<sup>th</sup> Meeting of the Council of Ministers. During the period under review, the Secretariat continued to finalise development of the e-CO and technical modifications required to make the system fully operational. Accordingly, piloting of the eCO is expected to commence in 2023 in Member States that have indicated readiness.

#### **Implementation of Customs Union Instruments - Common Tariff Nomenclature (CTN) and Common External Tariff (CET):**

The COMESA CTN has been aligned to HS 2022 Version to ensure uniform classification of goods traded within the region. In December 2022, the 43<sup>rd</sup> Council of Ministers Meeting adopted the aligned COMESA CTN and CET to HS 2022 Version. Most of the Member States have improved their Customs Laws and aligned their Tariff Book to HS 2022 Version. However, most of the Member States are yet to improve alignment of their tariff books with the CTN/ CET as agreed to fully operationalize the Customs Union.

#### **Authorised Economic Operator (AEO) Programme**

The COMESA Regional AEO Guidelines were adopted by the 40<sup>th</sup> Meeting of the Council of Ministers in November 2019 in addition to recommendations put forward in relation to implementation of the COMESA AEO Programme. The COMESA Regional AEO Guidelines were revised, and amendments adopted in December 2022 by the 43<sup>rd</sup> Council of Ministers. Further, the COMESA Regional AEO Standard Operating Procedures Manual were finalised and adopted. The next step in the establishment of the COMESA Regional AEO Programme is the development of a risk criteria for the COMESA Regional AEO Scheme and an MRA framework which is planned to be undertaken in 2023.



## **Coordinated Border Management (CBM)**

COMESA Member States have established One Stop Border Posts (OSBPs) or are in the process of development, involving close cooperation between border agencies operating at specific border posts. Establishment of OSBPs, addresses congestion at border crossings along major traffic corridors as well as complements other transit instruments and cross border transport facilitation programmes. During the reporting period, over 30 OSBPs in the region were reported at different stages of implementation. 18 are operational; 4 are completed and ready for operations; 6 are under construction whereas others are at feasibility study or planning stages.

In 2022, the Secretariat under the EDF 11 Trade Facilitation Programme (TFP) continued to provide support to select Member States at identified five (5) border posts aimed at upgrading the operations to improve customs control and facilitation. To date, implementation of the border upgrade projects has commenced at Chirundu (Zambia/Zimbabwe), Mwami, /Mchinji (Zambia/Malawi), Nakonde/Tunduma (Zambia/Tanzania), Galafi (Ethiopia/Djibouti) and Moyale (Ethiopia/Kenya). Details on the progress achieved at the specific border posts is provided below.

## **Electronic Single Window (ESW)**

As of December 2022, national electronic single windows (eSW) for facilitation of trade and logistics were operational or at development stage in 14 Member States including Burundi, Djibouti, DR Congo, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Malawi, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

During the reporting period, the draft instruments on the electronic single window namely, Legal Framework, Implementation Strategy and Road Map, and Terms of Reference on the development of the Regional Electronic Single Window System were developed. The draft instruments are planned for finalisation in 2023.

## **Customs Automation and Website**

The Secretariat signed a co-delegation agreement with UNCTAD to develop and implement the Customs Automation Regional Support Centre (CARSC) to provide sustainable technical and financial support to Member States and standardize and harmonise systems to enhance connectivity and electronic data exchange among the Member States. Under the agreement, UNCTAD has developed a CARSC Prototype and an Inter-Connectivity Platform for data and document exchange which will be launched in 2023.

During the period under review, UNCTAD conducted a total of 6 online training courses in English and French for customs experts from the Member States and the Secretariat covering functional training and technical training.

## **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 as a regional approach on trade facilitation strategy to assist Member States in implementing the WTO TFA and improving customs cooperation and trade facilitation in the region.

The Member States have established National Trade Facilitation Committees and the EDF 11 TFP is supporting implementation of their work plans. Most Member States require support for implementation of selected Category C Measures which the COMESA TFP is providing. The most frequently requested technical and financial types of assistance are related to human resources, training and legislative and regulatory frameworks. The Status of Member States notification of their categories and ratification of the WTO TFA is shown in Table 5.



**Table 5: 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	<b>15</b>	<b>14</b>

### Regional Trade Information Portal (TIP)

The Secretariat in 2018 signed a co-delegation agreement with UNCTAD to develop and implement the Regional Trade Information Portal (RTIP) with a view to assisting Member States in publishing, updating and sharing information related to rules and regulations of import and exportation of goods in accordance with the provisions of the WTO TFA and the Customs Management Regulations (CMR).

During the reporting period, the UNCTAD Project Team developed the COMESA Regional Guidelines for implementation of TIPs. The COMESA Regional TIP is expected to be launched in 2023. Further, discussions with Secretariat to support development of national TIPs in selected Member States based on the regional guidelines are ongoing.

### Electronic Cargo Tracking System (ECTS)

Several Member States are introducing Electronic Cargo Tracking Systems (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 Djibouti, Chirundu and Nacala Corridors.

### Time Release Study (TRS)

The Secretariat is conducting Time Release Studies (TRS) under the COMESA EDF 11 – TFP's result area aimed

at developing and institutionalizing the Trade and Transport Corridor Monitoring System (TTCMS) at regional and national levels. During the reporting period, Zambia was supported by the Secretariat to conduct TRS studies at Mwami and Nakonde Borders Posts under the Zambia Border Posts Upgrade Project. The TRS Report for Zambia was validated and published in 2022.

Regarding implementation of initiatives on improving customs controls and compliance, including amongst others risk management and enforcement of Intellectual Property Rights (IPR), a Regional Consultative Workshop on IPR was held in September 2022. The workshop identified priority interventions to be supported under the TFP which include review of legislation, awareness creation and capacity building. In December 2022, the 43<sup>rd</sup> Council of Ministers Meeting directed establishment of an IPR Technical Working Group under the COMESA IPR Committee which will be entrusted to develop a regional implementation strategy and work programme for the COMESA IPR Policy.

### **Capacity Building Training and Sensitization Workshops**

During the period under review, the Secretariat provided demand driven capacity building training programmes to Member States on Rules of Origin, NTBs elimination mechanisms and COMESA NTBs Regulations, ASYCUDAWorld, Trade in Services, Trade Policy Analysis using Tariff Reform Impact Simulation Tool (TRIST), and Trade Policy Analysis Training using TradeSift Software. Regarding development of training manuals for use by Member States, in December 2022, the 43<sup>rd</sup> Council of Ministers Meeting adopted training manuals on OSBP's, TRS and Coordinated Border Management.

### **Cooperation with Other RECs, International Organisations and Development Partners**

During the reporting period, the Customs Programme in collaboration with Tripartite FTA Coordinators from EAC and SADC finalized development of various working documents including the Draft Guidelines on Perishable Goods which awaits adoption by the Tripartite Council of Ministers. Further, the Customs and Trade Liberalization Units of the Secretariat were involved in the facilitation of the 14<sup>th</sup> Meeting of the TWG on Customs Cooperation, Documentation, Procedures and Transit Instruments, 20<sup>th</sup> Meeting of the Trade Negotiation Forum and the 1<sup>st</sup> Meeting of the Tripartite National Monitoring Committees and NTBs National Focal Points.

Regarding cooperation with international organizations and development partners, the Customs Programme facilitated cooperation with the European Union – World Customs Organization Harmonized System Africa Programme. In December 2022, two COMESA Member States namely Burundi and Uganda were supported in the development of the advance rulings system under the EU-WCO HS Africa Programme

While progress was reported, implementation of customs and trade facilitation programmes was affected by the following challenges:

- i. Delays in the clearance of goods under the COMESA FTA resulting from the usage of the paper version of the Certificate of Origin which results in lengthy verification processes.
- ii. Delays in the transmission to Secretariat of updated specimen signatures and stamp impressions for authorised signatories to sign COMESA Certificates of Origin
- iii. Delays in resolution of reported NTBs through the online reporting, monitoring and eliminating mechanisms
- iv. Underutilisation of the online and SMS NTBs reporting, monitoring and eliminating mechanisms

It is hoped that implementation of the electronic certificate of origin will resolve challenges that are experienced due to the utilisation of the paper version. The usage of the electronic certificate of origin will not require verification of its authenticity which results in delays in trade processes. Piloting of implementation of the COMESA Electronic Certificate of Origin is set to commence in 2023 with support under the EDF-11 TFP.

There is need for Member States to work with Secretariat NTBs Unit in the enforcement of the Regulations on Elimination of NTBs which provides for a specified time frame for resolution of NTBs. Further, there is need to undertake awareness activities on elimination of NTBs as well as on the Online and SMS Reporting, Monitoring, And Eliminating Mechanisms.

### **Trade in Services**

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% of GDP% in COMESA Member States. In addition, in several Member States, a majority of the employed are in the services sector. Trade in Services has grown exponentially in the COMESA region, offering enormous opportunities for COMESA countries 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 performance through efficiency gains and reduction in costs of production.

COMESA Member States have committed to liberalise 7 priority services sectors, namely communication, financial, tourism, and transport services under Phase 1 and business, construction and energy related services under Phase 2 negotiations. The first 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 second round of trade in services negotiations covering three additional services sectors of business, construction and related engineering and energy related services commenced in 2019 and is ongoing.

Since the commencement of the second phase negotiations the following Member States have submitted draft offers: Burundi, Comoros, Djibouti, DR Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Seychelles, Sudan, 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 reporting period, as part of the implementation of activities on enhancement of trade in services, through EDF 11 support, the Secretariat:

- i. Provided support and coordinated two (2) technical meetings of the Committee on Trade in Services (May & October 2022) to consider draft offers, and revised offers submitted by fifteen Member States, facilitation of engagement on requests and offers exchanged, and an overall review of the state of play of the negotiations on the liberalisation of services in COMESA.
- ii. Continued to provide capacity building on concrete good international practices for facilitating gradual liberalization of trade in services and analysis of information required to promote domestic reforms. Workshops were organised on digital trade in the context of trade in services (April 2022), a training on services regulatory audits (June 2022) and the development of services regulatory frameworks to support market access commitments (December 2022).
- iii. Finalised development of an online platform on trade in services which is aimed at facilitating the development and analysis of draft schedules of specific commitments under the COMESA trade in services negotiations to help speed up the negotiations. The main objective of the trade in services portal is to help the chief negotiators to collaboratively draft the schedules of specific commitments and circulate to all member countries digitally.
- iv. Supported the development of two studies on business services, and energy-related services through consultancies to support ongoing negotiations. The study on energy services was finalised and validated for use by Member States in October 2022 while the study on business services is undergoing revision and will be validated in the first quarter of 2023.

- v. Provided technical assistance to Djibouti in December 2022 through training of stakeholders to facilitate preparation of draft offers. Djibouti subsequently submitted its offer under Phase 2 off the COMESA Trade in Services Negotiations during the 11th CTIS held on 9-11 May 2022.
- vi. A training workshop on regulatory audits was held in June 2022 as part of capacity building of Member States on concrete good international practices for facilitating gradual liberalization of trade in services.
- vii. Experts were engaged to provide capacity building on the development of Statistics of International Trade in Services (SITS). A methodological training guideline on harmonization of SITS was finalized and technical assistance provided to Malawi (May 2022) and Burundi (April 2022) which involved capacity building for SITS focusing on SITS survey instruments, classification of statistics of international trade in services and related BOP concepts.

### ***Great Lakes Trade Facilitation and Integrated Project (GLTFIP)***

The Great Lakes Trade Facilitation and Integration Project (GLTFIP) is a six-year regional lending operation implemented by the Governments of Burundi and DR Congo and COMESA. The project is part of the wider World Bank Great Lakes Initiative (GLI) which reflects the commitment of the World Bank to assist countries of the Great Lakes Region to reduce poverty and promote common prosperity by targeting some of the most vulnerable groups in the border regions of DR Congo and neighboring countries of Burundi, Rwanda, Tanzania, Uganda and Zambia. The total amount of the project is USD 245 Million, with the COMESA component being USD 8 Million.

The GLTFIP aims to support peace and stability in the region through programmes to improve livelihoods in the border areas, promoting cross-border trade and strengthening economic relationships.

The current approved GLTFIP covers four main components areas of interventions namely:

- Improving policy and regulatory environment for cross-border trade - Policy reform and simplification of procedures for small scale traders and implementation of smart border system and coordination and monitoring of regional integration.
- Improvements to core trade infrastructure - Rehabilitation and modernization of border posts, construction and development of border markets, improvement of lake ports, and rehabilitation of local access roads.
- Support to commercialization of cross-border value chains - Investments in facilities to add value to products, promoting exports of select products, and labelling, certification, and conformity of selected products.
- Implementation and monitoring and evaluation - Implementation support and communication, and Project M&E.

The overall Project Development Objective (PDO) is to “facilitate trade and enhance the commercialization of selected value chains primarily targeting small-scale and women traders in the borderlands of the Great Lakes Region”. To achieve this objective, Burundi, DR Congo and COMESA will implement a series of initiatives, in line with the project components listed above, at the country and regional levels. The project will further support the COMESA Secretariat to enhance its capacity to monitor the implementation of relevant COMESA integration programmes as well as provide technical support to enhance the coordination and harmonization of development partner programmes to promote synergies and complementarities, amongst others.

Following the approval of the GLTFIP on 9<sup>th</sup> June 2022, the project took off in October 2022 and implementation planned for first quarter of 2023.

### **The Ninth COMESA Annual Research Forum**

The 9<sup>th</sup> COMESA Annual Research Forum was held on 12-15 September 2022 under the theme “Enhancing Business Competitiveness and Resilience to Boost Intra-COMESA Trade” with five sub-themes namely: Macroeconomic Shocks and Intra-COMESA Trade; Value Addition, Product Diversification and Intra-COMESA Trade; Integrating SMEs into Regional Value Chains and Intra-COMESA Trade; Digitalization and Intra-COMESA Trade; Barriers to Trade and Intra-COMESA Trade; and Transport, Logistics and Intra-COMESA Trade.

Eight papers were presented as follows:

- Cross Border Data Exchange under the COMESA Digital Free Trade Area (DFTA): Implications on Intra-Regional Trade;
- Effect of Digitalization on Intra-COMESA Trade;
- Logistics Performance and Intra-COMESA Exports;
- Effects of SPS and TBT Measures on Intra-COMESA Agricultural Exports;
- Effects of Non-Tariff Measures on Agricultural Trade Performance in COMESA;
- Impact of Shocks on Intra-COMESA Trade: Case of Kenyan Exports to the Region;
- The Paradox of Foreign Capital Inflows and State Fragility in COMESA; and
- Industrial Clusters, Competitiveness and Intra-COMESA Trade.

### **COMESA Innovation Awards**

The COMESA Innovation Awards were held on the margins of the 9<sup>th</sup> Annual Research Forum. The following innovations were presented:

- i. Mega Gas Alternative Energy.
- ii. Solar Powered Silage Vacuum Packaging Machine
- iii. Heart Disease Detection Device

The forum received three innovation concepts from African Union Development Agency-New Partnership for African Development (AUDA-NEPAD) namely:

- i. Optimization of Aquaculture Production Performance as a Food Production System
  - ii. Telehealth
  - iii. Trino IB for the Treatment and Management of Immuno-compromised Conditions of Africans
- Additionally, in the period under review, the project published Key Issues and Policy Briefs in Regional Integration Vol.9.

## **Research and Capacity Building**

During the reporting period, the following studies were undertaken and finalized:

- Implications of Non-Tariff Measures and Non-Tariff Barriers on Intra-COMESA Trade;
- Implications of Brexit on COMESA Trade with the European Union and the United Kingdom; and
- Assessment of Construction and Related Engineering Services in COMESA region.

The following studies were commissioned and were at different stages of implementation as of December 2022:

- Study on the Role of Sports, Arts and Cultural Services in Economic Growth and Development: The Case of Selected Economies in COMESA Region;
- Analysis of Free Movement of Businesspersons and Intra-Regional Integration in the COMESA Region;
- Assessment of Trade in Services under the COMESA-EAC-SADC Tripartite Free Trade Area.

The following policy briefs were prepared and published:

- Tracking the Resolution of Non-Tariff Barriers through the Tripartite Online NTBs Mechanism in the COMESA & Tripartite Regions
- Domestication, Compliance and Enforcement Key to keeping Momentum of the Africa Continental Free Trade Area (AfCFTA)
- Facilitative Role of Customs Administrations in Dealing with Global Health Crisis in the COMESA Region.

The following training activities were conducted:

- Training on Computable General Equilibrium (CGE) Modelling by Joint Research Centre (JRC) of European Commission for COMESA staff
- Trade Policy Analysis using Tariff Reform Impact Simulation Tool (TRIST) Training for non-COMESA FTA Member States namely, Somalia, Eritrea, Eswatini, DR Congo and Ethiopia
- Trade Policy Analysis Training using TradeSift Software for COMESA Member States.

## **COMESA Virtual Master's Degree Programme in Regional Integration**

The 1<sup>st</sup> cohort of students at Kenyatta University and University of Mauritius embarked on writing dissertations as part of partial fulfilment of the masters degree programme. Kenyatta University and the University of Mauritius both admitted the 3<sup>rd</sup> cohort of students during the reporting period. Processing of the applications were planned for 2023 following a delay in confirmation of no-cost extension by OACPS.

In 2022, quality control missions for the programme were undertaken at Kenyatta University, Kenya and University of Mauritius. The Secretariat facilitated internship for three students from Kenyatta University to participate in the course. Additional universities expressed interest in participating in the programme, namely Makerere university of Uganda, Cavendish University and ZCAS University both of Zambia.

## EDF 11 - SMALL SCALE CROSS BORDER TRADE INITIATIVE (SSCBTI)

The Small-Scale Cross Border Trade Initiative is an 11<sup>th</sup> EDF funded €15 Million programme aimed at increasing formal small-scale cross border trade flows in the COMESA/tripartite region, leading to higher revenue collection for government at the borders as well as increased security and higher incomes for small scale cross border traders. The programme was signed between COMESA and the EU in May 2018 to initially run up to May 2022. The EU granted a 31-months no cost extension to the programme concluding on 30 December 2024.

During 2022, the following activities were undertaken under the Small-Scale Cross Border Trade Initiative:

- i. The 3<sup>rd</sup> Project Steering Committee Meeting was held on 8-9 August 2022 in Lusaka and provided policy and strategic guidance on the implementation of the programme.
- ii. Border visit to Kasumbalesa was undertaken on 29 August 2022 with the EU and IOM to interact with stakeholders and observe project activities at the border. It was noted that it was necessary to construct the walkway on the Zambian side to enable the e-jeton to be implemented.
- iii. The following studies were completed and validated by the relevant Member States and presented to the 43<sup>rd</sup> Council of Ministers Meeting held on 1 December 2022. The recommendations of the studies were adopted by Council.
  - Exploring options to include selected services (especially mode 4 – movement of natural persons) to the STR - Council endorsed that further work was needed and that the issues to be presented to the Committee on Trade in Services.
  - A technical paper on Bilateral Versus Regional Common Lists for the Simplified Trade Regime - Council endorsed that for COMESA, the current bilateral common lists for the STR are consistent with the level of integration achieved and should be continued while regional common lists can be pursued at higher levels of integration.
  - The Suitability of the Current Threshold of the STR - The Council adopted that the STR threshold be maintained at USD 2000 per consignment.
  - The sustainability of the Trade Information Desk Officers after the expiry of the SSCBT - The Council adopted the three options that were proffered in the study, namely: governments taking over responsibility for the TIDOs; public private partnerships; and private sector taking over responsibility of the TIDOs.
- iv. Supported a bilateral meeting on the STR between Ethiopia and Kenya held in April 2022 in Moyale, Kenya. The meeting made good progress towards the implementation of the STR. The outstanding issues on the frequency of crossings by a trader per month as well as the need to balance imports and exports would be resolved by the two countries through diplomatic channels.
- v. Supported a bilateral meeting on the STR between Djibouti and Ethiopia held in April 2022 in Semera, Ethiopia. The meeting made good progress in aligning the Ethio-Djibouti Border Trade Protocol with the STR. The two countries will hold additional meetings to resolve the issue of additional products that Djibouti was proposing to be added to the list.
- vi. Undertook capacity building for fish traders and SPS/TBT border regulatory authorities on Self-Regulation and Risk-based Approaches to Regulation, in Luangwa in July 2022. The stakeholders were trained in these aspects in preparation for the implementation of the Green Pass.



- vii. Held a workshop on Green Pass Modalities in November 2022 in Ndola, Zambia at which stakeholders agreed on Draft Modalities for the Green Pass including the Governance Structure, Modalities and Sustainability of the Green Pass.
- viii. After completion of the modules on trade and mobility facilitation, the project successfully undertook trade facilitation and human mobility training for DR Congo, Ethiopia, Kenya, Malawi, Zambia, and Zimbabwe targeting border officials.
- ix. The Cross Border Traders Associations from DR Congo, Ethiopia, Kenya, Malawi, Tanzania, Zambia, and Zimbabwe held a regional meeting in Livingstone in November 2022 with a view to share experiences and finalise the constitution of the organisation. The meeting consequently deliberated and endorsed the constitution, and the strategic plan.
- x. Capacity building trainings were undertaken for Zimbabwe CBTAs in October 2022 in Bulawayo.
- xi. Tanzania completed tender evaluations for the construction works of the border market at Majengo, Tunduma and is preparing to enter into re-negotiations with the winning bidder as the bid price is above the budgeted amount.

While good progress was made by the SSCBTI, re-arranging of activities in the period of the no-cost extension and re-allocating funds to the activities presented some challenges leading to delays in implementation during the reporting period. Efforts were however made by the programme to ensure that activities continue to be implemented in line with identified targets.

### ***EDF 11 – Trade Facilitation Programme (TFP)***

In November 2018, the COMESA Secretariat and EU signed a Euro 48 million COMESA Trade Facilitation Programme (TFP) funded under the 11<sup>th</sup> European Development Fund (EDF). The overall objective of the TFP is to play a fundamental role in deepening regional integration, improving inclusive regional economic growth and enhancing competitiveness of the COMESA region. The specific objectives of the TFP are 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 FTA, the WTO Trade Facilitation Agreement (TFA), and improvements of Coordinated Border Management (CBM) and liberalization of trade in services and free movement of persons. Under sub-delegation agreements with specific Member States, the TFP supports upgrading of targeted border posts in the region which include Chirundu (Zambia/Zimbabwe); Mwami/Mchinji (Zambia/Malawi); Nakonde/Tunduma (Zambia/Tanzania); Moyale (Ethiopia/Kenya) and Galafi (Djibouti/Ethiopia).

The EDF 11 – TFP has the following five result areas:

- Result 1: Improved monitoring and resolution of Non-Tariff Barriers (NTBs);
- Result 2: Enhanced implementation of the WTO Trade Facilitation Agreement;
- Result 3: Strengthen Coordinated Border Management (CBM) and Trade and Transport facilitation;
- Result 4: Improved levels of implementation of harmonised, science based Sanitary and Phyto-Sanitary (SPS) Measures and Technical Standards; and
- Result 5: Enhanced Trade in Services, free movement of persons, trade negotiations and trade promotion.

In summary, the following activities amongst others were undertaken under the TFP in 2022 some of which have been highlighted in the report.



- i. Ten Member States namely Burundi, Comoros, Egypt, Zambia, Zimbabwe, Rwanda, Seychelles, Madagascar, Malawi and Mauritius have notified their NMC's and Focal Points.
- ii. A regional NTB's Forum was convened in September 2022 which reviewed outstanding NTB's as follows:
  - Total reported among COMESA member States = 183
  - Resolved = 171, (93.4%) off total intra COMESA
  - Unresolved = 12 (6.6%) - 5 are more than 12 months old
- iii. Burundi was supported with a capacity building workshop for 40 NTFC members on the WTO TFA measures in September 2022.
- iv. National AEO Implementation Strategy and Implementation Plan for Seychelles was finalized and adopted for national use.
- v. Technical and financial support to Madagascar on implementation of priority WTO TFA measures covering development of National Trade Facilitation Strategy, review of the national ESW implementation strategy and other activities under the National Trade Facilitation Road map.
- vi. Tanzania was supported to convene a meeting of the National Trade Facilitation Committee to determine definitive implementation dates for implementation of WTO TFA Category C measures for notification to UNCTAD.
- vii. Facilitation of the TWG on Capacity Building which developed a Draft Customs Capacity Building Strategy and Draft Resource Mobilization Strategy. A concept paper on preparation of e-learning Training Materials on AEO, CBM, COMESA Rules of Origin was under development.
- viii. A COMESA RTIP developed based on portals in Burundi (French), Kenya, Rwanda, and Uganda (English). The RTIP incorporates a Trade Facilitation Index that allows a real time comparison of trade procedures (number of steps; costs; time) for importing or exporting specific commodities in the targeted Member States. Additionally, it incorporates a Customs e-Tariff for Rwanda that is accessible in the Rwanda NTIP as well as the COMESA RTIP.
- ix. Malawi supported to install and configure IDES and interface it with ASYCUDA World to enable implementation of RCTG.
- x. Feasibility study on the Trade and Transport Corridor Management System was completed and awaits validation by Member States which is planned to be held in 2023.
- xi. Interfacing and integrating eCO System with Member States' systems to commence in Phase 1 for Zambia, Eswatini, Malawi, and Ethiopia and in Phase 2 - Other Member States.
- xii. Technical assistance and capacity building support to Member States to implement the Rules of Origin with workshops in Ethiopia and Tunisia.
- xiii. The COM-IPS has been developed as a universal platform for the exchange of Trade Facilitation Tools such as eCo, Transit Guarantees, Customs Declarations etc. or data exchange among Member States. The platform can be used with any customs system, e-SWs or any automated systems that may be developed at national or regional level in the future.

- xiv. Conducted virtual training sessions on ASYCUDAWorld functional and technical courses. A total of 80 participants were trained, 71 from Member States and 9 from Secretariat.
- xv. The 1st Meeting of Technical Working Group (TWG) on eSW was conducted in 2022 to validate the Reports of the Studies, Draft Strategy and Action Plan, and Draft Regional Regulations. The 2nd Meeting of TWG on eSW is expected to validate the TORs and other outstanding documents.
- xvi. Draft ToRs for design and development of region eSW were developed and are awaiting validation by Member States

The report below provides a highlight of the progress per border under the TFP

**i. Mwami/Mchinji Border Post between Malawi and Zambia**

**Malawi**

- Procurement of ECTS seals completed and contract issued;
- Procurement of office furniture and ICT equipment completed, and deliveries made;
- Tender for procurement of smart gate, mini-lab for Ministry of Health and SPS & TBT equipment at contracting stage;
- Signage has been installed.

**Zambia**

- Procurement of office furniture, ICT Equipment (printers, projectors, computers) for Mwami has been completed and delivered
- Signage has been installed
- Rapid test kits have been procured and delivered.

**ii. Nakonde/Tunduma Border Post between Tanzania and Zambia**

**Tanzania**

- Tenders for procurement of works and supplies are at contracting stage. This covers Smart gates, CCTV, solar power plant, verification shed and mini laboratory for SPS.
- Workshops on NTBs, TFA, Gender were held in March 2022 and September 2022

**Zambia**

- Time Release Study completed in November 2021 and report was validated and officially published in 2022.
- Review and consolidation of OSBP SOPs for Nakonde completed.
- SOPs for Food Safety prepared
- Tender for rapid test kits completed and equipment awaiting delivery
- Capacity building for JBCs was undertaken and the JBC was operationalize

### iii. **Moyale Border Post between Ethiopia and Kenya**

#### **Ethiopia**

- Procurement of servers and storage for Ethiopia Single Window and the Ethiopian Customs Commission at publication stage. Re-tendered after expiry of tender validity period.
- Training on Rules of Origin, WTO TFA and NTBs was conducted for customs and public officials and private sector.

#### **Kenya**

- Kenya is yet to sign its Sub-delegation Agreement. However, all formalities have been completed for signing of the agreement by the Coordinating Ministry. Necessary follow up has been made.

### iv. **Galafi Border Post between Ethiopia and Djibouti**

#### **Ethiopia**

- Bid documents for construction of the main OSBP building at Galafi have been prepared and finalized for publication.
- Capacity building workshops on RCTG implementation held in 2022
- Ethiopia Customs Management System configured to interface with RCTG MIS.

#### **Djibouti**

- RCTG missions conducted to Djibouti to configure RCTG IDES with ASYCUDA and sensitize the sureties and customs officers.
- Tender for procurement of servers for Djibouti Customs at publication stage

### v. **Chirundu Border Post between Zambia and Zimbabwe:**

#### **Zambia**

- Review of the Border Management and Trade Facilitation Act No. 12 of 2018 was undertaken in 2022 with 35 participants from public and private sectors. Proposed amendments have been submitted to the Ministry of Justice for consideration.
- Procurement of office furniture, ICT Equipment (printers, projects, computers) for Chirundu has been completed and delivery completed.
- Rapid test kits have been procured and delivered.
- Procurement of ASYCUDA servers and software licenses completed and delivered.
- Media workshops for reporters and editors conducted from 21-24 February 2022.
- Project billboard mounted at the border post.
- ASYCUDAWorld upgrade contract with UNCTAD is under negotiation.

#### **Zimbabwe**

- Contracts for sourcing of electronic seals for ECTS were completed
- Contract for licenses for SOCLASS were concluded

- Contract with UNCTAD for ASYCUDA upgrade being finalized.
- Tender for procurement of border lighting equipment being finalized
- Tenders for procurement of ICT equipment, weighbridge, baggage scanner, laboratory equipment, e-Gates, CCTV and AC Units which closed in June 2022 were unsuccessful. The tenders are being relaunched.

## **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 MTSP 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 MTSP 2021-2025 and strengthening strategic partnerships.

The report below summarizes the 2022 achievements in addressing the strategic objectives of the RSDS 2021-2025:

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 EUROTRACE software was provided to Zambia, Malawi, Ethiopia, Sudan, Seychelles, Zimbabwe, Kenya, Lesotho and Burundi.

#### ii. The following were the key achievements under SSCBT Statistics:

- a) SSCBT data collection commenced at the Moyale-Kenya Border in March 2022
- b) A 3<sup>rd</sup> Data Validation Workshop was conducted for Zambia in 2022 validating all available data for 2019, 2020, and 2021. A dissemination report was prepared during the workshop.
- c) A border profiling survey was conducted at all four target borders of Zambia in April 2022. The survey facilitated the collection of detailed data on the trading environments at the borders.
- d) Zambia conducted a data dissemination workshop in May 2022 to disseminate SSCBT survey results.

#### iii. Migration Statistics

Migration statistics are an integral part of the market integration strategic objective of COMESA, the Secretariat 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 as a Secretariat, COMESA also derives a mandate as one of the regional economic communities foreseen to play a role in the domestication of SHaSA 2 Objectives. Initiatives on migration statistics are being implemented by COMESA namely, The COMESA-AUC-Statistics Sweden Migration Programme and the EU-funded Southern African Migration Management (SAMM) Project.

