

## COMESA Electronic Certificate Set for Piloting Next Year



Manual inspection of goods by customs officers

The piloting of the COMESA electronic Certificate of Origin (eCo) is anticipated to commence in 2023. This is expected to go a long way in addressing the administrative inefficiencies in managing paper Certificates of Origin which will soon be replaced by a digital one.

The eCo is part of the COMESA Digital Free Trade Area initiative which was launched 2018 to empower traders to conduct cross-border trade using ICT as a tool to minimize physical barriers. It aims to provide traders with the necessary digital tools and infrastructure they need for enhancement of intra-COMESA trade and global trade.

While addressing the 8th Meeting of the COMESA Heads of Customs, Thursday 20 October 2022, Assistant Secretary General in charge of COMESA Programmes Dr Kipyego Cheluget said that more than ever before, the need to adopt information technology tools especially by Customs administration was critical.

"During the post COVID19 era, Customs Administrations continue to employ ICT tools and automation to expedite clearance of goods traded

within the region," he noted.

Automation initiatives being employed include usage of non-intrusive inspection systems in lieu of physical inspections; use of e-declaration processing and submission of electronic supporting documents; pre-arrival processing, increased use of electronic cargo tracking systems to manage transit movements among others.

"This greater use of automated solutions resonates with the current COMESA theme which is "Building Resilience Through Strategic Digital Economic Integration," he stressed.

In addition to the eCo, the DFTA involves implementation of other key digital trade facilitation instruments such as COMESA online market, e-Portal for Mutual Recognition Agreements and the Electronic Green Pass Certificate.

With the support of the EU under the 11th European Development Fund, COMESA is implementing Trade Facilitation programme whose support covers the establishment of trade information portals, development of a trade and transport corridor

monitoring dashboard and the development of a regional electronic single window. A Regional Customs Automation Support Centre, an interconnectivity platform and the COMESA online platform are being set up.

In the agenda of the COMESA Heads of Customs was the draft transposed COMESA Common Tariff Nomenclature (CTN) and the Common External Tariff (CET) to World Customs Organization Harmonized System (HS) 2022 version. CTN is the harmonized system for coding and describing the traded products, while the CET is the uniform tariff system in trade with non-COMESA third countries.

The meeting also considered reports from the technical working groups on customs capacity building, customs automation, rules of origin, outstanding activities related to Coordinated Border Management Guidelines and Authorized Economic Operator Standard Operating Procedures Manual and an update on the implementation of the 2021-2025 Customs and Trade Facilitation Work Programme.

## Initiative to Enhance Regional Food Balance Sheet Underway



Food Balance Sheets (FBS) statistics are critical for assessing a country's food security situation and, more broadly, for assessing the general strength of a country's entire food and agriculture sector. They help to understand the state of supply and use of each food commodity within a given country, track progress against established development goals and inform the decision makers.

Cognizant of this imperative, the African Development Bank and COMESA are conducting multi-country Statistical Capacity Building Program (SCB-5) workshops aimed at contributing to improving the capacity to compile Food Balance Sheets in Member countries.

Between 24 and 28 October 2022, more than 70 national and regional agricultural statisticians from 37 countries in Africa will participate in a physical workshop to be held in Nairobi, Kenya. The workshop will comprise expert training sessions on methodological issues related to the FBS, peer-to-peer learning sessions on the FBS and regional perspectives by RECs. The Food Balance Sheets are essential in the derivation of food production self-, and food imports dependency ratios, and the Food Loss

Index (FLI). This is another important SDG indicator (SDG Target 12.3, which seeks to halve per capita global food waste at retail and consumer levels, and to reduce food losses along production and supply chains, including post-harvest losses).

All these statistics are of crucial importance for decision-makers, particularly in the agricultural sector.

In the framework of the implementation of the Global Strategy for Improving Agricultural and Rural Statistics, new guidelines on Food Balance Sheets compilation have been prepared, to provide countries with user-friendly handbook that can aid in the construction of country-level Food Balance Sheets for policy analysis.

Apart from these guidelines, a new prototype of compilation tool has been developed to be adapted to each country's context and specificities.

The Alliance for a Green Revolution in Africa (AGRA), a COMESA partner will also participate in the workshop.



## COMESA Business Council has a New Boss

The COMESA Business Council (CBC) Board and Management has appointed Mr. Teddy Yagambaram Soobramanien (pictured) as Chief Executive Officer with effect from 1st November 2022.

Announcing the appointment, the President of the Council Mr. Marday Venkatasmy said Teddy brings a unique set of skills, perspectives, and leadership qualities to steer CBC into the future, with over 25 years of international experience in trade negotiations, policy implementation, business development, and organisational management.

