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REPORT ON THE STATUS OF IMPLEMENTATION AND DOMESTICATION OF COMESA PROGRAMMES IN INFRASTRUCTURE

2019/JBM/lm

TITLE **PAGE**

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ACRONYMS

ACBF	-	African Capacity Building Foundation
ACE	-	African Commerce Exchange
ADB	-	African Development Bank
AGOA	-	Africa Growth and Opportunity Act
AFCAC	-	African Civil Aviation Commission
AFRAA	-	African Airlines Association
AU	-	African Union
ARICEA	-	Association of Regulators of Information and Communications for Eastern and Southern Africa
ATI	-	African Trade Insurance
BADEA	-	Arab Bank for Economic Development in Africa
CAADP	-	Comprehensive African Agriculture Development Programme
CCA	-	Corporate Council on Africa
CCCL	-	COMTEL Communications Company Limited
CDE	-	Centre for the Development of Enterprise
CET	-	Common External Tariff
CICL	-	COMTEL Investment Company Limited
CIDA	-	Canadian International Development Agency
CFC	-	Common Fund for Commodities
COMESA	-	Common Market for Eastern and Southern Africa
COMESANET	-	COMESA Network
COMTEL	-	COMESA Telecommunications Company
CNS/ATM	-	Communication Navigation Surveillance Air Traffic Management System
CSR	-	Common Statistical Rules
EAC	-	East African Community
EDF	-	European Development Fund
EPA	-	Economic Partnership Arrangement
EU/ACP	-	European Union/African Caribbean Pacific
ESA -IO	-	Eastern and Southern Africa and Indian Ocean region
ESAF	-	Enhanced Structural Adjustment Fund
FDI	-	Foreign Direct Investment
FTA	-	Free Trade Area
IATA	-	International Airlines Association
IC	-	Intergovernmental Committee
ICAO	-	International Civil Aviation Organization
ICT	-	Information and Communications Technology
IGAD	-	Intergovernmental Authority on Development
IMO	-	International Maritime Organization
IPA	-	Investment Promotion Agencies
IRCC	-	Inter Regional Co-ordination Committee
IT	-	Information Technology
ITU	-	International Telecommunications Union
LLPI	-	Leather and Leather Products Institute
LAAICO	-	Libyan African Arab Investment Company
LDC	-	List Developed Countries
MEFMI	-	Macro Economic Finance and Monetary Institute
MFN	-	Most Favoured Nation
MFA	-	Multi Fiber Agreement
NAOs	-	National Authorizing Officers
NAPS	-	National Association for the Prevention of Starvation

NDRA	-	National Drug Regulatory Authority
NGO	-	Non-Governmental Organization
NEPAD	-	New Partnership for African Development
NORAD	-	Norwegian Agency for Development
NTOs	-	National Telecommunications Operators
OPIC	-	Overseas Private Investment Capital
PASU	-	Policy Analysis Support Unit
PMAESA	-	Port Management Association of Eastern and Southern Africa
PR	-	Public Relations
RECs	-	Regional Economic Communities
RIA	-	Regional Investment Agency
RIFF	-	Regional Integration Facilitation Forum
RIRN	-	Regional Integration Research Network
RISP	-	Regional Integration Support Programme
RTAs	-	Regional Trading Agreements
SADC	-	Southern African Development Community
SDI	-	Spatial Development Initiative
SNCC	-	National Congolese Railways
SOGA	-	Strategic Objective Grant Agreement
SPS	-	Sanitary and Phytosanitary Standards
SSATP	-	Sub Saharan Africa Transport Programme
TDA	-	Trade and Development Agency
TIFA	-	Trade and Investment Framework Agreement
TRASA	-	Telecommunications Regulators Association for Eastern and Southern Africa
UNCTAD	-	United Nations of Conference Trade and Development
UNDP	-	United Nations Development Programme
UNECA	-	United Nations Economic Commission for Africa
UNESCO	-	United Nations Educational Scientific and Cultural Organization
UPU	-	Universal Postal Union
USAID	-	United States Agency for International Development
USTDA	-	US Trade and Development Agency
USTR	-	US Trade Representative
VSAT	-	Virtual Small Aperture Terminal
WIB	-	Women in Business
WCO	-	World Customs Organization
WMO	-	World Meteorological Organisation
WTO	-	World Trade Organization
ZEP-RE	-	PTA Re-Insurance Company

INTRODUCTION

1. The infrastructure programmes in COMESA are consistent with the Treaty Provisions related to transport, energy and Information and Communications Technology (ICTs). A holistic and corridor-based approach to infrastructure development has been adopted by COMESA and is based on three key pillars i.e. development of priority regional physical infrastructure, policy and regulatory harmonization and facilitation. To monitor progress made and to give policy guidance and make decisions on the implementation of COMESA infrastructure programs and projects, ministerial meetings related to infrastructure are held annually.

2. In this regard, the 10th Meeting of Infrastructure Ministers responsible for Transport, Communications, Information Technology and Energy will be held in Lusaka, Zambia from 3 to 4 October 2017. It will be preceded by the 10th Joint Meeting of Committees on Transport and Communications, Information Technology and the Energy which will be held from 30 September to 2 October 2017.

3. This report highlights for each sector the status of implementation and domestication by Member States of previous Ministerial decisions together with their impact in improving life of citizen and enhancing regional integration.

TRANSPORT

POLICY AND REGULATORY HARMONIZATION

4. COMESA transport policy was developed under the COMESA Transport and Communications Strategy and Priority Investment Plan (COMESA TCSPIP) completed in 2010. This Plan provides the guidelines for Member States to incorporate the regional dimensions of transport as they develop or review their national transport policies.

5. Incorporation of regional policy guidelines in national policies will ensure that national policies are harmonized at regional level thus enhancing harmony with respect to implementation of regional facilitation instruments and the development of the desired regional connectivity in physical transport infrastructure.

6. Harmonization of regulatory regimes in transport is around specific subsectors and follows best practices developed and adopted at international levels with respect to safety and economic regulation in various modes of transport.

7. COMESA has adopted various instruments developed by ICAO under Civil Aviation, the International Maritime Organization (IMO) in maritime transport, the International Union of Railways (UIC) for railways and various international practices developed for road transport with respect to safety as it affects transport infrastructure, equipment and competence of service providers.

8. In the area of economic regulation, COMESA together with EAC and SADC have developed Competition Regulations in air transport and established a Joint Competition Authority to oversee their implementation in the tripartite region. The Joint Competition Authority has not been operationalized due to lack of funding. The African Union Commission through the African Civil Aviation Commission (AFCAC) is progressing these issues under the Single African Air Transport Market (SAATM) programme.

9. In transport facilitation, COMESA has over the years developed facilitation instruments to address the various bottlenecks which arise out of regulatory, licensing and administrative procedures for cross border and transit transport operations.

10. Transport facilitation instruments have been implemented with marked success on the Northern Corridor. The Yellow Card has been used extensively in the region providing convenience to motorists and reducing costs. COMESA Member States stand to benefit from implementing COMESA Instruments in their respective corridors. Failure to do so results in avoidable delays and relatively higher cost of doing business which ultimately harms regional competitiveness. The COMESA Regional Integration Support Mechanism (RISM) provides incentives and monitoring mechanism for the implementation of the transport facilitation instruments among other regionally agreed standards.

COMESA Air Transport Liberalisation

11. It has been globally demonstrated and agreed that air transport liberalization can lead to increased air service levels and lower fares. This will subsequently stimulate additional traffic volumes; facilitating tourism, trade, investment and growth of other sectors of the economy.

12. European experience demonstrated that liberalization of air transport increased competition on many routes, resulted in many more new routes operating and led to a 34% decline in discount fares in real terms. One study demonstrated that each 10% increase in international air services led to a 0.07% increase in GDP.

13. In the African context, the following results were obtained from liberalization;

(i) South Africa – Kenya: An increase in traffic by 69% followed liberal market approach
(ii) South Africa – Zambia: 38% reduction in discount fares and 38% increase in passenger traffic following licensing of low-cost carriers
(iii) Ethiopia – improved profitability following liberalization on a reciprocal basis. On Intra-African routes with more liberal bilateral, Ethiopia realizes between 10-21% lower fares and 35-38% higher frequencies compared to restricted intra-Africa routes.
(iv) Morocco –EU: Open skies agreement led to 160% rise in traffic and the number of routes operating between points in the EU and points in Morocco increasing from 83 to 309 in 2013.

14. The IATA study of 2014, ***Transforming Intra-African Connectivity: The Economic Benefits of Implementing the Yamoussoukro Decision*** which focused on 12 African countries revealed the following benefits of liberalization;

- fare savings, greater connectivity, time savings, greater convenience and positive impact on other sectors of the economy.

15. Member States who do not liberalize will therefore fail to reap some of these benefits.

16. Liberalization of air transport is provided for in Article 87 (3c) and subsequently COMESA Legal Notice No 2 of 1999 became the main regulatory guiding instrument on the licensing of operators, ownership and control of airlines. In addition, the Notice provides granting of traffic rights to designated operators and service frequencies between city pairs in the COMESA region.

17. At continental level, liberalization of the air transport market is based on the Yamoussoukro Decision (YD) which was informed by COMESA Legal Notice Number 2. The African Civil Aviation Commission (AFCAC) is spearheading the creation of a single air transport market in Africa. So far 27 African Union Member States have signed the Solemn Commitment to the Implementation of the YD towards establishment of a single African Air Transport Market. These countries are Benin, Botswana, Burkina Faso, Cape Verde, Central African Republic, Chad, Republic of Congo, Cote d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea Conakry, Kenya, Lesotho, Liberia, Mali, Mozambique, Niger, Nigeria, Rwanda, Sierra Leone, South Africa, Swaziland, Togo and Zimbabwe,

18. Six COMESA Member States namely Egypt, Ethiopia, Kenya, Rwanda, Swaziland and Zimbabwe have signed the Solemn Commitment for the implementation of SAATM.

19. Air transport liberalization in Africa through YD grants the free exercises of 1st, 2nd, 3rd, 4th and 5th freedom traffic to Eligible Airlines; liberalizes tariffs, allows unrestrictive frequency and capacity, allows designation of Eligible African airline by multinationals, ensures fair competition and consumer protection among others.

20. The 24th Ordinary Session of the African Union (AU) Assembly/AU/Decl.1(XXIV) was concerned by the slow pace in implementing the YD and adopted a declaration to establish a Single African Air Transport Market (SAATM) as a flagship project under the Agenda 2063.

21. Under the SAATM, AUC Member States should sign the Solemn Commitment to the Implementation of the YD towards establishment of a single African Air Transport Market.

22. AUC Member States should review their Bilateral Service Agreements to comply with SAATM requirements and should also grant Fifth Freedom Rights.

23. The AUC together with RECs and Member States are developing Model Regulations for negotiating Bilateral Air Service Agreements with third parties.

24. The 30th AU Summit held in January 2018 adopted a Decision on specific actions to be taken in establishing the SAATM which include;

(i) Taking effective steps to engage African States who have not yet signed the solemn commitment to do so;

(ii) Ensuring that Members States that have joined SAATM harmonize their BASAs to be compliant with the provision of the YD;

(iii) Ensuring awareness and dissemination of the YD Regulatory and Institutional Texts;

(iv) Undertaking capacity building in Member States and RECs on the application and domestication of those instruments,

(v) Expediting mobilisation of resources for the operationalisation of the Executing Agency (AFCAC) to enable it adequately carry-out its functions in the management and supervision of the established SAATM.

25. A 2013 study to determine the level of implementation of the Legal Notice No 2 of 1999 in the COMESA region highlighted the following difficulties and constraints;

(i) Non-enforceability and lack of enforcement mechanism of Legal Notice No 2 as it had not been domesticated by any member State.

(ii) Absence of a follow up mechanism

(iii) Continued use of bilateral air services agreements to implement the regional air transport liberalization programme.

(iv) Lack of harmonized regulations that would facilitate the implementation process.

(v) Reluctance by States that claim to have weak airlines to embrace full implementation as their airlines do not derive direct benefit from the process. These States are also concerned that full implementation would drive their national carriers out of business.

(vi) Inadequate capacity of most COMESA air carriers to participate fully in the liberalization process. Only a few airlines are participating in the process and benefiting from it.

(vii) Lack of political will to live up to the commitment of full implementation of the liberalization programme.

26. The status of regional airlines projects includes a combination of success and failures;

(i) Most of the major regional airlines managed to expand their route networks, the small airlines have experienced notable challenges over the recent years. Some major airlines forged alliances and strategic partnerships with other major global industry players, a development that has improved service delivery and viability.