### **COMESA-AUC-Statistics Sweden Programme**

Under this programme the following activities were undertaken in 2022:

- a) The 3rd Annual Review Meeting of the cooperation project between STATAFRIC (African Union Institute for Statistics), Statistics Sweden and SIDA took place in September 2022. The aim of the meeting was to discuss the project implementation during 2021 with focus on achieved results, challenges, opportunities, and risks, and to discuss the results of the mid-term review of the project conducted in 2022.
- b) A four day in person meeting was conducted inviting representatives from migration and statistics departments from all COMESA Member States. The meeting was held in March 2022 to validate of the 1st COMESA International Labour Migration Report and facilitate discussion on the content for future reports, stock take of useful administrative data on migrant stocks and flows, establishment of a regional technical working-group on labour migration data, harmonization of labour migration indicators in the region, and facilitate Member State's contribution to continental and regional data collection on migration.
- c) The 1st Regional TWG Meeting on Migration Statistics consisting of representatives from COMESA Member States was conducted in November 2022 virtually. The TWG adopted the ToRs of the TWG; COMESA Labour Migration Statistics Report; and Regional Labour Migration Data Indicators.
- d) The 1st COMESA Migration Statistics Report was finalized and referred to the ILO dissemination department for the publication. The report disseminates ten-year time series at the REC and Member States level.
- e) Technical assistance was provided to CAPMAS to coordinate the institution's involvement in the production of migration statistics in Egypt which align to international standards. The technical assistance was conducted on 10-13 October 2022 in Cairo, Egypt and was attended by migrations stakeholder institutions of Egypt, development partners and COMESA.
- f) A follow up meeting was conducted with Member States to identify the most prioritized areas of technical assistance and to avoid overlap of activities with other partners. This followed a call for requests by COMESA for applications for technical assistance to Member States in migration statistics at the end 2021.
- g) Coordination was improved at the regional level among different national and international agencies and organizations supporting migration statistics through participation in the following:
  - Workshop on the Definitions, Methodologies and Standards on Migration Statistics conducted in April 2022, in Marrakech, Kingdom of Morocco. The objective of this workshop was to discuss and share the definitions, methodologies, data sources and standards used by AU Member States and RECs in line with the international standard on the production of migration statistics to harmonize and produce quality and timely migration data and indicators for better comparison and dissemination at national, regional and continental level. COMESA presented the migration statistics progress in the region and plans to harmonize the concepts and definitions of migration statistics in the region.
  - The COMESA participated in the 3rd Scientific Conference on Migration and Displacement on 1-3 November 2022, Nairobi Kenya. The conference brought together researchers, government institutions, policy makers, non-governmental organizations, and development partners in the areas of migration and displacement.

### **Southern African Migration Management Project (SAMM)**

Under this programme the following activities were undertaken in 2022:

- a) Revision of the COMESA Task Force Strategy and development of a Road Map on the implementation of the COMESA Protocols and Council Decisions on Free Movement of Persons in June 2022, which included provisions for a regional database/repository on migration statistics.
- b) Establishment of a Dialogue on Labour Migration at the Member States level which availed an opportunity to advocate for the implementation of migration instruments by COMESA which are already in force, and regional harmonization of labour migration statistics according to internationally agreed statistical standards.
- c) Advocated for the signature and ratification of COMESA migration legal instruments that have not entered into force as well as advocated for the implementation of International legal instruments such as ILO conventions on the protection of migrant workers (C. 97 and C. 143), which advocate for the collection of standardized and harmonized statistics on labour migration.
- d) Strengthened the capacity of the COMESA Migration Programme under the Division of Legal and Corporate Affairs through the provision of a labour migration focal point who has contributed to the effective coordination of COMESA migration projects and programmes, including migration statistics, in order to attain substantive results and value for money for projects including the COMESA Trade Facilitation Project (TFP) and the COMESA Small Scale Cross Border Trade Initiative (SSBTI).

#### iv. International Comparison Programme (ICP)

The ICP is a global initiative managed by the World Bank under the auspices of the United Nations Statistical Commission. ICP relies on partnership with international, regional, sub-regional, and national agencies working under a robust governance framework and following an established statistical methodology. The main objective for ICP is to produce Purchasing Power Parities (PPPs) and comparable Price Level Indexes (PLIs) for participating economies. The following was achieved in the period under review:

- a) The 2021/2022 ICP Surveys were launched in July 2022 in which 36 eligible African Development Fund (ADF) countries participated.
- b) Data collection for both Price and National Accounts data were concluded by December 2022.

#### v. Debt Statistics and Long-Term Finance Score Board

Under the Statistical Capacity Building Programme (SCB V), COMESA has been coordinating the development of debt statistics in Member States as well as updating the long-term finance scoreboard. The activities undertaken in 2022 included data collection on debt statistics and updating of the LTF scoreboard. Additionally, COMESA held a regional workshop on the LTF scoreboard.

#### vi. Labour Statistics

COMESA is coordinating capacity development on labour force data analysis this included a regional workshop on building capacity on labour force data analysis based on the AfDB Labour Force Data Analysis Guidelines held in 2022.

#### vii. Statistical Business Registers

Under the SCB V Programme, COMESA is coordinating capacity building on the AfDB's Guidelines for Building Statistical Business Registers in Africa. In 2022, a regional workshop was held whose inputs are being used in revision of the guidelines.

viii. National Accounts Statistics

Under the auspice of the SCB V Programme, COMESA coordinated technical assistance on national accounts and GDP rebasing in four African Development Fund countries.

### **Statistical Support to the Productive Integration Pillar**

i. Foreign Direct Investment Statistics

The Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) supports activities to enhance capacity of Member States in production of key statistics on investments (data collection, compilation and reporting) across the identified value chains. COMESA and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) partnered to conduct a regional workshop on compilation of foreign direct investment statistics. The workshop was conducted in Lusaka, Zambia in December 2022 with the objective to provide practical training on the compilation of direct investment statistics using financial statements of enterprises. It was attended by participants from COMESA and MEFMI countries drawn from central banks and ministries of finance.

ii. Food Security Statistics

Since 2020, the COMESA Secretariat and its partner Statistics Norway (SSB) with funding from the Norwegian Agency for Development Cooperation (NORAD) have been implementing a Food Security Statistics Project in COMESA Countries. The overall project goal is improved food security situation in low and middle-income countries. The project will contribute to the generation of statistics through Household Consumption and Expenditure Surveys (HCES) to be used for better policy formulation and implementation of concrete projects.

The project aims at strengthening official statistics on household food access and consumption. Currently, most National Statistical Offices (NSOs) are faced with a challenge on non-availability of information that could be produced from HBS surveys to analyze food security and provide input for food system analysis. Where this information is available, it is often not produced in a coherent and timely manner. The project seeks to encourage the production of these statistics regularly by the national statistical systems following internationally recommended methods and documented in a transparent way. Capacity in COMESA Member States is being built through conducting national and regional analysis for pilot countries. At the national level, NSOs in Member States that are 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 by the project in 2022 as listed below:

- a) Malawi, Zambia, and Zimbabwe that signed-up for participation on the project were trained and mentored on the production of Food Security Statistics.
- b) National Food Security Profiles through fact sheets for the three countries were developed and will be a regular output for their surveys.
- c) A draft regional fact sheet for the three countries was developed.
- d) Zambia and Malawi received support with the new surveys so that they can produce statistics of Food Security.
- e) Draft guidelines for processing of Food Security Statistics from Household and Expenditure Surveys were developed and distributed to the stakeholders.

### iii. Blue Economy Statistics

Under the ECOFISH programme, COMESA has been coordinating the development of Blue Economy Fisheries Satellite Accounts in programme countries. The key activity in the period under review, was the development of the Kenyan Fisheries Satellite Account.

### iv. Agriculture Statistics

The following were the key achievements registered under agriculture Statistics for the period under review:

- a) Food Balance Sheets (FBS) - A regional capacity building workshop was held in October 2022 in which 14 COMESA Member States participated. Additionally, specific technical assistance to develop FBS was provided to Rwanda, Burundi and Madagascar.
- b) Minimum Set of Core Data - 12 COMESA Member States reported on minimum core data for agriculture.
- c) Agriculture Cost of Production Statistics (AgCOP): Malawi received technical assistance on the implementation of the Agriculture Cost of Production (AgCop). It is expected that AgCop findings will help with evidence-based decision making with regards to pricing of agricultural commodities.
- d) Computer Assisted Personal Interviews (CAPI) – Malawi was provided with technical assistance on CAPI through AgCop.

### v. Environment and Climate Change Statistics

- a) A regional workshop was held in November 2022 in which 15 COMESA Member States were capacitated in environment and climate change statistics. Following the regional workshop, technical assistance requests were received from Kenya, Zimbabwe, and Burkina Faso (ADF Member State) to help strengthen their environment and climate change statistics.
- b) The Global Set of Climate Change Statistics and Indicators is a comprehensive statistical framework, with statistics, indicators and metadata, designed to support countries in preparing their own sets of climate change statistics and indicators according to their individual concerns, priorities and resources. Given the low response rate by African countries on the global consultation on the Draft Global Set of Climate Change Statistics and Indicators, COMESA re-engaged a number of ADF countries and managed to increase the response rate to 33 ADF countries by the end of 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. The report on the AIKP surveys is expected to be published in 2023.

## **Statistics to support the Gender and Social Integration Pillar**

### i. Gender Statistics

- a) A gender statistics assessment was undertaken in Djibouti with the aim of improving gender statistics. After the assessment, a national workshop was held on Djibouti following a request for



capacity building. The workshop was attended by various stakeholders including gender focal persons and technical officials from ministries responsible for gender, women's and youth affairs, trade, industry, agriculture, investment, transport, and experts from the energy authority, science and technology, and finance. In addition to capacity building, the national workshop provided an opportunity to validate issues raised during the gender statistics assessment. Additionally, capacity was built on the Minimum Set of Core Gender Indicators for Africa (MSGIA), particularly as they relate to supporting regional integration policy making. The MSGIA Initiative is embedded in the Africa Programme of Gender Statistics (APGS), as well as the Strategy for the Harmonization of Statistics in Africa (SHaSA). The gender indicators in the COMESA 2021-2025 MTSP were used as yardsticks for the gender statistics training and assessment. As a result of this support, the Gender Statistics Assessment for Djibouti was completed, and findings validated, and capacity built on gender statistics that support regional integration.

- b) A regional gender statistics workshop was held by COMESA in conjunction with its partners, UN Women, UNECA, AfDB in Nairobi, Kenya under the theme 'Gender Statistics Imperatives for Africa.' The conference interrogated gender statistics through the lens of Agenda 2063—the African Union's blueprint for transforming Africa into a global powerhouse, the Sustainable Development Goals that support gender equality and women's empowerment, and global guidance on violence against women data, among others.

## ii. Civil Registration and Vital Statistics (CRVS)

COMESA undertook assessments related to CRVS in 2022 notably an assessment on the contribution of the APAI-CRVS Programme to improvement of CRVS policies and systems and an assessment on CRVS digitization. These assessments will service as inputs into the 2023 6th Conference of African Ministers Responsible for Civil Registration to be held in Addis Ababa.

### **Strengthening Strategic Partnerships.**

Under the ambit of the COMESA Resource Mobilization and International Cooperation, the Statistics Programme participated in partnership discussions and engagements with the Islamic Development Bank and the Organization of Economic Development and Cooperation (OECD).

## **COMESA GOVERNANCE, PEACE AND SECURITY PROGRAMME**

In 2022, COMESA through the implementation of the programme on governance, peace and security, continued to contribute towards the promotion of inclusive peace, security, stability and enhanced democratic governance through the establishment of effective national and regional institutional mechanisms and structures.

Progress achieved under the objective focused on Conflict Life Cycle under APSA is improved with a focus on effective early warning systems was as follows:

- i. COMESA made progress towards incorporating dynamic data into the COMESA Early Warning (COMWARN) Structural Vulnerability Assessment (SVA) Model to improve its accuracy. In collaboration with AU and UN OCHA, COMESA human rights indicators were mainstreamed to COMWARN following a joint event in April 2022. Additionally, the programme continued to produce monthly reports on dynamic data analysis and continued to observe a big uptake on the implementation of Structural Conflict Prevention by Member States.
- ii. Additional countries developed national early warning bureaus to interact with COMWARN. Mauritius (6-9 July 2022) and Seychelles (3-6 October 2023) hosted National Multi-stakeholders on COMWARN and received structural vulnerability projections. The experts drawn from at least six out

of the eight relevant sectors discussed possible response options.

- iii. A critical mass of experts in Member States was developed to support the implementation of COMWARN SVAs through two training of trainer's workshops with the aim to improve implementation and ownership. The workshops brought together 50 officials from countries that have focal points on COMWARN in April 2022 and October 2022. COMWARN is designed to enhance resilience of Member States. Even stable countries globally have found the importance of understanding and addressing structural vulnerabilities to build resilience.
- iv. COMESA continued to support its Member States in the fight against terrorism. In partnership with the African Centre on the Study and Research on Terrorism (ACSRT), training workshops for National Counter Terrorism Centres (NCTCs) were held. The first training for countries that have experience in fighting terrorism was held on 17 – 20 October 2022 and the second training for the Southern African countries that are faced by threats of the relatively new terror group operating in northern Mozambique was held on 24 – 27 October 2022. The activities were undertaken in line with the Decision of the Ministers of Foreign Affairs, for COMESA to seek partnership with ACSRT to support its Member States. The events were designed to enhance collaboration and information sharing, which is important in the fight against any transnational organized crime. Over 30 representatives from NCTCs of Kenya, Libya, Somalia, Tunisia, Ethiopia, Uganda, Malawi, Zambia, and Zimbabwe attended the trainings.
- v. Regarding strengthening anti-money laundering laws, COMESA in partnership with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) supported the Money Laundering (ML) and Terrorism Financing (FT) Mutual Evaluation of Kenya in July 2022 to assess its compliance to the Financial Action Task Force (FATF) Standards. As required, COMESA met other jurisdictions to identify their capacity needs on 29 August – 3 September 2022 during the ESASMLG Technical Meeting.
- vi. COMESA supported the development of a functioning Financial Intelligence Unit (FIU) in Burundi and its admission to ESAAMLG by facilitating benchmarking exercises to Mauritius on 28 March – 2 April 2022 and Uganda on 25- 29 April 2022 as required by ESAAMLG. And COMESA sensitized FIUs of Burundi and Rwanda on ML/TF in May and September 2022 respectively.
- vii. COMESA sourced international experts to train Law Enforcement Agencies (LEAs) through three regional training workshops on financial investigation and asset recovery targeting 87 officials from LEAs of Ethiopia, Mauritius, Uganda, Zambia and Zimbabwe (August 2022); Eswatini, Uganda, Rwanda and Zimbabwe (November 2022); and Rwanda, Uganda, Eswatini and Seychelles (November – December 2022). Furthermore, in collaboration with the United Nation Organization Drug and Crime (UNODC), COMESA facilitated the training of Judges from Malawi on Asset Recovery in August 2022; LEAs from Zimbabwe on Financial Investigation and Asset Recovery in October 2022. The capacity building support is in response to specific requests made by respective Member States and thus customized to meet their specified needs.
- viii. COMESA finalized the development of a mediation strategy following validation with Government Experts in November 2022 and dissemination to the COMESA Committee of Elders.
- ix. On addressing climate change related conflicts, COMESA disseminated its Handbook on Climate Change Related Conflicts in Kitale, Kenya in December 2022 bringing together communities that have been affected in climate change related conflicts from Baringo, Trans-Nzoia, Elgeyo Marakwet, West Pokot and Turkana. Additionally, COMESA commissioned a regional study on the nexus between Climate Change and Peace and Security in December 2022 to be undertaken in four clusters of COMESA namely, northern, southern, islands and tropics clusters.

- x. On PCRD, COMESA disseminated several tools that were developed including the STR Handbook and Strategies such as the Minimum Standards for the Treatment of Small-Scale Cross Border Traders in Kihihi Town in Kanungu District, Uganda in February 2022. Additionally, sensitization on STR and conflict prevention was undertaken at the Mokambo Border between DR Congo and Zambia. Training workshops targeting over 100 small scale traders were facilitated on both sides of the border in July 2022. A joint consultative meeting convened by COMESA established a joint DR Congo-Zambia Border Committee in July 2022 including the modalities for engagement.

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

- i. To achieve maximum benefits to Member States in early warning, COMESA prioritized collaboration and co-hosted a meeting with the EAC Early Warning System in August 2022 and developed an action plan for joint capacity building. Additionally, the meeting agreed to collaborate in building national early warning systems and developed a roadmap for the establishment of guidelines for effective information sharing.
- ii. COMESA's effort to identify strategic partners leveraged its funds in the implementation of programmes in four activities at a total cost of US\$472,890. COMESA drew in Save the Children, Horn of Africa, ACCORD, AU-SARO and AU. COMESA's financial contribution was US\$215,642, approximately 45% of the total cost.
- iii. An action plan was developed to collaborate with CSOs in response to the Ministers of Foreign Affairs directives to the Secretariat. This was undertaken through a symposium convened in May 2022 which identified thematic areas of collaboration and specific roles. The symposium brought together 57 representatives from CSOs and think-tanks from Mauritius, Malawi, Comoros, South Africa, Zambia, and Zimbabwe.

Progress related to making APSA more inclusive of youth and children was as follows:

- i. Youth networks in the COMESA region were capacitated to play a bigger role in the Silencing the Guns (STG) Agenda. COMESA, AU, and Save the Children convened an Inter-Ministerial Conference that brought together Ministers responsible for youth affairs, national youth councils, the AU and RECs on 25 – 29 July 2022 for Southern Africa countries namely, Malawi, Mauritius, Seychelles, Madagascar, Zambia, Zimbabwe and Eswatini. The conference enabled over 160 youth representatives to interact with their Ministers. The youth developed and shared a declaration with Ministers who committed to support the aspirations of the youth. The development of strategies for youth empowerment and National Action Plans (NAPs) commenced in some of the countries. Further, COMESA and STC facilitated an Inter-Generational Dialogue for youth to interact with policy makers, parliamentarians and with the COMESA Committee of Elders around themes such as leadership and governance, peace and security and climate change.
- ii. Mentorship of the youth was accomplished through COMESA's continued efforts to work with interns that had been engaged in September and October 2021 extending to the first three months of 2022. COMESA further engaged a junior expert from the AU pool of Junior experts. The interns have since had hands-on experience on conflict prevention and peacebuilding in the context of a REC by interacting with COMESA governance, peace and security programmes.
- iii. COMESA with key partners, Save the Children and Horn of Africa Youth Network commenced the establishment of a One-Stop Youth Centre for youth in Aleptong, Northern Uganda. This followed a training activity organized for National Youth Councils and the COMESA Youth Advisory Panel held in September 2022 to support the Silencing the Guns (STG) objectives. The need for the

training was identified during the first Inter-Ministerial Meeting held in 2021. A regional platform for information sharing was established.

- iv. On the rights, protection, and welfare of Children Affected by Armed Conflicts (CAAC) mainstreamed into APSA, COMESA working with several regional CSOs convened a symposium on CAAC which brought together government, regional organisations and children on 27 October - 2 November 2022. The aim of the symposium was to encourage more robust protection of children in situations of armed conflicts through mobilizing commitments on the CAAC agenda and disseminating AU and REC tools on CAAC. The symposium was attended by over 170 participants from Ethiopia, Kenya, Sudan, Rwanda, Uganda, Eritrea, Somalia, Zambia, Egypt, Burundi, Libya and Djibouti and other non-COMESA members.

## Democracy and Governance

COMESA in collaboration with the AU deployed a joint short-term observer mission to Kenya in the August 2022 General Elections. The mission was led by H.E Dr. Ernest Bai Koroma, former President of Sierra Leone and deputized by Amb. Marie Pierre Lloyd, a member of the COMESA Committee of Elders from Seychelles. The mission comprised of over 90 observers that visited 504 polling stations in 38 Counties. The mission transformed to a preventive diplomacy mission after the poll and was supported by the AU Panel of the Wise. Prior to the observation mission, COMESA collaborated with the AU and EAC to deploy a Joint High Level Pre-Elections Assessment Mission in May 2022 led by the Chairperson of the AU Panel of the Wise, H.E Domitien Ndayizeye, former President of the Republic of Burundi. The mission was supported by three members of the COMESA Committee of Elders. COMESA was subsequently invited by the AU to join its long-term technical observer mission.

While the programme experienced a number of challenges in implementing its activities which amongst others included insecurity at some of the border areas of the Great Lakes Region which made it difficult to hold border events in the areas that were initially identified and consistency in training of trainers on COMWARN, the programme's success in re-strategizing implementation modalities, resulted in COMESA becoming the second highest of the eight APSA implementing organizations – this led to increased funding. The programme will continue to aim at enhancing strategic partnerships to give maximum value of its benefits to the Member States and to leverage funding.

## **STRENGTHEN DEVELOPMENT OF ECONOMIC INFRASTRUCTURE**

### **Energy**

#### **i. Regional Infrastructure Finance Facility (RIFF) Project**

The financing agreement for the implementation of the RIFF Project was signed between COMESA and the World Bank on 3 August 2020. The project development objective is to expand long-term finance to private firms in selected infrastructure sectors in Eastern and Southern Africa. The RIFF Project has two components:

- The US\$10 Million Grant COMESA component aimed at provision of technical assistance and capacity building to Member States, with special focus on the private sector; and
- The US\$415 Million Credit to the Trade and Development Bank.

Under the COMESA component, the following was achieved in the period under review:

- (i) Completion of the Study on Needs and Market Assessment of Off Grid Renewable Energy in the COMESA and TDB Region. The study was conducted to help establish a base on which future work for the RIFF Project could be built. Study Findings included:

- a) The need for robust quality assurance measures to establish credibility of off-grid products in the market.
- b) Foreign currency risks associated with hard currency financing, high interest rates in local currency financing, low repayment periods in local currency financing, lack of bankable projects for institutional investors and lack of sector awareness by Financial Institutions.

The findings of the report were in sync with other reports on the subject and in line with the activities that the project had already initiated. It provided several useful recommendations that will be considered for implementation both within and beyond the project period.

(ii) Review of COMESA Model Energy Policy Framework

In response to the 2019 Nairobi Ministerial Directive, COMESA concluded the review and update of the Model Energy Policy of 2008 to take into consideration new developments including climate change, regional trading of energy and e-mobility. A consultation workshop in which the relevant institutions from Member States were invited was held in Kigali in September 2023, followed by a validation workshop held in December 2022, in Lusaka, Zambia. The revised Model Energy Policy will be presented for adoption at the Ministerial Meeting in May 2023.

(iii) Development of COMESA Model Solar Standards

The initiative to develop Model Standards for Solar was undertaken as a measure to respond to the proliferation of low-quality products in the region. The model standards will be used as a tool for the promotion of quality and regional trade among the Member States to ensure interoperability of manufactured products. The process commenced in April 2022 and concluded in December 2022. The Model Solar Standards will be presented for adoption in the Ministerial meeting in May 2023.

(iv) Development of COMESA Model Common Customs Tariffs Framework (MCCTF) for Solar Products.

This initiative is aimed at promoting a more uniform approach to tariff setting for solar products in the region. This is in recognition of the prevailing situation of high variation of duty regimes across the region which are a hinderance to trade and adoption of off grid renewable technologies. The development process included the review of various customs duty regimes in the region and consultation with Member States. The process commenced in April 2022 and concluded in December 2022. A consultation workshop in which the relevant institutions from Member States were invited, was held in Kigali in September 2023, followed by a validation workshop held in December 2022, Lusaka, Zambia. The framework will be presented for adoption through the ministers in charge of customs.

ii. **Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) - Project on Enhancement of a Sustainable Regional Energy Market (ESREM)**

The region's energy market is confronted with several challenges, notwithstanding its abundant energy resources. It has limited physical infrastructure to exploit its energy resources and to transfer electrical energy from the point of production to the majority of the region's citizens and end users. In this regard, the European Union Funded Project on Enhancement of a Sustainable Regional Energy Market (ESREM) in the Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Region under 11<sup>th</sup> European Development Fund (EDF) Regional Indicative Programme was initiated to address some of the issues mentioned above. RAERESA was identified to take the lead and the overall coordination of the implementation of this seven-million-euro project whose implementation was successfully concluded in December 2022 including the closure phase. The overall objective of the ESREM Project was to enhance a sustainable regional energy market in the EA-SA-IO region which would be conducive for investment and promote sustainable development.

It is important that in enhancing a sustainable regional energy market, a harmonized and gender-sensitive regulatory

and institutional framework is adopted. In this regard, the project carried out two comprehensive studies to identify and recommend measures to harmonize the legal and regulatory frameworks for electricity across the region with a view to removing barriers to infrastructure investment.

The first study was the Framework for Regulatory Oversight of the Regional Energy Market in Eastern Africa, Southern Africa, and Indian Ocean Region. The study constituted a harmonized Regional Regulatory Framework (RRF) which was formally endorsed by the Council of Ministers of COMESA and SADC. The RRF is a collection of recommended regulatory practices and principles which are complementary and when fully implemented is expected to boost the delivery of regional electricity infrastructure projects, both nationally and in terms of cross-border interconnection.

To implement the recommendations of the RRF, the project developed thirty (30) legal and regulatory instruments targeting three main areas identified as being key to enhancement of the region's energy market. These included the establishment and operationalization of national and regional regulatory authorities; the alignment of Member States' national legislations and regulations to the adopted RRF; and the establishment of a legal framework for the connection of the region's two power pools - the Eastern Africa Power Pool (EAPP) and the Southern African Power Pool (SAPP).

The second study, the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) was developed to achieve an integrated framework for the development and utilization of renewable energy and energy efficiency in the entire EA-SA-IO region. The strategy was adopted by the COMESA Council of Ministers in November 2020. The REEESAP is considered a necessary instrument that is expected to create an enabling environment to promote investment in renewable energy and energy efficiency initiatives hence ensuring access to affordable, reliable, sustainable, and modern energy for all.

As a follow up to the recommendations of the REEESAP, the project developed eleven (11) policy and regulatory guidelines aimed at streamlining policy and fiscal incentives for investment in renewable energy and energy efficiency projects and covering several key cross-cutting issues that will ensure a just transition, which were subsequently adopted by the COMESA Council of Ministers held in December 2022. These eleven (11) reports and guidelines are listed below:

- a) Regional guidelines for renewable energy integration in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) region.
- b) A credit facility guideline to support renewable energy projects.
- c) Renewable energy procurement guidelines for the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) region.
- d) 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.
- e) 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.
- f) 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.
- g) 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.



- h) Regional guidelines on demand side management for the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) region.
- i) Regional guidelines on power system losses measurement and mitigation.
- j) Lifeline tariff policy and guidelines.
- k) Credit facility guidelines for energy efficiency projects

In addition to the studies and results highlighted above, the ESREM Project collaborated with regional and national energy stakeholders to enhance their capacities in providing and enforcing regulations that enhance the development of robust regional energy markets. In this regard, a total of three hundred and sixty-three (363) officials from regional economic communities, national and regional regulatory institutions, and the two power pools were exposed to international and regional best practices on energy regulation and power trade issues. In addition, peer reviews of seven (7) national regulatory authorities were carried out during the project implementation period. These, according to the participants' feedback, not only helped in buttressing their knowledge and experience, but also linked them and their institutions to international and regional peers with whom exchange of ideas would be possible.

## ICTs

The main priority for the period under review was the implementation of activities under 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)). COMESA and the European Union (EU) signed a Grant Contribution Agreement worth 8 million Euros 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 (4) year programme that aims at supporting the effective review 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 is implemented by COMESA as the lead REC in collaboration with partner RECs comprising of SADC, EAC, IGAD and IOC. The programme is scheduled to run from January 2021 to December 2024 with the overall objective to deepen regional integration and growth of the ICT sector in EA-SA-IO region. The programme specific objectives are as follows:

- Regionally coordinated public and private sector ICT policy development
- Enhanced policy and regulatory environment for competitive markets and gender sensitive ICT
- Improved infrastructure connectivity and access to ICT

The primary beneficiaries of the EGEE-ICT programme are Member States of the EA-SA-IO region, through their respective ICT Ministries and Regulators as they use the programme to support the development and implementation of policies and regulatory frameworks that will provide a conducive environment for the effective development of the ICT sector. Beneficiaries also include regional association of regulators that play a great role in the development of policy guidelines and regulations and in the harmonization process namely the Communication Regulators Association of Southern Africa (CRASA), Eastern Africa Communication Organization (EACO) and Association of Regulators for Information and Communication for Eastern and Southern Africa (ARICEA)

Progress on implementation of the programme in the period under review was as follows:

- (i) Stakeholder Mapping and Baseline Study Report

The Stakeholder Mapping and Baseline Study was finalized, and report validated by technical experts from Member States through a validation workshop held in Malawi, Lilongwe in September 2022. The overall objective of study was to carry out a comprehensive stakeholder mapping and establish a pre\_programme baseline information. This baseline study has provided a brief illustrative overview of the status of ICT development in each of the 29 Member States of the EA-SA-IO region. In doing so, it provided some indication of the baseline for each of the programme indicators and based on the collected information the baseline on the log frame was updated. The study report contains stakeholder mapping and analysis and developed a stakeholder engagement strategy, assessed institutional capacity, skills, and gaps, and identified institutional strengthening needs for programme success. The study report includes plans, strategies, and mechanisms to achieve maximum stakeholder participation for sustainable programme implementation.

(ii) E-Commerce Study Report

The E-Commerce Study was finalized and validated by technical experts from Member States through a validation workshop held in Malawi, Lilongwe in September 2022. The overall objective of the study was to conduct an in-depth review of the policy and regulatory frameworks on e-Commerce and related policy, regulatory and administrative practices, and processes of Member States in the EA-SA-IO region, to identify bottlenecks hampering uptake of e-Commerce in the region and to propose a regional work programme which will guide and facilitate the development and adoption of a regional e-commerce framework. E-Commerce provides a good opportunity for the countries in EA-SA-IO region for economic development as it provides a base for the digital economy and the Digital Free Trade Area. It will contribute positively to the GDP, poverty reduction, and creation of jobs in the region.

The study analysis and findings were based on the key pillars of e-Commerce development namely, connectivity and ICT infrastructure, logistics and trade facilitations, payment solutions, business environment, skills development, regional and international trade, taxation, e-readiness status, and intellectual property rights in addition to e-readiness report. The analysis and findings undertaken, identified gaps, constraints and challenges in the pillars of e-Commerce development. This included key gaps in the digital space in terms of physical infrastructure, accessibility, affordability and sustainability of internet services and electricity. Additionally, the study identified gaps in key policy and regulatory frameworks, transport and logistics and the business environment and proposes recommendations to address gaps to enable e-commerce. Additionally, the study provides a work programme for the development of e-commerce in the region.