"Building on our accomplishments thus far, we hope to hone our strategic direction, grow our membership base, strengthen our partnerships, and scale our programs towards advancing the private sector development agenda in the COMESA region under his leadership," Mr Venkatasmy said

Mr. Soobramanien has held several leading positions at the World Trade Organisation (WTO); the United Nations (UN); International Trade Centre (ITC); the Commonwealth; the UK Government; the African, Caribbean and Pacific States - European Union (ACP-EU) TradeCom Facility; the private sector; and the Mauritius Mission to the UN in Geneva. He has steered to success many of the programs he has been responsible for, including the Aid for Trade Hub and Spokes Programme.

Additionally, he is widely published on issues relating to small economies; the ACP; developing countries; and on international trade issues that are of interest to Africa. He has also implemented several private sector development projects for the TradeCom Facility.

"On behalf of the Board, and indeed on my own behalf, I wish to congratulate him on his new role and extend our deepest gratitude to Mr. Dickson Poloji for his leadership as Acting CEO since May this year, said the Council President. "We look forward to propelling CBC to the next level, with great zeal and focus



Participants at the workshop

## The Importance of Exchange Rates in Determining a Country's Relative Price Competitiveness

The concept of equilibrium Real Effective Exchange Rate (REER) has been of policy concern over time due to its implication on a country's relative price competitiveness. This led to a decision by the COMESA Committee of Governors of Central Banks, last year, directing the COMESA Monetary Institute to conduct a workshop to validate studies undertaken by Member States' Central Banks.

Subsequently, CMI conducted a validation workshop on "Equilibrium Real Effective Exchange Rate and Monetary Policy Implementation" on 11 – 12 October 2022 in Nairobi, Kenya. The workshop brought together delegates from the Central Banks of Burundi, DR Congo, Djibouti, Egypt, Eswatini, Malawi, Mauritius, Rwanda, Uganda, Sudan, Zambia and Zimbabwe as well as the COMESA Secretariat. The CMI Director Dr. Lucas Njoroge, who opened the workshop described REER as a key variable in the conduct and implementation of monetary policy and reflects the stance of the economy in terms of economic growth and the establishment of external balance.

"It can also be a source of economic vulnerability where its persistent deviation from equilibrium reflects deterioration of the economic situation in a country," he said noting that price competitiveness, among others, determines a country's ability to increase productivity and come up with innovations required for improved economic performance.

He said that substantial misalignments are extremely costly, while undervaluation may lead to perceived greater relative price competitiveness of a country and can ultimately trigger retaliation and currency wars. On the contrary, Dr Njoroge noted, undervaluation that follows sustained depreciation (or devaluation in fixed parities) increases the price of imports and discourages imports while promoting price competitiveness by lowering the price of exports, leading to improved trade balance. An overvaluation would have the opposite effects.

The key finding from most of the studies indicated that in the long-run, real effective exchange rate is in line with the economic fundamentals. However, in the short run, several

countries experienced REER misalignment, which has been declining over time, as would be expected given the floating exchange rate regimes pursued by most monetary authorities.

In addition, tight monetary policy appears to be linked to increase REER misalignment, but is, by and large, due to vulnerability of the banking sector particularly during the early 1990s, a period in which studies find the greatest magnitude of REER misalignment. The main common policy recommendation across most of the studies is the need for prudent macroeconomic management and effective coordination between monetary and fiscal policies, as precondition to limit the deviations of the real exchange rate from its equilibrium level.

The CMI Director said the studies will significantly contribute to policy advice that will ensure macroeconomic stability in member countries, and hence achievement of macroeconomic convergence in COMESA region.



## COMESA at the 28th Uganda International Trade Fair

COMESA participated in the 28th Uganda International Trade Fair at the Lugogo Trade Fair grounds in Kampala. This is an outreach strategy for COMESA to directly engage with stakeholders providing. The Secretariat established an information resource desk, which attracted businesspeople, students, small and medium entrepreneurs, policy makers, among others. Close to 1000 exhibitors, comprising of local foreign exhibitors took part.

This activity was supported under the 11th European Development Fund (EDF 11), Institutional Capacity Building Programme (ICBP).

The theme of the expo was “Business “Recovery by Harnessing economic recovery through local sourcing and deepening value chain integration” which is aligned with the COMESA theme: “Building Resilience Through Strategic Digital Economic Integration”.

Participation at the regional trade expos enables the COMESA Secretariat to reach a wide cross section of stakeholders at one location and share information and knowledge on the regional integration agenda the benefits

that citizens in member States derive and the opportunities it presents.

