

## Need for Speed in Ratifying COMESA Legal Instruments

Justice Ministers and Attorneys General urged to assist their Member States



Secretary General Chileshe Kapwepwe (front middle) and delegates to the 25th Meeting of COMESA Ministers of Justice and Attorneys General, conducted at the COMESA Secretariat in Lusaka

The need for speed in ratifying and implementing various legal instruments agreed upon in the past was a rallying call during the 25th Meeting of COMESA Ministers of Justice and Attorneys General, conducted in Lusaka, Zambia, Thursday, 3rd November 2022.

Keynote speakers at the meeting including the Secretary General of COMESA Chileshe Kapwepwe appealed to the Ministers and the AGs to work closely with the COMESA Secretariat to assist their countries in domesticating the laws that the Council of Ministers has been passing over the years.

"There is a slowness within the Member States machinery that stultifies the process of domestication of COMESA legislation which unfortunately has caused a backlog," said the Secretary General. "The slowed national processes of not domesticating COMESA legislation have had an adverse effect on integrating the COMESA region."

Among the key roles of the committee of Justice Ministers and the AGs is to pass laws that ensure the regional bloc operates as rules-based organization, as this underpins the implementation of programmes to promote regional trade and investments.

Ms Kapwepwe told the meeting that the laws that

their meetings recommend to the COMESA Council of Ministers plays a key role towards clearing the way for the full implementation of the following: COMESA Customs Union, Digital Free Trade Area, the tripartite COMESA-EAC-SADC Free Trade Area and the African Continental Free Trade Area, all of which brings the region closer to an economically, socially and politically integrated continent.

She cited the delayed ratification of the Tripartite FTA, which is now three States shy of the 14 ratification threshold for it to enter into force. This is one of her key tasks as the current chairperson of the Tripartite Task Force, to ensure it is attained before the year ends. Hence her appeal to the Member States at the meeting that have not yet ratified the Tripartite Agreement to "expeditiously do so as not doing so is adversely affecting a regional good in delayed trade, investment and services drawdowns for the benefit of the region's populace."

Zambia's acting Minister of Justice Hon. Jack Mwiimbu, who was the Chief Guest stated that as COMESA goes in the era of digital economy, it is important that proper legislation is put in place to ensure the smooth running of the business across the region. This, he noted is the responsibility of the COMESA Ministers of Justice and Attorneys General.

"COMESA is the area and era of creating a digital economy and it is important that we come up with legislation that will spearhead this process and therefore I urge you as you deliberate to ensure that there is speedy implementation of these legislation," Mr. Mwiimbu said.

Among the key agenda items of the meeting was the consideration of the draft legal instruments for the COMESA Court of Justice, draft Charter Regulating the Council of Bureaux, a Report from the COMESA Regional Investment Agency on Board nominations and appointments and a Progress Report of the COMESA Court of Justice.

Addressing the meeting, Judge President for the COMESA Court of Justice, Lady Justice Lombe Chibesakunda said there was need to amend the current COMESA Treaty to remove some identified gaps such as the need to stagger appointment of Judges.

The Court has since presented a paper to the Committee on Legal Affairs on the need to amend various articles of the Treaty to address some of the identified shortcomings.

# Enlisting the Media in Raising Public Awareness on Regional Infrastructure Programmes



Media, Communication and infrastructure experts at the media training and familiarization workshop in Seychelles

In an initiative aimed at strengthening air travel and ICT connectivity, five regional economic communities and the European Union have enlisted the regional media to raise public awareness on the implementation of two projects. These are Support to the Air Transport Sector Development (SATSD) and the Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT).

Both programmes are funded under the 11th European Development Fund through Grant Contribution Agreements each amounting €8 million. They cover regional economic communities (RECs) in the eastern and southern and the Indian Ocean namely; COMESA, East African Community (EAC), Inter-Governmental Authority on Development (IGAD), Southern Africa Development Community (SADC) and Indian Ocean Commission (IOC). COMESA is the lead REC in the implementation. SATSD is a four-year programme aimed 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 Eastern Africa, Southern Africa and the Indian Ocean (EA-SA-IO) region.

The EGEE-ICT programme aims at enhancing the governance and enabling environment in the ICT sector in the EA-SA-IO region by supporting the effective review and/or development of various regional policy and

regulatory framework in a harmonized manner thus contributing to enhanced competition and improving access to cost effective and secure ICT service. It is a four-year programme as well.

Subsequently, a regional media training and familiarization workshop on the two programmes was conducted in Seychelles, 26 – 28 October 2022. It was intended to bridge the knowledge gap in the media industry on aviation and ICT issues for effective reporting and coverage of these regional integration programmes at the national, regional, continental, and global arenas.

Participants at the workshop were drawn from Angola, Comoros, Djibouti, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, Zambia and Zimbabwe. Others were representatives of EAC, IGAD, IOC, SADC and officials from the Ministry in charge of Aviation and Information Communication Technology (ICT) in Seychelles.

Mr. Christian Faure, the Acting Director General, Regional Affairs Department in Seychelles opened the workshop, which was also addressed by COMESA Senior Transport Economist Mr. Bernard Dzawanda.