(iii) Study on Technical Assistance to Regional ICT Associations (RICTAs)

The Technical Assistance Study to RICTAs was finalized and validated by experts of RICTAs through a validation Workshop held in Rwanda, Kigali in November 2022. The overall objective was to conduct an assessment to provide an overview and analysis of the capacity, strengths, and weaknesses of RICTAs and identify the main capacity gaps and demands. Follow up action includes development of strategies, action plans and business models for RICTAs. There are various positive aspects of the Regional ICT Associations in the EA-SA-IO Region including appropriate governance structures, constitutions, strategic plans, working committees, partnerships, and cooperation with the parent RICTAs among others. The key findings of this study include the need to enhance capacity in operationalization of the legal instruments that established some of the RICTAs including in their constitutions; build capacity, review business models and improve on synergies among them.

## Transport

i. Support to the Air Transport Sector Development in the East Africa, Southern Africa and Indian Ocean region (€8 Million)

COMESA and the EU signed a Grant Contribution Agreement amounting to €8 Million for 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 (4) year programme that aims at supporting the 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 primary beneficiaries of the SATSD are Member States of the EA-SA-IO region through improved air transport services, which will contribute to increased employment due to increased demand for air transport services, positive impact on downstream aviation sector industries, positive impact on the tourism, industrial and trade sectors contributing to GDP growth. The huge size of the continent and its many physical barriers, coupled with limitations in land-based transport infrastructure will make air travel the preferred mode. Institutional reforms to be supported by the programme will result in efficient and accountable institutions that will be able to support sustained growth of the sector. The following achievements were reported in 2022:

- a) A media training and familiarization workshop for journalists in the EA-SA-IO region on sensitization of the programme deliverables and activities was undertaken. The workshop which was hosted by Seychelles included journalists and sector technical experts from the COMESA, SADC, and IOC regions.
  - b) Branding materials to enhance the communication and visibility of the programme were acquired during the period.
  - c) National laws, rules, regulations, and policies to conform with the provisions of the Yamoussoukro Declaration (YD) were reviewed. The final report provided recommendations and directives to Member States which included high level policy recommendations and the way forward towards addressing the following: law reform for YD, identification of funding mechanisms, strategies to guarantee human capacity requirements, alignment of Bilateral Air Service Agreements (BASA), structured collaboration in airline cooperation, political will in harmonization/unification of laws, and tariffs, revision of the original YD transition provision, consultation with the national YD implementation committees and development of YD Compliance Index.
  - d) A Draft Model BASA was developed and reviewed to ensure compliance with the provisions of the YD.
  - e) A baseline study to assess the current status of the air transport in the region was completed. Recommendations from the study include the need for most Member States to improve on safety, eliminating protectionism, and prioritizing the aviation sector as part of implementation of the SAATM; capacity building to address the skills gap; the crucial role of implementation of policies for effective transformation of air transport industry spearheaded by RECs and safety management through widespread standardization of safety requirements.
  - f) A training needs analysis for the region was completed which identified funding and adaptation to learning methodologies as challenges in ensuring skilled personnel are available within the aviation industry. The report recommended training in the following areas to facilitate a liberalized air transport sector within the region: air safety, building capacity for regional training institutions and safety oversight.
  - g) Support in the implementation of ICAO SARPs and PANS was provided to the DR Congo through a national capacity building workshop.
  - h) Work commenced towards the development of a regional institutional framework on deployment of interoperable CNS/ATM systems in the EA-SA-IO region.
- ii. 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 was 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 study was completed in 2022 and draft final report submitted. The Island States involved include Comoros, Madagascar, Mauritius and Seychelles.

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

The riparian countries covered by the project include Burundi, DR Congo, Ethiopia, Egypt, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda. The project seeks to establish a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea with the objectives to reduce transportation costs for trade, promote socio-economic integration and cohesion, sustainable integrated multimodal transport system, support environmental sustainability, enhancement of trade and tourism; and reduce poverty among Nile Basin Footprint countries.

Expected benefits from the project will include relatively cheaper and environmentally friendly transport mode, shorter and direct transport route between Western Europe and, Eastern and Central Africa through River Nile, employment creation, deepening regional integration, transfer of knowledge and poverty reduction.

In the period under review, the African Development Bank (AfDB) availed financial support for project activities amounting to US\$2million.

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

The overall strategic objective of the TTTFP 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 covering the COMESA, EAC and SADC regions and funded by the EU under the 11<sup>th</sup> EDF at a total of €18 Million, is anchored on one of the key infrastructure pillars of policy and regulatory harmonization.

The programme has four key result areas as follows:

- EA-SA Vehicle Load Management Strategy Implemented
- Harmonised EA-SA Vehicle Regulations and Standards Implemented
- Preconditions for an Operational EA- SA Transport Registers & Information Platform Systems (TRIPS) Implemented
- Efficiency of Regional Transport Corridors Improved.

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 activities were undertaken in respect of TTTFP activities at the COMESA Cluster level and in individual Member States in respect of the legal framework for road transport developed as well as ARSO adopted standards and systems including the Corridor Trip Monitoring System (CTMS).

- a) Djibouti  
Customisation of vehicle load management model law and regulations submitted to Djibouti.
- b) DR Congo

- Developed the Transport of Dangerous Goods Bill incorporating the model law which has since been submitted to Parliament for enactment. This will improve inter-alia safety on transportation of uranium and a system to track vehicles.
- The tender for the new DL incorporated Tripartite technical requirements including ISO/IEC 180/133 specifications. The DL will be computerised, obtainable in remote areas using mobile teams and traffic police with the option for obtaining the licence electronically or within 3 days.
- All standards adopted under SADCSTAN which are now ARSO standards were adopted.

c) Ethiopia

- Draft Vehicle Axle Load Law based on the model law was presented to Parliament.
- A tender launched for a standardised driver licence for the whole country based on technical specifications under TTTFP.

d) Malawi

The following Weigh Stations (WS) under construction and have been incorporated into the NIAP:

- **Bwengu** – Process to procure consultancy services underway after which designs for the station and civil works will follow within the 2022/23 Financial Year.
- **Dedza** – Project start was delayed due to the construction of a road toll plaza adjacent to the site, to follow process undertaken for Bwengu.
- **Nkhotakota** – Office block at 60% completion, access road nearing completion, multi-deck scale has been installed awaiting connection, 13 staff houses completed.

e) Sudan

- Steering Committee fully constituted and ready to commence the customisation of the model laws for Sudan.

f) Zambia

- A report submitted to Zambia reviewing its Domestic Weigh Station Location Plan and its alignment to the Regional Weigh Bridge Location Plan for comment before validation by the Road Development Agency and TTTFP.

v. **Corridor Performance Improvement**

a. Proposed Kasumbalesa One Stop Border Post

Implementation of the project will promote smooth flow of trade and movement of people through Kasumbalesa Border Post between DR Congo and Zambia through reduced delays and congestion, improved utilization of resources, improved coordination and flow of information between border agencies, reduced risk of pilferage of cargo and exposure to health risk for drivers with an overall effect of reducing the cost of doing business. The legal and institutional framework for the proposed OSBP at Kasumbalesa developed in 2020 is undergoing legislative review and approval by the DR Congo.

b. Establishment of Corridor Management Institutions

Establishment of Corridor Management Institutions (CMIs) is aimed at improving management of international traffic and support regional integration through harmonization of operating procedures, policy, skills, infrastructure

and equipment among the Corridor States. The focus on the establishment of CMIs was on Djibouti and Port Sudan corridors. While no progress was made towards finalization of the agreements in the period under review, the concerned Member States remain committed to the establishment of the two corridors.

To continue to contribute towards strengthening development of economic infrastructure in the region in subsequent implementation periods, there will be need to improve inter-REC coordination for programmes involving other RECs such as those at the Tripartite level. To address the challenge of unavailability of data from Member States which is critical for the identification of gaps and required needs for the harmonization of legal and regulatory frameworks, there is need to establish and maintain databases to facilitate future studies which determine informed follow up action and programmes.

## **COMESA INDUSTRY AND AGRICULTURE PROGRAMME**

### **COMESA Agriculture Programme**

In efforts to catalyse inclusive agricultural growth and sustainable transformation, the COMESA Agriculture Programme in 2022, focused on advancing the implementation of CAADP/Malabo commitments to boost agricultural productivity and production in the region for improved livelihoods and food security and facilitation of sectoral reviews of the implementation of agriculture, environment and natural resource strategic plans and programmes to inform and provide strategic guidance. Additionally, the programme contributed to the strengthening agri-food data systems in the region for improve agricultural market access and trade in select commodities in the region and developed COMESA regional strategic frameworks/ instruments to enhance post-harvest management, agri-food market access and trade, and enhance food and nutrition security in the region.

Achievements in the year under review were as follows:

- i. Convened the 8th Joint Sectoral Meeting of the Ministers responsible for Agriculture, Natural Resources and Environment from COMESA Member States on 24 November 2022. During the meeting, the ministers reviewed and endorsed regional strategic frameworks/ instruments and programmes developed and being implemented to catalyze agricultural production and productivity, reduce post-harvest losses and to enhance access to markets and trade in safe and high-quality agricultural commodities and products and regional food security. The meeting further discussed and made commitment to support regional efforts aimed at strengthening regional agri-food data and information systems, particularly the COMESA digital Regional Food Balance Sheet (RFBS) initiative being implemented by COMESA Secretariat in collaboration with AGRA and a range of analytical and technology partners. Furthermore, the meeting discussed and commended the initiatives being implemented by the Secretariat to enhance adaption and mitigation to the effects of climate change and build resilience to shocks in the region.
- ii. Developed regional guidelines on the establishment, operations, and management of Warehouse Receipt System for agricultural commodities. The guidelines were adopted by the 8th Joint sectoral Meeting on Agriculture, Environment, and Natural Resources. A well-structured and managed warehouse receipt system has the potential to generate multiple benefits for the actors in the agricultural value chain including enabling holders to access loans from financial institutions, providing quality assurance and certification system, enhancing access to proper crop storage facilities, reducing post-harvest losses, and enhancing food security. This effort will therefore enhance agricultural commodity post-harvest management and agri-food market access and trade in the COMESA region.
- iii. COMESA in collaboration with AGRA and various partners, developed and formally launched a digital Regional Food Balance Sheet Platform in September 2022. The RFBS platform leverages digital technology to provide forecasts for selected food commodities in East and Southern Africa. This initiative is being grant funded by development partners that include Rockefeller Foundation, The UK Foreign Commonwealth, and Development Office (FCDO), Bill and Melinda Gates Foundation and the United States Agency for International Development (USAID). The initiative is initially being piloted in six countries namely Zambia,

Malawi, Kenya, Uganda, Rwanda, and Tanzania with the ambition to make it a COMESA-wide intervention to contribute towards strengthened agri-food data systems for informed policy, investment, and trade decisions, and for emergency food and livelihood response in the region.

- iv. Embarked on the formulation of the COMESA Regional Guidelines for the Establishment and Management of Strategic Food Reserves. A draft guidelines document has been formulated and is undergoing further elaboration in consultation with Member States. Strategic food grain reserves can play a crucial role in responding to food crises, ensuring food and nutrition security, and stabilizing food grain prices in markets at different levels, particularly in the face of shocks such as COVID-19 and climate-induced shocks. The guidelines when adopted will enhance effective disaster preparedness and response for food and nutrition security in the region.
- v. Continued to advance the implementation of the CAADP Malabo Commitments for Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods. In Collaboration with AUDA-NEPAD/Initiative on Food and Nutrition Security for Africa (IFNA) and other RECs, the Secretariat conducted the 2nd IFNA Partners Experience Sharing Meeting with Member States where participants shared progress, good practices and lessons learnt on food and nutrition security programming to support the realisation of Malabo Declaration's food and nutrition security indicators.
- vi. Developed policy briefs based on the 3rd (2021) CAADP BR report as well as the two previous reports. The briefs summarized the performance of the COMESA region in pursuit of the CAADP Malabo Declaration commitments as well as analysed challenges faced and lessons learned and provided reviews of recent changes in policy and programmes for accelerating agricultural growth and transformation in the region. While many countries in the region have made some progress in terms of agricultural productivity and production, only one is on track to achieve the set targets of the Malabo Declaration by 2025. The policy briefs made key policy recommendations including, enhance support to smallholder farmers to have improved access to technologies to boost productivity and production, and re-purpose investment in innovation, research and development to generate technologies and management practices to drive sustainable agricultural transformation. The recommendations were discussed and adopted by the Ministers to enhance the implementation and achievement of CAADP Malabo commitments in the region.
- vii. Collaborated with the United Nations Food and Agriculture Organisation (UNFAO) Regional Office for Africa (FAO- RAF) and the African Union Commission (AUC)- SAFGRAD to formulate the COMESA Regional Irrigation Development and Agricultural Water Management Strategy. A comprehensive regional strategy will serve as regional blueprints to guide the design, implementation, financing, and governance of irrigation and AWM development projects in the region. A draft strategy has been formulated and consultations are underway with the Member States to ensure that the final strategy incorporates socio-economic conditions and agro-climatic specificities for the various countries in COMESA region, needed to sustain irrigation agriculture.

Moving forward, in collaboration with the various development partners which has the potential benefits of expanding the regional programmes and outreach, the COMESA Agricultural Programme will continue to assist Member States to better understand the current and projected food security status of their nations, particularly in the current dynamic environment which is occasioned by socio-economic, geo-political factors and climate change. Programme delivery will therefore need to be designed to meet the expectations and needs of Member States.

### **COMESA Livestock and Fisheries Development**

The COMESA Livestock and Fisheries Programme aims to contribute towards increased 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 Fisheries Programme achieved the following in 2022:

## **ECOFISH Programme**

The Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa, and the Indian Ocean region (ES-SA-IO) Programme achieved the following:

- i. The Fisheries Satellite Account for Eastern Africa-Southern Africa and Indian Ocean region was developed and validated in February 2022 in addition to the Manual and Regional Macroeconomic Dashboard. The Kenyan Fisheries and Aquaculture Research Institute accepted to pilot the developed Fisheries Satellite Account and is using the system for collection of data on fisheries and using the information for development of the sector. Training was provided to the Member State on data collection and collection of appropriate data fisheries and aquaculture.
- ii. A Steering Committee Meeting was held in March 2022 which identified and agreed on regional and national activities to be implemented.
- iii. Training on communication and advocacy on the importance of fisheries and aquaculture was held in May 2022.

Implementation of pilot activities in each Member State was reported as follows:

### **i. ECOFISH Programme Kenya - KECOFISH Project**

- Seven (7) Beach Management Units were trained in mobile fisheries data collection using mobile fisheries data collection equipment including (mobile phones, measuring board, tape measure, raincoat, torch, weigh scale and stationery) in Lamu and Kwale County.
- 24 Village Savings and Loan Associations (VSLA), with 476 members, were selected.
- 15 Beach Management Units were assessed using the WWF's CSO Capacity assessment tool.

### **ii. ECOFISH Programme Mauritius - The ECOFISH-UNDP Project**

- 2 sets of Single Buoy Fish Aggregating Devices (FAD) were received and deployed at sea and procurement of additional devices was ongoing to improve fishing efficiency.
- 196 fishers were sensitized on the best fishing practices and training materials for localization of FADs using GPS signals were developed under the project and handed over to the implementing partners.

### **iii. ECOFISH Programme Madagascar – The project is contributing to the effort for conservation of endangered species and habitats with awareness-raising and capacity-building at all levels of the community.**

- 223 fishers attended the consultation meeting on sustainable small-scale fisheries in Ampasindava, Anjiamaloto and Sarimbatavo, Amboaboaka.
- 24 data collectors from Ambolobozokely and Irodo trained in catch data collection.
- 17 youth outreach activities on fisheries and marine management were organised.
- Built capacity and knowledge of 641 Junior Ecoguards on marine biodiversity and habitat monitoring.
- 7 communities and 221 Junior Ecoguards reached through community's sensitization campaign on biodiversity, fisheries laws, and sea turtles-Over 1200 students and 130 Junior Ecoguards participated

in international awareness day, including World Environmental Day, World Sea turtles Day and World Ocean Days

- Distribution of 120 copies of C3's new storybooks on marine habitats (mangrove, seagrass, and coral reef) and Ecofish T-shirts for the new Junior Ecoguard Club at Ambolobozobe.

iv. **ECOFISH Programme Zambia:** Through Action Aid Zambia and with the assistance of NNF under the Project Strengthening Community Fisheries in KAZA, several areas have been protected resulted in the setting up of new fishing rules. The new regulations will help to increase the fish stocks. Through Action Aid Zambia, the fisheries co-management manual was developed and is being used in Zambia.

- Empowerment and capacity building
- 896 people were trained in integrated fishing and farming.
- Capacity of 84 government extension workers were built.
- 389 fishers were trained in gender sensitive access to markets.
- 441 peer community volunteers were trained as trainers in value addition.
- 4,758 community level fisheries committee members and 40 fishery officers were trained in security of tenure and FAO voluntary guidelines.
- 2,440 fishers were trained in rights and control over water fisheries resources.

#### **Fish-GOV II Programme with AU-IBAR: Sustainable Development of Fisheries and Aquaculture**

- i. The COMESA Blue Economy Strategy was adopted by the Joint Sectoral Meeting of the Ministers responsible for Agriculture, Natural Resources and Environment as the strategy to guide and harness the benefits of the blue economy of the region.
- ii. Implemented the continental African Fisheries Reform Mechanism (AFRM) to facilitate development, adoption, and implementation of reforms in fishery governance and management to contribute towards transforming Africa's fisheries from overexploitation and overcapitalization towards environmental, economic and social sustainability. As a chair of the trade and marketing working group, COMESA facilitated continental meetings to discuss enhancement of the fisheries value chain. The meeting took place during the 4<sup>th</sup> General Assembly and Bi-Annual Meeting of the Africa Platform for Regional Institutions in Fisheries and Aquaculture and Aquatic Systems in Marrakesh, Morocco in April 2022.
- iii. The Continental Review of Existing Marine Protected Areas (MPAs), Document Lessons, Best Practices and Formulate Guidelines for their Sustainable Implementation and Governance in Conservation of Aquatic Biodiversity Resources in the East and Southern African Regions was completed and validated.

The Livestock Programme achieved the following in 2022:

Under the initiative aimed at enhancing animal health to control Transboundary Animal Diseases (TADs) to enhance access to export markets in Africa, the following was achieved:

- i. Through sharing of information, Member States were supported in submitting reports on the outbreak of Trans-boundary Animal Diseases (TADs) to AU-IBAR and WOA. H.



- ii. As a member of the Global Framework for the Progressive Control of Transboundary Animal Diseases (GF-TADs), the programme contributed to the control of prominent TADs.
- iii. Contributed to the regional Antimicrobial Resistance Training organized by FAO, WOAHA and WHO in partnership with AUC.
- iv. Control of PPR small ruminant disease is being spearheaded by WOAHA and FAO in collaboration with RECs.
- v. Reviewed the draft African Positions on standards of the Terrestrial Animal Health Standards as priority issues for Africa presented to the 89th General Assembly of National Delegates of the World Organization for Animal Health which was held in May 2022.
- vi. Held the 13th Pan African Chief Veterinary Officers and OIE Delegates Meeting to discuss and agree on an African position.

Enhancing Regional Livestock and Product Trade Project supported through Live II-Africa Project. The main achievements of the programme included:

- i. Facilitated a regional meeting in June 2022 which resulted in the development of an Animal Health Safety Index for Africa which will assist in the identification of the status of each Member State with regards to readiness to participate in continental free trade. The index includes an evaluation of existence of national animal health policy, an act, or law to help Member States to update their animal health policy, act or law.
- ii. Enhancing Regional Dairy Value Chain - In partnership with AU-IBAR and EAC, the programme supported the East African Dairy Value Chain through a workshop which amongst others, identified respective roles of regulations and incentives in improving milk quality (from farm to processor) in the East African context and discussed the effects of past efforts to upgrade and harmonize dairy product regulations and standards, including the EAC-COMESA product standards and SPS regulations.

A key take away from the implementation experience by the programme amongst others is that partnering with global (FAO, WOAHA, WHO, WTO), continental (AUC, AU-IBAR, AfDB) and regional organizations (RECs and other regional blocks including IOC, Regional associations, civil service organizations) is very important to leverage resources. There is a need to ensure that there is effective coordination and allocation of the required resources between global, continental, regional, and national programmes which build on the subsidiarity principle.

### **COMESA Industrialisation Programme**

The broad objective of the COMESA Industrialisation Programme is to implement activities underlined in the 2017 – 2026 COMESA Industrial Strategy and Action Plan in support of the COMESA 2021-2025 MTSP and the COMESA Treaty. Overall, the Industrialisation Programme focuses its efforts on building a regionally integrated, diversified and competitive production capacity anchored on agriculture, industry and services sectors through value addition, innovation and common regional standards. The following were the achievements in the period under review:

#### **i. Domestication of the COMESA Local Content Framework in Member States**

As guided by the Ministers of Industry, during the 4<sup>th</sup> Committee Meeting on Industry held in May 2021, the programme commenced support to Member States to domesticate the Regional Local Content Framework and adopted implementation strategy. All Member States were requested to express their willingness for the support. With the financial support from the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), support has been provided to Zimbabwe and Kenya.



## ii. **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. In 2022, the programme continued to facilitate the implementation of the initiative through mobilization of resources by engaging cooperating partners to finance certain activities. With financial support from the United Nations Development Organisation (UNIDO), the Secretariat facilitated a learning tour to Ethiopia on agro-industrial parks and continues to engage the cooperating partners and financiers to support the programme. UNIDO has undertaken to conduct a detailed feasibility study of the proposed common agro-industrial park whilst the AfDB have undertaken to support the two Member States to secure financing of the Programme through the available facilities.

## iii. **Resource Mobilisation**

In the period under review, the programme was involved in resource mobilization for various activities related to industry and private sector development. In October 2022, an application was made for a grant from AfDB to finance the COMESA Land Governance Project which aims to promote inclusive and sustainable industrial transformation through improved governance of land and land based natural resources as capital investments in the COMESA region. Additionally, the programme supported Zambia and Zimbabwe to apply for a Project Preparation Facility (PPF) of the African Development Fund within the framework of Zambia-Zimbabwe Industrialisation Programme.

## iv. **Review of the COMESA Industrialisation Strategy**

Industrial development has been placed at the core of the development integration agenda as a vehicle to achieve structural economic transformation for the creation of jobs and wealth in the COMESA region. In view of this, Member States adopted the COMESA Industrialization Policy (2015-2030) and an attendant Industrial Strategy (2017 - 2026). As an integral part of implementation arrangements and in particular monitoring and evaluation of the Strategy, the programme initiated a mid-term review of the Strategy. The review aims to analyze and review the achievements of the strategy thus far against set objectives while at the same time providing stakeholders including the COMESA Secretariat, COMESA Institutions, Member States' governments, private sector and development partners, among others, with an independent review of strategy outputs and outcomes. The Mid-Term Review will evaluate the progress to-date, effectiveness, and impact to the extent possible while at the same time establishing whether the strategy is achieving its overall goals and objectives.

## v. **COMESA Support Towards Regional Pharmaceutical Sector Development Project**

The COMESA Support Towards Regional Pharmaceutical Sector Development Project developed by the programme will be financed by the African Development Bank (AfDB), designed to be implemented over a period of three (3) years, from April 2023 to April 2025. The overall project cost implication is UA5.0 million (USD 6,638,900). The main goal of the project is to provide institutional support for the development of the pharmaceutical industry through strengthened capacities of the region's pharmaceutical regulatory bodies, quality control and management systems, research, and development institutions for effective manufacturing of safe and quality pharmaceutical products in response to the COVID-19 pandemic as well other diseases in the region. The project is aligned with COMESA's Industrialization Strategy (2017 - 2026), its Industrialization Policy (2015-2030) and one of the pillars of the Tripartite FTA on industrial development, which identifies the pharmaceutical sector as one of the industries prioritized for the development of regional value chains.

## vi. **To Facilitate the Development of a Concept Paper on Industrial Integration**

Following the 4<sup>th</sup> Committee on Industry held in May 2021, among the recommendations passed by the Ministers directed to Member States and the Secretariat to implement, was a recommendation by the Arab Republic of Egypt to draft a concept paper on industrial integration to be refined by the Secretariat before its communication

to Member States. The Concept Paper was developed and discussed at a Meeting of Industry Experts in COMESA which was held in April 2022. The aim of the Concept Paper is to contribute towards effective implementation of the COMESA industrialisation agenda and attainment of comprehensive industrial integration considering continental initiatives such as the AfCTA and Made in Africa concept.

### **Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP)**

The Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) has been under implementation since January 2020. RECAMP was planned as a 48-month programme following the signing of the agreement to implement the programme between the European Union and COMESA in November 2019. Actual implementation of the programme commenced on 1<sup>st</sup> of January 2020 with an allocated amount of EUR 8,800,000. The programme is expected to be completed in December 2023.

In the period under review, RECAMP continued to contribute towards the deepening of regional economic integration in the COMESA region by enhancing the competitiveness of the private sector, with a specific objective of increasing private sector participation in sustainable regional and global value chains. Member States continued to receive technical support in the programme's key result areas including support towards expanding market access and improving competitiveness in the targeted value chains.

RECAMP implementing partner institutions comprise of COMESA programmes and institutions including 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) who continued to implement activities of the programme with the overall coordination provided by Division of Industry and Agriculture (IAD) at the COMESA Secretariat.

In 2022, the programme emphasis was on ensuring that implementation was undertaken through a participatory and collaborative approach among the implementing partners to maximize the benefits to the private sector. The following was achieved under the programme's result areas:

- i. Competitiveness and Market Access of SMEs and other Selected Players in the Targeted Value Chains/ Sectors are Sustainably Enhanced
  - a) Strengthening Business and Market Intelligence Platforms
    - An upgrade was done to the BIZNET Platform aimed at creating an online platform for Business to Business and Buyer-Seller engagement. The updates were completed making the platform ready for uploading additional. The site can be accessed at(<https://biznet.comesabusinesscouncil.org>)
    - Workshops for online market intelligence platforms were held in 4 Member States namely Ethiopia, Malawi, Zambia, and Zimbabwe focusing on the African Trade Observatory Platform and Trade Map. The Member States capacity was built on accessing markets within and beyond the region.
  - b) Gender Sensitization Workshops - The programme conducted gender sensitization workshops in six (6) Member States namely, Djibouti, Ethiopia, Kenya, Rwanda, Seychelles and Sudan. The workshops were attended by representatives of the public and private sector and civil society organisations. A Draft COMESA Gender Statistics Report was further developed while additional women entrepreneurs were trained under COMFWB in the area of removing barriers to internationalization and access to finance in 3 Member States. Resultantly, women enterprises have been trained in 20 Member States namely, Comoros, Djibouti, DR Congo, Egypt, Eritrea, Tunisia, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.
  - c) The Leather and Hides Traceability System - The Leather and Hides Traceability System Tool Software

was developed, revised, finalized, and validated by Member States. The programme through ALLPI further commenced the procurement of pneumatic stampers and laptops to be used in fourteen (14) Member States to assist with traceability and coding of leather.

- d) Value Chain Study - The Value Chain Baseline Study to assess the status of the three (3) target value chains was completed.
- e) Capacities of beneficiary firms related to SPS and regional standards and quality management. – The process to facilitate the development of a Voluntary Capacity Building Scheme for SMEs commenced and is expected to commence capacity building efforts for SMEs in 2023.
- f) Detailed Standard Operating Procedure (SOPs) - Detailed Standard Operating Procedure for 11 COMESA Staple Food Crops were developed and validated by the COMESA Seed Committee in August 2022 under the Alliance for Commodity Trade for East and Southern Africa (ACTESA) in addition to the detailed COMSIS.
- g) Technical Assistance Facility (TAF) - During the period under review, technical assistance facility to support Member States recorded a total of 21 TAF Proposals from 14 Member States following the call for proposals at the end of 2021. A total of 11 proposals were awarded following positive evaluation while six (6) Member States namely, Zambia, Mauritius, Rwanda, Uganda, Malawi, and Seychelles successfully signed the RECAMP TAF MoU for various projects on improving market access. Zambia, Mauritius, Rwanda, and Uganda that signed TAF Agreements commenced implementation of activities. Further, the programme underwent Results Oriented Monitoring in Rwanda, Ethiopia, Malawi, and Zambia to ascertain impact of the programme on the SMEs and policy makers.
- ii. Business Environment is Improved for SMEs and other Private Sector Players in the Value Chains:
  - a) COMESA Common Investment Area (CCIA) stakeholder awareness campaigns and sensitization meetings were undertaken in Eswatini, Malawi and Zambia as part of activities to support regional policies in favour of value chain development are further developed and mainstreamed in national policies. The focus of the sensitization meetings was to encourage Member States to domesticate the CCIA.
  - b) Gender sensitization workshops – Workshops were conducted in seven (7) Member States to support mainstreaming of gender in value chains development.
  - c) COMESA RIA was supported in developing a draft COMESA Investment Map Tool to track investment opportunities in the region. The tool was reviewed and pending finalization. RIA further conducted three (3) regional capacity-building workshops on proactive aftercare programmes and FDI facilitation best practices.
  - d) RECAMP further supported 15 Member States on statistics through a regional workshop to develop capacities in the collection of vital FDI statistics.
  - e) The programme produced communication and visibility outputs for RECAMP through engagement with the IPs. These messages were extensively covered on key social media platforms.

### **COMESA Sanitary and Phytosanitary (SPS) and Technical Standards (TBT) Programme**

The following was achieved by the programme in efforts to ensure improved levels of implementation of harmonized, science based Sanitary and Phyto-Sanitary (SPS) Measures and Technical Standards.

- i. **Adoption of risk-based food import control practices** - The capacity building intervention is being

piloted in six (6) Member States namely, Comoros, Djibouti, Madagascar, Sudan and Tunisia, and Egypt and achieved the following:

- a) Developed and validated National Action plans to further enhance the capacities of imported food control systems in the Member States, based on recommendations of the countries situation analysis reports and the feedback from sub-regional training courses.
  - b) Four strategic action plans to strengthen imported food control programmes for Comoros, Djibouti, Sudan and Tunisia were validated and 24 priority actions (6 actions per country) were identified for further support.
  - c) A technical document for the exchange of information between COMESA countries to support trade in food was developed to address the Member States request to work towards establishment of an information exchange platform on food safety issues;
  - d) Comoros provided with national level technical assistance to adapt food import controls to risk based.
- ii. **Strengthen National Plant Protection Organisations (NPPOs)** and designing early warning and emergency response system and creation of a regional networking platform for sharing information on SPS risks - The capacity building intervention programme is being piloted in five (5) pilot Member States, Malawi, Kenya, Uganda, Zambia and Zimbabwe.
- a) To mitigate the effects of the Covid-19 pandemic, e-learning materials were developed in collaboration with COLEAD for the E-learning course on Pest Risk Analysis. In the period under review, the following training courses were delivered virtually:
    - Diagnostics of Fusarium TR4 in bananas (in English) conducted in March 2022
    - Surveillance and early warning of Fusarium TR4 in banana (in English with simultaneous interpretation in French and Arabic) conducted in April 2022
    - Inspection and simulation exercises conducted in May 2022
  - b) e-Learning courses were also launched pest risk analysis, export certification, surveillance and reporting obligation and phytosanitary inspection targeted at NPPOs to undergo self-study with tutorials arranged at the beginning of the course and made available for self-study online (<https://www.ippc.int/en/e-learning/>).
  - c) In strengthening NPPOs through building on the legal study and the developed model regulations and guide for drafting legislation for the electronic Phytosanitary Certification (e-Phyto), an assessment of border workflows was undertaken to determine additional needs such as ICT infrastructure for the effective implementation of the e-Phyto.

iii. **Prioritizing SPS Investments for Market Access**

Considering COMESA Member States resource limitations to address SPS issues hindering trade, in partnership with the Standards and Trade Development Facility (STDF) and the Enhanced Integrated Framework (EIF), COMESA implemented the "Prioritisation of Sanitary and Phyto Sanitary (SPS) Investments for Market Access (P-IMA)" Initiative. The initiative aimed at building Member State's capacity to identify priority SPS measures using the STDF P-IMA framework. The tool helps Member States decide on which SPS investment will yield the most benefits for the country. The COMESA P-IMA Initiative was successfully rolled out in 2018 and piloted in five (5) Member States namely, Uganda, Kenya, Rwanda, Malawi and Ethiopia and came to an end in April 2022. The implementation of this framework was synergized with the SPS subcomponent of the TFP and RECAP in identifying priority SPS interventions to be addressed under the programmes. Through the initiative, more than 60 SPS investments options

across diverse value chains were identified in the Member States.