During the Trade Fair COMESA expo staff which included the COMESA Business Council engaged various stakeholders including the Uganda Free Zones Authority (UFZA), on possible areas of collaboration to implement the Local Sourcing for Partnership (LSP) under the Regional Enterprises Competitiveness and Access to Markets Program (RECAMP). The meeting discussed export processing zones and the feasibility of implementing the programme in Uganda.

Other areas of interest that featured prominently at the COMESA desk were on the opportunities following Uganda’s joining of the COMESA FTA in 2014, the application of Certificate of Origin (CoO) for export under the COMESA Rules of Origin (RoO), non -tariff barriers and how to address them including reporting, monitoring and eliminating mechanism.

## Capacity Building on Structural Vulnerability Assessment Targets Five Member States

The Common Market for Eastern and Southern Africa (COMESA) and the African Union (AU) jointly held a fourth Training of Trainers’ (ToT) Workshop on the Structural Vulnerability Assessment (SVA) methodology and Country Structural Vulnerability and Resilience Assessment (CSVRA) and Country Structural Vulnerability and Mitigation Strategy (CSVMS) processes from 11th to 13th October 2022 in Nairobi, Kenya.

The workshop was attended by Government Experts from Kenya, Madagascar, Uganda, Zambia, Zimbabwe as well as representatives from Civil Society Organisations (CSOs) from the respective Member States. In addition, representatives from the African Union (AU) Political Affairs, Peace and Security (PAPS) department and staff from the COMESA Conflict Early Warning System (COMWARN) also attended.

The overall objective of the training was to build the capacity of Member States by developing a critical mass of trainers on the COMWARN Structural Vulnerability Assessment (SVA) methodology, the Country Structural Vulnerability and Resilience Assessment (CSVRA) and Country Structural Vulnerability and Mitigation Strategy (CSVMS) processes.

Thereafter the trainees are expected to train other stakeholders in their respective Member States to ensure sustainability of SVA/ CS-VRA/VMS through knowledge transfer. The ToT workshop also discussed the status of implementation of SVA/ CS-VRA/VMS in Kenya, Madagascar, Uganda, Zambia and Zimbabwe, including challenges and gaps and plans to enhance implementation. Knowledge transfer among the members will also ensure sustainability of COMWARN SVAs in the unlikely event that the Secretariat might not be in a position to continue supporting the SVAs.

So far, the five countries have committed to establish early response structures or platforms for the COMWARN SVAs. These would take different forms depending on the specificities of the respective countries.

The workshop was in fulfilment of the decision of the 17th Meeting of the COMESA Ministers of Foreign Affairs, in November 2021 which called on the Secretariat to roll-out training programmes on the COMWARN Structural Vulnerability Assessment (SVA) model. This is expected to create a critical mass of experts in the region that are well-versed with the model, the model’s analysis and its application.



## NEWSBYTE

### What is COMSTAT?


COMSTAT (COMesaSTATistics) is an on-line interactive database designed to serve as a central repository of all statistical data at the Secretariat and hence disseminates statistics of various domains that are critical for monitoring the performance of COMESA's regional integration program. The database which was launched in 2006, initially with only international merchandise trade statistics, has over the past years been enhanced and augmented with other statistical indicators and related statistical information pertaining to member states in the COMESA region. The COMSTAT data portal has gone through a number of revisions since inception with funding from Trade Mark Southern Africa (TMSA)(2011/2012) and the current version released in 2016 was developed with funding from the African Development Bank (AfDB).

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<https://comesa.opendataforafrica.org/>

## COMESA Diary

Date	Activity	Organizer	Venue/Format
26 – 28 Oct 2022	Communication/Media sensitization on SATSD and EGEE-ICT programmes	Secretariat	Seychelles
24 - 28 Oct 2022	Statistical Capacity Building Regional Workshop on Food Balance Sheets	COMESA/ AfDB	Nairobi, Kenya
31 Oct - 2 Nov 2022	Committee on Administrative and Budgetary Matters	COMESA Secretariat	Virtual
31 Oct - 2 Nov 2022	Committee of Legal Officers	Secretariat	
31 Oct - 3 Nov 2022	Trade and Customs Committee meeting	Secretariat	Hybrid
3 Nov 2022	Ministers of Justice Meeting	Secretariat	Virtual
15-17 Nov 2022	Meeting of the Bureau of the COMESA Committee of Governors of Central Banks	CMI	
20-24 Nov 2022	Meeting of the COMESA Committee of Governors of Central Bank	CMI	Cairo
29 – 30 Nov 2022	The 43rd COMESA Intergovernmental Committee Meeting	COMESA Secretariat	Lusaka, Zambia
01 Dec 2022	The 43rd COMESA Council of Ministers' Meeting	COMESA Secretariat	Lusaka, Zambia

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