COMESA IN **BRIEF**

COMESA IN BRIEF

Growing Together, for Prosperity

Published by Corporate Communications

OUR VISION

"To be a fully integrated economic community that is prosperous, internationally competitive, and ready to merge into the African Economic Community."

OUR MISSION

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.

COMESA Member States 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.

Contacts:

Common Market for Eastern and Southern Africa (COMESA) Secretariat

Ben Bella Road,

P O Box 30051, Lusaka, ZAMBIA

Tel +260 211 229725/32

Fax +260 211 225107

Email: info@comesa.int or pr@comesa.int

Website: http://www.comesa.int

BACKGROUND

The Common Market for Eastern and Southern Africa (COMESA) comprises 21 African Member States that came together with the aim of promoting regional integration through trade and the development of natural and human resources for the mutual benefit of all people in the region.

COMESA was initially established in 1981 as the Preferential Trade Area for Eastern and Southern Africa (PTA), within the framework of the Organization of African Unity's (OAU) Lagos Plan of Action and the Final Act of Lagos. The PTA transformed into COMESA in 1994. The PTA was established to take advantage of a larger market size, to share the region's common heritage and destiny and to allow for greater social and economic co-operation. COMESA is one of the eight Regional Economic Communities (RECs) recognized by the African Union.

THE OBJECTIVES OF COMESA

Among other things, COMESA Member States have agreed on the following:

(a) The need to create and maintain: full free trade area guaranteeing the free movement of goods and services produced within COMESA and the removal of all tariffs and non-tariff barriers;

(b) A customs union under which goods and services imported from non-COMESA countries will attract an agreed single tariff (Common External Tariff) in all COMESA Member States;

(c) Free movement of capital and investment supported by the adoption of a common investment area so as to create a more favourable investment climate for the

COMESA region;

(d) Gradual establishment of a payment union based on the COMESA Clearing House and the eventual establishment of a common monetary union with a common currency; and

(e) Gradual Relaxation and Eventual Elimination of Visa Requirements leading to the Free Movement of Persons, Labour, Service, Right of Establishment and Residence.

INSTITUTIONAL SET UP

The COMESA decision making structure is as follows:

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.

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.

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 and may request the Secretary-General to undertake specific investigations. Articles 15 and 16 of the Treaty stipulate that the Technical Committees of the Common Market shall be the following:

(a) The Committee on Administrative and Budgetary Matters;

(b) The Committee on Agriculture;

(c) The Committee on Comprehensive Information Systems;

(d) The Committee on Energy;

(e) The Committee on Finance and Monetary Affairs;

(f) The Committee on Industry;

(g) The Committee on Labour, Human Resources and Social and Cultural Affairs;

(h) The Committee on Legal Affairs;

(i) The Committee on Natural Resources and Environment;

(j) The Committee on Tourism and Wildlife;

(k) The Committee on Statistical Matters;

(l) The Committee on Trade and Customs; and

(m) The Committee on Transport and Communications.

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.

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.

The Secretariat: Consists of members of staff that are representative of the 21 Member States, headed by the Secretary-General, who is appointed by the Authority. The Secretariat of the Common Market is in Lusaka, Zambia.

LINKAGES WITH OTHER REGIONAL ECONOMIC COMMUNITIES

There are several regional organizations that work in collaboration with COMESA. These are: The East African Community (EAC), the Inter-governmental Authority on Development (IGAD), the Indian Ocean Commission (IOC) and the Southern African Development Community (SADC). COMESA has excellent working relations, both formally and informally, with all these regional organizations. Memoranda of Understanding have been signed with EAC, IGAD and IOC such that these organizations have agreed to adopt and implement the COMESA trade liberalization and facilitation programme. COMESA and SADC have also set up a Joint Task Force to harmonize their programmes; and under the Tripartite Arrangement, COMESA, EAC and SADC have embarked on the implementation of programmes in Climate Change mitigation, infrastructure development and trade, among others.

COMESA INSTITUTIONS

African Trade Insurance Agency (ATI)

The African Trade Insurance Agency (ATI) was established in 2000. The initial group of participating countries was: Burundi, Malawi, Rwanda, Kenya, Tanzania, Uganda and Zambia. Both country and corporate membership has since increased to 14 and nine respectively.

The main objective of the ATI is to provide political risk cover to companies, investors, and lenders interested in doing business in Africa. Membership to the ATI is open to all African Union Member States. The agency is supported by the World Bank, which provides low interest loans to participating Member States.

The most important benefit of a regional insurance scheme is its potential to deal with the perception of high levels of risk in doing business in Africa as a region. Many financial institutions and business enterprises associate political risk to the region as a whole and never get to the stage of attempting to distinguish different levels of political risk between individual countries. This perception of high regional political risk deters financial institutions and business enterprises from establishing a presence in the region.

ATI's current range of insurance products includes:

i. Trade Political Risk Insurance

ii. Comprehensive Trade Political Risk

iii. Foreign Direct Investment Insurance

iv. Project Loan Cover

v. Mobile Assets Cover

vi. Unfair Calling of Bonds and Standby Letters of Credit

vii. Credit Insurance Cover

COMESA Clearing House

The COMESA Clearing House (CCH) was established in accordance with Article 73 of the COMESA Treaty to facilitate the settlement of trade and services payments amongst Member States. It enables Member States to use local currencies in their intra-COMESA trade. Although the Clearing House was highly utilized in the 1980s and early 1990s when most Member States imposed strict exchange controls, it is being restructured to enable real time gross settlement payments in the new liberalized market setting. Subsequently the Clearing House introduced the Regional Payment and Settlement System (REPSS) which was designed to allow Member States to transfer funds more efficiently and effectively within the region. The aim of the payment system is to stimulate economic growth through increased intra-regional trade and a capacity to enable importers and exporters to settle and receive payment for goods and services through an efficient and cost-effective platform. The COMESA Clearing House is based in Zimbabwe.