(ii) The injection of big modern aircraft by some COMESA Member States and other States in the East and Southern Africa (ESA) region like Ethiopian Airlines, Kenya Airways, Egypt Air, Air Mauritius and South African Airways has increased capacity and improved services.

(iii) Other airlines such as Rwanda-air, have expanded their regional and continental footprint.

27. While Member States apply Legal Notice Number 2 to some extent, rights are granted on a selective basis, influenced by the need for reciprocity. Failure to implement Legal Notice No.2 Phase II is attributed to weak enforcement and follow up mechanism, lack of harmonized competition regulations in the region to manage the liberalized market, failure to domesticate the instrument and weak balance sheets on the part of carriers that inhibit full exploitation of the opportunities of liberalization.

28. **Recommendations**

(i) Member States should incorporate Legal Notice No. 2 in their national legislations;

(ii) Member States should sign the Solemn Commitment to the Implementation of the YD towards establishment of a single African Air Transport Market.

(iii) Member States should review their Bilateral Service Agreements to comply with SAATM requirements;

(iv) Member States should grant Fifth Freedom Rights as provided for by Legal Notice Number 2 and YD as opposed to the current selective approach based on Bilateral Air Service Agreements;

29. The Civil Aviation programmes covered in the report include Liberalization of Air Transport and the CNS/ATM Systems Project. Civil Aviation activities and projects will be covered in a separate report of the Directors of Civil Aviation.

Surface Transport

30. The COMESA Protocol on Transit Trade and Transit Facilities (Annex 1 of the COMESA Treaty) identifies the various Transit Transport Facilitation Instruments that can be used in the COMESA region.

Road Transport Facilitation

31. The road subsector currently commands the largest market share in terms of freight and passengers' traffic in the COMESA region. The rail subsector used to be the primary mode of transport in pre-independence era. Transport facilitation across borders is actively undertaken to reduce the cost of conducting business in the COMESA region. The COMESA Trade and Transport Facilitation Instruments have been developed over time to address the various bottlenecks arising from lack of harmonization in policy, regulatory, administrative and procedural regimes among the member countries

32. The COMESA transport facilitation instruments have been developed to address issues such as licensing of transit and cross-border transporters, third party insurance, harmonization of axle load limits, vehicle overload control, gross vehicle masses, vehicle dimensions and road user charges.

33. It has been noted that failure to implement COMESA facilitation instruments has been primarily due to lack of domestication at national level to provide for the enabling legal regimes to underpin their implementation, lack of capacity to undertake oversight and the enforcement of the relevant protocols and Council decisions.

34. The Northern Corridor assessment studies stakeholders recommended:

(i) Establishment of legal and institutional frameworks for issuing licenses, collection of road user charges and weighbridge management by the designated institutions and agencies;
(ii) Designation of national institutions to issue COMESA Carrier licenses in each country;
(iii) Sensitization of the various stakeholders who include the national regulatory authorities, transport service providers and freight forwarders on the agreed modalities for issuance of licenses; and
(iv) Setting up of effective coordination among the licensing and various oversight authorities among the six countries on the Corridor to address the problems that may arise from time to time.

35. Member States have made progress in the implementation of some of the instruments to varying degrees, and those who have made substantial progress have realized tangible benefits through reduction in delays, duplication of effort and costs.

The COMESA Carrier License

36. The COMESA Treaty provides for the issuing of a COMESA Carrier License to facilitate movement of trucks across the COMESA region under one license. The Carrier License draws its legitimacy from the COMESA Council Decision of 1990.

37. A study conducted on the Northern Corridor in 2014 on the use of the COMESA Carrier License revealed differences in the issuing requirements by Member States. Variations were also observed in the license fees and Road User Charges levied by Member States.

38. The COMESA Virtual Trade Facilitation System (CVTFS) which has been implemented on some corridors in COMESA will incorporate the Carrier License among other transit instruments in its electronic monitoring transit and cross border transport operations along the respective corridors.

39. At the Tripartite level, €18million Tripartite Trade and Transport Facilitation Programme (TTTFP) to be funded by the European Union under EDF11 has been provided. Under this programme an Eastern and Southern Africa wide carrier licensing system will be undertaken to ensure that transport service providers can be issued with a single license which can enable them to provide services across the region without facing multiple licensing as currently obtains. Recruitment of consultants to manage the programme is at an advanced stage.

40. A review of legislation and implementation status of the COMESA Carrier License will be undertaken under the COMESA Specific Activities component of the TTTFP under EDF11. This will be followed by the development of procedures and guidelines.

Axle Loads Limits and Vehicle Overload Control

41. The COMESA Treaty in Article 85 (j) mandates Member States to adopt common rules and regulations governing the dimensions, technical requirements, gross weight and load per axle of vehicles used in the COMESA region. The Council Decision of 1992 brought the instruments for implementation.

42. The regional road network constitutes vital infrastructure for the transportation of freight within the COMESA region and even for seaborne international freight that transits through the Member States. The harmonization of Axle Loads Limits and Vehicle Overload Control across the Member States is intended to ensure that vehicles operating on the road networks comply with the pavement design standards. This compliance will reduce damage to the road infrastructure and hence avoid heavy expenditure in maintenance or rehabilitation as roads fail to meet their design lives.

43. Regional Vehicle Overload Control for COMESA, EAC and SADC has been harmonized through adoption of similar axle loads and Gross Vehicle Mass (GVM) standards applicable for the entire Eastern and Southern Africa region. The TTTFP seeks to accelerate the implementation of the standards at Tripartite level.

44. The EAC Legislative authority has already passed legislation to pave way for the implementation of the agreed regional axle load limits and the 56 tonnes GVM.

45. The status of implementation by Member States of the COMESA transport facilitation instruments namely Harmonized Road Transport Charges (HRTC); Axle Load Limits (ALL); Harmonized Vehicle Dimensions (HVD); COMESA Carrier License (CCL); and Air Transport liberalization (in line with Legal Notice No.2 of 1999) is provided in Annex 1 while the status of implementation by Member States of Yellow Card and Custom Bond Guarantee is provided in Annex 2.

46. The Tripartite (COMESA, EAC AND SADC) has developed a Vehicle Load Management Strategy and Implementation Plan and a Vehicle Load Management Memorandum of Understanding that were validated at the Addis Ababa Workshop in April 2015. A Tripartite Transport and Transit Facilitation Programme (TTTFP) which seeks to improve transportation and transit facilitation in the Eastern and Southern Africa region has been developed as well. The following elements of the TTTFP are currently going through the validation process;

(i) Tripartite Vehicle Regulations and Standards;
(ii) Training and Licensing of Commercial Drivers;
(iii) Harmonization of Cross Border Third Party Motor Vehicle Insurance Schemes;
(iv) Proposed Self-Regulatory Scheme –Road Transport Management System;
(v) Tripartite Transport Registers, Information Platform and System [TRIPS];
(vi) Draft Multilateral Cross Border Road Transport Agreement [MCBRTA]; and
(vii) Implementation Plan for Harmonised Tripartite Cross Border Road Transport Regulations and Standards

47. ***Recommendations***

(i) Member States should note the initiatives on road transport facilitation.
(ii) The meeting is invited to urge Member States to participate fully in all tripartite workshops, domesticate and implement regionally agreed facilitation instruments

Road Safety Management

48. A review of national legislation on road safety management and awareness campaigns will be undertaken under the COMESA Specific activities of the EDF11 TTTFP.

Management and Maintenance of Road Infrastructure

49. Management and maintenance of regional roads network is important because it is the primary mode of transport for both freight and passengers in the COMESA region, currently accounting for the bulk of freight.

50. In view of the relative importance of the road subsector, COMESA countries have undertaken road sector management reforms addressing financing maintenance, rehabilitation and construction of new roads in line with similar developments in the rest of the African continent and other parts of the world.

51. In this respect, most of the countries in COMESA have established dedicated Road Funds and Road Development Agencies to undertake maintenance, and development of roads for both the regional and national road networks. Among the COMESA countries that have established such funds and road authorities are: Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

52. The main source of funds for road maintenance has been the fuel levy while funding for new construction and rehabilitation has been through government capital budget allocations, borrowing from development banks and funds from cooperating partners provided either as loans or grants.

53. The status of countries with respect to the reforms and establishment of road development, maintenance and management institutions is shown on the Table 3 below:

Table 3: Established Road Institutions

Country	Road Fund	Road Development Authority/Agency	Comments
Burundi	Yes	Yes	
Comoros			
Congo DR	No	No	
Djibouti		Yes	
Egypt	Yes	Yes	
Eritrea	Yes	Yes	
Ethiopia	Yes	Yes	
Kenya	Yes	Yes	Has 3 authorities responsible for national, rural and urban roads
Libya	Yes	Yes	
Madagascar	Yes	Yes	
Malawi	Yes	Yes	
Mauritius			
Rwanda	Yes	Yes	
Seychelles			
Sudan	No	Yes	
Swaziland	Yes	Yes	
Uganda	Yes	Yes	
Zambia	Yes	Yes	
Zimbabwe	Yes	Yes	

Railways Operations and Management

54. The rail network in the COMESA countries comprises a mixture of one meter, Cape gauge and Standard Gauge (SGR). Egypt has segments comprising standard gauge and other broader gauges.

55. The railway sector has seen an increase in investment in railways especially in East Africa. Ethiopia has completed a 750km standard gauge railway (SGR) line linking Addis Ababa to Djibouti Port constructed at a cost of $3.77billion dollars. Ethiopia has also constructed an urban commuter rail system in Addis Ababa which became operational in September 2015.

56. Kenya has completed the construction of the 609km Standard Gauge Railway at a cost of about $3.8billion. This completed phase of the broader project will have an immediate economic impact on the Kenyan economy and the region as a whole. It will immediately reduce congestion of the road between Mombasa and Nairobi and has reduced transit and travel times from about 3 days to 10-12hours and the cost of transportation.

57. The share of rail traffic both in terms of freight and passengers has over the last three decades declined drastically. This decline has resulted in the railways losing revenue and incurring heavy losses in the provision of services and hence turning to governments for subventions to remain afloat.

58. In trying to improve the performance in the railways and reduce dependence on the public funds to stay in business, governments have tried to adopt new options to address the challenges the railway have faced over time. The options have included concessioning of the railways or restructuring of management. On the extreme end,

closure of some branch lines has taken place. In the last fifteen years, concessioning of railways has been undertaken in Malawi, Zambia, Kenya, Zimbabwe and Uganda.

59. The concept of multiple accesses to the rail network has not yet been adopted for implementation in any of the COMESA railways. Most concessions have failed due to their inability to address infrastructure which is key to railway operations. In several cases, performance has deteriorated (in terms of services and condition of infrastructure) compared to the times prior to the concessioning.

60. The various initiatives pursued so far have not addressed the fundamental issues affecting the railways. All the initiatives this far have been at national level. There is need to adopt a regional solution where the railways operate as one unit to effectively compete against road.

61. The fragmented nature of railway operations has contributed to the non-standardized and poor service quality due to poor coordination.

62. At their Sixth Meeting held in Lusaka in October 2012, the Ministers responsible for infrastructure, directed that under the Regional Railways Initiative (RRI), appropriate model instruments be prepared to guide governments and railways authorities in the region when dealing with the following issues;

(i) Concession agreements,
(ii) Open access agreements that provide for separation in the ownership and management of infrastructure and operation; and
(iii) Inter-railway working agreements to enable single invoicing and locomotive and rolling stock interchange. Most Inter-railway agreements provide for locomotive and rolling stock interchange although it is rolling stock (wagons) that are mostly interchanged.

63. Funding has not been secured to prepare the above model instruments which may need to be reviewed given the evolving business environment.

64. The African Union Commission is planning under Agenda 2063 to develop a continental high-speed standard gauge train infrastructure linking major capitals. Exploratory work is underway to develop a working relationship with China on this project. This project requires coordination at REC level.

Corridor Development and Management

65. The Corridor concept remains the primary approach in developing both regional transport infrastructure and facilitation measures following the adoption by all RECs in Africa and in many parts of the world. In this respect, facilitation measures which include the COMESA transport facilitation instruments are in line with this approach

66. In line with the COMESA Authority's directive of February 2015, establishment of the Djibouti Corridor Authority is at an advanced stage where the Corridor Agreement is on the verge of being signed.