The following activities were implemented by the initiative in the year under review before its closure in April 2022

- a) National experts in Ethiopia and Malawi were trained on how to use the P-IMA Framework and D-Sight Software in prioritizing SPS capacity building investment to ensure sustainability and institutionalization of the framework.
- b) Priority SPS Capacity Building Investments were identified and validated in Ethiopia and Malawi

iv. **Strengthening/Upgrading of Metrology Infrastructure**

COMESA Member States have varying levels of measurement infrastructure development placing them at a disadvantage with trading partners. The demand for reliable, accurate and comparable measurement and test results continues to grow rapidly in industrial production, in trade or in society, and in areas such as food safety, health care, environmental studies, forensic science and security. This intervention is being implemented to strengthen and upgrade the metrology infrastructure in the region. Based on the recommendations of the metrology infrastructure assessment, the activities implemented in 2022 were mainly the procurement of metrology equipment for sixteen metrology institutions and development of Legal Metrology Legislative frameworks for eight Member States:

- Procurement of metrology equipment for 16 National Metrology Institutes and Legal Metrology Organisations in Burundi, Eswatini, Uganda, Seychelles, DR Congo, Ethiopian, Mauritius, Rwanda, Sudanese, Uganda and Zimbabwe. This covered the four basic parameters i.e., mass; volume; temperature; and dimensional. The procurement process involved development of equipment specifications with the Member States, publication of the tenders and engagement with Member States and the bidders for clarification on equipment specifications.
- Developed Legal Metrology Legislative Framework for Burundi, DR Congo, Eswatini, Ethiopia, Madagascar, Malawi, and Sudan.

v. **Strengthening the COMESA Reference Laboratory System and Conformity Assessment**

The 26<sup>th</sup> Meeting of the Council of Ministers designated the following regional reference laboratories for Animal Health, Plant Health and Food Safety respectively: Animal Health – Central Veterinary Research Institute (CVRI), Zambia; Plant Health – Kenya Plant Health Inspectorate Service (KEPHIS), Kenya; and Food Safety - Food Technology Laboratory (FTL), Mauritius. In efforts to enhance the services provided by the labs, the programme amongst others, assessed the available testing laboratories capacities in the region and based on the assessment report, identified potential additional laboratories in the key parameters subject to final selection through on-site assessments and developed an operational mechanism for the reference laboratory system.

vi. **Capacity Building of Laboratory Analysts**

In collaboration with Texas A&M Agrilife Research Institute, a two-month technical training programme on Laboratory Quality Systems was undertaken for participants drawn from select testing laboratories in the region in order to improve the competences of the staff as well as in preparation for accreditation assessment under the ISO 17025 standard.

vii. **Strengthening of Accreditation Services**

Activities to strengthen the accreditation services in the region commenced with an assessment of the available scope and competences of accreditation assessor's vis-a-vie the required areas for accreditation services to inform the areas of capacity development of assessors in each Member States. The status assessment was in progress,

and it is envisaged that specific gaps with respect to scope and competences will be identified upon which capacity building intervention will be based to be implemented in 2023.

viii. **Enhancing Regional Agricultural Commodity Trade**

This programme is being implemented by COMESA in collaboration with the Alliance for a Green Revolution in Africa (AGRA) with support from the Foreign, Commonwealth and Development Office (FCDO, UK) with the aim to enhance regional agricultural commodity trade in the region through the establishment of Mutual Recognition Agreements (MRA) that are anchored on agreed Mutual Recognition Framework (MRF) Pillars among the trading partner Member States. The project is being piloted in Kenya, Uganda, Rwanda, Malawi, Zambia. Key implemented activities in the period under review included development of the Mutual Recognition Framework Pillars and Operating Procedures, which were validated by the Member States experts in Kampala, Uganda and as part of implementation of the MRF Pillars on Proficiency Testing (PT), PT was provided by Taxes A&M AgriLife Research Centre after an MoU signed with COMESA.

ix. **Green Pass Scheme**

To reduce trading costs associated with SPS measures, COMESA is implementing the Green Pass initiative targeted at small-scale traders. The Green Pass is a risk-based attestation for compliance to specific SPS/TBT requirements meant to facilitate and simplify trade for Small Scale Traders. It is being implemented under the COMESA Small Scale Cross Border Trade Initiative supported under the 11<sup>th</sup> EDF Trade Facilitation Programme (SSCBTI). It aims at facilitating cross border trade for small – scale traders under the COMESA Simplified Trade Regime (STR) by simplifying SPS/TBT documentation requirements while ensuring food safety. The initiative was piloted on fish originating from Luangwa District of Zambia and traded across several borders, including DR Congo through Kasumbalesa Border Post. The following were implemented:

- Rapid test kits for dried fish were procured and delivered to Kasumbalesa.
- The food safety regulators and fish traders were trained in risk-based regulation and self-regulation.
- Green Pass implementation modalities were validated by the pilot Member States - DR Congo, Zambia and Zimbabwe.
- v Procurement of services to finalize the construction of a mini laboratory at Luangwa border were completed.

x. **Development of a Regional Voluntary Capacity Building Scheme based on the Global Markets Programme (GMap) of Global Food Safety Initiative (GFSI)**

With support from RECAP, efforts to address SPS related constraints that hinder SMEs to participate in regional trade, have focused on the development of a Regional Voluntary Capacity Building Scheme based on the Global Markets Programme (GMap) of Global Food Safety Initiative (GFSI). This is a capacity building programme that will enable SMEs to implement market standards progressively from one level to another through mentorship and “hand holding”. In the period under review, a detailed assessment to identify specific SPS/TBT issues constraining trade for SMEs in the targeted value chains was undertaken and the process to develop a Regional Voluntary Capacity Building Scheme based on the Global Food Safety Initiative (GFSI) Global Markets Programme (GMap) commenced.

xi. **Strengthening of COMESA Pharmaceutical Industry**

The challenges in the manufacture of pharmaceutical products in the region that meet safety and quality requirements include non-adherence to Good Manufacturing Practices (GMP) to ensure that pharmaceutical products consistently meet the safety and quality requirements appropriate to their intended use and as required



by the regulatory authorities. To address this challenge, COMESA with support from the AfDB is implementing interventions to build capacities of the private and public sector in the pharmaceutical sector. The following activities were implemented in the period under review:

- The regional GMP Scheme based on WHO current Good Manufacturing Practices (cGMP) was developed and validated by Member States. The GMP Scheme will provide a blueprint for strengthening capacities of pharmaceutical manufacturing industries through its application and implementation in the sector.
- The following pharmaceutical enterprises were trained on how to implement the regional GMP Scheme: Pharmanova Zambia Limited (Zambia), Cospharm Pharmaceuticals (Zimbabwe), Kilitch Estro Biotech Limited and Africure Pharmaceuticals Limited (Ethiopia); Egyptian International Pharmaceutical Industries (Egypt), Varichem Pharmaceuticals (Pvt) Limited (Zimbabwe); Tasa Pharma (Kenya) and Rene Industries (Uganda).

## xii. **Strengthening the Competences of Certification Bodies in COMESA**

This project aims at building capacities of certification bodies in the region to provide credible certification services. It is supported by the Germany Metrology Institute (Physikalisch-Technische Bundesanstalt (PTB) under German Development Cooperation and within the framework of the PTB Pan African Quality Infrastructure Project. As a follow up to the assessment of scope and competences on certification bodies undertaken in 2021, experts from Member States Certification Bodies validated the assessment report in Nairobi, Kenya and the process to facilitate signature of an MoU between COMESA and PTB to facilitate implementation of interventions to the certification bodies commenced.

### **COMESA Climate Change Programme**

During the period under review, the Climate Change Programme implemented the Intra ACP GCCA+ Programme whose objective is "To increase the resilience of the COMESA region (and its Member States) to climate change and achieve the UN's Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts" in order to reduce poverty and promote sustainable development." The specific objective is "to improve regional and national adaptation and mitigation responses to climate change challenges faced by COMESA countries at operational, institutional and financial levels."

The following key interventions were implemented by the programme in the period under review:

- i. Under the result focused on COMESA institutional capacity, the dissemination of the Carbon Neutrality Study Report which identified key actions for COMESA to implement and mainstream was undertaken at the Secretariat. The dissemination was attended by participants from three (3) Member States namely: Uganda, Zambia and Zimbabwe. The study identified five (5) major areas for reduction of COMESA's Carbon print, namely: air travel, staff commuting, fuel use, energy use (including the generator) and waste disposal.
- ii. As part of the result focused on regional and national climate change strategies and priorities that contribute to the implementation of the Paris Agreement strengthened, COMESA supported the development of Seychelles' Updated National Climate Change Strategy 2022. The vision of the strategy is to "minimize the impacts of climate change through concerted and proactive action at all levels of society". The strategy which identifies nine strategic priority objectives will enable Seychelles to achieve its NDC commitments and its National Climate Change Policy vision for a sustainable, climate resilient and low-carbon Seychelles.
- iii. With regards to the result focused on Climate-Smart Agriculture (CSA) Projects including landscape- and ecosystem-based solutions scaled up in 5 Member States, the following was implemented:

- **Eswatini's** CSA Project on management of water resources, irrigation, value chains and market linkages, as well as field-based cold storage facilities registered key milestones: the project linked 401 farmers to formal markets and improved storage facilities at two (2) project sites (Mavulandlela and Intrafamilial Farmers Irrigation Schemes) leading to reduced produce rejection rate from a baseline of 70% to 15% by the end of 2021. Over 342 farmers were trained in good agricultural practices, product quality, post-harvest handling as well as business management skills. Further, the project supported irrigation systems, installing a total of 16.8 ha under drip irrigation. A farmers' revolving fund was set up and over 300 farmers accessed funding to enable them procure farm inputs and consequently increase their productivity. The cumulative tonnage for the crops produced in the two (2) schemes participating in the project amounted to 462.2 metric tonnes.
- Implementation of the Climate Smart Agriculture (CSA) project in **Madagascar** continued during the period and registered the following achievements: With regards to Conservation Agriculture (CA), the project recorded 1,685ha sustainably under CA, representing 81.8% sustainability. Up to 17 nurseries were identified to produce seedlings and they cumulatively produced 83,180 young plants for sale to surrounding farmers. A total of 4 tonnes of orange-fleshed sweet potato vines were made available to 71 farmers. Out of a project target of 120, to date, ninety-one (91) breeders are being supported by the project on the theme of improving cowsheds with a view to producing improved organic manure. Twelve (12) training sessions were held on CSA covering the areas of conservation agriculture, vermicompost and agroforestry. The project supported three (3) radio broadcasting sessions on CSA reaching out to the rural populations of Madagascar.
- **Seychelles'** Project on Water Smart Farms to promote water efficiency on farms whilst reducing energy consumption made key milestones. Notably, the construction of two (2) re-enforced concrete water tanks with the capacity of 320 cubic metres each, were completed. The tanks will support the irrigation scheme by providing communal water storage with a centralised control system to regulate the flow of water to individual farms in their areas, covering the val D'Andor farming community in Seychelles.
- **Uganda** continued to support CSA resilience, value chains and market linkages covering cooperatives and primary schools in the 7 districts. Seven (7) Tractor Rippers and 15 Ox- Driven Rippers were provided to cooperatives to scale up the area under CSA. The farmers' revolving fund became operational, and 15 cooperatives received funding for agro-inputs and post-harvest handling equipment. Additionally, the cooperatives received matching grants and mobilized co-financing to establish agro-processing units for maize, fruit processing and packaging. The primary schools received funding to support CSA clubs and a school garden establishment. The project established seven (7) Tree Nurseries in the project districts and trained nursery men in nursery practices for neem seedling production and management. To facilitate simplified agriculture learning and knowledge retention, the project team developed simple illustrative practical training with CSA toolkits that included illustrative guides and materials on planning, setting up and running a school garden.
- **Zimbabwe** proceeded with its project closure activities having completed the major interventions of building capacity in CSA and agroforestry skills in 10 Agricultural colleges in December 2020. The project capacity building activities reached 905 participants. Each of the colleges established a demonstration plot that will be sustained by the colleges beyond the project closure. The key activities undertaken during the reporting period were to prepare the colleges for sustainability particularly in the face of the Covid-19 Pandemic.

iv. Concerning the result on strategic dialogue between COMESA countries is strengthened, and negotiation capacity built, COMESA participated in the Bonn Climate Change Intercessions Conference, specifically the 50th Session of the United Nations Framework Convention on Climate Change (UNFCCC) sessions of



the Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA). The conference was an opportunity to establish areas of synergy and collaboration with partners. Consequently, on the margins of the conference, COMESA held several meetings with partners including UNFCCC, FAO, and the African Group of Negotiators (AGN).

- v. Under the result which focuses on climate change capacity building for higher institutions and institutions of excellence, COMESA supported two (2) institutions of excellence namely the African Centre for Technology Studies (ACTS) and University of Seychelles that were awarded grants to build climate change capacity within the COMESA region.

## **GENDER AND SOCIAL AFFAIRS PROGRAMME**

Global, continental, and regional development frameworks consider gender equality, empowerment of women and youth and social justice as critical elements to inclusive and sustainable development. An objective of the COMESA Medium Term Strategic Plan (MTSP) for the period 2021- 2025, is to foster gender equality and social development to reduce gender inequalities and strengthen inclusion of women and youth in social, political and economic development. In 2022, Secretariat continued to implement initiatives guided by the MTSP towards the achievement of the following results:

- i. Inclusive social, health and economic development that is sensitive of gender, women and youth.
- ii. Increased access to opportunities for inclusive social and economic growth among women and youth.
- iii. Improved economic and social legal frameworks and policy environment that is supportive of women and youth participation in sustainable development.
- iv. Improved capacity for gender mainstreaming and youth integration in programmes implemented by Member States, COMESA Secretariat and COMESA Institutions.
- v. Strengthened capacity of Member States to compile gender sensitive statistics related to COMESA's regional integration agenda.

### **Gender Equality and Empowerment of Women**

On the promotion of gender equality and empowerment of women, Secretariat supported gender mainstreaming and implementation of initiatives which included: capacity building on gender mainstreaming, management of the digital platform for women in business, profiling of women and youth SMEs, promotion of the gender policy and its implementation plan, promotion and capacity building on gender statistics, networking with organizations, research, and advocacy. Below are the specific activities undertaken:

#### **Gender Policy Implementation and Mainstreaming**

- i. **Capacity building on gender mainstreaming:** Training for all Divisions and Units in the Secretariat, COMESA Institutions, and the Gender Technical Working Group on the gender planning tools (gender guidelines, checklists and indicators) to enhance gender knowledge, skills and application of the tools for gender mainstreaming in programming.
- ii. **Strengthening COMESA Gender Policy implementation in Member States:** Secretariat conducted gender sensitization workshops for different stakeholders in ten Member States namely, Burundi, Djibouti, Ethiopia, Kenya, Mauritius, Rwanda, Seychelles, Sudan, Uganda and Zambia to popularize the COMESA Gender Policy, Gender Policy Implementation Plan and the Gender Planning Tools.
- iii. **Review and finalisation of the Modules on Gender and Trade:** Training modules to guide production of an online course on gender and trade were finalized in consultation with the Division of Trade and Customs. The course will enable staff to relate the concept of gender to sector specific issues particularly trade.

## Women Economic Empowerment

### 50MAWS Digital Information and Networking Platform

- i. **The 50MAWS Digital Information and Networking Platform ([www.womenconnect.org](http://www.womenconnect.org)) and 50MAWS App** - In 2022, Secretariat continued to implement the 50 Million African Women Speak (50MAWSP) initiative in partnership with the East African Community (EAC) and the Economic Community of West African States (ECOWAS). COMESA continued to maintain the platform, manage content, market the platform at various business events, prepare concept notes and engage stakeholders including the African Development Bank (AfDB) and other potential partners, and coordinate the other RECs on the initiative including cost-sharing, as well as implementation of activities such as meetings with users and stakeholders.
- ii. **Platform content** - The 50MAWS platform provides content to help women entrepreneurs to prosper in their business. The content available on the platform focuses on business services, market information, access to finance, capacity building, mentorship, social services and success stories. Specifically, the 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 among others. Working with 50MAWSP national focal points, the content continued to be and/or enhanced periodically. In 2022, content from Libya was published on the platform, meaning 20 out of 21 COMESA Member States had relevant content accessible on the platform.
- iii. **Platform usage and fostering of women's networks** - In 2022 more than 370,000 women from 38 member/partner States of COMESA, EAC and ECOWAS and other African countries visited the platform compared to 240,000 in 2021. In addition, more than 14,000 women have registered and established their own accounts on the platform and use the accounts to advertise their goods and services, share experiences and receive mentorship and network with peers. The increase in the statistics of users of the platform was due to publicity and marketing activities undertaken for example, during the Tunisia Business Women Days event held in Tunis, the international trade fairs in Zimbabwe, Zambia and Uganda, as well as the 50MAWSP Users and Stakeholders Webinar which was held virtually and attended by women and youth from all the 38 African countries targeted by the platform.
- iv. **Retention of project officers and support to national content teams** - Secretariat retained three project staff to continue to support the platform. The staff continued to support national content developers at national level including training of country teams on request, content management, platform marketing, as well as ensuring continued operations and customization of the platform and enhancement of features and stakeholder engagement initiatives particularly focused on mobilizing resources towards supporting platform costs.
- v. **Stakeholder engagement and resource mobilization for the next phase of platform development** - Secretariat continued to engage the AfDB on supporting a second phase of the 50MAWS Project. The Bank in December 2022 expressed its readiness to engage with the implementing partners (COMESA, EAC and ECOWAS) with a view to actualizing a second phase to build the platform to the next level. Furthermore, Secretariat engaged EAC and ECOWAS on cost sharing platform expenses in the interim as funding is being sought. These engagements yielded results with both partner RECs agreeing to the cost sharing proposal during a meeting of the RECs principals held on the margins of the AU Mid-Year Coordination Summit in Lusaka in July 2022. Resource mobilization efforts to enable implementation of a full-fledged second phase of the project are ongoing.

## Support to Women SMEs in selected Value Chains

**Profiling Survey on Women and Youth SMEs** in horticulture, leather, leather products and agro-processing value chains in selected Member States. The survey was conducted in Ethiopia, Malawi, Mauritius, Rwanda, Uganda, Zambia, and Zimbabwe. The findings will assist in establishing a data-base and to provide targeted support including capacity building, technical assistance and advisory services to women and youth owned and led SMEs with the aim of enhancing their participation in regional and continental trade.

### Gender Statistics

- i. **Gender Statistics Capacity Building:** Training on gender statistics in different sectors was conducted in Djibouti. The stakeholders that participated in the training committed to prioritising gender statistics to enable monitoring and tracking of progress towards the achievement of gender equality in all sectors in the country.
- ii. **Gender Statistics Bulletin:** Research and consolidation of the second edition of the Gender Statistics Bulletin to track progress towards the attainment of gender equality in various sectors.

### Women's Participation in Leadership

**Promotion of Women's Participation in Leadership:** In partnership with FEMNET a regional organization based in Nairobi, Kenya, held a regional stakeholder meeting on Enhancing Women's Leadership and Political Participation in fostering Trade and Economic Integration in the COMESA region. The meeting was attended by gender experts, women parliamentarians, COMESA staff, representatives of civil society organizations, youth leaders, and gender champions including male gender champions. The meeting called on stakeholders to enhance support to women economic empowerment and leadership, gender profiling of Member States for evidence-based advocacy and holding leaders accountable on the priorities and aspirations of women, girls, men and boys in the region.

### Research and Networking

- i. Research on the **Gender Impact of COVID 19 Pandemic** in Member States to assist in highlighting the situation and solutions to any factors that may need attention.
- ii. **Networking and Sharing of Experiences and Priorities on Gender:** Participated in regional, continental, and global meetings on gender and women empowerment to exchange ideas, practices and experiences. Some of the meetings attended include UN-Commission on the Status of Women CSW66, AU Meetings, Gender is my Agenda Campaign (GIMAC) meetings, AfCFTA meetings on women and youth in trade.

### Social Affairs and Youth Empowerment

In 2022, the focus of the Social Affairs Programme was on organizing the first technical and ministerial meetings on health, resource mobilization and engagement of potential partners to support activities on culture, and implementation of the joint COMESA and AU-AGA project on youth.

- i. **Health:** In-line with the 2021 Council Decision of November 2021, the Technical Committee on Health was established, and the first meeting of the Ministers of Health was convened in June 2022. The Ministers directed Secretariat to operationalize the COMESA Health Desk, develop a regional pharmaceutical strategy and implement initiatives to strengthen the pharmaceutical industry in the region. The Health Desk will be operationilized in 2023 through the recruitment of a health expert to manage the desk.
- ii. Other activities on health were those related to partnerships and networking. Secretariat participated and provided input to the International Organization of Migration meetings on the nexus between migration and health. Further, Secretariat participated in the Africa CDC mortality surveillance meetings for data statistics, and Africa CDC and WHO continental technical experts and stakeholders' consultations on strengthening cross border surveillance, coordination, collaboration and information sharing.

- iii. **Cultural Affairs:** Secretariat and the Indian Ocean Commission (IOC) jointly developed and submitted a \$180,000 funding proposal under the ACP second call for proposals on improving the policy framework to promote cultural industries. The proposal has been approved. The activities under this project will include review, development or strengthening and harmonization of legal and policy frameworks on culture and creative sector in thirteen Member States of COMESA and IOC in the East African block which is the target area for the fund. The countries targeted are Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Uganda, and four Island States namely Comoros, Madagascar, Mauritius, and Seychelles.

### **Youth Empowerment**

In 2022, COMESA and AGA/APSA Secretariats continued to implement their Joint Project on Youth Engagement in Democratic Governance and Socio-economic Development which is financially supported by the Swiss Agency for Development and Cooperation (SDC). The implementation was done along the three project's strategic objectives which are (i) Enhanced capacity of youth to participate in democratic governance and socio-economic development, (ii) Increased Youth Participation and Engagement in Policy Formulation and Implementation, (iii) Improved knowledge management, documentation and sharing of comparable lessons and experiences on youth participation in democratic governance and socio-economic development in Africa.

Key achievements made during the reporting period included implementation of national and regional activities on youth engagement and capacity building. Activities at national level were implemented in collaboration with youth that were trained under the project. These youth have continued to lead initiatives on youth engagement in their communities.

#### **At National Level**

- i. **Burundi:** Enhanced capacity and increased collaboration of 42 youth leaders and policy makers (18 females and 24 males) through an intergenerational dialogue on youth citizen engagement held in Bujumbura, Burundi in September 2022.
- ii. **Ethiopia:** Enhanced capacity of 34 members of the Ethiopian Youth Federation (14 females and 21 males) on youth and leadership through a training workshop organized in collaboration with the Ethiopian Youth Federation in October 2022 in Addis Ababa, Ethiopia.
- iii. **Malawi:** Enhanced capacity of 65 youth leaders and policy makers (32 females and 33 males) through a National Conference organized by the project in collaboration with Malawi Boot Camp Alumina in May 2022 in Blantyre, Malawi on youth engagement in democracy and development.
- iv. **Mauritius:** Enhanced capacity of 50 youth leaders and policy makers (20 females and 30 males) from all regions of Mauritius through a training workshop organized by the project in collaboration with Mauritius Boot Camp Alumina in July 2022 in Black River District in Mauritius on youth engagement in socio-economic development in their communities.
- v. **Zimbabwe:** Enhanced capacity and skills of 89 youth leaders (46 females and 43 males) from Bulawayo, Harare, and Kariba on youth participation in political and electoral processes through a TOT which was organised by AGA-APSA in collaboration with Zimbabwe Electoral Commission (ZEC) to prepare youth for meaningful participation in the 2023 elections and beyond. The trained youth leaders have continued to engage other youth in their localities.

#### **At Continental and Regional Level**

- i. **Youth Leadership Manual:** The TOT Manual on Youth in Leadership was finalized and validated through a workshop organized by the project in collaboration with MS -Training Centre for Development Cooperation (MSTCDC) in March 2022.
- ii. **Support to Five Youth Innovators:** Supported five young innovators selected through a competition on

Youth Innovation Challenge on Democracy and Governance in Africa, by the AU AGA/APSA Secretariat, with IT equipment (laptops and iPads) to ease the implementation of their projects. Three of the young innovators supported are female and from COMESA Member States (Comoros, Egypt and Uganda) while two are male and from other African countries – Benin and South Sudan. Below are the details of the young innovators that were supported with IT tools to ease their work:

- **Ms. Benazir Hilali from Comoros** who runs the Axle Project that helps public leaders to adopt innovative frameworks on peace and security.
- **Ms. Dina AboElmaaref Ibrahim from Egypt** who runs the AkhbarMeter Media Observatory Project which monitors media outlets to identify unprofessional and unethical practices to curb fake news.
- **Ms. Lydia Matte from Uganda** who runs the SEMA Project, to improve transparency and accountability of public services through user-centered citizen feedback tools.
- **Mr. Romaric Mouftaou from Benin** who implements a project called “Movement for a New Type of Citizen: The Calling of a Generation” that works to educate citizens to adopt a new mindset about citizenship.
- **Mr. Justin Anthony Ngbapai from South Sudan** who implements “Prevention from Conflict Related Sexual Violence and Confident Building between the Civilians and Militaries in Western Equatorial.”

In addition, the five youth innovators received a capacity building training on project management more specifically on monitoring and evaluation.

- Continental Youth Consultation:** A Continental High-Level Dialogue on unconstitutional change of regimes was convened by AGA – APSA Secretariat in November 2022 in Cotonou, Benin. A policy brief was produced as an output of the consultation.
- COMESA Youth Advisory Panel:** Enhanced capacity of the members of the COMESA Youth Advisory Panel (COMYAP) through a one-day retreat convened in Nairobi, Kenya in November 2022 by COMESA Governance Peace and Security (GPS) Programme in collaboration with Save the Children International. A multi-year Action Plan for the COMYAP was drafted during the retreat.
- Youth Internship:** Eight interns – five at COMESA Secretariat and three at AU-AGA Secretariat were recruited and deployed to enhance skills. This contributed to the implementation of the COMESA Youth Internship Project.
- Inter-Generational Dialogues of Youth and Policy Makers:** Secretariat in collaboration with the African Union, Save the Children and other partners convened three high-level, and inter-generational dialogues on youth in Uganda, Zimbabwe, and Kenya. Youth engaged high-level policy makers including ministers on matters of interest to enhance their participation and contribution socio-economic and political development processes. The dialogues included discussions on peace and security.

As outlined above, the gender and social affairs programme in 2022 made remarkable progress in the implementation of initiatives that contribute towards gender equality and empowerment of women and social affairs and youth empowerment. The programme however experienced challenges specifically related to funding for the 50MAWS platform as highlighted by the report. Engagement continues to be made with the implementing partner RECs and development partners to sustain the platform for use by women in business to enhance their participation in regional and continental trade. The initiative has a lot of potential to generate revenue through value added services in online training and to attract partnerships with private companies, NGOs and similar initiatives.

## **RESOURCE MOBILISATION AND INTERNATIONAL COOPERATION (RMIC)**

In the period under review, the Resource Mobilization and International Cooperation Unit focused on the following priority areas:

- Strengthening of Modalities for Resource Mobilization**

- a) Under this priority area, the Unit continued to spearhead processes and activities aimed at operationalizing of the Common Market Levy as a modality of sustainable domestic resource mobilization. The process to develop the Resource Mobilisation Strategy (RMS) and the Protocol on the Common Market Levy commenced.
- b) 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. Key activities were as follows:
- Supported respective divisions/units/institutions in the resource mobilization through provision of technical support on preparation of proposals of grant application including:
    - **Ignite Culture Proposal** with the Gender and Social Affairs Division, in collaboration with the Indian Ocean Commission (\$180,000 grant from OACPS-EU/Heva/British Council).
    - **French Training Proposals** with Conferences Unit (Euro 43,000 from International Organization of Francophonie - IOF).
  - c) Organized and facilitated bilateral meetings with partners to mobilize extra-resources, including the following:
    - **World Bank** – The second programme of the Great Lakes Trade Facilitation and Integration Project with a total amount of \$ 250 million of which the COMESA Secretariat will receive a grant amounting to USD 8 million to strengthen regional coordination and improve policy and regulatory environment for cross-border trade.
    - **African Development Bank** – Resources were mobilized for 3 projects of which two were signed and one is in the pipeline, as follows:
      - The COMESA Support Towards Regional Pharmaceutical Sector Development (USD 6,700,000) which will run from 2023 to 2026.
      - COMESA Africa Cloud Ecosystem Project (\$ 500,000) to assist in preparation of market analysis for the project.
      - Enhancing the Blue Economy in COMESA Member States for an Inclusive and Sustainable Ecosystem Management and Livelihood Diversification (USD 6,600,000).
    - **Alliance for a Green Revolution in Africa (AGRA)** – Project Regional Food Balance Sheet initiative (USD 500,000).
    - Participated in the Steering Committee Meeting of the Tripartite Capacity Building Programme II.
- ii. **Strengthening International Cooperation**, through enhancement and promotion of COMESA participation and influence with other regional, continental, and international organizations. The Unit undertook the following:
- a) Organized and facilitated the accreditation of ambassadors, permanent and special representatives to COMESA from the following: AU-SARO, China, Finland, India, Ireland, Malawi, Seychelles, Sudan, and Sweden.
  - b) Facilitated various courtesy calls/visits to COMESA by Heads of Diplomatic Missions/ Ambassadors, of Canada, Germany, India, Sweden, Saudi Arabia, Gulf Cooperation Council, AfDB Zambia office amongst others.