“Having a single unified air transport market gives an added impetus to the continent’s economic integration agenda in the Single African air transport market,” Faure said. “At

the same time, we are looking at strengthening the inter-regional connectivity of our respective capitals.”

He added: “We are hopeful that this will lead to transformative e-applications and services in Africa; especially in the intra-Africa broadband infrastructure and cyber security in ICT.”

Mr Dzawanda said an informed media plays a critical role in setting the national and regional agenda, thus ultimately influencing the perception of the general public what people think or talk about.

“To fulfil this critical role, media practitioners need to be knowledgeable of the regional issues to enable them to report accurately and factually,” he added.

Participants were conducted on a facility visit to the Seychelles airport and the termination point for an undersea fibre optic cable for deeper understanding of the two infrastructure facilities.

The SATSD and EGEE-ICT are key contributors to the AU flagship projects namely the Pan African e-Network, Policy and Regulation Initiative for Digital Africa (PRIDA) and the Single African Air Transport Market.



Delegates at the validation workshop on the implication of financial technology on financial stability, Nairobi, Kenya

## Stringency in Financial Regulations Improves Fiscal Stability

Since the global financial crisis of 2007, most financial institutions' regulation and supervision mechanisms have become more stringent. This has significantly improved the resilience of supervised financial institutions and thus financial stability.

At the same time, technological advancements in digital financial services, called FinTech, have increasingly taken a center stage in the financial services space. Hence, FinTech has introduced new financial services trends, increasing the number of users expecting fast and easily accessible services available on mobile phones and other electronic platforms. Unlike the traditional banking system, Fintech has strong social and economic potential of providing access to financial services where it is low.

Based on this realization, the Bureau of the COMESA Committee of Governors of Central Banks, meeting in December 2021, directed the COMESA Monetary Institute (CMI) to organize a validation workshop for studies earlier undertaken by Member States' Central Banks on the Implication of Financial Technology (FinTech for short) on Financial Stability.

The studies aimed at better understanding the implications on financial stability of FinTech

and to ultimately inform policy on expanding the reach, improving the quality, and reducing the cost of digital financial services for consumers in the COMESA region.

Subsequently, the CMI conducted a validation workshop on the studies, from 25 – 26 October 2022 in Nairobi, Kenya, attended by delegates from the Central Banks of Burundi, DR Congo, Egypt, Kenya, Malawi, Mauritius, Rwanda, Sudan, Uganda, Zambia and Zimbabwe.

Speaking at the workshop, CMI Director, Dr Lucas Njoroge, noted that whilst FinTech has provided the space for expanding financial services, its advancement could be a source of financial eco-systems instability as it complicates policymaking with challenges for regulation particularly in emerging and developing economies.

"The key finding from most of the studies indicate that FinTech's increase financial stability in the short run but in the long run, they undermine financial stability due to, FinTech's competing with banks to provide loans," Dr Njoroge observed.

In responding to increased competition, he said the banks are compelled to increase propensity

to take risks as well as leveraging on FinTech's to provide relevant services, screen borrowers which reduce credit risks. Further, FinTech's innovation has been leveraged by banks to increase efficiency, provide relevant services and vet borrowers, thereby maintaining profitability and stability.

The main policy recommendations from the studies include the need to pursue robust regulatory framework that continuously identifies emerging risks and vulnerabilities to FinTech adoption and growth. At the same time the framework will strengthen incentives for symbiotic development and prudent behaviour among the FinTechs.

Ultimately, there will be need to promote strong collaboration between incumbent financial services providers and FinTech firms to ensure a safe environment for innovation and stability of incumbent financial system.

# Zambia Launches Time Release Study for Mwami and Nakonde Borders



Zambia's Ministry of Commerce Trade and Industry (MCTI) has launched the findings and recommendations of Time Release Studies conducted at the Nakonde One Stop Border Post (OSBP) and Mwami Border Posts. The study was facilitated by the Zambia Border Posts Upgrading Project.

The launch was conducted on 3rd November 2022 at the Mulungushi Conference Centre in Lusaka, with support of the Common Market for Eastern and Southern Africa (COMESA) European Development Fund (EDF) 11 Trade Facilitation Programme.

The TRS was included in the border upgrade plans for Mwami and Nakonde to provide a baseline against which changes in clearance times for imports, exports and transit cargo would be assessed. The current baseline established under these TRS studies and subsequent assessments to be conducted later in the lifespan of the project will also contribute to the wider COMESA Trade and Transport Corridor Performance Measurement System which COMESA is developing.

Information on the Time Release Study (TRS) was collected by a Technical Working Group from cross border regulatory agencies, truck drivers and small-scale traders at both Nakonde One Stop Border Post and Mwami Border Post.

The launch was hosted by the MCTI, attended by Government ministries of Infrastructure,

Works, Health and institutions in Zambia, including the Zambia Revenue Authority, World Customs Organisation (WCO), Border Agencies representatives, COMESA Secretariat and the EU delegation to Zambia and COMESA.