67. The 10th Meeting of COMESA Ministers of Infrastructure held in Lusaka, Zambia in October 2017 decided the Port Sudan Corridor be established.

68. ***Recommendations***

(i) Member States should adopt and implement COMESA Transit instruments to improve corridor efficiency

(ii) Member States to continue with programmes to upgrade and maintain corridor infrastructure and facilities

(iii) Djibouti Corridor States should be urged to sign the Corridor Agreement.

One-Stop Border Posts (OSBP)

69. One of the areas where trade conveyed by surface transport encounters serious delays is at border posts when crossing frontiers across countries. Most of the border posts in the Eastern and Southern Africa region have been causing major bottlenecks to the flow of traffic resulting in long delays and high costs for transit and cross border operations.

70. It has been estimated that the cost of current delays at border post crossings in the region is estimated at US$600,000 per day. Delays at border posts involve duplication of customs, migration, police, agriculture and health formalities are costing traders millions of dollars and are retarding the growth of intra-African trade significantly. The delays, sometimes as long as three days, also create many opportunities for corruption, which further increases the cost of trade and harms investment in the region.

71. The delays have been caused by a wide range of factors but primarily due to duplicated documentation and processing on each side of the border. To reduce these delays the ESA region has embarked on the development of one stop border posts along the corridors as a means for reducing long dwell times at border hence reducing the time and cost incurred when crossing borders.

72. One Stop Border (OSBP) posts are one of the continents highest priorities. The OSBP sourcebook has been revised and launched, updated by JICA, NEPAD and AfDB with contributions from the RECs. The North South Corridor has the following border posts, which needs efficiency enhancement either through the Establishment of OBSP, or improvements in the ICT and operational procedures.

Table 4: Border Posts in the North-South Corridor

	Name of Post	**Countries Joined**
1	Kasumbalesa	DR Congo - Zambia
2	Tunduma BP	Tanzania - Zambia
3	Songwe	Tanzania - Malawi
4	Victoria Falls	Zambia - Zimbabwe
5	Chirundu	Zambia - Zimbabwe
6	Kazungula	Zambia - Botswana
7	Mchinji	Zambia - Malawi
8	Zobue	Malawi - Mozambique
9	Dedza	Malawi - Mozambique
10	Beit Bridge	Republic of South Africa - Zimbabwe
11	Lobatse	Republic of South Africa - Botswana
12	Gaborone	Republic of South Africa - Botswana
13	Martin's Drift	Republic of South Africa - Botswana
14	Nyamapanda	Zimbabwe - Mozambique

73. To enhance and reduce the border delays, thereby reducing the cost of doing business, OSBPs are one of the means of tackling such impediments by reducing the times

and cost of cross border transactions. OSBPs provide the legal framework, facilities and associated procedures within one facility that will enable faster clearance when vehicles exit one state and enter one. Further OSBPs increase public safeguard and revenue collection at borders.

74. In addition, common operating procedures for all border agencies have been developed. It has also included the procurement and installation of electronic data processing facilities, improvement of communications to exchange data and capacity building for all agencies staff to be able to apply the common operating procedures developed for the one stop border posts.

75. The ESA region has now operationalised three border posts namely; Chirundu (Zambia/Zimbabwe), Malaba (Kenya/Uganda) and Nemba (Rwanda/Burundi). In a good number of other border posts, work has already begun for development as OSBPs. These are at various stages of development as indicated in Table 5.

Table 5: Progress on establishment of OSBPs

#	Name of Border Post	Neighbouring Partner States		Stage	Comments
1.	Kagitumba	Rwanda	Uganda	Completed	Completed
2.	Nemba	Rwanda	Burundi	Completed	Completed
3.	Ruhwa	Rwanda	Burundi	Completed	Completed
4.	Rusumo	Rwanda	Tanzania	Completed	Completed
5.	La Corniche	Rwanda	DR Congo	Ongoing	March 2017
6.	Gatuna border post	Rwanda	Uganda	Construction	End 2017
7.	Akanyaru Haut	Rwanda	Burundi	Feasibility Studies	Ongoing
8.	Rusizi 1	Rwanda	DR Congo	Feasibility Studies	Ongoing
9.	LungaLunga/Hororo	Kenya	Tanzania	Completed	Completed
10.	Taveta	Kenya	Tanzania	Completed	Completed
11.	Namanga	Kenya	Tanzania	98% Complete	Ongoing
12.	Isebania/Sirari	Kenya	Tanzania	Completed	Completed
13.	Busia/Busia	Kenya	Uganda	Completed	Completed
14.	Malaba/Malaba	Kenya	Uganda	98% Complete	Completed
15.	Tunduma/Nakonde	Tanzania	Zambia	Under Construction	Under Construction
16.	Kasumulu/Songwe	Tanzania	Malawi	Inception Stage	
17.	Mutukua/Mutukula	Tanzania	Uganda	Operational	
18.	Kanyaru	Kanyaru	Burundi	Rwanda	Juxtaposed OSBP
19.	Kagitumba	Mirama Hills	Rwanda	Uganda	Operational
20.	Gatuna	Katuma	Rwanda	Uganda	Under Construction
21.	Mugina	Manyovu	Burundi	Tanzania	Not yet designed
22.	Kobero	Kabanga	Burundi	Tanzania	Operational

76. **Challenges -** Implementation of the OSBP in the region has not gone on without major challenges and opportunities. The following are some of the notable challenges presented by Partner States, during the launch of the OSBP Source Book Second edition;

(i) Different political will to implement OSBP process, especially on taxation;

(ii) External funds for OSBP tend to ignore construction of accommodation at borders which indirectly influences the flow. Accommodation are in most cases not budgeted for and officers resides far from the border crossing due to the non-availability of accommodation facilities;
(iii) Most of the electronic systems of taxation and movements are different and not compatible;
(iv) Arbitral Fees and Charges imposed;
(v) Un harmonized Working Hours at the border posts;
(vi) Varying weights at the Weigh Bridges across the region and different weighing scales with different tolerance limits;
(vii) Multiple Weighbridges and Road Blocks along the transit corridors;
(viii) Lengthy Procedures and Non-Tariff Barriers;
(ix) Accumulation of trucks at weighbridges and border crossings causing congestion and delays;
(x) Frequent systems downtimes
(xi) ICT Interconnection in some OSBP;
(xii) Most of the OSBP are far from the Municipal water reticulation areas as such they are faced with challenges with water problems,
(xiii) Unreliable Power supply,
(xiv) Exchange of information across borders not seamless (not automatic, not even with SCT),

77. ***To enhance effectiveness on the operations of border post, the following recommendations are made;***

(i) The meeting is invited to urge Member States to install backup power services, to reduce downtown time due to load shedding and power outages,

(ii) All agencies working at border posts to be harmonized if countries are to easily facilitate movement of goods and persons at their borders;

(iii) Integrated Border Management (IBM) and not just OSBP – national and. international coordination and cooperation among all relevant authorities and agencies involved in the protection of the interests of the state at the border to establish efficient and coordinated border management, to reach the objective of open, but well controlled and secure borders

Maritime and Inland Water Transport

78. The Maritime transport subsector will cover ports and shipping in both deep sea and inland waterways in the COMESA region.

Maritime Ports

79. The maritime ports considered here consist of the deep-sea ports serving the COMESA region and located in the Indian Ocean, the Red Sea and the Atlantic Ocean. In 2016, several ESA ports serving the COMESA trade recorded increased performance in cargo traffic both in (DWT) and container traffic in (TEUs) compared to 2015.

80. In 2016, the port of Mombasa handled a total of 27.36 million tonnes of general cargo up from 26.73 million tonnes in 2015, a growth of 2.4%. Container traffic increased from 1 076 118 in 2015 to 1 091 371 TEUs in 2016 representing an increase of 1.4%

81. In the case of Durban general cargo volume declined by 2.2% from 42 372 484 in 2015 to 41 458 122 tonnes in 2014 and container traffic declined by 7.1% from 2 820 335 TEUs in 2015 to 2 620 026 TEUs in 2016. All South African ports recorded a general decline in traffic between 2015 and 2016.

82. Port Louis in Mauritius registered an increase in both TEUs and general cargo between 2015 and 2016. Container traffic increased from 361 109 TEUs in 2015 to 388 514 TEUs in 2014 representing a 7.8% increase while cargo volume increased by 6.3% from 6 840 673 in 2015 to 7 273 377 tonnes in 2016.

83. Harmonization of port statistics and information dissemination for the various stakeholders remains an important issue for the ESA region. The study carried out under the auspices of the Tripartite in collaboration with the PMAESA Secretariat to facilitate the improvement of the collection and compilation of Port Statistics and Performance Indicators indicated that there would be tangible benefits in harmonizing the statistical systems among the ESA ports.

84. This study has recommended a second phase where the actual work undertaking the systems harmonization would be carried out. This would require the development of common port information systems or interfacing with the ones that are already in existence in individual ports to them to extract the data and produce the agreed reports in a common format.

PHYSICAL INFRASTRUCTURE CONNECTIVITY

Air Transport

85. Aviation has the potential to make an important contribution to economic growth and development in Africa. Air transport can open markets, facilitating trade and enabling African firms to link into global supply chains. It plays an especially pivotal role in just in time global manufacturing production and in speeding fresh produce from agricultural communities in developing economies to markets in the industrialized world. Enhancing air connectivity can help raise productivity, by encouraging investment and innovation, improving business operations and efficiency. Air transport is indispensable to tourism where convenient air service facilitates the arrival of larger numbers of tourists to a region or country.

86. The COMESA Treaty (Article 87) recognizes the importance air transport and as such clearly spells out activities that COMESA Member States should engage in to ensure efficient and effective air transport services.

Table 5: Regional Distribution of Scheduled Traffic for 2015 and 2016 – Total International and Domestic Services

	Passengers Carried (000)		**Passenger Kms (millions)**		**Freight Tonne-km**
Region	2015		2015	2016	2015
Europe	927 757		1 765 131	2 526 249	43 088
Global share (%)	26.3		26.7	36	21.8
Africa	**73 979**		**142 924**	**210 989**	**3 339**
Global share (%)	**2.1**		**2.2**	**3**	**1.7**
Middle East	186 705		606 406	1 052 604	28 022
Global share (%)	5.3		9.2	15	14.2

Asia & Pacific	1 205 703		2 108 450	2 035 034	78 075
Global share	34.1		31.9	29	39.5
North America	878 458		1 629 202	912 256	39 294
Global share (%)	24.9		24.7	0.13	19.9
Latin America & Caribbean	260 172		349 353	280 694	5 731
Global share (%)	7.4		5.3	4	2.9
Total	3 532 774		6 601 465	7 017 357	197 549

Source: ICAO

87. According to the International Civil Aviation Organization (ICAO), a total of 3.7 billion passengers was carried on scheduled services in 2016 representing a 6% increase over 2015. The growth rate is however lower than the 7% achieved between 2014 and 2016. Over 50% of the world's international tourists were transported by air. In terms of trade, air transport carries about 35% of world trade by value. Over 90% of Business to Consumer (B2C) e-commerce was transported by air.

88. Africa's share of air passenger and freight business is very low at 2.2% and 1.7% in 2015 respectively. Passenger market share increased to 3% in 2016 but this is very low by any standard.

89. A review of the performance of COMESA airlines by country over 40 years from 1975 to 2015 will show very significant growth for some of the airlines and also significant decline for some. Ethiopia, Kenya, Egypt and Mauritius show major growth over the years while Zambia, Malawi and Uganda demonstrate a major decline.

Table 6: COMESA Passenger Traffic

Country	**1975**	**2015**	**% Growth**
Burundi			
Comoros			
Congo D R	305 000	476 353	56.18
Djibouti			
Egypt	542 500	10 159 464	1772.71
Eritrea	-	53 074	
Ethiopia	231 600	7 074 780	2 954.74
Kenya	171 500	4 874 590	2 742.33
Libya	190 200	2 566 466	1 249.35
Madagascar	168 000	546 946	225.56
Malawi	51 700	6 011	(88.37)
Mauritius	23 000	1 466 527	6 276.20
Rwanda	-	645 815	
Seychelles	-	497 496	
South Africa	1 519 000	17 188 888	1 031.59
Sudan	124 700	496 178	297.90
Swaziland			
Uganda	171 500	41 812	(75.62)
Zambia	187 400	11 797	(93.70)
Zimbabwe	267 400	370 164	38.43

90. ***Recommendations***

(i) Airlines that have suffered a major decline or sluggish growth should benchmark against those that have realized significant growth.