COMESA Competition Commission

The COMESA Competition Commission commenced its operations on the 14th of January 2013 and is a regional body corporate established under Article 6 of the COMESA Competition Regulations. In order to ensure fair competition and transparency among economic operators in the region, COMESA enacted the regional competition law and policy to harmonize existing national competition policies to avoid contradictions and provide a consistent regional economic environment. The Regulations were promulgated in 2004 pursuant to Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa ("the Treaty"). The Commission is responsible, among other things, for promoting competition and enhancing the welfare of consumers in the Common Market. The main functions of the Commission are to prohibit, monitor and investigate anti-competitive business practices, control mergers and other forms of acquisitions in the Common Market and mediate disputes between the Member States concerning anti-competitive conduct.

The COMESA Competition Commission is the first regional competition authority in Africa and the second in the world, after the European Competition Authority. It is charged with the enforcement of the regulations. The introduction of the regulations created a 'One Stop Shop' for the assessment of cross border transactions thereby reducing the burden and cost of doing business in the region, given that such transactions no longer need to be examined in each Member State. The COMESA regime also provides the only and most extensive network of national competition authorities in Africa. The Commission, in its enforcement of the regulations, enjoys international legal personality in the territory of each Member State and the legal capacity required for the performance of its functions under the Treaty.

The Commission also plays an advocacy role in handling complaints relating to anti-competitive business practices and other unfair business practices; and has established a 'Fast-Track' platform to deal with day-to-day complaints. The rate of mergers and acquisitions taking place in all the COMESA Member States is an indication of the attractiveness of investing in the Common Market. This is so because mergers now represent the most favoured method for investing in Africa. The Competition Commission is in Lilongwe, Malawi.

Africa Leather and Leather Products Institute (Formerly COMESA Leather and Leather Products Institute)

The Africa Leather and Leather Products Institute (ALLPI) was established in 1990 as the Leather and Leather Products Institute (LLPI). It was rebranded in 2017 as ALLPI to enable it support activities towards strengthening of the leather value chain across the continent in a seamless and cost-effective manner. The institute has prepared several programmes and projects in areas such as human resource and institutional development, trade and investment in the leather and leather products' sector. LLPI has helped a number of entrepreneurs with preparation of investment feasibility studies. It has also designed and executed several projects to help Member States develop their respective leather sector. The LLPI also conducts training programmes in leather footwear technology and pattern making for its Member States' small and medium scale entrepreneurs. ALLPI is headquartered in Addis Ababa, Ethiopia.

COMESA Monetary Institute

The COMESA Monetary Institute was established in 2011 to undertake all technical activities that are needed to enhance the COMESA Monetary Cooperation Programme. Since its establishment, the institute has undertaken capacity building and research activities related to improving macroeconomic management and financial stability in the region. More specifically, the institute focuses on the implementation of the COMESA Multilateral Fiscal Surveillance Framework. The main emphasis of this intervention is to ensure the viability and sustainability of the COMESA monetary integration agenda and make the region a zone of macroeconomic stability.

The other is the COMESA Financial System Development and Stability Plan; the main objective of this intervention is to achieve Regional Financial Integration (RFI). The RFI facilitates financing of larger real transactions among member countries of the region. RFI is thus a complementary process to trade and services integration among member countries. It should be noted that trade integration would be facilitated and accelerated if the financial sectors of member countries are well developed and integrated.

COMESA Regional Investment Agency

The COMESA Authority 1998 declared COMESA to be a “Common Investment Area and it was further decided to establish a Regional Investment Agency, which is tasked with implementing the COMESA Common Investment Area (CCIA). The COMESA Regional Investment Agency (RIA) was launched in 2006 with the objective of making COMESA one of the major destinations for regional and international investors while simultaneously enhancing national investment. RIA undertakes activities in investment promotion, facilitation and advocacy.

The establishment of a CCIA is particularly useful, as national markets in most Member States are too small to attract investment on their own. Regional markets attract more investment as they have more consumers than national markets and hence more purchasing power. Furthermore, multi-nationals, fund managers and other investors now give preference to regional, rather than national markets in making decisions on where to invest.

An Investment Framework Agreement was adopted by the Twelfth Summit of the COMESA Authority in 2007, which will form the basis of investment laws and policies in the region. Some of the benefits that the 'COMESA investor and other foreign investors will receive under the Agreement are national and most favoured nation treatment. They will have access to international arbitration and their investments will be guaranteed against expropriation and nationalization.

The COMESA Regional Investment Agency (RIA) is in Cairo, Egypt.

Federation of National Associations of Women in Business (FEMCOM)

The Federation of National Associations of Women in Business, FEMCOM, was established in 1993. Its mandate or charter is derived from article 155 of the COMESA Treaty. FEMCOM was founded on the premise that regional economic integration cannot be seen to have succeeded if it did not involve the full and equal participation of women in business. The core mission of FEMCOM is to develop women entrepreneurship in the COMESA region through programmes that promote, encourage and serve the needs of women and their businesses, working in smart collaboration with relevant partners. The FEMCOM Secretariat is in Lilongwe, Malawi.

PTA Reinsurance Company (ZEP-RE)

The PTA Reinsurance Company (ZEP-RE) was established by an Agreement of Heads of State and Government of the COMESA region on 21st November 1990 in Mbabane, Swaziland (now Eswatini). The company commenced was officially launched in 1992 and commenced operations on 1 January 1993 with its headquarters in Nairobi, Kenya. The PTA Reinsurance Company is tasked with the responsibility of promoting trade, development and integration in the insurance and re-insurance sector.

ZEP-RE is further mandated to: transact reinsurance business through Treaty and facultative cessions in respect of all or some classes of insurance inside as well as outside the sub-region; create and administer pools for various risks for the account and to the interest of the sub-region's insurance and reinsurance markets; facilitate the training of insurance and reinsurance industry personnel in the Sub-Region; provide technical assistance to the insurance and reinsurance institutions of the sub-region; invest its funds in the sub-region in a manner that promotes economic development, provided the company may invest outside the sub-region to meet its operational and/or technical requirements; and Promote contacts and business co-operation among national insurance and reinsurance institutions in the sub-region.