- c) Coordinated COMESA's participation in activities of AUC, AU-NEPAD, 4<sup>th</sup> AU-RECs-RM Mid-Year Coordination Summit, Breakfast Meeting with all RECs, EU negotiations, Tripartite Meetings and Indian Ocean Commission.
- d) Coordinated COMESA's participation in events and activities of various partners including the OECD-Africa Ministerial Meeting, AfDB Annual Meeting, EU-Africa Summit, World Bank/IMF Annual Meetings, OACPS Summit, US-Africa Summit.
- e) Organized and hosted bilateral meetings with existing and new partners to strengthen cooperation and partnerships including AfDB, World Bank, International Organization of Francophonie, OECD Technical Meetings, Islamic Development Bank, Ocean Hub Africa, AU-SARO, French Development Agency, France/Alliance Française, MasterCard Foundation, Sustainable Development Goals Centre, ITC, and ARC, amongst others.
- f) Facilitated negotiations and signing of MoUs between COMESA and strategic partners including an MoU with Texas Agrilife Research. Further, the Unit provided guidance to the executive management following the due diligence process for the new partners such as ARC, and OHA, amongst others.

iii. **Strengthening of 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.

- a) The process to develop the online Partners Database commenced.
- b) The Unit continued to maintain an update list of the MoU and development partners database.
- c) Peer-to-peer learning on the EAC-Partners Development Fund.

### **COMESA BRUSSELS LIAISON OFFICE (BLO)**

The COMESA Brussels Liaison Office (BLO) is instrumental in representing the COMESA Secretariat to European Union (EU), the Organization of African, Caribbean and Pacific Group of States (OACPS) and other cooperating partners based in Brussels and to 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 organized in Brussels at OACPS Secretariat and timely at WTO.

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

The BLO continues to play a supportive role for the COMESA Secretariat in its relations with the European Union/ European Commission in terms of cooperation, resource mobilization both under 11<sup>th</sup> 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 the 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 to the drafting of documentation for the project's identification and action documents. Additionally, the BLO facilitates the linkage with EU HQ (INTPA and EEAS) in view of following up on discussions and providing complementary information, when necessary, on COMESA submissions and keeping COMESA Secretariat informed on the evolution and decisions. Further, the BLO participates in mobilizing resources for COMESA Programmes/Projects

from numerous sources including the EU/EC, the Intra-ACP-EU Facilities (TradeCom II, ACP-EU PSD Programme, ACP Commodities Programme, UN-Habitat, IMO, UNIDO, WTO and the ITC.

In the period under review, the COMESA BLO focused its efforts on three key areas namely: supporting regional integration, mobilization of resources, and strengthening capacity building of COMESA. Progress was achieved in the following key areas:

**i. Supporting Regional Integration**

- a) The COMESA BLO participated and facilitated the participation of the COMESA delegation to the 6<sup>th</sup> AU-EU Summit that took place in Brussels in February 2022. Based on an official request from the COMESA Representative in Brussels, the African Group of Ambassadors (GAAP) included COMESA BLO in the composition of the AD Hoc Working Group in charge of the follow-up on preparations for the Summit. The BLO was responsible for protocol, logistical and technical arrangements for the COMESA delegation to the Summit.
- b) Upon invitation from the President of the OACPS Parliamentary Assembly and Co-President of the ACP-EU JPA, COMESA BLO participated in the Meetings of the 60th Session of the OACPS Parliamentary Assembly (OACPS PA) and the 41st Session of the ACP-EU Joint Parliamentary Assembly (ACP-EU JPA) which were held in March and April 2022 respectively in Strasbourg - France. COMESA BLO addressed the Special Meeting of the Committee of the OACPS on Political Affairs on the current peace and security challenges in Eastern and Southern Africa region and their impacts on the regional integration in the COMESA region.
- c) The COMESA BLO participated in the 114th Session of the OACPS Council of Ministers held in June 2022. As a result of the BLO proposal, the Council endorsed a decision on the Designation of the Regional Organisations-Regional Economic Communities (ROS-RECS) as responsible bodies for coordinating programming of multi-country programmes and monitoring their implementation. The referred decision is crucial to COMESA and other African RECs as it defines a role to the ROs/RECs in the implementation process of the Post-Cotonou Agreement and the programming of the regional programmes under INDICI.
- d) The COMESA BLO continued to participate effectively in the meetings of the Dialogue Platform on Sub-Saharan Regional Programming between the RECs and the European Union as well as bilateral consultative meetings between COMESA and the EU. In this regard, the BLO participated in the high-level meeting between the EU INTPA, EEAS and the Regional Economic Communities of Sub-Saharan Africa (Duly Mandated Regional Organisations funded by the 11<sup>th</sup> EDF) in March 2022. The meeting deliberated on the state of play of the programming and how to structure the partnership between the EU and the COMESA in the Neighbourhood, Development and International Cooperation Instrument (NDICI) Framework for the period of 2021-2027.
- e) The COMESA BLO held discussions with the OACPS on the Inter-Regional Organisations Coordinating Committee (IROCC) in the framework of the implementation of the Revised Georgetown Agreement, which agreed on the draft Terms of Reference of the IROCC in collaboration between the OACPS Secretariat and the Representatives of RECs based in Brussels.
- f) The COMESA BLO participated in the AU-EU Ministerial Meeting, preceded by the Joint Senior Official Meeting on 30 November - 1 December 2022 and contributed to the deliberations and discussions on the AU-EU cooperation on mobilization of investment for African Structure sustainable transformation and investing in people, education, science, technical and skills development. The BLO held bilateral consultations with heads of delegations of COMESA Member States to the meeting and raised the issue of the role of the RECs in achieving the regional integration in Africa as



building blocks of the Africa economic integration agenda.

- g) The BLO represented COMESA at the 10<sup>th</sup> Summit of the OACPS Heads of State and Government held in Luanda, Angola in December 2022 and the Pre-Summit Meeting of the Heads of the OACPS Inter-Regional Organisations Coordination Committee (IROCC). Additionally, BLO attended the Meeting of the Heads of the Regional Organisations held in Luanda, Angola, on the margins of the Summit to discuss the final draft of the ToR of IROCC. The OACPS Luanda Declaration announced the formalization of the Inter-regional Organisations Coordinating Committee (IROCC).
- h) The COMESA BLO continued to contribute, 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 the EU lists, the BLO contributed to assist COMESA Member States to agree on mutually acceptable solutions.
- i) The BLO continued to sensitize the OACPS Group of Ambassadors and EU partners on the important role of the Regional Organisations in the implementation of the Post-Cotonou Agreement and the Africa Regional Protocol. The BLO held several meetings with the OACPS Secretariat aimed at deepening 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 and followed up on the state of play of the New Partnership Agreement.
- j) The COMESA BLO, in collaboration with other RECs representatives, drafted decision Number 5 of the 114<sup>th</sup> Session of the OACPS Council of Ministers on the Designation of the Regional Organisations and the OACPS Secretariat as responsible bodies for coordinating programming of multi-country programmes and monitoring their implementation. The referred decision is important in defining the manner COMESA shall be engaging with the OACPS Secretariat in the context of programmes funding and management.

## ii. **Mobilisation of Resources**

- a) The EU proposal to mobilize an amount of Euros 600 million to support the African, Caribbean and Pacific Countries to mitigate the efforts of the current food crisis aggravated by the conflict in Ukraine. The funds that the European Commission proposed to use are de-committed funds from the 10th and 11th EDF.
- b) The 2nd Call for Applications of the ACP – EU Culture Programme for East Africa - Euros 4.5 million will be made available as grants for eligible organisations in the cultural and creative sectors of the 14 countries of the Eastern Africa region. The BLO encouraged, through the COMESA website, East African artists and other cultural professionals with operational and registered businesses to apply for grant funding between Euros 30,000 to Euros 180,000. This call aims to increase access to local, regional and international markets, as well as to improve the visibility of creative and cultural practitioners throughout the East African region.
- c) The COMESA BLO provided the necessary documents on the EU proposal for a Team Europe Initiative on Transboundary Water Management to support development and regional integration in Africa. The referred proposal will be undertaken under the 2021 – 2027 Multiannual Indicative Programme for Africa.
- d) The EU Call for evidence for imports of agricultural and food products – Applying EU health and environmental standards. This follows the request made by the European Parliament and the Council for a report assessing the rationale and legal feasibility of applying EU health and environmental standards (including animal welfare standards and processes and production methods) to imported

agricultural and agri-food products.

- e) The Call for Proposals for “Tailor-made Technical Assistance for ACP Development Finance Institutions for the ACP Development Finance Institutions”. Interested institutions in the COMESA Region were invited to submit a proposal for a set of activities, of which the majority are related to women economic empowerment. Up to six banks will be selected to benefit from assistance from September 2022 to August 2025.
- f) The call for applications to select 10 animators, motion designers from the COMESA region including 5 women and 5 men. The 10 selected participants were to be fully supported to participate in a high-level mentorship programme for 6 weeks in Madagascar from October to December 2022.
- g) The COMESA BLO continued to follow up and report to the Secretariat on the NDICI, which supersedes several EU external financing instruments, most of which expired on 31 December 2020 including the 11th EDF. In engagements with the EC, the COMESA BLO highlighted the roles and sharing of responsibilities of RECs in the programming of resources that should be clearly spelt out in the NDICI Regulation. At the regional level, the regional organisations should play a focal role in the programming of resources and the implementation of programmes. In this regard, the BLO discussed with the EC how the financial resources will be programmed to ensure the successful completion of the ongoing intra-ACP programmes, particularly as most of these programmes will continue to be implemented until 2025 under the current EDF rules and procedures.

### iii. **Strengthening the Capacity Building of COMESA**

- a) The BLO facilitated the linkage with EU HQ (INTPA and EEAS) in view of following up on the discussions and providing complementary information, when necessary, on the COMESA submissions and keeping the Secretariat informed on the evolution and decisions. As part of the COMESA team involved in the 11<sup>th</sup> EDF programming, the COMESA BLO played a key role, notably by contributing to drafting of documentations for the project's identification and action documents. In this regard, 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.
- b) The BLO provided the Secretariat with the EU Directive and Annex, on Corporate Sustainability Due Diligence published in February 2022. This directive will require EU companies to work with COMESA exporters in identifying and preventing, ending or mitigating adverse impacts of their activities on human rights and on the environment. The directive is one of the key deliverables of the European “Green Deal” and if not addressed adequately by COMESA exporters, could result in barriers to trade, which may eventually led to disruption of trade between our countries and the EU.
- c) The BLO contributed to the discussions on the German proposal within the Regional Team Europe Initiative (TEI) to support the fight against Illicit Financial Flows (IFFs) and Transnational Organized Crime (TOC) in Africa. The BLO participated in a workshop in February 2022 to discuss the referred proposal.
- d) The BLO participated in the EU-Africa Business Forum (EABF) in February 2022, co-organized by the European Union, the African Union Commission, and African and EU business organisations. It is a main event of public-private dialogue between the EU and Africa at continental level and aims at increasing opportunities for sustainable economic cooperation.
- e) The BLO participated with Secretariat in the 4<sup>th</sup> Technical Meeting in the Context of the Dialogue Platform on Sub-Saharan Regional Programming, in April 2022, which discussed the Global Gateway Initiative and the overall state of play of regional programming for Sub-Saharan Africa, including an

update on the planned Annual Action Programmes of 2022 and Team Europe Initiatives' concepts for Sub-Saharan Africa being developed.

- f) The BLO participated with the Secretariat in the 7<sup>th</sup> EU-Africa Business Forum (EABF22) which took place in February 2022. The meeting emphasized, among other things, the need for permanent and structured public-private dialogue between the EU and Africa at different levels.
- g) In the context of the development of a Digital Health Team Europe Initiative Proposal, The BLO, jointly with the Secretariat, discussed and contributed to the design of the concept note on Digital Health. A working group was established jointly with DG INTPA, EU Member States and institutions and the D4D Hub, which led to a thorough mapping of the currently ongoing EU programmes in the COMESA region and the draft concept note. In this regard, the BLO participated in the meeting of Team Europe Initiative for Health Systems Strengthening and Universal Health Coverage in June 2022. The meeting discussed recent progress on global and African regional digital health strategies.
- h) The BLO succeeded in providing opportunities in the field of motion designers from the COMESA region that were fully supported under the ACP culture programme. The nominated entities participated in a high-level mentorship programme in December 2022.
- i) The BLO provided opportunities for the COMESA Development Finance Institutions to benefit from assistance from September 2022 to August 2025. Proposals for a set of activities, of which the majority will be related to women economic empowerment.
- j) The COMESA BLO prepared and provided the Secretariat with a Comparative Analysis between the European Union's Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) and the European Development Fund (EDF).

## **LEGAL AND CORPORATE AFFAIRS**

The role of the Legal and Corporate Affairs Division is to provide legal advisory services to the Policy Organs of the Common Market, COMESA Institutions and Specialized Agencies and Member States.

In the period under review, the division supported the office of the Secretary General, COMESA Institutions and Member States during the Meetings of the COMESA Council; Statutory Organs including the Governors of Central Banks; Intergovernmental Committee and other subsidiary committees including the Human Resources Sub-Committee; and the Legal Drafting Sub-Committee.

Achievements were as follows:

- i. The Legal Division assisted and facilitated the drafting and conclusion of the following legal instruments:
  - a) The Charter Regulating the Council of Bureaux
  - b) The Council of Bureaux of the Yellow Card Financial Rules
  - c) The Council of Bureaux of the Yellow Card Procurement Rules
  - d) The COMESA Court of Justice Financial Rules
  - e) The COMESA Court of Justice Procurement Rules
- ii. The division supported the Committee of Governors of Central Banks in the drafting of Rules of Procedure
- iii. The division finalised Draft Cooperation Agreements between COMESA and the following Institutions and

Specialized Agencies:

- a) COMESA Clearing House (CCH)
  - b) COMESA Regional Investment Agency (RIA)
  - c) COMESA Federation of Women in Business (COMFWB)
  - d) Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)
  - e) Regional Association of Energy Regulators in Eastern and Southern Africa (RAERESA)
  - f) East African Power Pool (EAPP)
  - g) Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA)
  - h) Council of Bureaux
- iv. The division rendered, legal opinions to the Secretariat on issues relating to staff matters, audits, and institutional matters amongst others.
- v. The division assisted in negotiations and conclusion of the following donor funded agreements:
- a) AfDB Pharma Project Agreement
  - b) EU TAF implementation Agreements
  - c) Save the Children and COMESA
  - d) Conservation Foundation
  - e) GPS and ECOSOC
  - f) UNCTAD Delegation Agreement under EDF
- vi. The division supported the Division of Trade and Customs in the following COMESA Free Trade Area (FTA) negotiations:
- a) Negotiations with the Government of Ethiopia
  - b) Negotiations with the Republic of Somalia
- vii. On legal support, the division successfully handled and concluded cases concerning labour, trade and commercial law related matters involving private companies operating in the common market and former staff members.
- viii. Implementation of the COMESA Intellectual Property Rights Programme

The Legal Division, in conjunction with the Division of Trade and Customs, successfully held a Consultative Meeting of the Working Group on Intellectual Property of COMESA in Cairo, Egypt in September 2022. The meeting facilitated discussion on the COMESA IP Policy and mapping of a way forward for the COMESA IP programme. Amongst others, the workshop agreed that the COMESA Secretariat should develop and operationalise a COMESA

Region IPR Enforcement Policy and a database for the exchange of information and intelligence on IPR issues. Recommendations of the Working Group which were adopted by the Council of Ministers in November 2022 include conducting a study on emerging IPR trends and enforcement of model law. The Secretariat is currently in the process of implementing the Consultative Meeting's resolutions.

- ix. Implementation of the COMESA Migration Programme - The Legal Division undertook the following activities under this programme:
- a) Held a meeting with two COMESA Task Forces on the implementation of COMESA Legal Instruments and Decisions of the COMESA Council of Ministers. Further, discussions were held on the development of capacity building on free movement of persons on migration and revision of the draft strategy and work plan.
  - b) Jointly organized a meeting on labour migration statistics with Statistics Sweden and International Labour Organisation.
  - c) Administered training under the Small-Scale Cross Border Traders Initiative in the following countries: Ethiopia, Kenya, DR Congo, Zimbabwe, Zambia and Malawi.
  - d) Developed training materials for border officials on border management during a health crisis under the COMESA/ MIEUX+ project; and
  - e) Participated in the Migration Dialogue for Southern Africa (MIDSA).

## **CORPORATE COMMUNICATIONS**

The objective of corporate communications is to enhance access to information on the COMESA regional integration agenda, its opportunities, and benefits among stakeholders, for increased visibility and understanding. Key activities in the year under review included the generation of news and information on the implementation of COMESA programmes disseminated through multimedia platforms including production of publications, audio/visual documentaries, the regional press, online media and public relations. The following was accomplished:

- i. **News and information:** Generated content on the implementation of regional integration programmes, edited and published 27 digital newsletters, the e-COMESA, a publication that provides news updates on COMESA events and activities. The newsletter provided a reliable source of information to a wide spectrum of stakeholders including the media which republished the news hence expanding the reach of COMESA news in the region and beyond.
- ii. **Outreach and direct stakeholders' engagement:** Participated at regional/ international trade fairs in Uganda, Zimbabwe and Zambia; setting up an information desk to directly engage with stakeholders, provide information communication and educational products, and promotion of the COMESA brand for visibility at national level. Subsequently, COMESA was recognized as the best international exhibitor at the Zambia International Trade Fair for among others, demonstrating the value addition it provides to the regional economies. In addition, a study visit for students from learning institutions in Zambia was hosted at the Secretariat to inculcate knowledge about regional integration.
- iii. **Communication Strategy:** The COMESA Communication Strategy 2022 – 2025 was developed to support implementation of the current COMESA MTSP.
- iv. **Production of publications:** All categories of COMESA publications including programmes-based books and booklets and special reports were quality assured and published. This involved editing, proofreading and publishing in both digital and print formats. Among these were four quarterly

newsletters, Key Issues in Regional Integration Volume 9 and 10 and related Policy Briefs, the COMESA MTSP 2021 - 2025, Protocols on Rules of Origin, COMESA Gazette, the 2021 Annual Report and various Special Reports on selected topics among others.

- v. **Media Relations:** The COMESA Media Awards for 2022 were conducted with 65 entries received and submitted for adjudication. The entries were in four key media categories; print, television, radio and online, and in the three COMESA languages. The objective of the awards is to promote media coverage of the COMESA regional integration agenda. Four winners were identified for recognition and reward for their contribution in raising awareness on regional integration from Egypt, Kenya, Madagascar and Uganda.
- vi. **Capacity building:** Capacity building for the regional media and public relations officers in coordinating ministries was conducted in Zambia. The objective of the activity was to equip media and public relations officers with the knowledge and skills to communicate COMESA regional integration programmes. New communication platforms and networks were established for exchange of information and coverage of COMESA programmes activities. Media practitioners from Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Uganda, Zambia and Zimbabwe participated in the activity.
- vii. **Audio/visual productions:** The following were produced and disseminated through national media: The Cotton Value Chain Documentary run on Zambia National television; the documentary on Enhancement of Sustainable Regional Energy Market (ESREM) was disseminated in target countries, Kenya and Zambia; short video news clips on COMESA events produced and disseminated through media houses in respective Member States; and the Regional Infrastructure Finance Facility (RIFF) Project video.
- viii. **Communication and Visibility:** Coordinated multimedia publicity campaigns in DR Congo, Zimbabwe and Mauritius. These included television, radio, newspaper and online platforms with content on the implementation of COMESA programmes in the respective countries.

Moving forward, the COMESA Corporate Communications will enhance the involvement and participation of communication experts in the coordinating ministries and other line ministries in COMESA activities at the national level to support COMESA visibility. Capacity building opportunities go a long way in addressing this challenge and providing incentives to communication practitioners.

## **STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION**

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 2022, the Unit undertook the following activities:

- i. Continued dissemination of the COMESA 2021-2025 MTSP to stakeholders to promote awareness and ownership.
- ii. Participated in meetings that align the COMESA strategy with other key entities such as AUC and UNECA.

- iii. Preparation of reports outlining the status of implementation of COMESA programmes including Annual Reports, Country Reports, and Inputs into Agenda 2063 & Regional Integration Report.
- iv. Supported the establishment of an operational Online M&E System through the following, creation of a taskforce to receive and test system, coordinated training and rollout of the system with system developers, and identification of Focal Persons (Champions).
- v. Prepared the consolidated 2021 Annual Work Plan and corresponding Schedules of Activities.
- vi. Supported preparation of consolidated of the COMESA 2023 Annual Work Plan & Budget.
- vii. Supported Monitoring of RECAMP for Results Oriented Monitoring (ROM) Preparation.
- viii. Participated in the Working Group of the COMESA-USAID RIGO-SS Activities.

## **INFORMATION NETWORKING**

In implementation and maintenance of COMESA's information systems, IT infrastructure and IT system support services to support implementation of the MTSP, the Information and Networking Divisions undertook the following activities:

- i. Modified the existing Electronic Certificate of Origin (eCO) System in readiness for piloting.
- ii. Rollout of the Electronic Certificate of Origin to Member States.
- iii. Supported implementation and rollout of two smart borders within Member States.
- iv. Supported implementation of a generic online import/export permit system.
- v. Establishment of a Customs Automation Regional Support Centre (CARSC) for COMESA Member States to provide ASYCUDA System support when required.
- vi. Maintained and enhanced the 50 Million African Women Speak Platform.
- vii. Enhanced the existing COMESA Websites and developed new websites for COMESA Programmes
- viii. Enhanced the existing intranet.
- ix. Development of the COMESA Online Market
- x. Created a paperless environment in COMESA and worked towards the establishment of a Data Centre
- xi. Formulated a 5-year ICT Policy and Strategy
- xii. Shipping and installation of video conferencing software and hardware for Member States
- xiii. Reviewed existing services and policies to comply with ISO Standards
- xiv. Carried out a Pre-Market Study for the Africa cloud ECOSYSTEM (ACE) Project



## Progress on Implementation

- i. The eCO system was developed and tested and passed the User Acceptance Test (UAT). The next step is to help Member States to utilize the system to realize the benefits of automation. Technical and User Acceptance Tests (UAT) are important to ensure that systems are fully functional before rollout.
- ii. Study tours were undertaken to selected border posts namely, Mwami (Zambia -Malawi), Kasumbalesa (Zambia – DR Congo), Kazungula (Zambia – Botswana) and Katima -Mulilo (Zambia-Namibia) to aide in the development of terms of reference for setting up smart borders.
- iii. ASYCUDA functional and technical training was conducted for both English and French Speaking Member State's officers and COMESA staff.
- iv. Tender for the procurement of CARSC equipment and software for the ASYCUDA Regional Support Centre was issued – Process to finalise procurement was ongoing.
- v. The 50 MAWSP Platform is now hosted and maintained by the Secretariat.
- vi. The Division developed and continued to maintain the COMESA's online presence - Summit website developed and launched, RAERESA Website – Waiting for official launch: <https://raeresacomesa.int>, Support to Air Transport Sector Development (SATSD). Waiting for official launch: <https://satsd.comesa.int>. Maintenance of existing COMESA websites namely: Governance, Peace & Security Website; and Covid-19 and COMESA main portals.
- vii. In conjunction with the Information Resource Centre, the division provided training and support to administrative assistants and secretaries to manage the COMESA Intranet - <https://intranet.comesa.int>. Additionally, layout enhancement of the platform was undertaken.
- viii. The Division continued to provide a secure, uninterrupted operating environment. IT infrastructure was enhanced taking on-board the 50 MAWSP equipment which provided huge savings on cloud hosting costs. The following systems and services continued to be provided to staff and stakeholders, email, internet access, robust backup and redundancy, unified threat management systems, authentication and authorization, corporate collaboration platform, hosting, and virtual meetings platforms (Teams and Zoom).
- ix. Provided an online signature signing solution (GMO Sign) to promote the paperless environment.
- x. For the automation of internal business processes, the division supported development of the COMESA e-Procurement which is work in progress.
- xi. The Division facilitated the development processes of the Monitoring & Evaluation and Trade in Services Negotiations Portals.

## HUMAN RESOURCES AND ADMINISTRATION

The Division of Human Resources and Administration provides support to the COMESA Secretariat and Member States on issues related to human resources, knowledge and information services, conferencing, procurement, and general support services which in turn allow divisions, units, projects and programmes to operate effectively. The division's functions allow the Secretariat to execute its planned activities and programmes and deliver on its mandates efficiently and effectively. The services provided by the Division support Member States in the implementation of activities geared towards the achievement of the 2021 – 2025 MTSP objectives and COMESA's regional integration agenda.

During the 2022 financial year, the division through its four units namely: Human Resource, Information Resource



Center, Conferences, and Procurement and General Services facilitated smooth operations within the Secretariat in supporting the 2021 – 2025 MTSP objective aimed at ensuring an effective Secretariat. The Division successfully managed the transition from offsite to physical office operations following the easing of the Covid-19 restrictions worldwide and nationally.

### **Human Resources Unit**

The Human Resources Unit is very critical for the success of the regional integration agenda as it is responsible for the management of the Secretariat's most valuable asset, its staff. The Unit, in its quest to assist the Secretariat achieve its goals and objectives as espoused in the 2021-2025 MTSP carried out the following key activities:

- i. **Recruitment:** During the period under review, the Unit facilitated the recruitment of staff for COMESA Secretariat, COMESA Clearing House, COMESA Monetary Institute and the 11th EDF Institution Capacity Building Project.
- ii. **Medical Scheme:** Consistent with valuing its staff as the most important asset and due to the realization, that a healthy and productive workforce is key to the achievement of its goals and objective, the Secretariat through the Human Resources Unit continued to provide medical insurance cover to its staff. During the 2022 financial year, a survey on the performance of the medical scheme was undertaken to evaluate the medical insurance with the aim of ensuring improved medical cover for COMESA staff and its dependents.
- iii. **Organizational culture initiatives:** A staff retreat was organized by the Unit during the period under review with the aim of increasing collaboration among staff members and create a sense of belonging amongst staff in their quest to achieve the regional integration agenda. Additionally, the Unit carried out orientation for the newly recruited staff to assist them to settle as they embark on their careers at COMESA. The orientation enabled the new staff to get an in-depth understanding of the Common Market, the governing instruments and the values that the Secretariat upholds.
- iv. **Alignment of the COMESA organizational structure to the 2021-2025 MTSP:** The Unit has been championing the finalization of the review of the organization structure and its alignment to the MTSP to ensure a structure that is fit for purpose and that has adequate human resources to drive the strategic objectives of the Secretariat. The organisational restructuring report was presented and discussed during the 42<sup>nd</sup> Meeting of Council of Ministers held on 1 December 2022. Valuable comments were received from Member States and progress is being made to finalize the report for further consideration.

### **Information Resource Center**

The Information Resource Center Unit is the central custodian of the COMESA Secretariat intellectual capital resources. It is mandated to provide comprehensive information services and knowledge management in support of COMESA Secretariat programmes, facilitate information access and sharing among Member States and support research in regional integration and virtual masters in regional integration by collating relevant research information and dissemination to users. The Unit plays a critical role in enhancing Secretariat operations efficiency in streamlining records management practices and archiving.

In line with the strategic objective on 'Effective Secretariat' under the current MTSP 2021 – 2025, the Unit leveraged on digital technologies to enhance service delivery and 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. This includes a digital repository of all flagship publications, upgraded liberty online catalogue, MyLOFT - a federated search platform that aggregates online journals, ebooks and online databases, annual subscriptions to authoritative subject

databases, such as ScienceDirect, JSTOR, EBSCO as well as collaborative e-resources sharing with reputable e-libraries such as IMF eLibrary, OECD iLibrary, World Bank eLibrary, UN Research4Live among a host of other databases. The Unit carried out user training sessions for information users during the period under review.

- 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 Records Management Policy and Retention and Disposal Schedule as approved by the Secretary General in 2021 and 2022 respectively. Every division now has a fully functional filing index to guide records management practices and a master file index in its draft stages has been developed for the entire Secretariat. The Intranet is 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. Security of information has been given prominence through collaboration of the unit with the Information Technology and Networking Division. Special attention has been given on protection of personal data through user login credentials and necessary data access restrictions. Intensive training was done to all Secretariat staff on records management practices as well as electronic archiving.
- iii. **Knowledge Management:** The Unit is the custodian of organizational memory and maintains archival copies of COMESA history including Council Reports, COMESA working documents, Council decisions, reserve publications, and programme reports. The Unit is at the center of knowledge and information sharing within the Secretariat, Member States, collaborative and knowledge exchange partners for which it continues to forge strong relationships in the region and globally. The Unit participated in various international trade fairs in Member States, conferences and workshops to educate, inform and disseminate information. The COMESA Secretariat stand at the Zambia International Trade Fair in Ndola won the first prize in international exhibitor category.

## Conference Services

The Conference Services Unit provides conference management services to the Secretariat, Member States and approved stakeholders. This support includes the provision of conference facilities, documentation support, translation and interpretation services as well as general meetings and workshops management support systems. The goal of the unit is to ensure that services are delivered in a professional, efficient, and standardized manner, which is consistent with the overall goals of COMESA and stakeholder expectations. The Unit serves as the organization's multi-lingual meetings management and document processing hub, which is linked to all the arms of the organization.

- i. In line with the programme objectives, the Conferences Unit carried out its mandate of servicing all meetings and workshops, ensuring that translation and interpretation services were up to expected standards and responsive to the needs of its stakeholders. The standard of translation in the three COMESA languages: Arabic, French and English was appropriate, timeous, and consistent with international standards. The Unit continuously measured and evaluated its performance and output against best practices. Interpretation was delivered in a satisfactory manner, maintaining the highest standards possible to ensure the effective sharing of content across the different languages. The quality management and monitoring system implemented in the year ensured that any challenges and weaknesses in this area were adequately addressed.
- ii. The Unit further established document tracking and management protocols which ensure that records of meetings are traceable and kept in a user-friendly system, compatible with the organization-wide document management system.
- iii. In collaboration with the Information Technology and Networking Division, the Unit continued to utilize the Secretariat's paperless system as well as online platforms such as Zoom and Microsoft Teams which

enabled all scheduled meetings to run seamlessly.

## **Procurement and General Services**

The objectives of the Procurement and General Services Unit were to effectively facilitate and support the procurement of goods, works, and services for the Secretariat, its Institutions and specialized agencies based on the key principles of transparency, competitiveness, and cost-effectiveness to support the achievement of the strategic objectives outlined in the MTSP 2021 – 2025. During the period under review, the Unit undertook the following activities:

- i. Developed the annual procurement plan in consultation with stakeholders and in line with the Procurement Rules, that enabled the Secretariat to carry out all procurement in a systematic and coordinated manner.
- ii. Coordinated the procurement of an Electronic Procurement System that would automate and digitalize the procurement processes which will culminate in improving the turnaround time on all procurements by reducing duplications.
- iii. Supported user divisions, units and COMESA Institutions through the provision of services, in form of consultancies and non-consultancy services, purchase of goods and equipment, and works which were in line with the approved budget, workplan and procurement plan.
- iv. Through the Estates Section, the Unit facilitated the transition from offsite operations to physical office environment by ensuring a conducive work environment through the maintenance and rehabilitation of COMESA premises, properties and assets and equipping the offices with all the required logistics.
- v. The Travel Section under the Unit facilitated the provision of travel services for staff, delegates and other stakeholder for both inland and air travel to support the implementation of COMESA programmes and activities in the Member States.