(ii) Member States need to invest in new planes and revamp their aviation infrastructure.

(iii) Regional airlines should consider entering strategic partnerships with other global leading airlines

MEMBER STATES UPDATES – Civil Aviation infrastructure

91. Member States will be requested to provide updates on civil aviation developments in their respective countries.

COMESA CNS/ATM Project

92. The COMESA Treaty [Article 87(3g)] mandates COMESA Member States to "consider ways to develop, maintain and co-ordinate in common, their navigational, communications and meteorological facilities for the provision of safe air navigation and the joint management of their airspace".

93. In pursuit of this objective, COMESA secured grant funding ($9.6million) from the African Development Bank to carry out a feasibility study for COMESA Airspace Integration in 2011. The objective of the project is to establish a single seamless upper airspace in the COMESA region to improve performance in terms of safety, efficiency, cost effectiveness and environmental impact through deployment of modern equipment and infrastructure facilities in the COMESA region. The feasibility study had three study components;

(i) Establishment of Regulatory Framework and Agency
(ii) Establishment of a Cooperative Legal and Institutional Regional Framework and
(iii) Assessment of Technical and Financial Feasibility.

94. In February 2014, during the Council of Ministers of COMESA meeting in Kinshasa, Democratic Republic of Congo, a decision was taken for Member States to support the implementation of the CNS/ATM Systems Project in full collaboration with all stakeholders including security and military authorities at national and regional levels.

95. The three studies were successfully completed, and deliverables were subsequently considered and approved by the Directors General of Civil Aviation. They are presented for consideration and approval by the Joint Technical Committee;

96. The first study (Cooperative Legal and Institutional Framework) was successfully completed in September 2016 as per the contract. The deliverables are;

(i) Regulations establishing the COMESA Seamless Upper Airspace
(ii) Report on the Establishment of a Cooperative Legal and Regulatory Framework for a Unified Single Upper Airspace in the COMESA Region

97. The second study (Regulatory Framework and Agency) was completed in October 2016 as per contract. Deliverables of this study were the following;

(i) Assessment report on Establishment of a Regulatory Framework and Agency for the COMESA Airspace Integration Project;
(ii) Agreement for the setting up of the COMESA aviation Agency;
(iii) Civil-Military Interface Framework and Model MoU for the establishment of National Civil/Military Committees;

(iv) Model Air Navigation Safety and Economic Regulations and Guidelines;
(v) Framework for the Business and Strategic Plan of the Agency.

98. The third study (Technical and Financial Feasibility) was completed on the 30th of June 2017. The Report in summary provides for a phased approach in establishing the Single Seamless Upper Airspace in the COMESA region as follows;

Phase 1: Establishment of a Seamless Upper Airspace

99. The First Phase (Phase 1) of implementation of the Study aims at the establishment of a seamless upper airspace with the existing Flight Information Regions (FIRs) in accordance with the ICAO Global Air Navigation Plan provisions. This Phase will thus consist of increased harmonization and improvement of the existing services by focusing on implementable arrangements that will increase interoperability. Performance and benefits of Phase 1 will be monitored and reviewed before a decision can be made to move to Phase 2.

Phase 2: Establishment of sub-regional Clusters

100. Phase 2 aims to establish four (4) Clusters of FIRs defined according to States' geographical proximity and on the major traffic flows and areas of routing within COMESA Region i.e.;

(i) COMESA North: Djibouti, Egypt, Eritrea, Ethiopia, Libya and Sudan
(ii) COMESA Centre: Burundi, Democratic Republic of Congo, Kenya, Rwanda and Uganda
(iii) COMESA South: Malawi, Swaziland, Zambia and Zimbabwe
(iv) COMESA Oceanic: Comoros, Madagascar, Mauritius and Seychelles.

Phase 3: Integration of airspace

101. For the third Phase, the Final Report proposes the establishment of four (4) Upper Area Control Centers (ACCs). It defines the ACCs functions in terms of their roles and interface with Member States, the International Civil Aviation Organization and other relevant organizations including the relationship with the COMESA Secretariat to ensure that the ACCs agenda and priorities are consistent with the COMESA mandate on civil aviation matters. The proposed structure for the ACCs is informed by a clearly defined Vision, Mission and Objectives of the project, structure, membership and organs.

102. The study recommends that, in accordance with the wish of Member States, progression from one phase to the next will be based on a critical review of the current phase**.**

103. Establishment of the COMESA Seamless Upper Airspace will result in the following benefits;

(i) Improved safety through harmonization of safety policies and procedures, seamless service and total interoperability between Area Control Centers (ACCs)
(ii) Improved efficiency due to reduced fragmentation of services and routing inefficiencies
(iii) Cost effectiveness due to efficient and better organized Air Navigation Services (ANS)
(iv) Positive environmental impact through reduction in fuel consumption and emissions occasioned by route optimization and improved efficiency

(v) Improvements in resource and information sharing through regional data centers
(vi) Improved capacity and coordination through flexible use of the airspace by the civil and military
(vii) Improved services

104. The 10th Meeting of COMESA Ministers of Infrastructure approved the 3 reports from consultancy and decided that the following be adopted;

(i) Regulations establishing the COMESA Seamless Upper Airspace (Cooperative Legal and Institutional Regional Framework) and its annexes;
(ii) Agreement for the setting up of the COMESA Aviation Agency and its organization structure;
(iii) Civil-Military Interface Framework and Model MoU for the establishment of National Civil/Military Committees;
(iv) Model Air Navigation Safety Regulations;
(v) Framework for the Business and Strategic Plan of the Agency;
(vi) Model Air Navigation Economic and Performance Regulations and Guidelines; and
(vii) Funds initially allocated for Design and Transaction Advisory Services Study (US$1.7 million) be used for the implementation of activities recommended under the three phases.

105. Deliverables (Agreement and Regulations) of the three completed studies were approved by the 10th Meeting of COMESA Ministers of Infrastructure in October 2017;

1. The Grant Disbursement Period was extended to 30th June 2019 to allow completion of the 4th Study, setting up of the Agency and implementation of some of the recommendations from the three completed studies.

2. The AFDB insisted that the 4th Study on Transaction Advisory Services be undertaken as it was part of the project design. COMESA Secretariat subsequently launched a tender for consulting services in this regard.

106. The Agreement and Regulations developed under the three completed studies went through the Legal Drafting Committee and subsequently approved by the Committee of Ministers of Justice and Attorneys General before submission to the 34th COMESA Council;

107. COMESA Council referred the documents back to technical experts for further consideration following reservations raised by Egypt and supported by other Member States. The Meeting of the Directors of Civil Aviation held in Lusaka Zambia on 1st and 2nd October 2019 agreed to hold a specific meeting to address the matter in Cairo Egypt based on the following;

(i) Egypt will submit their proposals to address their reservations and roadmap for the project to COMESA for circulation to other Member States before the meeting;
(ii) Member States with useful proposals to submit same to COMESA before the meeting for circulation to other Member States;
(iii) The Directors of Civil Aviation will be accompanied by their Technical Experts and Members of the Steering Committee to this meeting. Egypt will host a meeting of Directors of Civil Aviation in Cairo to review the implementation of the project on dates to be communicated to COMESA in due course; and
(iv) Member States will participate using their own resources.

Road

108. The Corridor development concept remains the primary approach in developing both regional transport infrastructure and facilitation measures following the adoption by all RECs in Africa.

109. In this respect, the COMESA programming and other RECs have taken an integrated approach to infrastructure development using the corridor approach along the key ESA regional corridors. The rehabilitation of infrastructure, the implementation of One Stop Border Posts (OSBPs) procedures and the monitoring of NTBs has proceeded primarily along corridors in the region.

110. The North-South Corridor (NSC) was designed as a cross-border transit and transport value chain to address transport constraints in a sequenced and multi-modal way. COMESA, EAC and SADC decided that the Tripartite would replace the traditional national approach to transport corridor development, with a regional approach. The NSC was therefore chosen as a pilot project following the donor conference held in Lusaka in 2009.

The NSC programme comprises inter-related projects that address: road infrastructure; road transport facilitation; management of railway systems and rail infrastructure; physical and procedural improvements at border crossings; port infrastructure; management of air transport; and energy interconnectors.

111. The aim of the NSC Programme is to address both physical and non-physical bottlenecks along the corridor. It is engineered to implement an economic corridor-based approach to trade facilitation and reduction of costs of cross-border trade in sub-Saharan regions. The North-South Corridor is a flagship infrastructure and trade facilitation programme.

Status

112. Good and steady progress has been made in implementing projects along the NSC - corridor. However, there are few operational challenges namely financial and technical capacity given complexities arising from cross border infrastructure development using different funding mechanisms, as well as the challenge of creating a pipeline of bankable projects.

113. Mechanisms have been put in place to improve creation of a pipeline of projects through cooperation with development partners. A pipeline of priority projects has been developed and resources, including technical assistance have been made available to accelerate project preparation.

NSC Road Network Rehabilitation - Project Prioritization

114. In 2009, COMESA on behalf of the tripartite commissioned the University of Birmingham to analyse the entire NSC Aid-for-Trade road network, using the Highway Development and Maintenance Model (HDM4). The purpose was to assess the network's condition and determine the cost and benefits of maintaining it in good condition for the next 20 years. The HDM4 analysis, coupled with a visual inspection of the road network, determined road project rehabilitation and maintenance schedules and costs. Roads were classified as (i) "poor", requiring immediate rehabilitation (Red Category), (ii) "fair", requiring rehabilitation in 2-5 years (Amber Category); or (iii) "good", requiring no more than routine maintenance in the medium term (Green Category). Refer Annex 3.

115. The outcomes of the study enabled COMESA to prioritize road links along the corridor that needed short term, medium term and long-term intervention measures for an effective and efficient road network.

116. The following road links were deemed a priority;

Rehabilitation of Karonga – Songwe Section of the M1 Road, Malawi;

(i) Detailed bridge inspection and preparation of designs and tender documents for the Sir Otto Beit Bridge at Chirundu OSBP, Zambia and Zimbabwe;
(ii) Rehabilitation of the Serenje – Nakonde Road, Zambia;
(iii) 64km Pandamatenga – Nata road links 1 and 3 in Botswana;
(iv) 111km Palapye – Martins drift (border with South Africa) road sections in Botswana;
(v) 234km Lilongwe (M1) – Jenda road section in Malawi; and
(vi) 120km Bulawayo – Gwanda road in Zimbabwe; and 200km Gwanda - Beitbridge road section in Zimbabwe.

Progress

117. The COMESA has prepared Seven Hundred and Twenty Kilometres of the Road Network along the North South Corridor. The total preparation cost of the road links was, USD4.5 Million, provided as grant by African Development Bank, NEPAD IPPF.

118. The objectives of these studies are: to promote the efficiency of cross-border transportation costs along the North-South Corridor; to reduce the road maintenance cost and promote road safety by improving pavement performance; to enhance the accessibility of the project region and promote regional economic development; to improve livelihoods of communities in the countries where the projects are carried out.

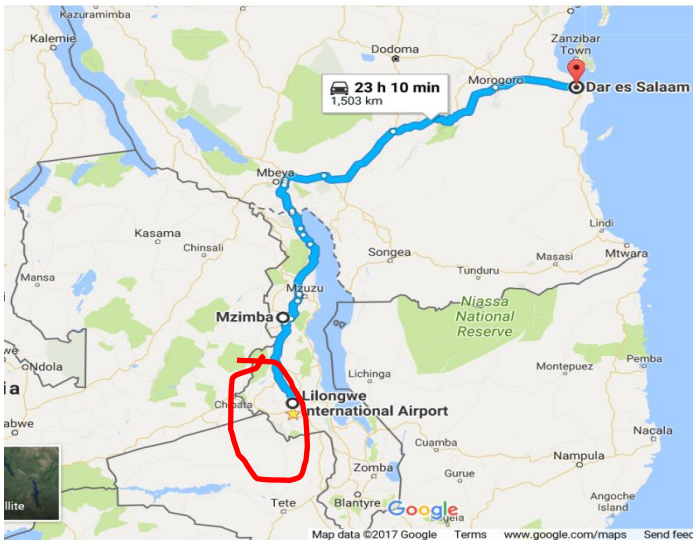
Pandamatenga – Nata Road Section in Botswana - 64KM

119. Final Detailed Engineering Designs, Economic Evaluation report, Engineering drawings Tender documents and Environmental and Social Impact Assessment reports have been completed for the North South Corridor link Pandamatenga - Nata (NSRo – 037 -039) in Botswana. The results of an economic analysis performed with HDM-4, version 2.08 (the latest version), on the potential upgrading/rehabilitation alternatives of the project road indicates that the project is viable. The Internal Rate of Return (IRR) for the road were found to be of 10.7%, which exceeds the discount rate of 6% for option 1, a Double Surface Dressing (DSD).