Besides operating in several COMESA countries, ZEP-RE also serves many non-COMESA Member States such as Morocco, and Algeria in North Africa, Ghana, Nigeria, Togo and Senegal in West Africa, Mozambique in Southern Africa, and Tanzania in East Africa. The Global Credit Rating (GCR) rates the company AA for local/national and BBB- for international Business. The Company's Headquarters is in Nairobi, Kenya.

Trade and Development Bank (formerly PTA Bank)

The Trade and Development Bank for Eastern and Southern Africa (PTA Bank) was established as an autonomous specialized institution by the PTA Bank Charter on 6 November 1985, pursuant to the provisions of Chapter 9 of the COMESA Treaty. The Bank's broad objectives are to provide financial and technical assistance and promote social and economic development and trade among Member States, in accordance with the provisions of the COMESA Treaty. The PTA Bank's mandate is to finance and foster trade, socio-economic development and regional economic integration. Its Charter also provides for the establishment and administration of special purpose funds in the region. The Bank implements its mandate by complementing the activities of national development agencies of Member States and co-operating with other institutions and organizations, public and private, national and international, which are interested in the economic and social development of the Member States.

The Bank's shareholders include African States in COMESA, EAC and SADC, institutional investors such as the African Development Bank, COMESA Reinsurance Company ZEP-RE, Africa-Re, the National Pension Fund of Mauritius, Mauritian Eagle Insurance Company, Seychelles Pension Fund, Rwanda Social Security Board (RSSB) and Banco Nacional de Investemento (BNI) of Mozambique and two other non-regional members, namely China and Paritetbank (Belarus).

JUDICIAL ORGAN

COMESA Court of Justice

The COMESA Court of Justice is the judicial organ of COMESA. The Court provides certainty that COMESA is a rules-based institution, with rules that can be enforced through a court of law.

The Court of Justice, which has its permanent seat in Khartoum, Sudan, was formally brought into being at the COMESA Heads of State summit in June 1998 at which the initial seven Judges of the Court were appointed. The Judges all hold high judicial office in their own countries. In 2004 the Treaty was amended to expand the Court into two Divisions. The lower Division, known as the Court of First Instance has seven judges. The upper Division of the Court, which has five Judges, is called the Appellate Division.

The Court of Justice adjudicates and arbitrates on, among other matters, unfair trade practices, interpretation of Treaty (Protocols and other legislative acts) and ensures that Member States uniformly implement and comply with agreed decisions. Decisions of the Court on the interpretation of the provisions of the COMESA Treaty have precedence over decisions of national courts and are binding on all COMESA Member States.

SPECIALIZED AGENCIES

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

ACTESA is a specialized agency of COMESA formed to address staple food production and marketing in order to increase market access; food production; food productivity and removal food trade barriers. ACTESA implements programmes that enhance national and regional staple food trade and seek to attract agricultural growth and accelerate broad-based poverty reduction in the Eastern and Southern Africa sub-region. It further channels policies between the public and private sectors, acting as an information hub, facilitating and coordinating activities by partners at national and regional level including mobilization of resources focusing on staple food development.

COMESA Business Council

The COMESA Business Council (CBC) is a business member organization, and a private sector institution of COMESA. Established in 2005, under the Treaty CBC is defined as a consultative committee for the business community at the policy organs level. CBC is the recognized regional apex body of the Private Sector and Business Community in the COMESA region. Nine members of the Board of Directors who are Presidents of their respective National Apex Business Associations in COMESA Member States constitutionally manage CBC.

The CBC began its operations as a Secretariat in 2010. It is structured on key focus areas of private sector representation through facilitation of business interests from apex and sectorial business association membership to all levels of policy formulation and decision making in the region, and private sector development in growth sectors that contribute to the overall competitiveness of businesses in regional and global markets

The key objectives of the CBC are to enforce strategic advocacy platforms for the private sector in at least 70 percent of the priority sectors within COMESA region; ensure effective representation of private sector interests in COMESA decision making processes in at least three priority sectors per year; provide timely and strategic business services to regional and international stakeholders on the business environment in the region; to ensure 90 percent of private sector inclusiveness in the regional integration agenda; and ensure that the CBC is a fully membership led and driven Institution by 2018.

PROGRAMME ACTIVITIES

TRADE LIBERALIZATION

Free Trade Area

COMESA Member States established a Free Trade Area (FTA) on 31 October 2000 after a sixteen-year period of progressive trade liberalization through reduction of intra-COMESA tariffs. As at December 2017, 16 countries were participating in the Free Trade Area. The other three Member States, namely Ethiopia, Eritrea and Eswatini were at different levels regarding their participation in the FTA. The existence of the FTA and the tariff reductions effected by the other Member States has the result that average tariffs on intra-COMESA trade have fallen significantly. According to COMESA statistics, intra-COMESA trade has grown at average of 7 percent every year since the establishment of the Free Trade Area with a higher increase reflected between the intra-FTA states.

Rules of Origin

The COMESA Rules of Origin are used to determine whether goods produced in the COMESA region are eligible for preferential treatment within the FTA. The COMESA Rules of Origin have five (5) independent criteria. The COMESA Rules of Origin have five criteria and Goods are considered as originating if they meet any of the following five criteria:

a) The goods should be wholly produced;

b) The CIF value of any non-originating material should not exceed 60% of the ex- work price of the goods;

c) Goods must attain the value added of at least 35% of the ex-factory cost of the goods;

d) Goods should fulfill the CTH rule; and

e) Good must have importance to the economic development of the member states and should contain not less than 25% of value added.

The exporter is free to base his claim to COMESA duty-free or preferential tariff treatment on any one of the criteria, according to which of them has been complied within the production process. With the exception of small consignments, goods being exported under COMESA FTA or preferential tariff reduction treatment have to be accompanied by the COMESA Certificate of Origin, which is issued by the designated competent authority in a Member State.

COMESA Simplified Trade Regime (COMESA-STR)

The COMESA developed the Simplified Trade Regime (STR), which was launched in in 2010 recognising that cross border trade constitutes a significant component of trade in the region.