# 3

Chapter Three

## OPERATIONS OF COMESA INSTITUTIONS

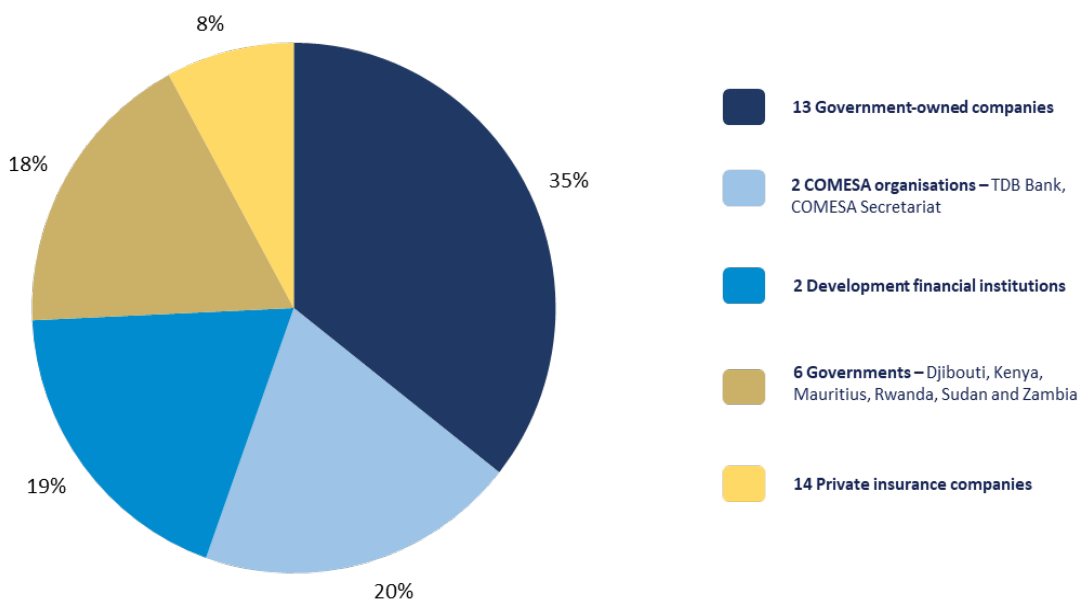
## ZEP-RE (PTA REINSURANCE COMPANY)

ZEP-RE (PTA Reinsurance Company) is an institution of COMESA, established by an Agreement signed by Heads of States and Governments on 23 November 1990 in Mbabane, Swaziland. The signatory Member States to the Agreement establishing the Company include Angola, Burundi, Comoros, Djibouti, DR 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, 2 COMESA institutions namely, the COMESA Secretariat and the PTA Bank and 2 development finance institutions.

**Figure 7: ZEP-RE Shareholding**



### 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 strategic plan including identifying, developing, and maintaining a sustainable business growth model that emphasizes profitability; enhanced shareholder value; best risk management and contributing to the economic development of the COMESA region.

As part of its development agenda, ZEP-RE 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.

## 2022 Performance

For the year, 2022 ZEP-RE underwrote US\$ 236 million in premium income compared to US\$213 million underwritten in 2021. During the year under review, insurance markets' growth remained subdued nonetheless the company managed to register a 10.9% growth in gross premium income over that of previous years showing remarkable resilience despite a slow-down in the economy due to the global pandemic.

The company posted a 19.4% growth in profit compared to the previous year. The company's improved bottom-line performance in 2021 was majorly attributable to improvement in the loss experienced in various markets. Shareholders fund grew by 4.9% while the asset base registered a 5.9% growth over the previous year. The table below details performance in 2022 compared to the previous year.

**Table 6: ZEP-RE 2022 Performance Compared to 2021**

	2022	2021
Gross Premium	213,012,675	213,012,675
Net Written Premiums	131,859,951	134,313,682
Net Claims Incurred	78,351,873	80,051,874
Net Profit	21,658,473	18,144,321
Equity	309,314,317	294,840,688
Total Assets	504,891,245	476,621,314

## Territorial Spread of Business

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

**Table 7: ZEP-RE Territorial Spread of Business**

Region	2022		2021	
	Gross premium USD	%	Gross premium USD	%
COMESA	197,841,801	84	166,178,455	78
Non – COMESA (Africa)	34,215,619	14	34,154,517	16
Other regions	4,155,464	2	12,679,703	6
Total	208,159,650		213,012,675	

## Credit Ratings

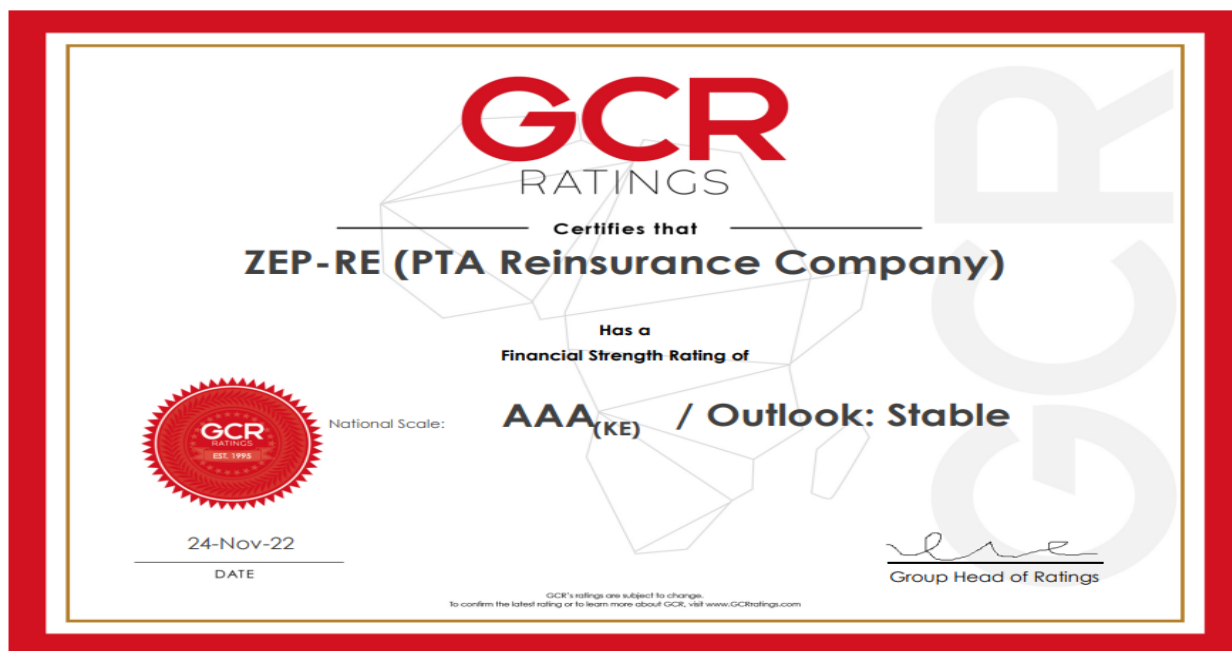
- i. AM Best Rating

In 2022, 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.



ii. 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.



**Impact activities**

i. Government Policy, Regulatory Framework, and Financial Inclusion

ZEP-RE undertook collaborative initiatives with governments of the region during 2022, focused on policy formulation to support insurance growth, creating sustainable insurance markets, enhancing financial inclusion initiatives, and growing the micro insurance sector for both crop and livestock agriculture.

a) Policy Formulation

The COMESA Policy Organs at the 43<sup>rd</sup> COMESA Council of Ministers Meeting held in November 2021, requested Member States to use ZEP-RE's technical capacity and resources to develop policies, products and services that will assist in supporting financial inclusion. This includes using the services of ZEP-RE's subsidiary, Acre Africa Ltd, experts in linking smallholder farmers to financial products and climate risk solutions. Guided by the decisions of the Council of Ministers, ZEP-RE is working with COMESA Member States on policies for financial inclusion initiatives and is collaborating with the COMESA Secretariat on the agriculture strategy as part of developmental initiatives for 2023.

- **DR Congo** - The ZEP-RE collaborated with ARCA, the insurance regulator in DR Congo to formalize the domestication of reinsurance business. Currently, premium retention stands at about 15% and is expected to increase further when the initiatives are implemented fully. ZEP-RE further assisted the regulator with initiatives to deepen insurance services through implementation of mandatory classes. Marine cargo will become compulsory beginning 1 March 2023 with other identified classes to follow.
- **Malawi** - Considering its growth potential and mandate, ZEP-RE supported the capacity building initiatives within the Malawi market and sought local recognition in the market.
- **Zambia** - The Zambia Insurance Act was signed into law in May 2021. The commencement order was made on 29 November 2022. ZEP-RE has been supporting the regulator and stakeholders in the market to action the new act with a focus on long term sustainable underwriting. Subsidiary regulations so far implemented out of these efforts include licensing, solvency guidelines and governance regulations. ZEP-RE worked with the regulator and market to implement reinsurance guidelines aimed at improving the market's technical performance and increasing premium retentions locally for market growth.
- **Ethiopia and Tanzania** - ZEP-RE engaged regulators and stakeholders in the Ethiopian and Tanzanian markets to discuss challenges and collaborate on solutions to support growth and development. Key focus areas for collaboration in the mid-term plan include improvement in underwriting standards and technical capacity development.

**Micro Insurance Regulatory Framework** - ZEP-RE continued to work with governments in the region to support financial inclusion initiatives including DR Congo, Malawi, and Zambia. Engagements centred on how micro insurance regulatory frameworks could be established and used to promote financial inclusion. There is growth potential for the micro insurance industry in the three countries with currently over 10 million people in the sector of Malawi and Zambia remaining uninsured. This demography would benefit most from micro insurance products, therefore ZEP-RE in 2022 assisted in implementation of the regulatory and business development framework.

National Agriculture Insurance Schemes - DR Congo, Malawi, and Tanzania

ZEP-RE assisted governments with the study and preliminary activities associated with NAIS. These schemes are part of risk management in agriculture (crop and livestock) with the intention of providing financial support to 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.

Financial Inclusion

In 2022, ZEP-RE worked with countries in the region to support financial inclusion initiatives aimed at scaling up penetration and the protection of low to middle income households from risks attendant including health, income, and savings.



## Micro-Credit Products Initiatives

ZEP-RE has been working with governments and market players in Ethiopia, Kenya, Uganda, Rwanda, Zambia, and Zimbabwe to offer micro insurance products in life with the benefits payable being outstanding loan balances. In 2022, over 220,000 lives were covered, and loans assured stood at approximately US\$ 2.7 million. In Uganda over 200,000 lives have been covered and loan amounts assured stood at approximately US\$ 8.9 million.

## Universal Insurance

A long-term savings scheme in Rwanda continued to be 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 2022, 90,000 lives were insured with total benefits totalling US\$ 117.8 million.

## Collateral Replacement Indemnity

The Collateral Replacement Indemnity (CRI) is a product that targets borrowers in the lower to middle income mortgage market without the requisite deposit usually demanded by ZEP-RE (PTA Reinsurance Company) mortgage financing companies, it however has the capacity to pay if spread over a period of time. The product is offered in over 11 countries through local insurers and ZEP-RE provides reinsurance capacity. In 2021, over US\$ 6 million in loans were guaranteed and over 50 lenders participated in the programme. Beneficiaries since inception of the product total over 10,000 families.

## Agriculture Insurance

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

- ZEP-RE is an active supporter of the FISP programme in Zambia which has covered over 5 million farmers over the last five years and is the largest agricultural programme supported by the company. The support provided included reinsurance, product development and monitoring. In 2022, ZEP-RE worked with the Technical Working Group comprising of the Ministry of Agriculture, the World Food Programme, SMART Zambia, Mayfair, etc. to explore ways of restructuring the scheme and make it more sustainable by adopting best index insurance practices. During the 2022 season, ZEP-RE partnered with local insurers to provide cover 160,000 farmers in the Northern and Luapula provinces of Zambia for a maximum cover of USD 40,000,000.
- Uganda - ZEP-RE supported the NAIS consortium with reinsurance capacity, product improvement and capacity development. The NAIS Programme provides cover to 300,000 farmers and ZEP-RE is working with stakeholders to exploit its potential for scalability especially in the pastoral sector.
- Horn of Africa DRIVE (Ethiopia, Kenya and Somalia) - Drought shocks in the past have been a key course of livestock asset depletion and has led to underinvestment, perpetuating a cycle of low investment-low productivity in pastoral economies. The Horn of Africa DRIVE Project is scaling up financial protection for pastoralists across the region with a package of financial services to help address severe shocks.

ZEP-RE was appointed Implementing Agent of Component 1, to support the provision of financial de-risking in anticipation of climate change risks. The project development objective is to protect pastoralists against drought shocks, increase their financial inclusion and connect them to markets. Key outputs of the programme are to increase the number of pastoral production groups accessing financial services, derisking and capacity building, community ownership of the scheme, maintaining core assets of pastoralists in time of drought shocks, breaking the "low investment, low productivity" trap and long-term sustainability of the programme with target pastoral

production groups. The DRIVE programme took effect in October 2022 starting with Kenya and Somalia, with a target to commence in Ethiopia in January 2023.

Following commencement of the programme in Kenya, 4 out of the targeted 8 ASAL counties are now participating including Garissa, Samburu, Tana River and Wajir. The average number of TLUs insured is 4.8 and the average premium paid is Kshs 2,849. Beneficiary numbers currently stand at 16,500 households comprising 9,000 males and 7,500 females. The total number of TLUs insured amounted to 16,600 generating premiums of USD 2,058,903.

In Somalia, two companies namely; FISO and Salma are currently participating in the programme. The average number of TLUs insured is 3.84 and the average premium being paid is USD 10.73. Beneficiary numbers currently stand at 1,800 households comprising 1,100 females and 700 males. Five of the nine UAIs were sold and premium generated amounted to USD 1,023,990.

## ii. Capacity Building Initiatives

### **Regulator Trainings**

The ZEP-RE Academy in partnership with ACRE Africa Ltd facilitated trainings in agriculture insurance for insurance regulators in Uganda, Zimbabwe, Tanzania, and Rwanda in 2022. The trainings are meant to help regulators appreciate key aspects of agriculture insurance and equip them with the necessary tools required to assist them promote agriculture insurance in their respective jurisdictions. ZEP-RE intends to focus on training regulators in Kenya, Ethiopia, Nigeria, Sudan, Zambia, and Malawi in 2023.

### **IFC Technical Assistance for Zambia**

The Pensions and Insurance Authority (PIA) and the International Finance Corporation (IFC) signed a 2-year cooperation agreement to support the Zambia Climate Insurance Market Development Project which aims to improve the resilience of smallholder farmers in Zambia by connecting them to climate services and inclusive insurance products. ZEP-RE won the tender to be appointed as the technical assistance of the project. The key deliverables include providing support to develop products, partnership and distribution channels, reinsurance linkages awareness and capacity building and knowledge transfer. Projected impact from this exercise will be the design of at least 3 products, 1,500,000 insurance policies, development of new policies and improvement of existing regulatory framework and capacity building for the market.

## iii. Management of COMESA Pools and Support for Regional Trade

### a) 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 scheme. The Yellow Card Scheme is operational in thirteen countries and its usage being made available to more countries. In 2022, over 250,000 yellow cards were issued and gross premiums of USD 14 million underwritten. Claims incurred by the scheme amounted to USD 4,000,000.

### b) The COMESA RCTG Scheme

The COMESA RCTG Scheme is a regional transit movement facility that allows a single custom guaranteed 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 with the Djibouti Corridor targeted for operationalisation in 2023. In 2022 the value of bonds issued amounted to US\$ 995 million. Carnets issued during the period totalled 330,000 and over 1500 sureties and clearing agents participated in the scheme which remains a critical tool in supporting the US\$ 10 Billion intra-COMESA trade.

#### iv. Member States Support

ZEP-RE maintained its strategy of involving COMESA Member States in its activities as it recognizes that the good will and active participation of Member States has been key in assisting ZEP-RE achieve the goals so far realised. To this end, ZEP-RE extends its gratitude for the support received from Member States and for the facilitation extended by the 43<sup>rd</sup> COMESA Council of Ministers for the following decisions which ZEP-RE is in the process of actioning in collaboration with Member States:

- a) That Member States implement past COMESA Policy Organs' decisions to support financial inclusion initiatives, Member States are urged to utilise ZEP-RE's technical capacity and resources to develop policies, products and services that will help support financial inclusion. This includes using the services of ZEP-RE's subsidiary, Acre Africa Ltd, experts in linking smallholder farmers to financial products and climate risk solutions.
- b) That non-participating Member States are urged to support ZEP-RE by joining its membership.
- c) That Member States are urged to support ZEP-RE by recognising and comparably treating ZEP-RE to local companies in their territories so that the company can discharge its mandate effectively.
- d) That Member States are urged to extend preferred credit status to ZEP-RE to assist with prioritizing and allocating foreign exchange to enable the company to meet its ongoing obligations as it discharges its mandate.

### **COMESA BUSINESS COUNCIL (CBC) - PRIVATE SECTOR VOICE**

The COMESA Business Council (CBC) is a business member organization bringing together a diverse group of businesses and associations in the region and is the recognized regional apex body of the private sector and business community in the COMESA region. The vision of CBC is, "Building Regional, Going Global" and the mission is to be the leading private sector organisation in Africa, that promotes competitive and interconnected industries to actively participate in regional and global markets through advocacy, business facilitation and enterprise development. CBC's strategic objectives include the following:

- Promote a continuous advocacy and dialogue for private sector at the national and regional levels to help create an improved business environment.
- To strengthen partnerships that will promote trade and investment in regional and global markets.
- To provide regional facilitation/coordination to our membership and support operational efficiency of enterprises, including SMEs.
- Institutional sustainability.

CBC undertakes its activities guided by four (4) service pillars namely, Business Policy and Advocacy, Business Facilitation and Communication and Membership Development; and Institutional Development. The following activities were undertaken by CBC in the period under review:

i. **Business Policy and Advocacy**

CBC spearheaded private sector's contribution in the policy making processes through advocacy on industry position papers, policy briefs and studies and impediments to business.

a) Sectoral Positions Papers

Sectoral positions were developed for the following workgroups:

- (a) Manufacturing Workgroup
- (b) Tobacco Workgroup
- (c) Pharmaceutical and Health Care Services Workgroup
- (d) Digital Financial Services Workgroup
- (e) Duty Free Retail Services Workgroup

The sectoral positions were presented to various COMESA Policy Organs. Moving forward, CBC plans to strengthen and rationalise these workgroups to enhance their effectiveness in policy advocacy in the COMESA Region.

b) CBC Regional Business Advocacy Agenda

One of the key mandates of CBC is undertaking advocacy on behalf of members. The main instrument for carrying out advocacy is the Regional Business Advocacy Agenda, which is developed and spearheaded by CBC Workgroups. CBC is in the process of finalizing the Regional Business Advocacy Agenda 2023 to guide advocacy efforts throughout the year.

c) Engagement at Continental level

CBC participated in the following high-level meetings:

- High Level Multi Stakeholders Conference on Spearheading the Ratification and Implementation of the Africa Continental Free Trade Area (AfCFTA) Agreement, held in Lilongwe, Malawi in February 2022.
- 2<sup>nd</sup> Coordination Meeting of Senior Officials of Regional Economic Communities (RECs) on the Implementation of the AfCFTA Agreement, held in June 2022 in Arusha , Tanzania;
- World Customs Organization (WCO) on Implementation and Application of Rules of Origin for enhanced Intra-Africa Trade held in July 2022 in Accra, Ghana.
- Virtual Stakeholder Consultative Meeting held in August 2022, organized by AFCTA to discuss the Protocol on Digital Trade.

ii. **Business Facilitation**

a) Capacity Building for Members

Under the RECAMP EDF 11 Project, CBC partnered with COMESA Secretariat, International Trade Centre (ITC), and

National Focal Points in Zambia, Malawi, Ethiopia, and Egypt, to provide market analysis training to exporters and SMEs in the COMESA region. The training is being piloted in the four COMESA Member States with the objective to help businesses to simplify their market research and the identification of new opportunities. Additional, training activities have been planned for 2023.

b) E-Academy Project

During the course of implementation of the Phase I and Phase II of the COMESA Digital Financial Inclusion Programme for Micro and Small and Medium Enterprises (MSMEs), it was noted that strengthening the capacity of MSMEs was a key constraint that required to be addressed, in order to build a strong demand for the Digital Retail Payments Platform.

CBC, with the support of AfricaNenda established the SME CBC E-Academy to strengthen the digital operations of SMEs and increase the uptake of digital financial services for improved trade. The capacity building programme focuses on digital platforms, financial literacy, e-commerce, business management, online marketing, business plans and negotiation and sales techniques.

In addition to the seven training modules highlighted, the E-Academy will undertake online e-learning. The e-learning platform will be hosted by the CBC website and licensing credentials shall be registered under CBC. It is envisaged that upon successful completion of the e-training, small and medium businesses in the selected Member States will acquire digital business skills and become users of the COMESA Digital Retail Payments Platform.

iii. **Communication and Membership Development**

CBC focuses on strengthening the relationship with national focal points, building of the membership base and enhancing communication with members.

a) Building Membership Base

CBC has over the years experienced decreased membership renewal and reduced active participation and engagements of its members. This to some extent can be attributed to lack of a robust communication strategy and membership retention strategy that would facilitate regular engagements with members coupled with lack of clear and exclusive tangible benefits to make CBC's value proposition more attractive to prospective members. CBC intends to revive its membership through strengthening the relationship with national focal points in strategic member countries as well as enhancing its communication and business facilitation support services amongst other initiatives. CBC with the support of the Federation of German Industries (BDI) is strengthening national focal points with the aim of building its membership base by undertaking membership drives in strategic COMESA member countries. \_

b) Membership Communication

To increase communication and engagement with members, CBC publishes bi-weekly reports, business insiders, research papers, newsletters and policy briefs that are widely disseminated. Additionally, CBC utilizes Customer Relationship Management (CRM) in communicating to members.

In the period under review, CBC published the following ITC Reports developed as part of activities under the Business Policy Programmes Division, to support the private sector to better engage under the AfCFTA and advocacy efforts regarding regulatory barriers affecting trade and investment, with special focus on matters relating to the agro-industry/manufacturing sector within COMESA.

- Supporting Policy Dialogue and Advocacy Efforts of the COMESA Business Council: List of Issues of Concern to CBC Members under AfCFTA and COMESA.

- Supporting Policy Dialogue and Advocacy Efforts of the COMESA Business Council: Draft Position Paper on Implementation of AfCFTA Rules of Origin.
- Supporting Policy Dialogue and Advocacy Efforts of the COMESA Business Council: Draft Position Paper on the Development of a Framework for Implementation of Food and Beverages Product Standards in the COMESA Region.

#### iv. **Institutional Development**

##### a) Sustainability of CBC

As an institution of COMESA, representing the private sector, CBC has initiated and implemented noteworthy activities geared towards promoting trade, private sector development and industry competitiveness in the COMESA region. The implementation of the CBC Strategic Plan for the period 2018-2022 concluded in the period under review. In the interest of scaling the impact of its interventions across the various key sectors that drive intra-regional trade and economic activities in the region, CBC is in the process of developing its 2023-2025 Strategy in which the sustainability of the institution over the longer term will be a key element. This is informed by the regional and global economic environment, which has seen CBC, in recent years, record a decrease in membership renewal, largely owing to the Covid-19 pandemic which has resulted in an erosion of a key revenue base for CBC. CBC is keen to continue delivering on its mandate and amplifying its interventions to support the private sector in the region. The institution will engage with the Secretariat, Member States and other stakeholders to ensure that it is able to deliver on its mandate and is adequately resourced.

#### **CBC Programme and Projects**

##### i. Digital Financial Inclusion Project

As highlighted in the report, CBC is implementing the COMESA Digital Financial Inclusion Programme for MSMEs with the goal to support the design, development and deployment of an integrated digital financial services infrastructure that is low-cost, interoperable and fraud resistant that serves MSMEs and the customers they transact with at the bottom of the financial pyramid.

The Digital Financial Inclusion Programme has the following objectives:

- The establishment of a digitally inclusive regional payment platform that lowers transaction costs for MSMEs, who serve 80% of the economy and are primarily led by women in agro-industry and trade.
- A streamlined mechanism that transforms cash-based MSMEs into digital markets through a platform that promotes affordable, interoperable, transparent, real-time financial transactions.
- Increased volumes of intra-COMESA trade and cross border transactions through a robust technical capacity development programme that focuses on digital transformation for MSMEs.

CBC has implemented Phase I and II of the programme and is now implementing Phase III focusing on development of the Digital Retail Payments Platform and capacity building for stakeholders in eight countries namely Egypt, Ethiopia, Zambia, Rwanda, Kenya, Uganda, Malawi, and Mauritius.

Progress on Implementation:

- a) Validation and adoption of business model and model policy framework by the COMESA Committee of Central Bank Governors in Cairo, Egypt.

- b) Infrastructure assessment and market capture in seven (7) of the eight (8) pilot countries carried out.
  - c) Technical expertise to run the Regional Digital Retail Payments Scheme in place.
  - d) Office equipment procured for Operations Management Team (OMT).
- ii. Federation of German Industries Project

CBC signed a grant agreement with Federation of German Industries (BDI) on 9 February 2022. The overall long-term objective is to facilitate the inclusive participation of COMESA's private sector in the implementation of the AfCFTA. Specifically, the objective of the project is to strengthen the institutional sustainability of CBC and ultimately support the implementation of the AfCFTA.

## COMESA COMPETITION COMMISSION (CCC)

The COMESA Competition Commission (CCC) is mandated under the COMESA Competition Regulations to promote and encourage competition within the COMESA 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 commission's activities for the 2022, were implemented pursuant to the approved annual work programme developed in line with the Commission's Strategic Plan. The section below provides highlights of progress in implementing activities in line with the commission's strategic issues.

- i. **Determination of Conduct Harmful to Competition in the Market**  
The core mandate of the commission is to detect, prevent and prohibit anti-competitive practices including anti-competitive mergers and to protect consumers against offensive conduct by market players having operations in the Common Market.
  - a) **Regulating Mergers and Acquisitions** - In 2022 sixty-one (61) merger transactions were examined by the commission compared to forty (40) for 2021. The surge signalled the resurgent global economy and its attendant commerce after the shocks experienced at the height of the Covid-19 pandemic.
  - b) **Restrictive Business Practices** - Restrictive business practices are business conduct that restrict or exclude other business players from operating freely in the marketplace and have the effect of dwarfing economic development and eroding consumer welfare. Therefore, this is a matter that the commission takes seriously. During the period under review, the commission handled a total of seven (7) cases compared to thirteen (13) in 2021. A highlight case that was handled and concluded was that involving restrictive business agreements between the Confederation of African Football (CAF) and Sportfive EMEA. The commission's intervention in that matter has opened the sports intermediation market to other players including new companies/entrepreneurs as opposed to a sole player with exclusive rights to the intermediation of the CAF broadcasting and marketing rights.
  - c) **Consumer Protection** - In 2022, the commission investigated a total of twenty (20) consumer cases against ten (10) cases handled in 2021. The cases dealt with in 2022 affected a cross section of economic sectors that included manufacturing, aviation, health, information communication technology (ICT), wholesale and retail, and pharmaceutical sector.



ii. **Strengthening Enforcement**

a) **Enhance Compliance with the Decisions of the Commission**

The commission engaged in the provision of technical assistance and capacity building activities to selected Member States and concluded enforcement cooperation agreements with national competition authorities in Member States in 2022 as shown below.

**Table 8: CCC Capacity Building Activities in Member States**

Country	Assistance
<b>Burundi</b>	The commission capacitated Burundi in June 2022 to facilitate the operationalization of the National Competition Authority.
<b>Comoros</b>	In November 2022, a training workshop for government officials and stakeholders was conducted in Moroni, Comoros on the application of competition and consumer protection laws in readiness for the operationalization of the Competition and Consumer Protection Authority.
<b>DR Congo</b>	The commission provided training to CONAC officials on competition and consumer protection matters and institutional set up to assist in establishment of offices and effective enforcement of the law in DR Congo. CONAC actively commenced enforcing the competition law in DR Congo in 2022.
<b>Eswatini</b>	In June 2022, the commission reviewed the Memorandum of Understanding (MoU) with Eswatini Competition and Consumer Protection Commission (ESCC) and provided financial support to undertake leadership development training and the review and development of the ESCC Strategic Plan.
<b>Ethiopia</b>	The commission provided capacity building to officers responsible for enforcing competition and consumer protection laws under the Ethiopian Ministry of Trade and Regional Integration (MoTRI). An MOU was signed on the side-lines of the meeting and an Implementation Plan for 2023-2024 developed
<b>Malawi</b>	The Competition and Fair-Trading Commission of Malawi (CFTC) engaged the commission for financial support to review their law. The commission provided an amount of US\$18,000 to supplement the estimated budget of US\$ 75,000 with the balance handled by CFTC.
<b>Rwanda</b>	The commission negotiated and signed an MOU on cooperation in the enforcement of competition and consumer protection laws with the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) in December 2022 in Kigali.
<b>Zambia</b>	In June 2022, the commission provided financial support to the CCPC for training of their board members.
<b>Zimbabwe</b>	The commission in collaboration with the Competition and Tariff Commission of Zimbabwe and the Judicial Service Commission held a training workshop for the Judiciary in Zimbabwe. The workshop was officiated by His Excellency Emerson Mnangangwa, President of the Republic of Zimbabwe.

b) **Capacity Building**

**Regional Case Handlers** - In June 2022, two (2) Case Handlers Workshops on restrictive business practices and mergers, were facilitated by the Commission in Ezulwini, Eswatini. The training focused on interview techniques and dawn raids as well as assessment of digital and non-horizontal mergers. The case handlers from national competition authorities of the following Member States participated in the workshops; Burundi, Comoros, DR Congo, Egypt, Kenya, Eswatini, Malawi, Mauritius, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

iii. **Advocacy and Strategic Collaboration**

a) **World Consumer Rights Day**

The commission undertook the following activities to commemorate World Consumer Rights day (WCRD) on 15 March 2022:

- Organised a Virtual Workshop to discuss the theme of the WCRD attended by Uganda, Kenya, Malawi, and Zambia.
- TV Talk show in Collaboration with Zimbabwe and Ethiopia
- Press release in the East African Newspaper

b) **COMESA Consumer Protection Committee Meeting**

A meeting for the members of the COMESA Consumer Protection Committee was convened in March 2022 in Mombasa, Kenya. The committee was established to facilitate the easy and efficient detection, investigation and prosecution of consumer matters in the Common Market. It comprises of consumer protection agencies, competent authorities in charge of enforcing consumer protection laws and consumer organisations. The committee discussed the modalities for developing a regional early warning system for tracking unsafe products and recalling dangerous goods.

c) **Sensitisation of the Business Community in Kenya and Zambia**

The commission conducted two national sensitization workshops for the business community in Nairobi, Kenya in March 2022 and in Lusaka, Zambia in April 2022 on the role of the competition and consumer protection laws in post Covid-19 business recovery.

d) **Participation in the Kenya International Trade Exhibition**

In June 2022, the commission participated in the 23<sup>rd</sup> Kenya International Trade Exhibition (KITE). The commission took the opportunity to engage stakeholders on its mandate in the Common Market and distributed brochures, flyers, and books.

e) **COMESA First Regional Workshop for Legal Practitioners**

The commission held the 1<sup>st</sup> Regional Workshop for Legal Practitioners in April 2022 in Livingstone, Zambia. The workshop which was held in partnership with Corpus Legal Practitioners was attended by about 80 lawyers from 10 Member States.

f) **Second Regional Judges Workshop**

In April 2022, the commission held the 2<sup>nd</sup> Regional Judges Workshop which was attended by Judges from 13 Member States.

g) **World Competition Day**

On 5 December 2022, the Commission joined the rest of the world in commemorating World Competition Day under the theme "Competition Policy and Climate Change". The commission jointly commemorated with RICA of Rwanda and CFTC of Malawi.