Palapyse Martins Drift (Border with South Africa) road section in Botswana - 111km

120. Final Detailed Engineering Designs, Economic Evaluation report, Engineering drawings Tender documents and Environmental and Social Impact Assessment reports have been completed for the North South Corridor link; Palapye – Martins Drift link 1 -2 (NSRo – 053 – 054). **Kamuzu International Airport (KIA) Turn Off to Mzimba Turn Road Section along the M1, in Malawi - 234 Km**

Project Location - circles in red, which forms the link to the main port of Dar es Salaam.



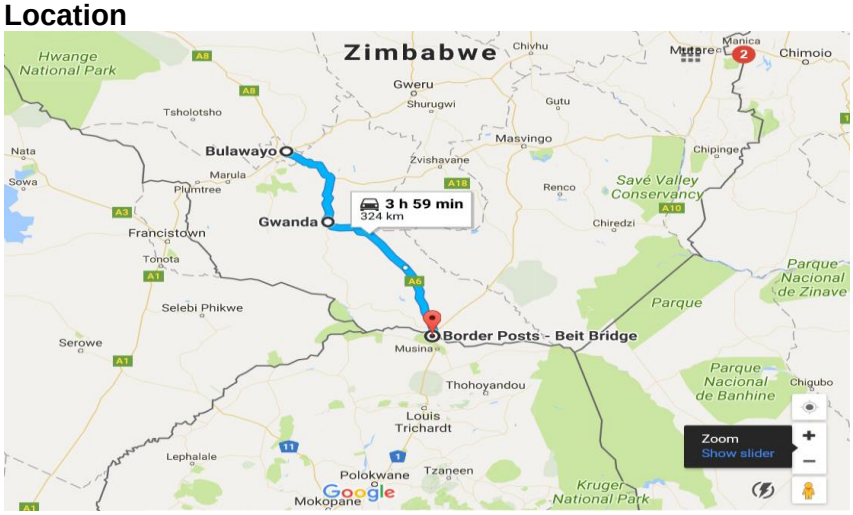
121. Final design reports have been completed for Kamuzu International Airport Turn off Mzimba turnoff (236km) links 1 – 3 (NSRo – 087 – 089) in Malawi. Final detailed engineering designs, drawings and tender documents were finalised in December 2018.

122. Based on the economic evaluation results, Option 3 which is for widening existing base as sub-base and overlay with crushed stone to 11m wide and apply 50mm AC surfacing to the entire length of road (KIA Turn-off to Kasungu), with the estimated construction cost of US$ 76 million, is the most economically viable option. The base case Economic Internal Rate of Return (EIRR) is 28 % and NPV of US$130.5 million for the 20-year analysis. These results show that there is a good economic case to rehabilitate the KIA Turnoff to Kasungu Road Section of M1.

123. **Financial Closure** - The project is being considered under the regional infrastructure blending proposals targeting RIP funding. Submission was made EU to process the project through the AfIF process. 23rd of June 2017, the project was considered during the Technical Assessment Meeting (TAM) of Africa Investment Facility (AfIF). However, at the time of reporting feedback had not been received, though it has been clearly indicated that the project is under consideration for a Euro40 million grant funding and Loan facility.

Bulawayo – Gwanda (120km) and Gwanda – Beitbridge (210 km) road sections in Zimbabwe

Location



124. **Progress** – Final designs were completed and approved for the Bulawayo – Beit Bridge link 1 -3 (NSRO – 060 – 062) in Zimbabwe.

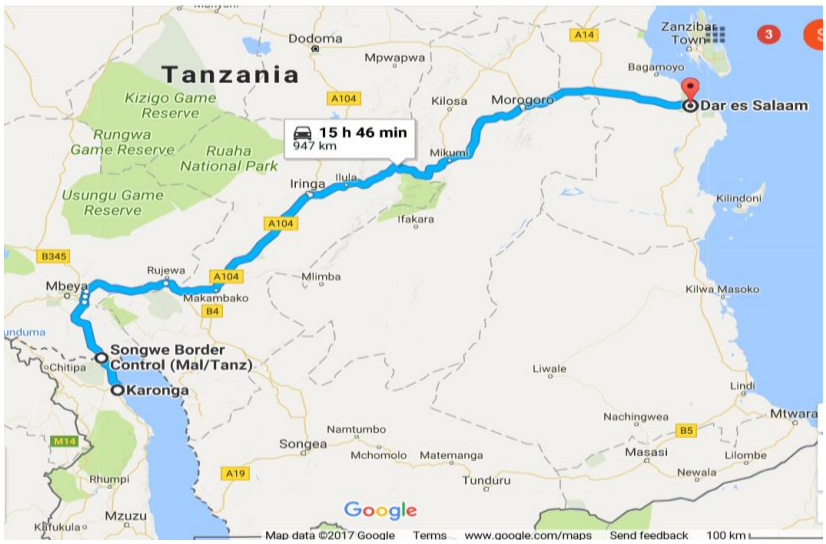
125. Economic Analysis, from the two sets of analysis carried out, comparing the pavement options to the do-nothing and do minimum alternatives, the results show that the project is economically viable, with IRR of 23.4% for option one and the other options are above 17%.

Karonga - Songwe (46km)

126. Malawi being a landlocked country needs to be well-connected to ports and other key cities through good quality roads to help reduce transport costs which are one of the major obstacles to increasing trade and economic growth. Much as the regional road network is in fair condition, some sections in Malawi and her neighbors are in poor condition and the railway services are unreliable, resulting in 80 percent of all freight in the NSC being moved by road transport.

127. The Karonga – Songwe section is on the M1 Road which is the backbone of Malawi's road network. The Karonga-Songwe portion of the road carries 22 percent of Malawi's foreign trade to Songwe, the border point with Tanzania. It is also important for Zambia as it provides the shortest route to Dar-es-Salaam. All these priority routes are in agriculturally productive areas thus will benefit the local communities to transport their produce.

Location



128. Due to withdrawal of funding by the DFID on the project. Project preparation support by COMESA could not continue. However, the World Bank took the process over to finalise the project preparation and its subsequent financing for the construction. The International Development Association (IDA*) under the second phase of the Southern Africa Trade and Transport Facilitation Program which aims to ease the movement of goods and people along the North-South Corridor (NSC) is funding the construction of the road with a US$25 Million credit.

Detailed bridge inspection and preparation of designs and tender documents for the Sir Otto Beit Bridge at Chirundu OSBP, Zambia and Zimbabwe

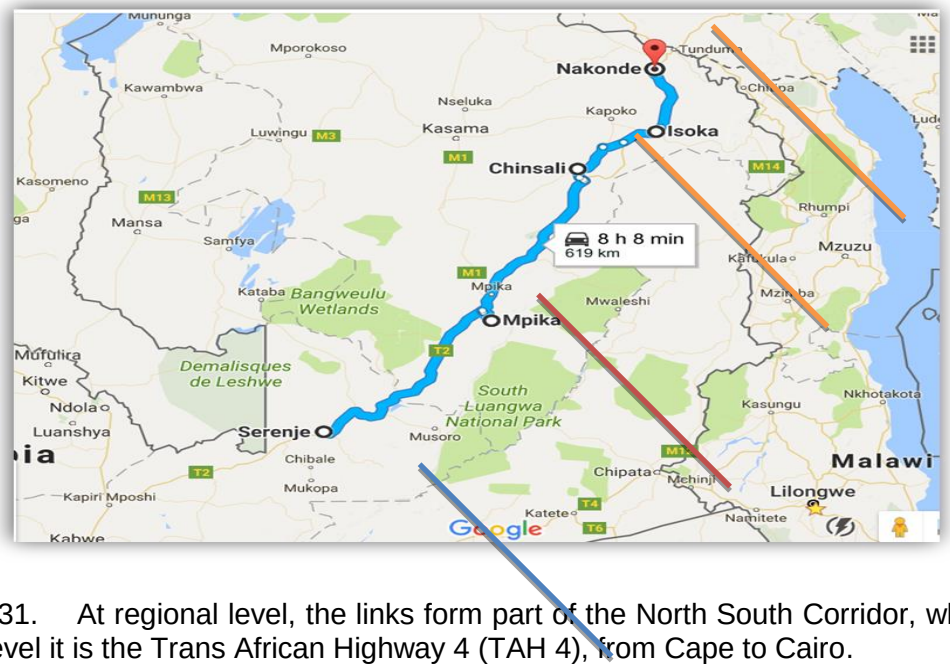
129. Feasibility studies and project preparation were funded by the European Union Lusaka. Designs have been completed.

Rehabilitation of the Serenje – Nakonde Road, Zambia

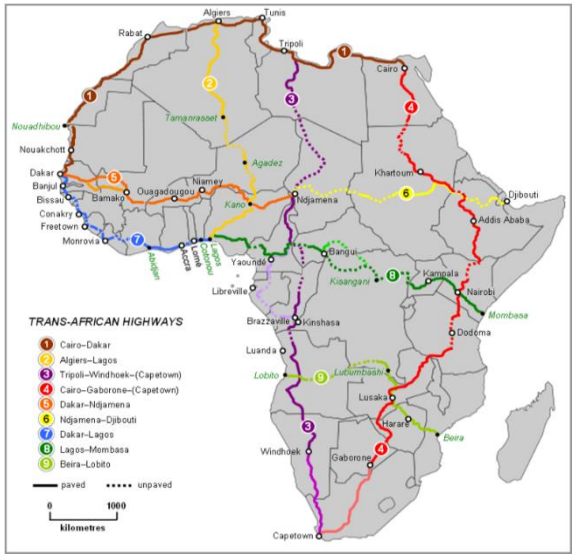
130. The Serenje – Nakonde is part of the great North Road from Serenje in Zambia's Central province to Nakonde in the Muchinga Province covering a total distance of 614.71 km. The road is divided into 3 design sectors;

Link 1: Serenje to Mpika (238.89 km);
Link 2: Mpika to Chinsali (165.65 km); and
Link 3: Chinsali to Nakonde (210.17 km)

Serenje – Nakonde Links

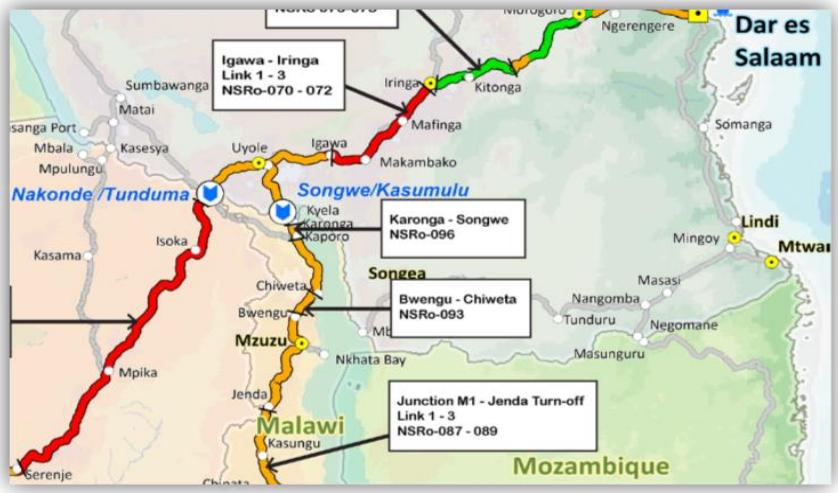


131. At regional level, the links form part of the North South Corridor, whilst at continental level it is the Trans African Highway 4 (TAH 4), from Cape to Cairo.



132. 25% of the North South Corridor (10,380km) traverses through Zambia from Livingstone/Kazungula to Nakonde border with Tanzania and spurs to DRC and carries 43.1% of the total traffic of which 34% is heavy goods traffic.

133. Therefore, the links along the Serenje – Nakonde should not be looked at in isolation. They must be looked at in a complete picture as the North South Corridors which were identified to need immediate rehabilitation for an efficient and effective North South Corridor.



Red = Poor Condition; Yellow = Fair Condition; Green = Good Condition

134. **Financial closure** - Two links of the Serenje Nakonde, Namely Serenje 0 Mpika (238.89km) and Chinsali to Nakonde (210.17 Kms) have attained financial closure and construction expected to commence soon. The Second Link Mpika to Chinsali (165.65km) is yet to attain financial closure. However, there is commitment from both African Development Bank and European Investment Bank (EIB) to fund the link through loan and grant facilities.