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 targets small-scale traders importing and/or exporting goods worth US$ 2,000 or less, which are on the Common list of eligible products negotiated and agreed by the two neighbouring countries. The STR reduces costs for small traders and increases the speed of crossing the border by the use of a simplified Certificate of Origin and a Simplified Customs Document (SCD) as well as simplified customs clearance procedures.

Trade Information Desk Officer (TIDO) have been deployed at some border posts to assist small scale traders with information on border crossing procedures and form filling. As part of the coordination of cross border traders, Cross Border Trade Associations have been set up in most of the border posts which improves the sensitization and use of the STR. However, membership to these associations is not a prerequisite for use of the STR.

The COMESA Member States implementing the STR are Burundi, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

Great Lakes Trade Facilitation Programme

The Great Lakes Trade Facilitation Programme (GTLFP) is a World Bank Funded programme that is targets DR Congo, Rwanda and Uganda. The Project objective is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands. The total project amount is USD $79 million which is disbursed through loans to the participating countries and a grant to the Secretariat. The project consists of components that will be executed at the national level while others will be executed at the regional level to provide for sharing experiences and best practices. In addition, the project supports regional peace and stability through programs to improve livelihoods in border areas, promote cross-border trade, and strengthen economic interdependence.

The project commenced implementation in 2016 and put in place Trade Information Desk Officers at select borders to assist small scale traders utilize the Simplified Trade Regime (STR). This is in addition to collecting vital data on small scale trade using a newly developed application (App).

COMESA Customs Union

The COMESA Customs Union established in accordance with Articles 4 and 45 of the Treaty with the view to: further liberalize intra-regional trade in goods; promote efficiency in production within COMESA; enhance domestic, cross border and foreign investment in COMESA; and promote economic development and diversification in industrialization in COMESA.

The Customs Union was launched on 7 June 2009 by Heads of State and Government of the COMESA Authority at Victoria Falls in Zimbabwe. The Authority endorsed the key principles and rules that form the basis for the operation of the Customs Union. A transitional period of three years was provided, during which time the Member States would align their national customs laws with the regionally agreed Customs Union instruments namely, the Customs Management Regulations (CMR) regional customs law, the Common Tariff Nomenclature (CTN) as the harmonized system for coding and describing the traded products, and the Common External Tariff (CET) as the uniform tariff system in trade with non-COMESA third countries.

The establishment of the FTA in COMESA by the year 2000 was a prelude to the establishment of a Customs Union. There are various administrative, legal, institutional and logistical preparations for the operation of the Customs Union. Once fully implemented, it is expected that the Customs Union will bring great benefits to the region such as: enhancing cross-border investment, price advantage for regionally produced goods, wider choice of goods, faster clearance of goods, lower cost of production, and larger and wider market for producers. This however, requires Member States to converge their national tariffs towards the agreed CTN/CET and CMR. The COMESA Council of Ministers in 2016 adopted the transposed CTN to Harmonized System (HS) 2017 edition and Member States are in the process of transposing their Tariff Books to the HS 2017, considering their migration to the COMESA CTN/CET.

The COMESA Customs Document (COMESA-CD)

The COMESA-CD was officially adopted by COMESA at the Council of Ministers' meeting in April 1996. The Secretariat runs training courses for Customs officials in other COMESA countries on how to use the COMESA-CD as part of a programme to harmonize customs and trade statistics systems (including ASYCUDA[1]).

Removal of Non-Tariff Barriers

Steady progress has been made in elimination of non-tariff barriers (NTBs) such as in liberalization of import licensing, removal of foreign exchange restrictions, removal of taxes on foreign exchange, removal of import and export quotas, removal of road blocks, easing of Customs formalities, extending times border posts are open, creation of pilot "one stop border posts", among others. The COMESA Council of Ministers in December 2014 adopted the NTB Regulations which streamline the way NTBs are resolved in the region.

TRADE FACILITATION

COMESA Secretariat is implementing programmes to improve the transport and communications systems of the region as well as improve information available to business persons wishing to trade both within the region and beyond. They include the following:

Harmonized Road Transit Charges

The Road Transit Charges system was introduced in 1991 (currently being implemented by Burundi, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe) and specifies that heavy goods trucks with more than 3 axles should pay a road charge of US $10 per 100 km; trucks with up to 3 axles should pay a charge of US $6 per 100 km; and buses with a capacity of more than 25 passengers pay US $5 per 100 km.

---

1 Automated System for Customs Data. This is a computerized system designed by the United Nations Conference on Trade and Development (UNCTAD) to administer a country's customs.

COMESA Carrier's License

The COMESA Carrier's License allows commercial goods vehicles to be licensed, with one license, which is valid throughout the region so that the vehicles can operate in all Member States. This means that vehicles can pick up back-loads in other countries which make more efficient use of the region's transport fleet so reduces the cost of trade. The license was introduced in 1991 and is currently in operation in 11 mainland countries (Burundi, Ethiopia, Eritrea, Kenya, Malawi, Rwanda, Eswatini, , Tanzania, Uganda, Zambia and Zimbabwe).

Harmonized Axle Loading and Maximum Vehicle Dimensions

Axle load limits are:

(a) single steering axle = 8 tons

(b) single load or drive axle = 10 tons

(c) tandem axle group = 16 tons

(d) triple axel group = 24 tons

(e) The maximum load limit is 56 tons

The maximum vehicle dimensions approved by the COMESA Authority (and currently implemented by Malawi, Eswatini, Zambia and Zimbabwe) are:

(a) 12.5m for a rigid chassis single vehicle or trailer;

(b) 17m for articulated vehicles;

(c) 22m for truck and draw-bar trailer;

(d) 2.65 maximum width; and

(e) 4.60 maximum height

One Stop Border Posts (OSBP)

The Chirundu One Stop Border Post (OSBP) was launched in December 2009 through a Bilateral Agreement between Zimbabwe and Zambia. It is the first functioning OSBP in Africa. The main objective of the Chirundu OSBP was to facilitate trade by reducing the processing time at the border and hence reduce cross-border transactions and enhance the region's competitiveness. A juxtaposed OSBP was implemented at Chirundu where a common control zone was created for border agencies to share facilities with the aim of eliminating duplication of procedures. Ultimately, a community based computerized system to make the OSBP a single window processing facility would be set up.