## h) **International Cooperation, Outreach and Networking**

In 2022, the commission implemented and took part in several international and regional activities for purposes of international cooperation, outreach and networking. These included the following: The African Union-Southern African Regional Office (AU-SARO), 10<sup>th</sup> Bowmans Annual Competition Law Conference, International Competition Network Mergers Workshop, American Bar Association, Africa Civil Aviation Commission, UNCTAD Inter-Governmental Group of Experts Meetings, 9<sup>th</sup> Annual Conference of the Law Association of Zambia, CAK Capacity Building Workshop on Competition Policy and Law, OECD Global Forum on Competition, the Southern African Development Community Lawyers Association Development of International Commercial Arbitration Seat, National Competition Conference of Kuwait, International Bar Association (IBA) Competition Law in Africa Conference and the 7<sup>th</sup> Annual Competition and Economic Regulations Week.

## iv. **Institutional Strengthening**

To strengthen its operations, the commission undertook capacity building for its Board of Commissioners and staff. The commission's ultimate success in implementing its mandate significantly relies on the recruitment, training, and retention of talented and competent staff.

To enhance organizational capacity development for the commission, the commission implemented the following activities aimed at enhancing its capacity: Review of Staff, Executive, Financial and Procurement Rules, Rules for the appointment of Board Members, Training of Members of Staff on the Result Based Performance Appraisal System, Staff attachments at the European Commission and the ACER Week Training for Members of Staff

In the next planning period, the commission envisages to continue to provide Member States with technical and financial support in the development of competition and consumer protection laws, setting up relevant institutions and capacity building to support competition and consumer protection law enforcement. Efforts will be made by the commission to seek supplementary funding from external organisations to support the provision of technical assistance and capacity building in the Member States

## **COMESA COURT OF JUSTICE (CCJ)**

The Court of Justice (CCJ) of COMESA was established in 1994 under Article 7 of the COMESA Treaty as one of the Organs of COMESA with the primary function to uphold the rule of law in the interpretation and application of the COMESA Treaty. The Court of Justice is comprised of two Divisions namely, the Appellate Division constituted by five Judges and a First Instance Division constituted by 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, however pursuant to Rule 4(1) of the Rules of Procedure (2016), it may hold its court sessions in any Member State.

In the period under review, the court held and concluded seven matters as highlighted in the table below. Additionally, the court continued to build the capacity of Judges and members of staff through attendance and participation in various training, workshops, and conferences.

Table 9 provides a summary of the main activities undertaken by the Court in 2022.

Activity/Challenges	2022	Result /Outcome
<p><b>Dispensation Of Justice</b> The determination of disputes in a fair manner in compliance with the Treaty and ensuring adherence to the rule of law within COMESA region were key focus areas for the Court in 2022. The Court continued to hear and determine matters brought before it as expeditiously and effectively as possible.</p>	<p>The Court finalized seven matters between January and December 2022 as follows: Arb. Cause No.1 of 2020 (Additional Award) Appeals No.1 and 2 of 2018 being COMESA Vs Malawi Mobile Ltd Arb. Cause No.1 of 2021 (Award) Arb. Cause No.1 of 2021 (Additional Award) Ex-parte Notice of Motion Arising from Appeal No.3 of 2018 being Malawi Mobile Ltd v COMESA Reference No.1 of 2019 (Preliminary Objection on jurisdiction) Interim Application No.1 of 2022 Arising from Reference No.1 of 2022</p>	<p>To a large extent, the Court was able to hear and determine most matters that were brought before it in 2022.</p> <p>Matters that could not be finalised for various reasons were carried forward to 2023.</p>
<p><b>Institutional Strengthening</b> The activities that the Court focused on in 2022 towards achieving institutional strengthening were:</p> <p>Review of the Judges' terms and conditions of service and the Court's organisational structure, Enhancement of skills and competencies of staff and judges to promote judicial best practices and improve service delivery. Review of the Court's policies, procedures, and legal framework to ensure that they are up to date.</p>	<p>The review of the terms and conditions of service for Judges, and of the Human Resource and Organisational Structure of the Court was undertaken and presented to the MJAG.</p> <p>The Court took part in various capacity building activities including training on Arbitration, the AfCFTA, Trade Remedies, Mediation and the SunSystem.</p> <p>Judges and Management of the Court attended several beneficial conferences including the CCC 2nd Regional COMESA Judges Workshop, the CMJA, 19th Triennial Conference, 9th East Africa International Arbitration Conference, and the 27th EALS Annual Conference.</p> <p>The Court undertook benchmarking visits to the East African Court of Justice, the African Court of Human and People's Rights and the European Court of Justice.</p> <p>Management conducted a review of the MTSP (2021-2025) and took note of achievements made, challenges experiences and the reasons for non-implementation of some of the activities.</p> <p>The proposed SMART Performance Management of the CCJ was presented to the Administrative Meeting of the Court and approved.</p> <p>Management was taken through the SMART Performance Management and trained on the link between the Court's Strategy and the individual performance contracts.</p> <p>Management prepared their Performance Contracts for 2023.</p> <p>The CCJ Financial Rules and Procurement Rules were adopted by the COMESA Council of Ministers.</p> <p>Revised Staff Rules and Draft Executive Management Rules were prepared.</p>	<p>The review of the terms and conditions of service for Judges, and of the Human Resource and Organisational Structure of the Court is pending presentation to the Sectoral Committee on Audit and Budget for review of the budgetary implications of the proposals made.</p> <p>The Court will continue to focus on training and participation in conferences aimed at improving service delivery by both Judges and Registry staff.</p> <p>The Court is implementing the new Financial Rules and Procurement Rules.</p> <p>Revised Staff Rules and Draft Executive Management Rules are pending presentation to the Legislative Drafting Sub Committee.</p>

<p><b>Operations of the Court</b></p> <p>The smooth functioning of the Court remained a key priority in 2022. To achieve seamless efficiency of the Court's operations certain concerns were to be addressed. These included resolving the challenges facing the operations of the Court at its Seat, establishment of sub-registries, staggering of the appointment of Judges.</p>	<p>The operations of the Court continued to be adversely affected by the situation at the Seat of the Court. It is not foreseeable when these challenges will be resolved.</p> <p>In 2022, the Court presented a paper to the Committee on Legal Affairs on a proposal for staggering of appointment of Judges.</p>	<p>The Court has been able to mitigate the challenges of operating from its Seat by holding most of its activities and court sessions away from the Seat.</p> <p>The proposed amendment to Article 20 of the Treaty to provide for staggering of appointments will be presented to the next Legislative Drafting Sub Committee Meeting as decided by the Committee on Legal Affairs.</p> <p>In 2023, the Court will present a request for opening of at least one or two Sub Registries to the Committee on Legal Affairs.</p>
<p><b>Visibility of the Court</b></p> <p>There is limited awareness of the Court's mandate, jurisdiction, and court access procedures amongst its key stakeholders. The need for increased visibility is underscored by the fact that various Member States have overlapping membership in RECs, which give them access to alternative dispute resolution mechanisms.</p>	<p>The Court had intended to carry out publicity seminars and other outreach programmes in 2022 but could not do so due to the volume of court matters as well as the challenge of inadequate human resource capacity.</p>	<p>The Court is in the process of reviewing its organisational structure. Approval of the structure will contribute towards sufficient human capacity to fully implement the 2021-2025 MTSP.</p> <p>The Court intends to hold at least two publicity seminars or other publicity activities in 2023.</p>
<p><b>Information And Communication Technology</b></p> <p>Enhanced digitisation of the Court will lead to increased efficiency of operations and therefore adoption of modern technology for the CCJ is imperative. The key concern in 2022 was the upgrading of the ICT infrastructure. The Court intends to commence development of an ICT Masterplan and the enhancement of the Resource Centre.</p>	<p>The Digital Evidence Management enabled the Court to remain functional and to maintain continuity of essential court activities in 2022 particularly given the challenges at the seat of the Court.</p> <p>The development of an ICT Masterplan and the enhancement of the Resource Centre were not implemented due work volume and human resource inadequacy.</p>	<p>The development of an ICT Masterplan and enhancement of the Resource Centre will be concluded in 2023.</p>

## COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)

The Regional Investment Agency (COMESA RIA) is an institution of COMESA which was launched in Cairo, Egypt, in 2006. The objective of RIA to make COMESA one of the major destinations for regional and international investors while simultaneously enhancing national investment and undertake activities in investment promotion, facilitation, and advocacy. In the period under review, COMESA RIA continued to enhance the region's visibility through implementing various digital marketing campaigns, extending RIA's partnership network to include new partners in targeted markets, and collaborating with international investment-related conferences. Further, RIA conducted various regional capacity building workshops and experience sharing events aimed at enhancing the capacity of COMESA National Investment Promotion Agencies (NIPAs) officials in identifying, packaging, and promoting investment opportunities, developing proactive aftercare programmes and work plans, FDI facilitation and inquiry handling best practices, marketing locations for FDI among other topics. Furthermore, RIA produced country-specific business guides for two Member States and a regional publication on investment opportunities in the region.

Highlights for 2022 included the following:

### Capacity Building Activities for COMESA Member States NIPA's

- i. Following the success of Phase One (1) of the Project Identification, Packaging and Promotion Capacity Building Programme, RIA organized twelve (12) one-on-one consulting sessions to review an example of Investment-Project-Ready-to-Offer (IPRO). The sessions aimed at giving the opportunity for COMESA NIPAs to present an IPRO and receive feedback and advice on how to enhance the offer being presented to investors. Twelve (12) COMESA NIPAs utilized the knowledge gained during Phase One (1) of the project and developed a comprehensive project offer which was presented during the session. Feedback was received thereafter, and recommendations discussed on how to further improve the project offer.
- ii. RIA organized a regional capacity building webinar on Marketing a Location for FDI. The webinar assisted more than 90 CEOs and officials of COMESA NIPAs through providing insights on the latest digital marketing tools and techniques and how to develop and implement digital marketing strategies to promote and attract investments.
- iii. A regional capacity building programme on FDI Facilitation and Promotion Best Practices, and Proactive Aftercare was held which consisted of one (1) physical workshop and two (2) webinars. The programme provided COMESA NIPAs with a deep understanding of how to handle investor inquiries and facilitate the establishment of greenfield of brownfield investments. Further, the event discussed the importance of aftercare, the framework for aftercare and business retention and expansion. The programme was attended by more than 200 officials of 17 COMESA NIPAs.
- iv. The First Edition of the COMESA NIPAs Experience Sharing and Networking Seminar was held under the theme "building bridges." The seminar assisted in the creation of synergies between COMESA NIPAs as well as created a platform for sharing successful business models, the progress made by their Member States, and agree on tangible inter-agency cooperation initiatives for enhanced regional integration through a strengthened investment framework in the region. More than 35 CEOs and officials from COMESA NIPAs, Ministries of Trade, and Industry of COMESA Member States (representing 19 Member States), and representatives of COMESA Secretariat attended the event.
- v. An experience sharing event was held between Seychelles Investment Board (SIB) and Rwanda Development Board (RDB) on best practices in funding of Investment Promotion Agencies (IPAs) and Rwanda's experience in ease of doing business.
- vi. An experience sharing event was held between Zimbabwe Investment Development Agency (ZIDA)

and Eswatini Investment Promotion Agency (EIPA) on Investment aftercare programmes, and facilitation services provided to investors pre and post investment.

- vii. Facilitated the participation of COMESA NIPAs in a capacity building webinar on FDI Forecast Update; How the War in Ukraine, Rising Inflation, and Lasting Covid Effects Will Impact Global Corporate Investment Through 2025. The webinar discussed the effects of global circumstances on FDI trends by 2025 and how IPAs could plan their investment attraction strategies over the next 3 years. 19 officials representing 9 COMESA NIPAs participated in the webinar.
- viii. Launched the COMESA Knowledge Centre (KC) which was developed to ensure the sustainability of RIA's capacity building efforts, and NIPAs ease of access to training materials implemented by RIA. The KC includes 23 regional and international reports on business and investment environment and trends, PowerPoint presentations and training materials of all COMESA RIA capacity building workshops delivered during the past 3 years, as well as all regional and country-specific publications and studies developed by the Agency.

### **COMESA Region as an Attractive Investment Destination**

- i. RIA facilitated the participation of COMESA NIPAs and representatives of COMESA Member States Governments at the Annual Investment Meeting (AIM 2022) Conference, held in Dubai, UAE. The event witnessed active participation from COMESA Member NIPAs including DR Congo, Comoros, Eswatini and Uganda.
- ii. RIA facilitated the participation of COMESA NIPAs at the Africa Investment Conference (AFSIC 2022) held in London, UK. The event aimed at promoting investment opportunities across Africa in addition to strengthening the UK-Africa partnership through mobilizing new investments to create jobs and boost mutual prosperity of both UK and African nations. The event witnessed active participation of COMESA NIPAs including the following:
  - a. Organization of Country Investment Summits for The DR Congo IPA (ANAPI) and Rwanda Development Board (RDB) to highlight their respective countries' investment climate, competitive advantages, and investment opportunities among potential investors and FDI stakeholders.
  - b. Four (4) COMESA Member NIPAs exhibited at the conference namely: DR Congo, Rwanda, Seychelles, and Mauritius.
- iii. RIA supported the organization of the 20th Edition of the Tunisia Investment Forum (TIF) in collaboration with the Tunisia Foreign Investment Promotion Agency (FIPA-Tunisia). The TIF highlighted the latest developments in the business environment and presented Tunisia's priority sectors and project as well as the government's plans to position Tunisia as an innovative and sustainable base for international companies and investors.
- iv. Facilitated the organization of the Islamic Development Bank Private Sector Forum as part of the cooperation agreement signed with the IsDB Group Business Forum (THIQAH).
- v. Implemented thirteen (13) 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 900,000 of regional and international FDI stakeholders.
- vi. 10,000 FDI stakeholders existing in COMESA RIA's database received continuous updates on RIA's activities and significant business news from the COMESA region and its Member States through RIA's quarterly e-newsletters and online platform.



## COMESA RIA As an Information Hub for Investors and FDI Stakeholders

- i. **2022 COMESA Investment Teaser.** The publication identified more than 250 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.
- ii. **Two Practical Guides to Doing Business in Zambia and Malawi.** The two guides were developed to give an overview of each country's investment and business climate, which is important for investors to recognise during their investment decision-making process.

## 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 region. COMFWB is implementing its Medium Term Strategic Plan for the period 2021-2025 with the aim to provide guidance on addressing priorities of National Chapters and ensuring alignment with priorities of COMESA. The strategic goals of COMFWB include:

- Strengthening institutional capacity
- Strengthening resource mobilization capacity
- Strengthening development programmes for women in business; and
- Enhancing advocacy, public image, and branding of COMFWB.

During the reporting period, the institution accomplished the following under the approved 2022 Work Plan:

- i. Necessary Conditions and Capacities for Effective Operations
  - a) Construction of the COMFWB Office and HQ Complex
    - Feasibility study - Following a feasibility study in 2021 for construction of the COMFWB office and commercial complex, final copies of the architectural designs, engineering designs and bill of quantities for the perimeter fence have been submitted. The architectural designs for the office building and perimeter fence have been approved by the Lilongwe City Council and the Environmental Impact Assessment (EIA) approved. The final business plan for the construction of the office complex has been finalised and submitted to COMFWB.
    - Branding of the COMFWB Headquarter Plot - COMFWB Secretariat Branded the construction site for COMFWB Headquarters Business Complex (COMFWB HQBC) in Lilongwe, Malawi. The event took place on 8th April 2022 and was graced by high-level dignitaries from the region and global business captains and investors.
    - COMFWB HQBC is added on the Presidential Project - The project has been prioritized under the Presidential Delivery Unit (PDU) of Malawi and supplied with water and electricity.
  - b) The following meetings were held by COMFWB as part of institutional strengthening to amongst others review progress of implementation of activities, approval of regulations/guidelines and procurement rules and regulations, and chapter guidelines etc.

- Board Meetings - COMFWB convened four board meetings during the reporting period in March, May, June and August 2022 respectively.
  - Annual General Assembly - COMFWB held its Annual General Assembly on 23 August 2022 in Jinja, Uganda. It was attended by delegates from 19 COMESA Member States.
  - COMFWB Monthly Meetings - COMFWB convened virtual monthly information sessions which were attended by representatives of the COMFWB Chapters and covered topics on blue economy, Trade and Development Bank's SMEs programme and credit guarantee schemes, AfCFTA, STR, and regional standards. Further, the meetings promoted various chapter activities, sensitized members on COMFWB BIAWE, cluster programmes and RECAMP progress among others.
- c) Strengthening of COMFWB Work System - The COMFWB Annual General Assembly adopted the COMFWB Partnership Guidelines and the Procurement Rules and Regulations. The partnership guidelines are aimed at enhancing COMFWB's visibility and credibility throughout the region by building a robust regional networking platform for a dynamic, multi-member yet unified organization while the procurement rules and regulations are aimed at promoting economy and efficiency in procurement.
- d) Strengthening capacities of COMFWB National Chapters
- Recruitment of Liaison officers - As chapters are establishing permanent offices to link private sector with government entities, COMFWB continued to support the Chapters through the engagement of Liaison officers who are in charge of day-to-day running of the Chapters.
  - Financial support - The COMFWB Board approved the establishment of a revolving fund and guidelines. In the year under review, COMFWB approved and disbursed a loan to an entrepreneur in Malawi amounting to USD 3,637. The funds have been invested in building an aggregation storage facility for oil seeds procured from 2800 women farmers. In addition, the board approved disbursement of a USD 8000 loan to the COMFWB Rwanda Chapter for supporting its participation at the Commonwealth Heads of Government Meeting (CHOGM) for visibility and formation of market linkages and partnerships for markets.
  - Office support - The Government of Malawi provided new office space for the COMFWB Secretariat. Additionally, COMFWB supported the procurement of a laptop for the COMFWB Rwanda Chapter to facilitate office operations and successfully engaged the Government of Malawi to provide office space to the Malawi Chapter.
- e) Launching National Chapters
- Mauritius: COMFWB supported the official launch of the Chapter in Mauritius on 26 May 2022 on the margins of the Femmes Chefs d'Entreprises Mondiales (FCEM) International Conference.
  - Malawi: COMFWB rebranded and launched its Malawi Chapter on 11 March 2022 at Ufulu Gardens, Lilongwe. The launch took place during the 1st Annual General Assembly of the Chapter and was launched by the Minister of Trade and Industry of Malawi.
- f) Website Development and Publications - The content of information on the COMFWB website was updated. Additionally, COMFWB published the RECAMP Magazine highlighting achievements and the COMFWB quarterly magazines and continued to generate content for the COMESA e-newsletter.
- ii. Resource Mobilization

COMFWB undertook the following activities in efforts to mobilize resources and engagement of development partners:

- a) Concept notes have been developed on women empowerment in the blue economy, and a documentary on Business Incubators for African Women Entrepreneurs (BIAWE) and Agriculture produced.
  - b) An agreement with WFP and the Government of Eswatini through the Centre for Financial Inclusion and COMFWB was signed to support procurement of food stuffs from Eswatini women and youth farmers. 10 Hectares of land was provisioned for commercial farming and building of business incubation programmes for women and youth MSMEs.
  - c) GIZ and ITC provided support for the training of women on export readiness in Zimbabwe, Eswatini, Malawi, Rwanda, Madagascar, Eritrea, Sudan, and Libya. COMFWB members discussed ways to use digital platforms to develop their products for trade and advocated for conducive trade policies in their respective countries.
  - d) Discussions held with UNDP on supporting a regional intervention for women's participation in the African Continental Free Trade Area.
  - e) Ongoing discussions with Cowater International on supporting an intervention on AfCFTA in Zambia and DR Congo.
- iii. Strengthening COMFWB Women in Business.

a) **COMFWB Development Programmes**

- Promoting Cassava Projects

COMFWB provided support through the procurement of cassava value addition equipment for Lusolawo Cooperative and Chiwila Women's Association based in Nkhata Bay and Mzuzu respectively. The equipment was delivered to the project sites and installed followed by training on utilisation. Furthermore, COMFWB installed a solar drier at both project sites to expedite drying of the products, especially in the rainy seasons. On 7 June 2022, the two processing plants were launched by the Minister of Trade of Malawi during which the cooperatives exhibited various products made from high grade cassava flour.

- Business Incubation Initiative Programmes

**BIAWE AUDA-NEPAD Spanish Fund**

**Sudan** - COMFWB supported the Sudanese University of Sciences and Technology (SUST) to implement the BIAWE project. SUST undertook training of identified incubatees. The NEPAD Team visited COMFWB Secretariat in Malawi in February 2022 to discuss closure of the project. Resultantly, an Addendum was signed between COMFWB and AUDA NEPAD/Spanish Fund on closure of the project in Sudan. Additionally, a meeting was held in Zimbabwe for partners to plan the closure of BIAWE Phase 1 and to discuss the launch and development of BIAWE Phase 2.

**Kenya** - AUDA-NEPAD -Spanish Fund released Euro 70,000 for the procurement of Sanitary Pad Equipment for the Kenya Pilot Project. COMESA working with COMFWB and KIRDI undertook the procurement process of the equipment, raw materials, quality control kit and accessories that included fitting and commissioning. The contract was awarded to AGNOS Technology Consulting, based in Rwanda. The consulting company provided training to KIRDI, and the equipment shipped to Kenya. The Government of Kenya provided a waiver on the duty to be paid on the machine. In addition, the Trade and Development Bank (TDB) engaged the COMFWB Kenya Chapter and implemented the Credit Guarantee Scheme for incubatees.

**Eswatini** - COMFWB held a consultative meeting with SEDCO an implementing partner of BIAWE project in May 2022. The COMFWB team visited the abattoir and had a meeting with the leadership of Asiphileni Cooperative who have graduated to supply the abattoir. The abattoir has been installed and the refrigerated truck purchased. However, the abattoir is not yet operational due to some challenges including low supply of chickens and lack of resources to recruit an operational manager to run the business. The meeting agreed on the implementation of the work plan.

Under the BIAWE project, COMESA has entered into an agreement with TDB to operationalize the Credit Guarantee Scheme (CGS). Eswatini Bank has been identified and discussions held on operationalization of the scheme. A meeting held with the Eswatini Bank agreed that the activity should be implemented and follow up actions undertaken including re-submission of the proposal by TDB to Eswatini Bank.

**Burundi** - TDB engaged the WISE Bank to implement the CGS and the TDB SME Fund to graduates and members of COMFWB. A consultative meeting was held in Burundi between TDB and members of the incubation facility and COMFWB Chapter.

**Eritrea** - COMFWB supported the Chapter in Eritrea to commence piloting of value addition technology in fisheries. Climate Friendly Food and Fuel (CFFF) an NGO based in Malawi and specialized in manufacturing of fish processing equipment and training was engaged to support the COMFWB Eritrea Chapter. The support involved procurement of the 2 smokers (chitofu), installation and training of the women involved in the fisheries sub sector. The climate smart fish smoker was installed in Masawa and Asmara and women entrepreneurs were trained on how to use this equipment.

### **Sustainable Incubation Projects**

**Textiles Incubator** - COMFWB is supporting Kasulathu Creatives in Malawi which aims to build skills and business capacity for women, youth and inclusively men in the creative sector. COMFWB supported the procurement of textile equipment, website development to promote their products and procurement of a laptop. The project currently benefits over 500 women and youth through the textile incubator.

**Oil Seed Value Chain** - COMFWB supported home industries based in Karonga, Malawi to procure machinery for manufacturing sunflower cooking oil. The project reached over 2800 direct out growers who will expand to 15,000 farmers who produce marketable products. COMFWB procured a mechanical oil extractor, oil filtering machines and a bottling machine and provided entrepreneurship training in partnership with GIZ. This project was launched on 7 June 2022.

#### b) RECAMP Programme Implementation

Facilitation of Technical Advisory Services - COMFWB under RECAMP developed training materials on the following: product branding, labeling, and packaging, export management, logistics & supply chain management, e-commerce in SMEs, financial literacy and access to credit. COMFWB trained women entrepreneurs on internationalization of businesses and access to finance in Rwanda, Burundi, Egypt and Djibouti. The 3-days high level training focused on trade readiness and sensitization of how to prepare their businesses and products for trade in the region and beyond.

#### c) Trade and Investment Facilitation

AfCFTA- Export Readiness - COMFWB in partnership with ITC through the She Trades Initiative, rolled out the expert trainings in eight (8) COMESA Member States namely Eritrea, Eswatini, Libya, Madagascar, Malawi, Rwanda, Sudan and Zimbabwe. The COMFWB women entrepreneurs received knowledge and skills to be able to participate fully in the AfCFTA. The women associations received expert training on export readiness through tailor

made trainings on export readiness and the AfCFTA. The programme was launched on 25 February 2022 and a total of 300 women entrepreneurs have been trained.

d) Mobilization of Funds for Emergencies

The Secretariat mobilized funds to support chapters affected by natural disasters through communication to all COMFWB Chapters and stakeholders appealing to well-wishers to support the affected chapters in Madagascar and Malawi. COMFWB and COMESA Competition Commission (CCC) contributed towards this fund for Malawi victims. In addition to the contributions from the Madagascar COMFWB Chapter, the COMFWB Board approved US 3000 towards supporting women entrepreneurs who were negatively affected by the cyclone in Madagascar.

iv. Advocacy, Public Awareness and Branding

a) **Advocacy to attract investors to support women and youth MSMEs** - COMFWB participated in African Union Commission's event "Africa CEO Roundtable Conference," under the theme "Leveraging Agenda 2063 for Private Sector, Trade and Investments Development in Africa," held on the margins of the Dubai 2022 expo. The conference served as a platform to sensitize international and African private sector actors on the various trade and investment opportunities in Africa.

b) COMFWB participated in the AfCFTA Stakeholder Workshop on Development of the Gender Component of the Trade Protocol. The meeting provided an opportunity to advocate for African women and youth MSMEs as productive business partners for international investors for innovative ideas and organic supplies to the world.

c) Partnerships forged - COMFWB signed the following three MOUs in the period under review:

- **WFP- COMFWB-CFI- WFP, COMFWB and CFI MoU** - The parties agreed to collaborate on the establishment and strengthening of the participation of women farmer groups as local produce suppliers in the Home-Grown School Feeding Programme. The project will provide capacity strengthening in key areas of business skills, and financial literacy targeting 150 women through the creation of clusters for sustainability.
- **FCEM- Les Femmes Chefs d'Entreprises Mondiales and COMFWB MoU** - The parties agreed to share their annual programmes, create platforms for market access, B2B and B2C links, advocate their members' activities on the global arena and participate in all regional and international events organized by FCEM and COMFWB.
- **AWT- African Women in Trade and COMFWB MoU** - The parties agreed to attend each organisation's congress, AGM or any high-level committee meetings with no voting rights, members will be linked to access markets for their products globally, in Europe and Africa. Additionally, members will be invited to free entrepreneurship trainings, seminars, and trade fairs.

d) Sub Regional Coordinating Meetings

- **Southern African Region** - The COMFWB Eswatini Chapter hosted the Inaugural Annual COMFWB Southern Sub-Regional Coordination Meeting in Manzini, Eswatini on 28 – 30 April 2022. COMFWB Chapter Chairpersons from Zambia, Zimbabwe, Malawi, and Eswatini; COMFWB representatives, as well as government officials, leaders of the chiefdoms, private sector stakeholders, and development partners, the speaker of parliament and parliament members attended the meeting which included exhibition of chapter products. Some of the notable achievements included sharing of best practices in the southern region, site touring of major activities including the BIAWE Chicken Abattoir, COMESA Trade Center, and Cattle Feedlot Projects. Following the meeting, the Eswatini Chapter received 10

- Hectares of land to conduct commercial farming, construct an office building and act as a business incubator.
- **Horn of Africa Sub Region** - The Sub-Regional Coordination Meeting for the Horn of Africa was held on 28 -30 July 2022 at the National Confederation of Eritrean Workers in Asmara. The Chapter Leaders from Djibouti, Eritrea, Somalia and Sudan participated. The main objectives of the meeting were to link women and youth entrepreneurs in the Horn of Africa, advocate for increased market access across shared borders and share expertise and successful stories of women in business. The meeting made key recommendations to support these objectives. The Eritrean Chapter held the 6th Bazaar organized on the margins of the meeting and meeting delegates had an opportunity to visit the Himbirti and Gergera Dam where women cooperatives witnessed women involved in fish farming.
  - **Indian Ocean Sub Region** - The IO Sub Region comprised of COMFWB Chapters from Comoros, Madagascar, Mauritius and Seychelles held a virtual summit aimed at coordinating the regional development strategy and promoting solidarity for economic empowerment. The chapters explored ways of developing trade partnerships and networking among the IO countries, and establishment of linkages to global markets through improved logistics and access to finance to improve their businesses through the digital e-commerce platform. Further, the sub region discussed cooperation with La Reunion and Rodrigues women entrepreneurs in the Indian Ocean Sub Region (EFOI), on development of assets in tourism, agri-business and blue economy, variety of spoken languages, skills and expertise in each country and facilitation of access to continental markets as COMESA and SADC members. Furthermore, the summit identified some of the challenges affecting the sub region including limited information on the continent's potential markets, limited knowledge of women entrepreneurs within the IO region and more broadly within the COMESA, inadequate sea and air connectivity, and high costs of digital connectivity. The summit made key recommendations to address the identified challenges.
  - **East Africa Sub Regional Summit** - The East Africa Sub Regional Coordination Meeting was attended by Burundi, DR Congo, Kenya, Rwanda, Uganda virtually, attended by member Chapters. During the meeting, the Uganda Chair proposed to include trading with South Sudanese women owing to high market demand for the commodities of the Eastern African countries. The meeting made key recommendations which amongst others included positioning of women in business in the AfCFTA and expanding market linkages and networking.
  - **Northern Africa Sub Regional Summit** - The Northern Africa Sub Regional Summit was convened on 28 September 2022. During the summit, an MOU was signed between CBC and the Tunisian private sector organization, Union of Industry, Trade and Handicrafts (UTICA). Following the meeting, the COMESA Tunisia Businesswomen Day was held and brought together over 200 Tunisian and 10 COMESA countries businesswomen for B2B linkages. The objective was to connect women entrepreneurs from Tunisia and the rest of the COMESA region and encourage them to take advantage of the African business opportunities. The summit concluded with a Tunis declaration for Member States to implement agreed COMESA instruments to boost trade across the region and continentally.