135. ***Recommendations***

(i) Members are invited to note progress made on the Infrastructure projects preparation and that some of the projects have now entered the construction stage.

(ii) Member States are invited to submit the status report on the road conditions, in their jurisdiction, forming the regional trunk road network, with the objective of identifying the critical sections requiring preparation packaged and submitted to potential cooperating partners

Railways

136. Though Article 86 (1) of the COMESA Treaty, Member States agree to establish efficient and coordinated railway services to interlink Member States and construct required additional links. At continental level, the plight of railways was recognized by the African Union through the Brazzaville Declaration of 2006. The Declaration provides a diagnosis of railway challenges and proposes solutions to address the same challenges including construction of new lines and eliminating missing links.

137. Railway transport has number of desirable modal advantages which include;

(i) Low cost carrier
(ii) Low fuel consumption (4 times fuel efficient compared to road)
(iii) Less gas emission compared to other modes (1/3 of emissions by road)- better carbon footprint.
(iv) Bulk carrier
(v) Low external costs
(vi) Reduce congestion

(vii) Better safety record.

138. Rail transport is therefore a transport mode with potential to positively contribute towards financial and sustainable development issues. Railways will be very suitable to the COMESA region given the bulky nature of commodities transported over very long distances to the ports.

139. Railways in Sub-Saharan Africa, COMESA have suffered from under investment for a long time since their construction during the colonial period. The net effect has been a marked decline in railway capacity and deterioration of railway transport services. This has seen railway market share plummeting from above 80% in the early 1980s to less than 10% currently. The region has thus failed to realize the benefits of railway transport at the expense of regional competitiveness.

140. Several railway infrastructure development projects have been initiated especially in East Africa where construction of the Standard Gauge Railway is evident in Ethiopia and Kenya.

Railway Infrastructure Projects

Mombasa – Nairobi Standard Gauge Railway

141. The railway network will provide vital regional links between Kenya, Ethiopia and South Sudan, and promote industrial growth and socio-economic development. The LAPSSET Railway Project is a component of a broader spatial development initiative, covering Kenya, Ethiopia and South Sudan and championed by the government of Kenya. The Project is expected to cost USD7.1 billion dollars.

142. The 1710km Standard Gauge Railway (SGR) line is a greenfield project anchored on Lamu port on Kenya's coastline to Isiolo where it branches to Ethiopia and South Sudan. The main objectives are to create economic zone between the three countries through trade promotion, transport linkage, alternative ways of accessing the sea and enhance the regional integration.

143. The first phase which comprises of a single-track standard gauge railway between Mombasa and Nairobi with a route length of 472km and a total length of 609km is estimated to cost $3.8billion of which 90% was funded by the China Exim Bank and 10% by the Kenyan government. Construction of the Mombasa-Nairobi section which commenced in October 2013 was completed early this year. The line was inaugurated on 31 May 2017.

144. The SGR line was constructed by the China Road and Bridge Corporation. During the construction phase the project created more than 35 000 jobs. The project was closely supervised by His Excellency Uhuru Kenyatta through quarterly all stakeholder meetings.

145. The 25tonne axle load railway line is expected to move 22million tonnes of cargo annually at speed ranging from 80-100km/hr. Passenger trains have a maximum speed of 120km/hr. The line was fully operational by the 1st of June 2017.

146. This completed phase of the broader project will have an immediate economic impact on the Kenyan economy and the region as a whole. It will immediately reduce congestion of the road between Mombasa and Nairobi, has reduced transit and travel times from about 3days to 10-12hours and the cost of transportation. Subsequent phases of the SGR project on the Northern Corridor will extend the railway line from Nairobi to Malaba, the border point with Uganda and onward to Kampala and Kigali with a branch from Kampala to Nimule a border with South Sudan.

Djibouti Corridor: Ethiopia – Djibouti Standard Gauge Railway

147. The Ethiopia-Djibouti standard gauge railway project was completed and is now operational. The 750km railway includes a 100km double line between Addis Ababa and Adama in Ethiopia. The railway was constructed at a cost of US$3.77 billion. The line will eventually connect to Kenya, South Sudan and Sudan. Ethiopia and Djibouti have engaged in training of staff and a railway institute will be established in Ethiopia to cater even for other African countries.

Swaziland Rail Link

148. The 150km new railway line link to be constructed at an estimated cost of R18billion will connect Lothair Junction in Mpumalanga (South Africa) and Sidvokodvo Junction in Swaziland. It is a joint inter-railway strategic between Transnet Freight Rail and Swaziland Railway intended to create additional railway capacity between the two countries to support modal shift from road to rail, improve integration of over-border logistics between the two companies and promote economic development.

149. The project will be funded through Public Private Partnerships (PPP). The feasibility study for the project was completed with positive results. The project financiers gave the two railways the go ahead to undertake some of the early planning work. As at the end of 2016, the project was at the detailed planning phase and offers to purchase land, planning for the relocation of households and gravesites, and application for environmental permits were in progress underway.

Ethiopia - Sudan

150. Ethiopia and Sudan have signed a bilateral agreement on the construction of a Standard Gauge Railway between the two countries. The feasibility study will be funded by the AfDB.

151. ***Recommendations***

- ***(i) Member States to applaud Kenya and Ethiopia for their significant contribution to railway infrastructure development in the region***
- ***(ii) Urge other Member States neighbouring Kenya to expedite new connections to the Kenyan network to ensure realization of full benefits***
- ***(iii) Urge Member States to promote development of railway infrastructure and use of railway mode of transport in view of its benefits in line with the COMESA Treaty and Brazzaville Declaration.***
- ***(iv) Urge Member States to build capacity to support these new developments in railway infrastructure***
- ***(v) Adopt measures to protect the new investment against vandalism and;***
- ***(vi) Note the planned developments in Swaziland, Ethiopia and Sudan.***

Maritime Transport and Ports

152. Maritime transport handles over 80 per cent of the volume of global trade (and about 90 per cent of developing countries' volume of international trade is seaborne) and knowing the reasons for differences in what a trader pays for the international transport of merchandise goods can help identify possible areas for intervention by policymakers.

153. Article 88 (k) of the COMESA Treaty Mandates Member States to *"install and maintain efficient cargo handling equipment, cargo storage facilities and general operations and train related manpower"*

Djibouti Port

154. The port is strategically located at the crossroads of three continents. It handles mainly traffic for landlocked Ethiopia and Djibouti seaborne trade. The port is perfectly connected to the hinterland by both road and rail which makes intermodal interface easy. The newly completed 750km standard gauge railway from Addis Ababa to Djibouti will reduce the transit times to 10hours between the two cities.

155. Current port infrastructure developments for 2016 to 2017 include:

(i) Doraleh

- Construction of a new port with 15 berths totaling 1 200m and 16m water depth at a cost of US$590million commenced in 2016
- Built on 690-hectare artificial island
- Facilities - handling containers, general cargo, bulk cargo and cars
- Annual capacity – 9million tonnes
- To accommodate capsize vessels of up to 100 000DWT

(ii) Tadjourah

- Construction of a $78million new port
- Facilities – handling potash exports (2 berths totaling 435m) and ro-ro berth of 190m
- Annual capacity – 4million tonnes

(iii) Damejog

- New dedicated livestock export facility built on 50ha
- 655m quay able to handle 5 livestock carriers at once
- Annual capacity – 10million head

(iv) Ghoubet

- A dedicated $64million port for salt export
- Single 400m berth with 15m draught
- Annual capacity – 5million tonnes

LAMU Port

156. Kenya is constructing a 32 berths deep sea port at Lamu at an estimated cost of $5billion under the LASSET Project phased as follows;

(i) Short-Term Plan: 3 Berths to be constructed by 2020 at an estimated cost of $689 million
(ii) Medium –Term Plan: 4-10 Berths to be constructed between 2017 and 20125
(iii) Long –Term Plan 1: 11-20 Berths to be constructed by 2040
(iv) Long-Term 2: 21-32 Berths to be constructed after 2040

157. The JTC is invited to note progress made under the Short-Term Plan so far which includes the following:

(i) Construction of the 3 berths at 20% of completion with the first berth expected to be operational by mid-2018 The 3 berths will be specialized to handle general cargo and containerized cargo
(ii) Construction of an office plaza and police station is complete;

(iii) A pipe manufacturing plant was built on site and has 60 employees (Chinese and Kenyans). The manufacturing Plant is facilitating skills transfer in pipe manufacturing from the Chines to the locals.
(iv) The Project is being funded by the Government of Kenya through budgetary allocations
(v) The main contractor for the project is China Communication Construction Company

158. Infrastructure developments at Djibouti Port and Lamu increase port capacity which supports smooth flow of trade through the Djibouti, Moyale and Juba Corridors. The port is thus able to also serve South Sudan, Sudan and Uganda apart from Ethiopia. Recent road and rail infrastructure developments from the port into the hinterland to Addis Ababa further enhance the capacity of the Djibouti Corridor and regional integration. Application of COMESA Trade and Transport Transit Facilitation Instruments will ensure smooth flow of trade by reducing delays and cost of doing business and hence improve regional competitiveness.

159. ***Recommendations***

(i) Member States to applaud Djibouti and Kenya for developing additional port infrastructure capacity
(ii) Djibouti and LAPPSET Corridor States should utilize COMESA Trade and Transit Transport Facilitation Instruments on the corridor to ensure smooth flow of trade at reduced cost.
(iii) Customs and border management processes should be improved
(iv) Member States should share their long-term plans like Kenya

Performance of Eastern and Southern African Ports

160. The economic, environmental and social challenges facing ports include growing and concentrated traffic volumes brought about by ever-increasing ship size; the cost of adaptation of port and port hinterland infrastructure measures; a changing marketplace as a result of increased alliances between shipping lines; national budget constraints limiting the possibilities of public funding for transport infrastructure; volatility in energy prices, the new energy landscape and the transition to alternative fuels; increasing societal and environmental pressure; and potential changes in shipping routes from new or enlarged international passage ways (for example, the existing Suez and Panama Canals; an uncertain geopolitical situation and its effect on shifting supply chains; further globalization of business and society; and barriers to internal markets (for example, customs inspection) for maritime transport.

161. The national container port throughput for COMESA ports and ports in non-COMESA Member States but used by COMESA Member States is shown in Table below.

Table 6: Container Port Throughput (TEUs)

Country	2011	2012	2013	2014	2015	2016
Egypt	7 737 183	8 140 950	8 248 115	8 810 990		
South Africa	4 392 975	4 360 100	4 694 500	4 588 307	4 664 131	4 355 316
Kenya	735 672	903 400	894 000	1 012 002	1 076 118	1 091 371
Angola	676 493	750 000	913 000	1 000 000		
Djibouti	634 200	681 765	735 624	777 391		
Mauritius	462 747	576 383	621 917	653 635		
Sudan	464 129	498 938	538 354	565 811		
Tanzania	453 754	487 786	526 321	638 023		

Tunisia	492 983	529 956	571 823			
Libya	195 106	369 739	434 608	456 773		
Mozambique	269 219	289 411	312 274			
Madagascar	149 135	160 320	172 986	181 808		
Namibia	107 606	115 676	124 815			

Source: Review of Maritime Transport, various years; Containerization International, various years

162. It is encouraging to note the positive trend of containers handled by COMESA ports. However, only 4 African ports feature in the Top 100 Container Ports in the world when considering annual throughput in TEUs. The biggest container port in Africa is Port Said on position 37, Durban on 56, Alexandria on 88 and Lagos on 93. Their respective annual throughput for 2014 and 2015 is as follows;

Table 7: African Ports in the Top 100 Container Ports in the World

Port	**Country**	**World Ranking**	**2014**	**2015**	**Growth**
Port Said	Egypt	37	3 959 000	3 850 000	-2.8%
Durban	South Africa	56	2 666 344	2 770 335	3.9%
Alexandria	Egypt	88	1 677 986	1 688 301	0.6%
Lagos	Nigeria	93	1 853 966	1 538 086	-17%

Source: Lloyd's List 2015

163. Port Said and Alexandria are in the COMESA region whereas Durban and Lagos are in the Southern African Development Community (SADC) and Economic Community for West Africa (ECOWAS) respectively.