Speaking at the event Zambia Revenue Authority Representative, Mr Moses Shuko said the studies met the expectations of both the domestic and the international community in reliability of the results, considering that the experts followed the right methodology and the results were thoroughly validated by various stakeholders and customs authorities.

The WCO representative Mr Muller, said the TRS is accepted widely as an evidence based and objective methodology to assess clearance and release times.

"It is seen as the global standard to measure clearance and release times and identify bottlenecks, contributing to the implementation of the WTO Trade Facilitation Agreement (TFA)," he said.

The EDF Programme Manager, COMESA Secretariat, Ms Mshuka Kamwela said part of the motivation to upgrade operational efficiencies at the targeted border posts was that several studies conducted in the region had concluded that border posts on major trade corridors in the COMESA region were characterized by inefficient border clearance

procedures.

"These cause delays in the movement of both trucks and goods leading to increased costs of doing business in the region and consequently lack of competitiveness for regional producers," she added.

The Permanent Secretary of the Ministry of Commerce, Trade, and Industry, Mr John a Mulongoloti, noted that the Nakonde/Mwami TRS brought out encouraging results regarding the clearance times at these borders. They included the minimum time taken for Nakonde border post to clear a truck was one hour 26 minutes. On the other hand, the maximum time taken to clear a truck during the period of the study was 5 days 7 hours and 20 minutes. The average truck clearance period was found to be 1 day and 15 hours from the time of arrival to the time of departure from the common control zone (CCZ).

For the Mwami border post, the study found that the minimum time for clearance of a truck was 22 minutes with maximum delay time of 2 days 23 hours and 42 minutes. The average clearance time was 2 hours and 20 minutes.

"This is an achievement for Zambia although we still need to aspire for international standards which are much lower, for instance, an average of five hours and less and this is what we are working towards," said the PS.



# COMESA Committee on Administration and Budget Convenes Ahead of Policy Organs' Meetings

The COMESA Committee on Administrative and Budgetary Matters conducted its 44th meeting, from 30 October – 2 November 2022 and considered the work programmes and budgets of the Secretariat and its institutions for next year. This committee precedes the policy organs meeting namely the Intergovernmental Committee and the Council of Ministers meeting.

It was attended by senior government officials from the 21 Member States. Key issues on its agenda were to provide technical inputs on the reports dealing with the management of human and financial resources and audit reports of the COMESA Secretariat and its institutions.

These will be tabled before the 43rd Council of Ministers' meeting that will take place on the 01 December 2022 in Lusaka, Zambia.

Secretary General of COMESA Chileshe Kapwepwe addressed the delegates. She urged them to objectively and critically deliberate on these important issues so that appropriate recommendations that would be beneficial to the effective operations of the Secretariat can be made to the Intergovernmental Committee and Council of Ministers for consideration.

The Intergovernmental Committee, which brings together Permanent/Principal Secretaries will be conducted in Lusaka on 29 - 30 November 2022.

# Building Capacity of National Counter Terrorism Centers

Representatives from National Counter Terrorism Centers from nine COMESA countries were conducted on a four-day capacity building training to strengthen their knowledge and experience on counter terrorism measures. The training was also intended to give Member States an opportunity to share lessons and best practices to deal with terrorism.

Kenya, Libya, Somalia, Tunisia, Ethiopia and Uganda attended the first session of the training on 17 – 21 October 2022 while Malawi, Zambia and Zimbabwe participated in the second on 24 – 28 October 2022 in Nairobi, Kenya.

The COMESA Secretariat through the Governance, Peace and Security (GPS) Unit with support from the African Union Commission African Centre for the Study and Research on Terrorism (ACSRT) conducted the training.

Over the last decade, the COMESA region has continued to face security challenges posed by the rise in terrorism. According to the Peace and Security experts, terrorist activities have been on the rise over the years going by the number of attacks, intensity and the number of countries affected in the region. Among the most affected are Egypt, Libya, Kenya, Somali and Tunisia.


However, terrorism attacks and threats have reduced considerably especially in Egypt, Kenya and Tunisia through recent years, mostly due to concerted efforts by the respective countries.

The continued threats of terrorism and violent extremism in the COMESA region prompted the 17th Meeting of Ministers of Foreign Affairs to urge the COMESA Secretariat to provide technical support to its member states as well as strengthen the linkages with the ACSRT Centre on Counter Terrorism.

These will enhance Member States' capacity on counter terrorism and enlighten them on how to deal with traditional and emerging threats. This interaction also enables strengthened collaboration between and among countries to counter terrorism.

## COMESA Diary

Date	Activity	Organizer	Venue/ Format
7 - 10 Nov 2022	The 38th Meeting of the Committee on Trade and Customs	Secretariat	Hybrid
8 - 10 Nov 2022	National workshop on support of Member States in the implementation of International Civil Aviation Organization - Standards and Recommended Practices and Procedures for Air Navigation Services	Secretariat – SATSD Programme	DR Congo
15 - 17 Nov 2022	Meeting of the Bureau of the COMESA Committee of Governors of Central Banks	COMESA Monetary Institute (CMI)	Nairobi
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

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