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

The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) was formally established on 9<sup>th</sup> June 2009, by the COMESA Heads of State and Government as a Specialized Agency of COMESA. ACTESA's creation was aimed at boosting intra-regional agricultural trade through support of small-scale farmers' access to agricultural input, output and financial markets. Since its establishment, ACTESA has been supporting its alliance partners, namely COMESA Member States, Private Sector Agricultural Companies, Farmer Organizations, Development



Partners/Multilateral Donors, National Implementing Institutions, Service Providers, Regional and National Non-Governmental Organisations (NGOs) and Financial Institutions through capacity building programmes and by providing guidance on policy development, coherence and implementation.

In 2022, the 3<sup>rd</sup> and 4<sup>th</sup> ACTESA Board Meetings were held on 27 June 2022 and 5 December 2022 respectively. The inaugural ACTESA Board Meeting approved the ACTESA Regional Strategic Plan for the period 2021-2031 and is currently guiding the ACTESA Staple Food Programmes development and implementation. The overall goal of the Strategic Plan is to boost intra-regional agricultural trade through supporting small-scale farmers access to agricultural input, output and financial markets.

Activities implemented by ACTESA in 2022 were linked to the Annual Staple Food Programme Workplan for the period 1st January running up to 15 December 2022. This included co-ordination of the ACTESA Seed Development and Sustainability Programme activities funded by RECAMP and the Alliance for a Green Revolution in Africa (AGRA). Achievements were as follows:

- i. Support Seed Companies with Acquisition, Activation and Trading Using COMESA Seed Labels – Arrangements were finalised with the Seed Control and Certification Institute (SCCI) to support Zambia to test-pilot COMESA Seed Labels.
- ii. Conduct Registration and Annual Renewal of COMESA Varieties on the COMESA Variety Catalogue
  - COMESA Variety Catalogue is operational with 102 varieties registered. Most seed companies have renewed their varieties for the next 5 years;
  - Barley Laboratory, Field Certification Standards and Quarantine Pest List in place after approval of inclusion of Barley on the COMESA Variety Catalogue by the COMESA Seed Committee on 27 January 2022;
  - Heineken International varieties of Grace and Traveler registered on the COMESA Variety Catalogue in August 2022 following approval of the crop to be included on the COMESA Variety Catalogue. At the end of 2022, the total number of varieties on the COMESA Variety Catalogue was 102.
- iii. To support implementation of EU-RECAMP Supported COMSHIP Activities, the key activity was the validation of the detailed COMESA Seed Information System (COMSIS) and COMSHIP Standard Operating Procedures (SOPs) by the COMESA Seed Committee in August 2022.
- iv. Implement AGRA-Supported COMSHIP Activities
  - A COMSHIP-Consortium Partners Meeting was held on 17 February 2022 and discussed project achievements, challenges and how activities are impacting regional seed trade in view of the gaps and priorities for future investment.
  - The Final Project Report of the AGRA Regional Seed Trade Project which concluded in April 2022 was submitted to AGRA Secretariat. Key results on the project included:
    - a) The modalities on the activation, use, ordering and trading using COMESA seed labels and regional certificates were agreed on following extensive engagements with seed companies and NSAs.
    - b) Following high-level consultations, the Ethiopia COMESA-Aligned National Seed Regulations were submitted to parliament awaiting gazette.
    - c) A total 2,950,000 collected and distributed COMESA Seed Labels to four (4) seed companies, namely Seedco, Corteva (DuPont Pioneer/ Pannar), Western Seeds and Synergy Agri-Business Ltd. The



most preferred seed class by the seed companies was 1<sup>st</sup> generation certified seed class with a total of 1,320,000 COMESA Seed Labels distributed, followed by 2<sup>nd</sup> generation certified seed class with 900,000 COMESA Seed Labels, Pre-Basic Seed Class with 390,000 COMESA Seed Labels and Basic Seed Class with 340,000 COMESA Seed Labels.

- d) The routing of the test-piloting was agreed with SCCI to be exported to Kenya, Malawi, Zimbabwe and Uganda with total tonnage consignment of regional crossing the borders estimated by SCCI, Zambia at 3,000 MT
- e) The total cost of 2,950 COMESA Seed Labels supported by AGRA was USD103,250.

v. Support of ACTESA Staple Food Programme Development and Re-Engagement with Alliance Partners:

- Concept note on the support of COMESA Biotechnology and Biosafety Implementation Plan (COMBIP) - Initial activities discussed with ISAAA-AfriCentre, AATF/OFAB in preparation for consultations with Bill Gates and Melinda Foundation (BMGF) in February 2022.
- Indicators for BMGF supported on the COMESA-EAC Horticultural Observatory Project, catalyzing the fruit and vegetable (F&V) sector of the regions developed, and development of detailed proposal initiated.
- 1st Board Meeting of the COMESA-EAC Horticultural Observatory of catalyzing the Fruit and Vegetable Sector in the COMESA region held in October 2022 proposed inclusion of ACTESA in the Observatory with 12 Key Performance Indicators, namely market growth, processing capacity, efficiency, consumption, production volume, farm productivity, farmer economics, climate smart practices, policy harmonisation, value creation, value distribution and access to finance.
- Seed Equal Initiative (SEI) Workshop organised by the International Rice Research Institute (IRRI) in September 2022. Agreement on a roadmap on the implementation of rice seed systems at regional level reached.
- Participation in the Intergovernmental Authority on Development (IGAD) Meeting on Seed Systems Analysis Report and the Stakeholders Consultative Meeting to establish the IGAD Regional Seed Policy Dialogue Forum (SPD-RF) held in June 2022.
- Consulted with Syngenta Foundation Seeds 2Bafrica Programme in April 2022 regarding collaboration with ACTESA in the area of public varieties being registered on the COMESA Variety Catalogue to enable small-scale farmers access to wider portfolio of high performing varieties. Additionally, discussed engagement of seed companies on the benefits of the COMESA Regional System.
- Consultations held in June 2022 with Zambia's Public Private Dialogue and Super-Fert Fertilizers/ Meridian on support to fertilizer companies and the Zambian government to reduce the cost of fertilizers and enhance accessibility and affordability to small-scale farmers.
- Status of COMSHIP presented at the 22<sup>nd</sup> African Seed Trade Association Congress (AFSTA) in March 2022 and engagement with Syngenta Foundation for sustainable agriculture Seeds 2B Africa on supporting COMSHIP activities.
- Draft proposal for submission to Trade and Standards Development Facility (STDF) developed focusing on harmonizing policies and regulations framework for Bioprotectants in COMESA Member States to accelerate registration, technology transfer, commercialization, and use for the benefit of small-holder and commercial farmers, food/feed processors and consumers.



## Financial Report

## COMESA - Secretariat

Secretary General's Report  
for the year ended 31 December 2022

### Introduction

- 1 I have the pleasure of submitting this report to the Council of Ministers for the financial year 2022, together with the audited financial statements of COMESA Secretariat for the year ended 31 December 2022. This submission is in accordance with Article 169(4) of the COMESA Treaty.
- 2 These financial statements incorporate resources provided by Member States and other income in accordance with Article 166(4) of the COMESA Treaty.
- 3 The report of the COMESA Board of External Auditors (COBEA) and their opinion on the financial statements are submitted in accordance with Article 169(4) under the COMESA Treaty. COBEA is appointed by the Council of Ministers in accordance with the provisions of their Charter.

### Strategic Context

- 4 The financial statements provide an overview of the finances obtained from Member States and other sources of the Secretariat for the financial year 2022. This includes information on the financial position of the Secretariat, how the budget has been implemented, as well as the financial commitments and obligations that the Secretariat has undertaken. COMESA's work is guided by plans that have three (3) time horizons i.e., the long-term vision expressed in the founding COMESA Treaty, a medium-term horizon – usually five (5) years expressed in the Medium-Term Strategic Plan (MTSP) and an annual planning cycle. Medium term strategic plans provide a framework with which detailed annual work programmes and budgets are developed. They also form the basis for in-depth multi-year plans for specific sectors. The MTSP is aligned with continental and global frameworks such as the African Unions Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals.
- 5 The year 2022, was the second implementation period for COMESA's 2021-2025 Medium Term Strategic Plan (MTSP). The MTSP provided COMESA with a roadmap for pursuing and achieving the economic integration goals of the region over the medium term. The Strategy's overall goal is aligned to the long-term goals of COMESA, which are enshrined in the COMESA Treaty. As such, the aim of the strategy is to contribute towards the creation of a fully integrated and internationally competitive regional economic community. The MTSP is based on the following strategic pillars:
  - Market integration;
  - Physical integration/connectivity
  - Productive integration;
  - Gender and social integration; and
  - Effective Secretariat

## Oversight over operations of the COMESA Secretariat

- 6 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 maker 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.
- 7 There are also the Ministers of Foreign Affairs that deals with peace and governance issues and make recommendations to the Authority.
- 8 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.
- 9 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.
- 10 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 2022, the following Member States constituted the Bureau:
- Chairperson-----Egypt  
Vice Chairperson----- Burundi  
Rapporteur-----Madagascar
- 11 Administrative and Budgetary Committee and its subcommittee and Intergovernmental Committee undertakes technical work and provides relevant advisory to the Council of Ministers.

## 2022 Performance Overview

### 12 Operations

This report presents programmes implemented and activities undertaken by COMESA in 2022, capturing key

achievements and challenges encountered. Notwithstanding the challenges experienced in the period under review globally and regionally, which amongst others included disruption in global supply chains, exchange rate pressures, and increase in oil and food prices, the post Covid-19 pandemic period allowed COMESA to re-kick start physical implementation of programme activities, guided by the 2021-2025 Medium Term Strategic Plan (MTSP) with its Member States and development partners. In the period under review, COMESA made progress in the key pillars of market integration, physical integration/connectivity integration, productive integration, and gender and social integration which are critical to the integration agenda and contribution towards the achievement of sustainable and social progress in the Member States.

### **13 Market Integration**

#### **Intra-COMESA Trade**

The value of Intra-COMESA total exports increased by 28% from US\$ 10 billion in 2020 to US\$ 13 billion in 2021. Exports of palm oil, cement, copper ores and concentrates, motor vehicles, sesame seeds, beet/cane sugar in solid form, parts and accessories of the motor vehicles, live animals, refined petroleum oils, refined copper, cement clinkers, Sulphur of all kinds, food preparations, waters (including mineral waters and aerated waters) containing added sugar and arrowroot, Jerusalem artichokes, sweet potatoes and similar roots and tubers, were the major contributors to this overall increase in 2021.

There was significant increase in COMESA's trade globally and within the region above pre-pandemic levels. In 2021 most COMESA Member States saw their imports and exports rise above pre-pandemic levels, resulting in COMESA recording significant increases in both her exports and imports. Increase in export values of manufactures, fuels, ores and metals and food led to the increase in COMESA's global exports value in 2021. The value of COMESA's total exports to the world significantly increased by 56% from US\$ 100 billion in 2020 to US\$ 156 billion in 2021. The sectors that contributed to this increase were manufactures, fuels, ores and metals and food.

### **14 Physical Integration/ Connectivity**

In efforts to contribute to addressing supply side constraints related to infrastructure in the sectors of Transport, Energy and ICT in the COMESA region, main activities in the period under review aimed at supporting the establishment of a harmonized and inclusive regulatory and institutional framework. Regarding the energy sector, key activities included studies, reviews of existing frameworks and development of standards and frameworks under the Regional Infrastructure Finance Facility (RIFF) Project, and the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) - Project on Enhancement of a Sustainable Regional Energy Market (ESREM). Under the ICT sector, key activities included studies under the Programme on Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean Region (EA-SA-IO). Studies undertaken in support of the energy and ICT sectors are key in mapping and establishing pre-programme baseline status to support the identification and recommendation of measures to harmonize the legal and regulatory frameworks.

Regarding the transport sector, activities were implemented under the Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa, and Indian Ocean (EA-SA-IO) Region Programme with a focus on aspects of the Yamoussoukro Declaration (YD). Additional activities in support of the transport sector included, continued efforts to establish the COMESA Shipping Line, resource mobilisation for the VICMED Project and activities related to the implementation of the Road Transport Policy and Regulatory Harmonization under the Tripartite Transport and Transit Facilitation Programme (TTTFP) at the COMESA cluster level and Member States level.

### **15 Agriculture**

In efforts to catalyse inclusive agricultural growth and sustainable transformation, the COMESA Agriculture Programme in the period under review, focused on advancing the implementation of CAADP/Malabo commitments to boost agricultural productivity and production in the region for improved livelihoods and food security and

facilitation of sectoral reviews of the implementation of agriculture, environment and natural resource strategic plans and programmes to inform and provide strategic guidance. Additionally, the programme contributed to strengthening agri-food data systems in the region for improved agricultural market access and trade in select commodities in the region and developed COMESA regional strategic frameworks/guidelines to enhance post-harvest management, agri-food market access and trade, and food and nutrition security in the region.

## 16 Industry

Guided by the 2017 – 2026 COMESA Industrial Strategy and Action Plan, highlights of the COMESA Industrialisation Programme included amongst others, support towards the domestication of the COMESA Local Content Framework in Member States, implementation of the Zambia – Zimbabwe Joint Industrialisation Cooperation Programme, and development of the COMESA Support Towards Regional Pharmaceutical Sector Development Project with the support of the AfDB aimed at providing institutional support for the development of the pharmaceutical industry.

## 17 Social Integration

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 continued to promote gender equality and empowerment of women, support to Women SMEs in selected value chains, strengthening the generation of gender statistics, women's participation in leadership and research and networking. Additionally, the programme implemented various activities in support of social affairs and youth empowerment. Most notably, the First Meeting of the COMESA Ministers of Health was held which made key resolutions to develop the health component of the programme.

Additionally, the programme 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). Key achievements of the intervention included implementation of national and regional activities on youth engagement and capacity building.

## Financial results

18 The Secretariat recorded an operating surplus of COM\$4,352,894 in 2022 (2021: COM\$ 3,943,124).

19 In the year 2022, the Secretariat recognised total income of COM\$16,340,876 which is an increase of 1.58 % from 2021 income of COM\$ 16,086,819

20 Analysis of the income recognised in the year is presented in Table 1 below:

**Table 1: Funds available to the COMESA Secretariat towards implementation of COMESA programmes in the period 1 January to 31 December 2022 (in COM\$)**

	2022	2021	Change%
Member States Contributions	<b>14,852,893</b>	15,024,620	<b>(1.14%)</b>
Other income	<b>1,487,985</b>	1,062,199	<b>40.09%</b>
Total income	<b>16,340,876</b>	16,086,819	<b>1.58%</b>

21 A total expenditure COM\$12,358,377 is reported in 2022 against an amount of COM\$ 12,440,979 in 2021, which represents a decrease of 0.67%. Against the budget for the year, the Secretariat achieved a utilisation rate of 77.3% (Budget: COM\$ 15,007,477; Actual: COM\$ 11,604,848 excluding depreciation of COM\$ 753,529 on funds provided by Member States).

22 Assets under the control of Secretariat have increased from COM\$ 77,810,464 in 2021 to COM\$ 80,686,203 in 2022, which represents an increase of, i.e. 3.70%. Included in these funds are outstanding amounts due on assessed annual contribution of COM\$ 21,772,890 (2021: COM\$ 25,142,435).

**23 Events after the reporting date**

No events or circumstances, which materially affect the interpretation of these financial statements have arisen between the financial year-end and the date of this report.



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**Chileshe Mpundu Kapwepwe**

*Secretary General*

**Lusaka, Zambia**



## COMESA – Secretariat

Statement of responsibility in respect of the preparation of financial statements  
for the year ended 31 December 2022

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 2022, 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 assessed 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 7th July 2023 and are signed by:



**Chileshe Mpundu Kapwepwe**

Secretary General

## Independent Auditors' Report

To the Members of Common Market for Eastern and Southern Africa (COMESA) – Secretary Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of COMESA - Secretariat set out on pages 15 to 69, which comprise of the statement of financial position as at 31 December, 2022, the statement of income and expenditure and other comprehensive income, statement of changes in accumulated funds 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, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the COMESA Financial Rules and Regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards of 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, Republic of Kenya, Democratic Republic of Congo, Libya, and Uganda and we have fulfilled our other ethical responsibilities in accordance with the requirements of 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 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' General's 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 auditor's 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 and weakness 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 conducted in accordance with ISSAIs, we exercise professional judgement 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 my 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 Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 Secretariat's ability to continue to as a going concern. If I conclude that a material uncertainty exists, we are required to draw attention in the auditor's 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 auditor's report. However, future events or conditions may cause the Secretariat 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 deficiencies in internal control that are identified during the audit.

COBEA

.....  
**Victor BATUBANGA PANDAMADI**  
**Inspecteur Général des Finances**  
**Chef de Service Adjoint/DRC and**  
**COBEA Chairperson**

.....  
**Timothy S. MATSEBULA**  
**Auditor-General**  
**Kingdom of Eswatini**  
**COBEA Member**

.....  
**Edward Akol**  
**Deputy Auditor-General**  
**Republic of Uganda**  
**COBEA Member**

Date: 07 July 2023

.....  
**CPA Nancy GATHUNGU, CBS**  
**Auditor-General**  
**Republic of Kenya**  
**COBEA Member**

.....  
**KALED AHMED SHEKSHEK**  
**President of Libyan Audit Bureau**  
**State of Libya**  
**COBEA Member**

## COMESA – Secretariat

Statement of financial position

as at 31 December 2022

In COMESA Dollar

	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5&6	27,355,904	26,973,437
Investment in equity	7	2,917,958	2,883,004
Member states contributions receivable repayment plan	8(a)	8,916,999	916,464
<b>Total: Non-current assets</b>		<b>39,190,861</b>	30,772,905
<b>Current assets</b>			
Member states contributions receivable	8(b)	12,855,891	24,225,971
Amounts due from other COMESA entities	9(a)	361,266	415,354
Grant overheads receivable	9(b)	671,964	310,298
Amounts due from other regional economic communities	9(c)	310,364	303,485
Other receivables	10	946,733	793,826
Cash and cash equivalents	11	26,349,124	20,988,625
<b>Total: Current assets</b>		<b>41,495,343</b>	47,037,559
<b>Total: assets</b>		<b>80,686,203</b>	77,810,464
<b>Accumulated funds and liabilities</b>			
<b>Accumulated funds and reserves</b>			
Reserve fund	12	19,122,238	15,606,018
Staff loan revolving fund	13	131,609	168,392
Accumulated funds		37,480,356	39,727,635
Revaluation reserve		17,093,199	16,424,697
<b>Total: Accumulated funds and reserves</b>		<b>73,827,403</b>	71,926,741
<b>Non-current liabilities</b>			
Capital grants	14	459,395	435,293
<b>Total: Non - current liabilities</b>		<b>459,395</b>	435,293
<b>Current liabilities</b>			
Trade payables	15	708,371	312,551
Member States Payable	8(d)	521,690	-
Amounts due to COMESA entities	9(d)	580,921	348,655
Trust Creditors	9(e)	2,910,610	2,896,314
Post-employment benefit	16	3,203	763
Accruals and provisions	17	1,674,609	1,890,147
<b>Total: Current liabilities</b>		<b>6,399,405</b>	5,448,429
<b>Total: liabilities</b>		<b>6,858,801</b>	5,883,723
<b>Total: accumulated funds and liabilities</b>		<b>80,686,203</b>	77,810,464

These 2022 financial statements of COMESA Secretariat were approved by the Secretary General on 7th July 2023 and signed by:



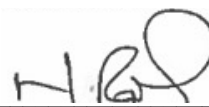
**Chileshe Mpundu Kapwepwe**

Secretary General



**Dr. Dev Haman**

Assistant Secretary General  
(Administration and Finance)



*for* **Auleria Olunga**

Director of Budget and Finance

## COMESA – Secretariat

Statement of income and expenditure and other comprehensive income  
for the year ended 31 December 2022

In COMESA Dollar

	Note	2022	2021
<b>Income</b>			
Member States contributions	8(b)	<b>12,502,893</b>	13,103,948
Other Member States contributions	8(c)	<b>2,350,000</b>	1,920,672
Grant Overhead contributions	18(a)	<b>707,032</b>	334,490
Other income**	18(b)	<b>780,951</b>	666,433
Impairment gain	8(a,b)	-	61,276
<b>Total income</b>		<b>16,340,876</b>	16,086,819
<b>Expenditure by function</b>			
Executive management		<b>(1,296,245)</b>	(1,360,585)
Human resources and administration		<b>(2,678,037)</b>	(2,576,434)
Budget and finance		<b>(926,017)</b>	(1,929,077)
Trade and customs		<b>(682,417)</b>	(700,284)
Infrastructure and logistics		<b>(547,349)</b>	(483,959)
Agriculture, environment and natural resources		<b>(619,327)</b>	(601,566)
Legal and institutional affairs		<b>(349,726)</b>	(346,351)
Gender and social affairs		<b>(544,309)</b>	(453,349)
Information technology		<b>(1,017,006)</b>	(1,003,917)
Internal audit		<b>(360,586)</b>	(318,073)
Resource mobilisation and international cooperation		<b>(222,009)</b>	(203,458)
Strategic planning		<b>(196,013)</b>	(206,197)
Public relations		<b>(376,795)</b>	(350,904)
Resource centre		<b>(163,109)</b>	(152,660)
Estates unit		<b>(373,143)</b>	(331,517)
Brussels liaison office		<b>(320,102)</b>	(309,004)
Statistics unit		<b>(8,244)</b>	(26,093)
Governance, peace and security		<b>(653,194)</b>	
COMAid		<b>(76,220)</b>	
External audit framework		<b>(195,000)</b>	(187,322)
Depreciation on property and equipment	6	<b>(753,529)</b>	(900,230)
<b>Total expenditure: Member States funded</b>	19(a)	<b>(12,358,377)</b>	(12,440,979)
<b>Finance income</b>	20	<b>315,990</b>	293,261
<b>Finance costs</b>	21	<b>(481,620)</b>	(81,990)
		<b>(165,631)</b>	211,271
<b>Operating surplus</b>		<b>3,816,868</b>	3,857,111
<b>Other comprehensive income</b>			



<b>Items that will be reclassified subsequently to profit or loss</b>			
Amortisation of revalued assets	18(c)	<b>536,026</b>	-
Increase in the fair value of investments	18(c)	-	86,013
		<b>4,352,894</b>	3,943,124
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Amortization of the revaluation reserve		-	(545,253)
<b>Total Comprehensive Income for the year</b>		<b>4,363,746</b>	<b>3,397,871</b>

## COMESA - Secretariat

Statement of changes in accumulated funds  
for the year ended 31 December 2022

In COMESA Dollar

	Reserve funds	Staff Loan Revolving Fund	Accumulated funds	Revaluation Reserve	Total
<b>At 1 January 2021</b>	11,403,912	-	41,759,166	16,969,950	70,133,028
Surplus for the year	-	-	3,943,124	-	3,943,124
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
Approved revolving fund amount	-	350,000	(350,000)	-	-
Receipts into the revolving fund	-	6,295	(6,295)	-	-
Payments from the revolving fund	-	(187,903)	187,903	-	-
Amortisation of the capital grant	-	-	545,253	(545,253)	-
<b>At 31 December 2021</b>	<b>15,606,018</b>	<b>168,392</b>	<b>39,727,635</b>	<b>16,424,697</b>	<b>71,926,741</b>
At 01 January 2022	<b>15,606,018</b>	<b>168,392</b>	<b>39,727,635</b>	<b>16,424,697</b>	<b>71,926,741</b>
Surplus for the year	-	-	<b>4,352,894</b>	-	<b>4,352,894</b>
Revaluation surplus				<b>1,192,205</b>	<b>1,192,205</b>
Receipt into reserve fund	<b>8,856,397</b>		<b>(8,856,397)</b>	-	-
Transfer from reserve fund	<b>(5,340,177)</b>	-	<b>5,340,177</b>	-	-
Transfer from revolving fund		<b>(125,313)</b>	<b>125,313</b>		-
Receipt/Transfer to revolving fund		<b>88,530</b>	<b>(88,530)</b>		-
Assets derecognition			<b>(232,104)</b>		<b>(232,104)</b>
Withdrawals			<b>(2,888,631)</b>		<b>(2,888,631)</b>
Amortisation of revaluation reserve				<b>(523,702)</b>	<b>(523,702)</b>
<b>At 31 December 2022</b>	<b>19,122,237</b>	<b>131,609</b>	<b>37,480,357</b>	<b>17,093,199</b>	<b>73,827,403</b>

## COMESA – Secretariat

Statements of changes in accumulated funds (continued)  
for the year ended 31 December 2022

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. .

### Staff loan revolving fund

The staff loan revolving fund was established by Council in November 2019 for funding of COMESA staff loans through a revolving fund. The use of this fund is governed by the COMESA Staff Rules and Regulations and the Policy on COMESA Staff Loans Revolving Fund. The fund is represented by cash held at the bank.

### 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. AS 16.67 property, plant, and equipment states that the carrying amount of an item of property, plant and equipment shall be derecognized when no future economic benefits are expected from its use. During the year all assets below the threshold of COM\$ 500 for machinery and equipment, COM \$300 for office equipment, COM \$250 for furniture and fittings were derecognized. This is in line with COMESA Policy on assets which recommend capitalization of assets which are above their respective thresholds. The net book value of all derecognised assets was set off against accumulated funds.

### 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 an asset's carrying amount is decreased because of a revaluation, the decrease is recognised in income and expenditure account. However, for any subsequent valuation, 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 decrease recognised in other comprehensive income reduces the amount accumulated in accumulated funds under the heading of revaluation surplus.

## COMESA - Secretariat

### Statement of cash flows

for the year ended 31 December 2022

In COMESA Dollar

	Note	2022	2021
<b>Surplus for the year</b>		<b>4,352,894</b>	3,943,124
Adjustments for:			
- Depreciation	5	<b>753,529</b>	900,230
- Non cash movement in fixed Assets		<b>(1,031,211)</b>	(22,376)
- Dividend Income	18(b)	<b>(35,135)</b>	(37,650)
- Interest income	20	<b>(315,990)</b>	(293,261)
- Non cash movement in reserve funds		<b>(2,452,233)</b>	(2,149,412)
		<b>1,271,855</b>	2,340,655
Changes in:			
- Member states contributions receivables	8(b)	<b>3,369,545</b>	190,325
- Investment in equity	7	<b>(34,954)</b>	(118,888)
- Amounts due from other COMESA entities	9(a)	<b>54,088</b>	13,983
- Grants overheads receivable	9(b)	<b>(361,667)</b>	51,376
- Amounts due from other regional economic communities	9(c)	<b>(6,879)</b>	5,044
- Other receivables	10	<b>(152,907)</b>	(174,034)
- Capital grants	14	<b>24,102</b>	(11,964)
- Trade payables	15	<b>395,821</b>	38,508
- Member States payable	8(d)	<b>521,690</b>	(521,470)
- Amounts due to other COMESA entities	9(d)	<b>232,266</b>	(2,039,745)
- Trust creditors	9(e)	<b>14,296</b>	1,875,304
- Post-employment benefits	16	<b>2,441</b>	(809)
- Accruals and provisions	17	<b>(215,538)</b>	592,559
		<b>5,114,160</b>	2,240,841
- Interest received	20	<b>315,990</b>	293,261
<b>Net cash utilized in from operating activities</b>		<b>5,430,150</b>	2,534,103
<b>Cash flows from investing activities</b>			
Dividend received	18	<b>35,135</b>	37,650
Proceeds from disposal of equipment	6	-	35,102
Acquisition of property and equipment	6	<b>(104,785)</b>	(147,735)
<b>Net cashflows in investing activities</b>		<b>(69,650)</b>	(74,983)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>5,360,500</b>	2,459,119
<b>Cash and cash equivalents at beginning of the year</b>	11	<b>20,988,625</b>	18,529,505
<b>Cash and cash equivalents at end of the year</b>		<b>26,349,124</b>	20,988,625

## COMESA - Secretariat

Notes to the financial statements (continued)

for the year ended 31 December 2022

In COMESA Dollar

### Expenditure by cost centre - Year 2022

Expenditure	2022 Budget	2022 approved Budget Reallocation	2022 Revised Budget	2022 Actual	2022 Budget Utilisation	2021 Actual
Executive Management	2,030,882	(20,950)	2,009,932	(1,296,245)	64%	(1,360,585)
Human Resources and Administration	3,612,169	(169,131)	3,443,038	(2,678,037)	78%	(2,576,434)
Budget and Finance	1,188,835	5,350	1,194,185	(926,017)	78%	(1,929,077)
Trade and Customs	965,191	-	965,191	(682,417)	71%	(700,284)
Infrastructure and Logistics	694,278	(15,700)	678,578	(547,349)	81%	(483,959)
Agriculture, Environment and Natural Resources	768,240	-	768,240	(619,327)	81%	(601,566)
Legal and Institutional Affairs	521,544	- (41,950)	479,594	(349,726)	73%	(346,351)
Gender and Social Affairs	554,566	105,700	660,266	(544,309)	82%	(453,349)
Information Technology	1,088,822	68,681	1,157,503	(1,017,006)	88%	(1,003,917)
Internal Audit	493,573	1,500	495,073	(360,586)	73%	(318,073)
Resource Mobilisation and International Cooperation	241,845	3,900	245,745	(222,009)	90%	(203,458)
Strategic Planning	231,528	-	231,528	(196,013)	85%	(206,197)
Corporate Communications	405,784	25,000	430,784	(376,795)	87%	(350,904)
Resource Centre	187,963	-	187,963	(163,109)	87%	(152,660)
Estates Unit	497,525	-	497,525	(373,143)	75%	(331,517)
Brussels Liaison Office	403,841	2,600	406,441	(320,102)	79%	(309,004)
Statistics unit	60,000	-	60,000	(8,244)	14%	(26,093)
Governance, Peace and Security	650,472	5,000	655,472	(653,194)	100%	-
COMAid unit	190,419	(5,000)	185,419	(76,220)	41%	-
External Audit Framework	120,000	75,000	195,000	(195,000)	100%	(187,322)
Add: Depreciation on property and equipment				(753,494)		(900,230)
<b>Total Expenditure</b>	<b>14,907,477</b>	<b>40,000</b>	<b>14,947,477</b>	<b>(12,358,377)</b>	<b>83%</b>	<b>(12,440,979)</b>
Add: Finance Costs	100,000	-	100,000	(480,620)		(81,990)
	<b>15,007,477</b>	<b>40,000</b>	<b>15,047,477</b>	<b>(12,839,997)</b>	<b>86%</b>	<b>(12,522,969)</b>







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