164. Port Said is on the Suez Canal and therefore it is the gateway to Western Europe for countries on the eastern and southern part of Africa. The recent expansion of the Suez Canal in 2015 to increase capacity has not yet attracted the volumes of traffic as anticipated. The container throughput for Port Said declined by 2.8% between 2014 and 2015.

165. The port of Durban, though not in COMESA serves several COMESA Member States including Democratic Republic of Congo, Malawi, Swaziland, Zambia and Zimbabwe. It also serves other countries in SADC like Botswana and Lesotho. Internally in South Africa, the port of Durban competes with Ngqura Port, a new port which only handles containers.

166. Alexandria Port handles traffic for Egypt, South-Sudan, Sudan, Chad and Central Africa Republic. This makes Egypt and Sudan transit countries where COMESA Trade and Transit Transport Facilitation Instruments like Carrier License, COMESA Transit Plates, RCTG, Yellow Card and Harmonized Road User Charges could be applied to ensure smooth flow of trade at relatively low cost.

167. 106.8. Container and general cargo throughput for ports in Eastern and Southern African ports from 2011 to 2016 are shown in Annexure I and II respectively.

168. ***Recommendations***

- ***(i) COMESA ports should benchmark against best performing performance in the world to improve their productivity and throughput***
- ***(ii) Implement COMESA Trade and Transit Transport Facilitation Instruments to improve transit and competitiveness of transport corridors***

Inland Waterways Transport

169. Inland Waterway Transport is provided for in Article 89 of the COMESA Treaty where Member States are mandated to adopt and harmonize rules, regulations and operational procedures; install and maintain facilities for cargo handling and infrastructure to facilitate navigation. The business case for Inland Waterway Transport (IWT) derives its benefits. Provided the infrastructure is in place, IWT fairs as follows in terms of modal comparative analysis;

Table 8: Modal Performance Comparative Analysis

Mode	Cost (ctkm)	Fuel use (km/L)	Emission (kg/ton)
Road	0.08-0.10	50.59	3X
Rail	0.035-0.045	202.37	X
Inland Water Transport	0.017-0.02	400	1/2X

170. Inland Water Transport is a Safe, Reliable, Energy Efficient and Environment-friendly Transport mode. Compared to other modes IWT is the most economical inland transport mode in respect of uncovered external and infrastructural costs; environmental friendliness and safety therefore contributes to sustainability and quality of life.

Establishment of a Navigational Route between Lake Victoria and the Mediterranean Sea

171. The Nile River Transport Corridor project on the Establishment of a Navigational Route between Lake Victoria and the Mediterranean Sea (VICMED) was endorsed by COMESA Council in February 2014 in Kinshasa. It is a project under the Presidential Infrastructure Champion Initiative (PICI) with Egypt as the Champion. The project involves undertaking activities to make the river Nile navigable from Lake Victoria to the Mediterranean Sea. The inland waterway project will provide access to the sea for riparian states. Further, the project will improve access to the sea for landlocked countries, provide a relatively cheaper mode of transport and minimizes greenhouse emissions.

172. The VICMED project is a Presidential Infrastructure Champion Initiative (PICI) project championed by the President of Egypt. The project seeks to establish a development corridor anchored on the navigational route along the Nile River from Lake Victoria to the Mediterranean Sea. It involves 10 COMESA Member States namely; Burundi, DR Congo, Ethiopia, Egypt, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda. If implemented, this mega project will generate a lot of benefits and has the potential to transform the region by unleashing its economic potential. Apart from deepening regional integration, the project will provide a relatively cheaper and environmentally friendly transport mode, shorter and direct transport route between Western Europe and, Eastern and Central Africa. The project will also contribute to employment and poverty reduction in the riparian States.

173. The project is supported by the African Development Bank through Egypt as champion of the project. Apart from supporting the Pre-feasibility Study completed in May 2015, the AfDB provided further funding amounting to $650 000 through a loan agreement with Egypt for capacity building for the footprint States, development of the project's institutional and legal framework and development of Terms of Reference (ToRs) for the detailed Feasibility Study. The recruitment of consultants to carry out phase 1 of the main Feasibility Study was done through an international competitive tendering process in 2016.

174. Capacity building in footprint countries is one of the key components of the project and as such a training needs assessment was carried out and training programme on Inland Water Transport subsequently developed by Egypt. The training program will ensure transfer of knowledge to the footprint countries to enable them to effectively participate during the development and implementation phases of the project, and subsequent management of inland water transport.

Pre-feasibility Study

175. The Pre-feasibility Study for the project was concluded in May 2015 and now efforts are underway to mobilize resources for the full Feasibility Study. The Pre-feasibility Study will be approved by the 3rd Steering Committee in September 2017.

Feasibility Study-Phase 1

176. The project is now in the first phase of the detailed Feasibility Study. The consulting firm engaged to develop the legal and institutional framework for the project, and detailed terms of reference for the detailed Technical and Financial Feasibility Study submitted the Inception Report. The Inception Report will be considered by the Project Steering Committee in September 2017.

Capacity Building

177. Article 89 (b) of the COMESA Treaty Mandates Member States to "install and maintain efficient cargo handling equipment, cargo storage facilities and general operations and train related manpower"

178. The VICMED project includes a capacity building component to enhance and fast track its implementation and to ensure sustainability of the project. In this this regard, Egypt secured funding from the African Development Bank and conducted a two-week training program on Inland Water Transport in February 2017. Target participants were officials working in the field of river transport who are expected to be part of the VICMED project. Each Nile Footprint State was invited to send two participants to the training. The footprint countries were represented in the training programme as follows;

Table: *Distribution of Participants Inland Water Transport Training*

	Country	**Number**
1.	Burundi	2
2.	Democratic Republic of Congo	2
3.	Egypt	2
4.	Ethiopia	-
5.	Kenya	1
6.	Rwanda	1
7.	South Sudan	1
8.	Sudan	2
9.	Tanzania	2
10.	Uganda	2
	Total	

Resource Mobilization

179. The full feasibility study requires about $17million to carter for the main Nile ($10million), Akagera River ($2million) and technical designs ($5million). COMESA Secretariat was tasked with playing a leading role in mobilizing resources for this purpose.

180. The project seeks to establish a development corridor anchored on the navigational route along the Nile River from Lake Victoria to the Mediterranean Sea.

181. Implementation of the VICMED project will transform the region and deepen regional integration as it will progressively develop into a development corridor. The project will provide the following benefits;

(i) A relatively cheaper, direct and superior mode of transport
(ii) Savings on fuel and reduction in carbon emissions
(iii) Capacity building in Member States
(iv) Support to agriculture and industrial activities
(v) Employment and poverty alleviation
(vi) Sustainable development

182. The project will therefore deepen regional integration, providing an alternative relatively cheaper, shorter and direct transport route and environmentally friendly transport mode. It will also contribute to employment and poverty reduction in the riparian States.

183. The 10th Meeting of COMESA Ministers of Infrastructure decided that:

(i) The COMESA Secretariat shall be responsible for coordinating and facilitation of the VICMED project;
(ii) All Member States should participate in the Steering Committee meetings;
(iii) Member States provide comments on the Inception Report produced by the Consultant within two months after receipt of documents by Sudan;
(iv) Member States to provide necessary information to the consultants;
(v) Full information about the project be availed to all concerned Member States and COMESA Secretariat to ensure smooth coordination;
(vi) COMESA should start the resource mobilization process in coordination/liaison with Egypt as Champion of the project;
(vii) COMESA Member States nominate focal persons and establish National Committees for VICMED project by 31st October 2017;
(viii) COMESA Secretariat to mobilize resources to conduct the pre-feasibility study for the Baro river section; and
(ix) A central Interactive database be developed at COMESA Secretariat where Member States and Project information can be populated.

184. The 3rd and 4th Project Steering Committee Meetings took place in Cairo, Egypt in December 2017 and October 2018 respectively. The meeting considered the Draft Final Report on Phase 1 of the Feasibility Study from the consultants and provided necessary comments for incorporation.

185. The planned benchmarking tour to Belgium Steering Committee was cancelled due to payment conditions imposed by the organizers which were not approved by the AfDB.

186. Funding amounting to 68, 450,000 will be required for the full Feasibility Study. COMESA, Egypt and NEPAD will be involved in the resource mobilization process.

187. Egypt will be requested to present a detailed report on the project.

Bujumbura Port - Burundi

188. The Burundi port was built in 1959 and operated by government until 1992 when it was concessioned to Societe Concessionnaire de l'Exploitation du Port de Bujumbura

(EFB), a public-private partnership. Bujumbura port has capacity to handle 500 000 tonnes per annum which more than double its current annual throughput. The port has capacity to handle 300 tonnes per day. Cargo volumes are forecast to rise to about 300 000 tonnes by 2020.

189. The port has shipping links across Lake Tanganyika to Kigoma in Tanzania, Kalemie and Kalundu in the Democratic Republic of Congo and Mpulungu in Zambia. Main cargo handled includes cement, sugar, fertilizer, petroleum products, vehicles, machinery, break bulk and containers.

190. An expansion programme has been instituted to carter for expected growth in traffic. The port has embarked on an investment programme to improve its services and productivity with support from the Japanese International Cooperation Agency (JICA). JICA carried out a feasibility study and signed a $23million agreement in 2014 to support works.

191. The plan has three phases of redevelopment;

(i) Construction of a container terminal
(ii) Construction of a shipyard
(iii) Relocation of 1 200 metres of drainage channels to reduce the need for harbor dredging.

192. Once completed, the expansion programme will improve port capacity, enable the port to accommodate larger vessels and create employment. Complementary developments are also ongoing at Mpulungu Port in Zambia and Tanzania's central rail line between Dar es Salaam and Kigoma. These developments will lead to more efficient transport chain thereby boosting development of regional economies.

Mpulungu Port - Zambia

193. Mpulungu Port is situated on the southern tip of Lake Tanganyika, in the Northern Province of Zambia. The port is managed by Mpulungu Harbour Corporations Ltd, a company registered in 1988 and wholly owned by the government of the republic of Zambia. The port was built in 1930 before Zambia was born. Post-independence, the port was used mainly as an alternative storage facility for fuel imported through East Africa and meant to supply the northern part of Zambia. In 1977, Chilanga Cement, then, began to export cement to the great lake's region through the port.

194. Mpulungu port mainly handles cargo destined to Burundi, Rwanda and Democratic Republic of Congo (DRC) through the ports Bujumbura, and Kalemie respectively. The port currently has warehousing space for up to 10,500 metric tons.

195. Mpulungu Harbour Corporation Ltd is projecting to handle about 145,000mt of cargo in 2017 compared with 108,000mt in 2016. There has been a consistent flow of the traditional commodities, namely sugar and cement. More agro products in 2017, specifically maize meal and grain. There is a real possibility of closing the food gap created by the drought in parts of Uganda and Kenya, with passage through Lake Tanganyika as one of the cheaper options for transportation. This development only adds weight to the call for action to ensure that the northern region of Zambia is developed into an agro hub capable of feeding much of East and Central Africa.

196. Government is on track with the port development plans. The feasibility study which will produce the engineering designs and economic analysis will be concluded by end of June 2017. The Africa Development Bank has facilitated the financing of the feasibility study and remains the lead IFI for further development.

Table 9: Mpulungu Harbour Five Year Throughput

Year	Zambian Exports	Transit Exports	Transit Imports	Total
2010	137,124.02	2,405.05	1,379.52	**140,908.59**
2011	128,421.43	1,970.64	1,487.32	**131,879.39**
2012	118,772.48	2,242.10	2,337.80	**123,352.38**
2013	41,635.81	2,242.10	2,337.80	**46,215.71**
2014	46,730.81	2,242.10	2,337.80	**51,310.71**
2015	53,371.43	2,242.10	2,337.80	**57,951.33**
2016	107,368.83	522.73	800.19	**108,691.75**
Total	**633,424.81**	**13,866.82**	**13,018.23**	**660,309.86**

Matadi Port – Democratic Republic of Congo

197. Matadi Port is located on the Congo River 148km inland from the Atlantic Ocean. It is the main port for the Democratic Republic of Congo. A new multi-purpose terminal, the Matadi Gateway Terminal, was recently completed and opened in June 2017. A second 175m berth will be completed by December 2017. The terminal has two mobile harbor cranes.

198. The terminal will have a full operational capacity of 175 000TEUs per annum once completed. The recent rehabilitation of the railway line between Matadi and Kinshasa opens intermodal possibilities in the region.