The Regional Customs Transit Guarantee Scheme – RCTG-CARNET

The COMESA Customs Transit Guarantee Scheme, popularly known as the RCTG-CARNET is a Customs transit regime designed to facilitate the movement of transit goods under Customs seals in the COMESA region. The RCTG is a component of the COMESA Protocol on Transit Trade and Transit Facilitation, Annex I of COMESA Treaty that provides, inter-alia, for all Member States to implement transit and customs measures to remove trade and transport barriers in the region.

The RCTG Agreement was signed and ratified by twelve COMESA Member and non-Member States, namely: Burundi, Djibouti, DR Congo, Ethiopia, Madagascar, Malawi, Kenya, Rwanda, Sudan, Tanzania, Uganda and Zimbabwe. Work on developing the modalities of operations and institutional arrangements was started in 2002 and the implementation of the scheme commenced in 2012.

The objective of customs bond guarantees is to ensure that respective governments can recover duties and taxes from the guarantors should the goods in transit be illegally disposed of for home consumption in the country of transit. COMESA Member States agreed to introduce a Regional Customs Bond Guarantee Scheme to address the difficulties experienced by transport operators, freight forwarders and clearing agents and at the same time to offer Customs Administrations a secure regional system of control replacing the nationally executed practices and procedures. At the same time to help protect the revenue of each State through which goods are carried.

The Yellow Card

The COMESA Yellow Card Insurance Scheme is essentially a Regional Third-Party motor vehicle insurance scheme that provides third party legal liability cover and compensation for medical expenses resulting from road traffic accidents caused by visiting motorists. The liability cover offered under this scheme is limited to the statute provisions on road traffic third party liability award limits of the country being visited and or in which an accident occurs. A Yellow Card issued in one COMESA Member State is valid in all other countries participating in the scheme.

The COMESA Yellow Card was established in 1986 after 14 countries signed the Protocol on the Establishment of the Third-Party Motor Vehicle Insurance Scheme in Addis Ababa, Ethiopia. Subsequently, on April 26, 1987 the Agreement on the implementation of the ThirdParty Motor Vehicle Insurance Scheme, known as the Inter-Bureaux Agreement was signed in Lusaka, Zambia. This was in conformity with the provisions of the Protocol by National Bureaux designated by governments to administer the operations of the Scheme in their countries and the ratification of the Protocol on the establishment of the Third-Party Motor Vehicle Insurance by 11 member countries. These were: Burundi, Ethiopia, Kenya, Rwanda, Eswatini, , Somalia, Tanzania, Uganda, Zambia and Zimbabwe. The COMESA Yellow Card Scheme was implemented and started its operations in the above member States while DR Congo, Malawi and Tanzania a non COMESA country joined the scheme later. The yellow card scheme, is operational in thirteen countries and over 200 companies in the region are participating in the scheme.

COMESA Virtual Trade Facilitation System (CVTFS)

The CVTFS is an electronic trade facilitation initiative developed to monitor consignments along different transport corridors across the region. It integrates other COMESA instruments on one online platform including: The Yellow Card (third party motor vehicle insurance); Regional Customs Bond Guarantee System, (RCTG); Transit Data Transfer Module; Carrier License for road freight operators; Harmonized Axle Load, and (Gross Vehicle Mass Limits which includes the COMESA Certificate of Overload Control); and the Customs Declaration Document.

The CVTFS makes use of software that helps interpret all the information on the seal and transmits to a dashboard the container details, the vehicle details, and any other relevant details which appears on a centralized server which you can monitor from anywhere. The seal has a GPS modem that provides the location of goods in real time and a GSM modem to transmit information to a central server and a sensor to detect tampering. The device is fitted on a cargo container carrying the consignment.

CVTFS provides full visibility in real time of all tagged consignments from source to destination; making it an effective solution for cargo tracking management. The system is accessible to Customs authorities, freight forwarders, insurance companies, banks, port authorities, container freight stations and traders to mention but a few.

The system is in currently in use in the Northern Corridor States of Kenya, Uganda, Rwanda and D R Congo. Other Member states that have so far adopted the use of CVTFS include Ethiopia, Djibouti, Malawi, Zambia and Tanzania.

Cyber Security Programme

A reliable, efficient and cost-effective regional telecommunications network would greatly facilitate economic integration in the region.

It is recognized that the existing network is not adequate to meet the needs of the users and the current practice of routing regional telecoms traffic via countries outside the region (mainly in Europe) makes the implementation of competitive tariffs very difficult. To address this problem, COMESA has initiated the establishment of a private, limited liability company (COMTEL) which will build an asynchronous transmission mode (ATM) system which will link national systems together. While gateway to gateway infrastructure is COMTEL's priority, the national infrastructures are equally important and there is a need for all countries in COMESA to continue to develop and improve national infrastructures.

COMTEL was designed to have a strategic partner holding 30 per cent of its equity with the rest being owned by participating National Telecoms Operators (25% of the equity) and private sector investors (45% equity stake). The estimated investment cost is US $300 million. In this regard, COMESA developed a policy and a model bill on cyber security.

Liberalization of the Skies

COMESA is working with the relevant authorities and the region's airlines on a programme to remove air traffic controls. The aim is to eventually remove all air traffic controls except for those concerned with safety. Increased competition within regional routes will reduce the cost of air travel and transport and foster greater regional trade. A detailed policy on Air Transport has been adopted by the COMESA Heads of State and Government. The policy takes into account the Yamoussoukro declaration on Air Transport in Africa. The policy has been adopted in collaboration with SADC and EAC to cover the whole Eastern and Southern Africa region. Air Transport Competition Regulations have been developed jointly by the EAC, COMESA and SADC Ministers responsible for air transport. In 2014, COMESA Secretariat secured approximately US $10 million from the African Development Bank (AfDB) to establish a single, seamless airspace in the sub-region. This is intended to reduce air transport costs and increase tourism, trade and regional social economic integration.

Cape to Cairo Electricity Corridor

COMESA is implementing the Zambia-Tanzania-Kenya (ZTK) electricity interconnector which links the East African Power Pool (EAPP) and the South African Power Pool (SAPP). The ZTK seeks to connect power systems of the three countries by constructing a high voltage power line from Zambia through Tanzania to Kenya spanning a distance of about 2,300 km. It will realize the Cape to Cairo Electricity highway. It will also pave the way for the establishment of the regional energy market. The main objectives of the project are to promote electivity trade, enhanced security of power supply and faster regional integration.

FINANCIAL AND MONETARY SYSTEMS

Monetary Harmonization Programme

COMESA has adopted a phased monetary co-operation programme which aims at establishing a common monetary area. Greater monetary stability facilitates economic integration efforts and provide for sustained economic development. The ultimate objective of the programme is to establish a monetary union, and thus enable the Common Market to attain the status of an Economic Community.

A phased Monetary Harmonization Programme is in place to prepare the ground towards the eventual establishment of a monetary union. The programme enables Member States to:

i. Take aggressive economic reform programmes while at the same time learning how to co-operate and co-ordinate their economic policies;

ii. Through their reform programmes, create an enabling environment for price stability and economic growth to allow a natural development of financial markets and a high degree of economic integration;

iii. Increase intra-regional trade while narrowing inequalities through economic growth; and

iv. Form a more balanced monetary union of relative equality in the region.

To achieve the above, it was considered essential that the Member States should first go through a process of monetary harmonization with a view to achieving macro-economic convergence. In order to assess progress being made towards this objective, a number of convergence criteria were formulated, with a view of gauging the progress being made by the Member States in the implementation of the programme. The COMESA Monetary Institute CMI undertakes all technical activities to enhance the Monetary Cooperation Programme (See COMESA Institution)

The COMESA Fund

The COMESA Fund protocol was adopted in 2002 for Co-operation, Compensation and Development of the Common Market for Eastern and Southern Africa. The Protocol includes two windows, a special facility referred to as the COMESA Adjustment Facility (CAF) and the COMESA Infrastructure Fund (CIF).

COMESA Adjustment Facility (CAF)

The CAF was founded on Articles 60 and 150 of the COMESA Treaty with the objective of providing adjustment support to countries as they implemented the COMESA regional integration programmes. In accordance with Article 10 of the Protocol, the Adjustment Facility aims to provide support to eligible Member States for revenue loss and economic and social costs of adjustment that:

* Address the loss of customs and other related tax

revenues and other conditions mentioned herein in a sustainable manner;

* Contribute to implementing policy reforms designed to improve the efficiency of domestic markets, the business environment, facilitating the reallocation of capital, labour resources and assisting firms in meeting the cost of compliance to new obligations and further meet the social and economic costs of liberalization; and

* Contribute to improving the global competitiveness and resilience of economies and industries so that they can take advantage of new market opportunities through support to productive infrastructures and investment in developing new products, processes and technologies.

The COMESA Fund Ministers provides oversight on the Adjustment Facility and is guided by the Operational Regulations of the CAF that covers eligibility criteria for Member States, modalities of support and decision-making processes.

Envisaged as a grant funded mechanism, the CAF was operationalized by the Regional Integration Support Mechanism (RISM) through a Contribution Agreement between COMESA and the European Union (EU) in 2007 with funding of €78 million under the 9th European Development Fund (EDF). Additional funding under the 10th EDF has since been secured through the RISM consolidation Contribution Agreement with funding of €33 million. This brings the total funding under CAF to slightly over €111 million.

COMESA Infrastructure Fund (CIF)

The COMESA Infrastructure Fund (CIF) is one of the two of the COMESA Fund protocol that was adopted in 2002. The other is the COMESA Adjustment Facility (CAF). The Fund is managed by the Trade and Development Bank (formerly PTA Bank.)

AGRICULTURE PROGRAMMES

Food and Agriculture Market Information System (FAMIS)

COMESA is also implementing an AfDB-funded project on the COMESA wide Food and Agriculture Market Information System (FAMIS). The market information programme has been boosted by the offer by Egypt to develop a web-based database to capture business contact information and profile of private sector enterprises in the COMESA region.

Another key success has been in forging public-private sector partnerships to advocate for and create a regional environment that is supportive of open regional agricultural trade, improve export and reduce import restrictions; harmonize standards and sanitary and phyto-sanitary (SPS) requirements across the region for animal and plant products.

Climate Change Adaptation and Mitigation

COMESA, EAC and SADC jointly implemented a Programme on climate change adaptation and mitigation in the Tripartite region. The Programme received distinct financial support in form of grant agreements from the European Union Commission, the Norwegian Ministry of Foreign Affairs and the United Kingdom Department for International Development towards overall objectives. EU funding ended on 31st December 2014 while DfID and Norway support ended on 31st October 2016.

The objective of the COMESA-EAC-SADC Climate Change Programme was to address the impacts of climate change in the Tripartite region through successful adaptation and mitigation actions, which also build economic and social resilience for present and future generations.

CROSS CUTTING PROGRAMMES

COMESA Statistical Development

The COMESA Treaty provides the policy context for the development of statistics in the COMESA region. The Treaty envisages a four-pronged strategy for the development of statistics namely;

a) A Common Market Information System - This was to be established for purposes of reviewing the functioning and development of the Common Market. Issues to be handled included; data flows to the Secretariat, improvement of data collection by Member States, analysis of statistical information and timely dissemination.

b) Cooperation in Statistical Development - This recognizes the importance of harmonized statistics at the regional and international level, exchange of skills among Member States, cooperation in methodological issues, data dissemination policies and the adoption of the Addis Ababa Plan of Action for Statistical Development in Africa.

c) Comprehensive Information System - This was to look at the development of a trade information network that reduces information asymmetries on trade opportunities in the region.

d) Depository Library - In addition to documents and printed material, databases are envisaged as important for the development of the Comprehensive Information System.

GENDER AND SOCIAL AFFAIRS

The Secretariat has a fully-fledged Gender and Social Affairs Division since 2009 to enhance its gender mainstreaming support to Member States and Secretariat, Advocacy on Gender Equality, Women

Empowerment and Social Development. The first COMESA regional Gender Policy, which was developed and adopted by the COMESA Heads of State and Government at its Seventh Summit in May 2002 in Addis Ababa, Ethiopia and revised in 2015. The Gender Policy provides measures on Gender Equality and Empowerment of Women in policy and practice in all sectors.

Women Economic Empowerment Fund

The idea for the establishment of the COMESA Women Economic Empowerment Fund (WEEF) was conceived at the COMESA First Ladies Round Table Meeting in Djibouti in 2006. It was endorsed during the Heads of State and Government Summit in Kinshasa, DRC in February 2014. The WEEF initial base fund was US Dollar 73.43 million

COMESA Social Charter

The COMESA Social Charter was endorsed by Heads of States and Government in Kinshasa in February 2014. The Charter contains fundamental Social Rights that ensures that the social dimension of regional development is not neglected in the work of COMESA for the realization of the full regional integration aimed at improved living standards of women, men, youth and children.

COMESA Youth Programme

The COMESA Youth Programme was adopted in 2015 by the Authority of Heads of State and Government. The goal of the Youth Programme is to empower young people in the COMESA region by promoting the creation of decent and productive work opportunities for youth in the private sector, and by enhancing youth's political participation, civic engagement and active involvement in the regional integration process.

50 Million African Women Speak Project.

In September 2016, COMESA secretariat signed a Memorandum of Understanding (MoU) with the two RECs namely EAC and ECOWAS to jointly implement the 50 Million African Women Speak Networking Platform Project. This followed the approval of USD 12.4 million grant for the project called "50 million African Women Speak" by the AfDB. The project is aimed at creating a networking platform dedicated to African women entrepreneurs. The grant will be spread between the COMESA, the EAC and ECOWAS.

The project is a digital/virtual marketplace intended to connect businesswomen and encourage peer-to-peer learning, mentoring, and information and knowledge sharing. The platform will cover 36 countries and will be accessible on mobile phones and shall also enable women to access business training, mentorship, financial services and locally relevant business information, while building their own networks of contacts. The project is an innovative social media platform to enable women to start, grow and scale their business through the dynamic exchange of ideas. This project is being implemented and will take three years starting from 2017.

COMESA KNOWLEDGE AND INFORMATION RESOURCES

COMESA Resource Centre was established in 1992 under Article 142 of the COMESA Treaty with the following Mandate: "Member States agree to recognize the status of the Library situated at the Secretariat as the official depository Library of the Common Market for storage of all documents; regulations, public notices, databases and other documents with regard to national development plans, official gazettes, Central Bank annuals, periodic reports and other documents as may be determined and notified by the Library from time to time, with respect to member states."

The Centre has a comprehensive collection of both printed and electronic information resources, all enhancing the documentation of the history of the Common Market for Eastern and Southern Africa.

Currently the Resource Centre accommodates COMESA Programmes documentation, Publications from Member States, WTO references, subscribed online research databases, subject journals and magazines, general referencing and information referral services. It is designed to facilitate all citizens of the member states access to information and information resources so collected and documented.

IMMIGRATION AND FREE MOVEMENT OF PERSONS

COMESA Protocol on the Gradual Relaxation and Eventual Elimination of Visa Requirements

The Protocol relating to the Gradual Relaxation and Eventual Elimination of Visa Requirements within COMESA (the Visa Protocol) was adopted and signed by the Authority of Heads of State and Government as far back as 1984.

The liberalization of the movement of persons is intended to facilitate particularly the movement of business persons within COMESA. The protocol is premised on two key elements; a ninety-day visa free regime and access to visa on arrival. Countries like Kenya, Madagascar, Malawi, Mauritius, Rwanda, Eswatini, , Seychelles, Uganda, Zambia, and Zimbabwe are to a large extent implementing the Protocol; providing ninety-day visa access and access to visa on arrival to at least half of the COMESA Member states. Mauritius, Rwanda, Seychelles have totally waived visa requirements to all COMESA citizens. In 2013, Zambia being the seat of the COMESA Secretariat, issued a circular waiving visas and visa fees for all COMESA citizens on official business.

The Visa Protocol recognizes that two or more Member States can maintain existing bilateral or multilateral arrangements (or enter into new ones) among themselves in respect of free movement of persons which provide for more favourable treatment for their nationals than are provided for in the protocol. These measures are encouraged, and this is already the case for the East African Community and various bilateral agreements.

COMESA Protocol on the Free Movement of Persons, Labour, Services, the Right of Establishment and Residence

The COMESA Protocol on the Free Movement of Persons, Labour, Services, the Right of Establishment and Residence was adopted in 2001 by the COMESA Authority of Heads and States and is in the process of being signed and ratified. The Free Movement Protocol was developed with the vision towards the operationalization of the COMESA Common Market and its objective is to remove all restrictions to the free movement of persons, labour, and services and provide for the right of establishment and right of residence.

The implementation of the Protocol is in the following five stages:

Stage I: Part II – Articles 3 to 8

Objective: Gradual removal of visa requirements and co-operation in the prevention and the fight against crime.

Period: Being implemented.

Stage II: Part III – Article 9

Objective: Enhancing movement of skilled labour.

Period: Progressively implemented since 2004.

Stage III: Part IV – Article 10

Objective: Movement of services.

Stage IV: Part V – Article 11

Objective: Right of Establishment.

Stage V: Part VI – Article 12

Objective: Right of Residence.

Period: 2014 (20 years from date of entry of COMESA Treaty).

REGIONAL, CONTINENTAL AND MULTILATERAL TRADE NEGOTIATIONS

Tripartite Free Trade Area

The Tripartite is an inter-regional co-operation and integration arrangement amongst 27 countries of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and of the Southern African Development Community (SADC). It was established through a Memorandum of Understanding on Inter Regional Cooperation and Integration signed on 19 January 2011. The Tripartite was conceived in a meeting between the Chairpersons of the COMESA Authority and the SADC Summit held on the margins of the COMESA Summit in Cairo, Egypt in May 2001.

The decision to establish the COMESA–EAC–SADC Tripartite was informed by the overlapping membership of the Member States to the three Regional Economic Communities (RECs). The aim of the Tripartite is to create a single market through the amalgamation of the COMESA and SADC Free Trade Areas and the EAC Customs Union. The Tripartite adopted a developmental approach and is anchored on three complementary pillars: market integration; industrial development and infrastructure development. During their Summit in 2008, the Heads of State of the three RECs decided that to establish a single Free Trade Area for the 27 countries. Negotiations for the establishment of the Tripartite Free Trade Area were launched in 2011. A Tripartite Free Trade Area (TFTA) Agreement was signed on the 10th June 2015 in Sharm El Sheikh, Egypt. As at February 2018, 22 countries had signed the Agreement and two countries ratified the Agreement. Fourteen ratifications are required for the TFTA Agreement to enter into force and implementation of the Agreement.

Continental Free Trade Area

The Eighteenth Ordinary Session of the Assembly of Heads of State and Government of the African Union, held in Addis Ababa, Ethiopia in January 2012, adopted a decision to establish a Continental Free Trade Area (CFTA) by an indicative date of 2017. The Summit also endorsed the Action Plan on Boosting Intra-Africa Trade (BIAT) which identifies seven clusters: trade policy, trade facilitation, productive capacity, trade related infrastructure, trade finance, trade information, and factor market integration. The CFTA will bring together fifty-four African countries with a combined population of more than one billion people and a combined gross domestic product of more than US $3.4 trillion.

The CFTA's main objectives are to: create a single continental market for goods and services, with free movement of business persons and investments; expand intra African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across RECs and across Africa in general; resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes; enhance competitiveness at the industry and enterprise level through exploiting opportunities for scale production, continental market access and better reallocation of resources.

COMESA as one of the eight recognised African Union Regional Economic Communities, has been participating in the CFTA negotiations, with the Secretariat providing support to COMESA and Tripartite Member States.

African Caribbean Pacific - European Union Relations

In 2002, 16 countries from East and Southern Africa (ESA), who are also members of COMESA, IOC, IGAD and EAC, decided they would jointly negotiate an Economic Partnership Agreement with the EU as one group.

The Eastern and Southern African countries have agreed that Economic Partnership Agreement (EPA) negotiations with the European Union give priority to development issues. The EPA is intended to restructure trading arrangements between the EU and the ESA countries to make them more effective in promoting EU-ESA trade and more supportive of broader development goals, and more compatible with World Trade Organization (WTO) rules. This is in line with the Cotonou Agreement, which provides for negotiations of Economic Partnership Agreements (EPAs) between the EU and ACP countries, which were to go into effect in January 2008 after the Cotonou Agreement expires.

The ESA region embarked on the Economic Partnership Agreement (EPA) negotiations in February 2004, with the main objectives of strengthening the regional integration process, improving market access into the EU and assisting with the economic development of the region.

In market access terms, EPA negotiations aim to achieve in the long term a Free Trade Area between the EU and ESA. This implies reciprocity of trade liberalization, even though the need for a certain element of asymmetry is recognized by the European Commission, given that most of the countries in the region need to build their productive capacity to become competitive and/or are Least Developed Countries. Madagascar, Mauritius and Seychelles concluded an interim EPA and negotiations will continue that are aimed at concluding a full EPA for the ESA country.

Support to Member States at World Trade Organisation Negotiations

COMESA was the first regional trade organization of African countries to be notified to the WTO under the Enabling Clause, on 29 June 1995. In order to support the Member States, negotiate at the WTO meetings the Secretariat has prepared position papers for all the Ministerial meetings since the Seattle meeting of 1999 to date.

African Growth and Opportunity Act

COMESA with the support of the Member States has been lobbying actively for increased access to opportunities offered under the Africa Growth and Opportunity Act (AGOA) of the United States, passed into law by the US Congress in May 2000. Under this Act, 34 Sub-Saharan African (SSA) countries qualified to export close to 8,000 types of products to the US market duty and quota free. Most COMESA States have since qualified to benefit under the AGOA. In June 2015 AGOA and the third country fabric provisions were extended by 10 years through to September 2025.

PEACE AND SECURITY PROGRAMME

The COMESA Treaty recognizes under Article 163 on Scope of Cooperation, that peace and security are fundamental prerequisites to social and economic development and vital to the achievement of regional economic integration objectives of the Common Market. The COMESA Heads of State and Government, at their annual Summit in 1999 also took a deliberate decision that COMESA must address the question of peace and security to facilitate regional integration and development.

The Authority mandated the COMESA Ministers of Foreign Affairs to meet at least once a year to address issues of peace and security. This landmark decision, which is in compliance with Article 3(d) on Aims and Objectives of the Common Market as read with Articles 6 on Fundamental Principles and 163 of the COMESA Treaty launched the COMESA Programme on Peace and Security.

Subsequently, COMESA has established a three-tier structure composed of a Committee of Officials, Ministers of Foreign Affairs and the Heads of State and Government at the top to address issues of peace and security. This structure is complemented by the Committee of Elders, in consultation with other stakeholders in the region including the business community, civil society organizations and parliamentarians. COMESA addresses issues of peace and security in co-ordination with the African Union and other sub-regional organizations to avoid duplication of efforts. The focus areas are; Conflict prevention, Conflict Management, Post conflict reconstruction implemented in countries emerging from conflict; Security (Anti Money Laundering and Financing of Terrorism legislation and programmes) and Support for Democracy and Governance through election observation programmes.

The “Trading for Peace programme”, at the border areas of the Great Lakes region which is designed to use trade and investment as a mechanism for peace and stability is also implemented at the border areas.

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

+260 1 229 725

www.comesa.int

info@comesa.int

facebook.com/COMESA/

@twitter.com/comesa_lusaka