199. The 10th Meeting of COMESA Ministers of Infrastructure decided on the following which should be applicable to all COMESA inland waterways;

(i) Member States are urged to support development of inland waterways which provide alternative cheaper transport routes;
(ii) Concerned Member States around Lake Tanganyika to synchronize their investment/development plans to avoid creation of excess capacity on either side;
(iii) Member States to consider introducing new and larger vessels in Lake Tanganyika to improve service delivery and cater for growing demand; and
(iv) COMESA and Member States to support capacity building in Inland Water Transport;
(v) A study be undertaken to establish the possibility of establishing Ro-Ro facilities on Lake Tanganyika;
(vi) Benchmark and adopt fishing strategies to enhance trade and inland waterways;
(vii) Explore navigation and ICT systems and infrastructure to be developed in inland waterways for safe navigation;
(viii) Reviews maritime policy framework to capacitate maritime affairs administrators within land linked countries;
(ix) COMESA through regional institutions and Member States to establish a shipping line that would serve both the inland and coastal countries; and
(x) Develop Security and Safety Standards for inland water ways

Logistics

200. Logistics organizes the movement of goods through a network of activities and services operating at global, regional, and local scale. Traders delegate increasingly sophisticated tasks to networks of specialized service providers. Efficient logistics connect people and firms to markets and opportunities and help achieve higher levels of productivity and welfare through reliable supply chain networks.

201. Countries characterized by low logistics performance face high costs, not merely because of transportation costs but also because of unreliable supply chains, a major handicap in integrating and competing in global value chains. Supply chains are complex, but their performance is largely dependent on country characteristics, especially the soft and hard infrastructure and institutions that logistics requires to operate well, such as imports, regulations, procedures, and behaviors. Delays impose additional costs on regional economies to the detriment of competitiveness.

202. Performance and reliability of supply chains depend on an array of interventions, ranging from trade facilitation at the border to infrastructure and regulations and to urban planning and skills. Empirical evidence confirms that logistics and connectivity related interventions have the highest potential to reduce the cost of trade and to boost integration in global value chains. Logistics can improve the efficiency of the supply chains connecting countries internally and externally.

Logistics Performance Index

203. The World Bank's Logistics Performance Index (LPI) is a weighted average based on country analysis in six dimensions namely;

(i) The efficiency of customs and border management clearance
(ii) The quality of trade and transport infrastructure
(iii) The competence and quality of logistics services
(iv) The ease of arranging competitively priced shipments
(v) The ability to track and trace consignments
(vi) The frequency with which shipments reach consignees within scheduled or expected delivery times.

204. Member States have a significant role to play on issues related to customs, infrastructure, and services as they fall under the domain of policy regulation. Supply chain performance outcomes correspond to time and reliability: timeliness, international shipments, and tracking and tracing.

205. COMESA Member States fair poorly with respect to the Logistics Performance Index (LPI) as shown below;

Table 10: Logistics Performance Index (LPI) for COMESA Counties

Country	Rank	Score	% of Highest Performer
Kenya	**42**	**3.33**	**72.3**
Egypt	**49**	**3.18**	**67.7**
Uganda	**58**	**3.04**	**63.3**
Rwanda	**62**	**2.99**	**61.6**
Comoros	**98**	**2.58**	**49**
Sudan	**103**	**2.53**	**47.4**
Burundi	**107**	**2.51**	**46.8**
Zambia	**114**	**2.43**	**44.3**
Ethiopia	**126**	**2.38**	**42.7**
Congo D R	**127**	**2.38**	**42.6**

Djibouti	**134**	**2.32**	**41**
Libya	**137**	**2.26**	**39.2**
Eritrea	**144**	**2.17**	**36.3**
Madagascar	**147**	**2.15**	**35.8**
Zimbabwe	**151**	**2.07**	**33.1**

Source: World Bank, Connecting to Compete 2016 – Trade Logistics in the Global Economy

206. Kenya is the highest ranked COMESA Member State at position 42/160 with a score of 3.33/5 and at 72.3% performance of Germany which is at position 1/160. Only 7/19 COMESA Member States are above 50% of the score suggesting that the COMESA region is not doing well in terms of logistics. An interrogation of the 6 elements of the index will shed some light as to what the weaknesses are.

207. While the quality of trade and transport infrastructure is a long-term issue, the performance of COMESA Member States can be improved in the short to medium term through improving efficiency of customs and border management, enhancing the competence and quality of logistics services and improving transit facilitation systems.

208. The 10th Meeting of COMESA Ministers of Infrastructure decided that;

(i) COMESA Member States adopt COMESA Trade and Transit Transport Facilitation instruments;
(ii) Member States subscribe to regional facilitation instruments like CVTFS;
(iii) Member States and the COMESA Secretariat urged to improve border management processes through OSBPs and e-logistics IBM; and
(iv) Build capacity in logistics services.

Container Freight Rates

209. Maritime transport handles over 80 per cent of the volume of global trade. For developing countries, about 90 per cent trade volume of international trade is seaborne. Awareness of the reasons for variation in the international transport costs of merchandise goods can assist in the identification of areas for possible intervention by policymakers.

210. Developing countries, especially in Africa and Oceania, pay 40 to 70 per cent more on average for the international transport of their imports than developed countries. The main reasons for this situation relate to these regions' trade imbalances, pending port and trade facilitation reforms, as well as lower trade volumes and shipping connectivity. There is potential for policymakers to partly remedy the situation through investments and reforms, especially in the regions' seaports, transit systems and customs administrations.

211. A consideration of international container freight rates will reveal a persistent decline as shown in Table below.

Table 10: Shanghai to Durban Container Freight Rates

	$ Per TEU							
Route	2009	2010	2011	2012	2013	2014	2015	2016
Shanghai-Durban	1 495	1 481	991	1 047	805	760	693	

Source: Review of Maritime Transport

212. Container freight rates for seaborne traffic have been declining globally over the past decade mainly due to supply of new container ships largely dominated by the Post Panamax

Vessels of more than 8 000 TEUs. Table below shows the trends in demand and supply for shipping vessels over the past decade.

Table 11: Growth of Supply and Demand in Container Shipping (%)

Year	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Average**
Demand	11.2	11.4	4.2	-9.0	12.8	7.2	3.2	5.0	5.0	2.0	5.3
Supply	13.6	11.8	10.8	4.9	8.3	6.8	4.9	5.0	7.0	8.0	8.11
Difference	**-2.4**	**-0.4**	**-6.6**	**-13.9**	**4.5**	**0.4**	**-1.7**	**0.0**	**-2.0**	**-6.0**	**-2.81**

Source: Review of Maritime Transport 2016

213. Analysis of the interaction between supply and demand shows that supply exceeded demand by an average of 2.81% per year for the period 2006 to 2015. The ever-increasing volumes together with on-going technological advances have the following possible consequences on the shipping industry;

(i) Increases in ship size and specialization, requiring larger, deeper ports and specialized terminals;
(ii) The globalization of ship operations is resulting in larger international shipping corporations.
(iii) Automation and satellite data transfer is facilitating smaller crews and remote landside monitoring of navigation and on-board operating systems;
(iv) E-navigation strategy being implemented by the IMO will provide the mariner with on-board real-time electronic navigation information;
(v) The international standardization of legal, insurance and documentation requirements for the door-to-door movement of goods in a paperless environment is becoming urgent; and
(vi) The international standardization of labor practices within the framework of the International Labor Organization (ILO) Maritime Labor Convention.

Table 13: Cost to import by Region (US$ per container)

	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
COMESA	2100	2104	2156	2400	2473	2431	2477	2544	2564	2739		
ASEAN	636	699	692	739	743	734	734	796	788	788		
East Asia 3	809	809	711	750	748	768	737	760	760	760		

214. A comparison of the Cost to Import per Container in the Table above clearly shows that COMESA Member States are more than 3 times Asian and East Asia 3 suggesting inherent problems in COMESA Member States that are imposing a huge cost on regional competitiveness. The COMESA costs are not only higher than for the other two regions but are also increasing against relatively stable costs for the other two regions. The implications are more serious since global prices are given and COMESA Member States trade mostly in commodities.

215. Monopolistic tendencies among the shipping lines and freight forwarders over long distances to and from the markets appear to be a contributory factor to the high costs for COMESA Member States especially around Container Deposits.

216. The10th Meeting of COMESA Ministers of Infrastructure decided that;

(i) COMESA should enter strategic partnerships to manufacture own containers in the region;
(ii) Member States need to invest in infrastructure;

(iii) Member States should improve their Transit Systems and Customs Administration; and
(iv) Improve on logistics.

INSTITUTIONAL CONNECTIVITY

Update on the Air Transport Programme to be Funded Under 11TH EDF

217. COMESA, EAC, IGAD, IOC and SADC jointly formulated the €8 million Eastern and Southern Africa Aviation Sector Programme to be funded under 11th EDF. The overall objective of the programme is to contribute to the promotion of regional integration and equitable economic growth in EA-SA-IO region through the development of the air transport sector. The specific objectives are;

(i) To facilitate and support the operationalization of a Single African Air Transport Market
(ii) To support regulatory reforms and strengthening governance and management capacity of civil aviation institutions in EA-SA-IO region
(iii) To facilitate the provision of seamless operations in EA-SA-IO region to improve air navigation efficiency in a liberalized and integrated air transport market
(iv) To promote gender equality

218. The indicative activities under the various result areas can be summarised as follows:

Result 1: Single African Air Transport Market Operationalized;

(i) Facilitate signing of the Solemn Commitment by those Member States who have not yet signed on using sensitization workshops and awareness campaigns;
(ii) Develop regional institutional frameworks and instruments to further the implementation of YD;
(iii) Facilitate review, adoption and signing of the Multilateral Air Service Agreement by Member States;
(iv) Advocate for competition and ensure operationalization of Joint Competition Rules and Regulations of the African Union Commission;
(v) Facilitate development and adoption of the remaining Economic Regulations to support of operations in the integrated air transport market
(vi) Implementation of ICAO Global Air Navigation Plan (GANP)

Result 2: Implementation of Legal, Policy and Institutional sector reforms to support liberalization of air transport market through YD

(i) Undertaking a baseline study to assess the current status of the air transport including policies, regulations, technology and infrastructure.
(ii) Support national level reforms to implement existing regionally harmonized model policy and regulatory frameworks
(iii) Support member states in the separation of regulatory and operational functions of CAAs to promote separation of duties, efficiency and accountability
(iv) Identifying and bridging the training needs; and
(v) Facilitating capacity building for Member States.

Result 3: Improved implementation of the Global Air Navigation Plan

(i) Facilitate implementation of ICAO Standards and Recommended Practices (SARPs) and Procedures for Air Navigation Services (PANS) in the EA-SA-IO region;
(ii) Capacity building in managerial and technical skills through training workshops, bench-marking and technical support;
(iii) Facilitate Civil-Military coordination to promote Flexible Use of Airspace
(iv) Facilitate establishment of regional databases;
(v) Enhancing the organisation and implementation of aviation security within the EA-SA-IO Member States;
(vi) Support establishment of a regional institutional framework for the development and deployment of regional inter-operable CNS/ATM systems.

219. The Draft Final formulation was submitted to the EU Delegation in Lusaka who indicated that the programme should have a clear Gender component. As a result, the fourth specific objective of promoting gender equality in the aviation sector was added.

220. Member States will be requested to provide gender data, information and programmes for their aviation sectors.

221. The 10th Meeting of COMESA Ministers of Infrastructure decided that Member States should;

(i) Note the details of the program;
(ii) Support implementation of the program by providing requisite information;
(iii) Align national programs to the regional program; and
(iv) Identify national areas requiring support in line with the project design.

Establishment of Djibouti Corridor Authority

222. The COMESA Authority directed that a corridor management institution be established at its meeting held in Addis Ababa, Ethiopia in March 2015. Subsequently, a Ministerial meeting for the four corridor States namely Djibouti, Ethiopia, South Sudan and Sudan was convened in June 2015 where the Draft Agreement establishing the Djibouti Corridor Authority was discussed and agreed to. Member States were given additional time to consult in their respective countries and submit comments to COMESA Secretariat. The Final Draft Agreement was produced based on Member States comments and circulated to all concerned.

223. Capacity Building Workshops were held for Djibouti Corridor States focusing mainly on One Stop Border Posts and COMESA Trade and Transit Transport Facilitation Instruments. COMESA engaged a consultant who developed a Strategic Plan for the Corridor. Several collaborating partners have expressed interest in supporting the Djibouti Corridor once the institutional and legal framework is in place.

224. COMESA Ministers of Infrastructure directed, during their meeting in Bahir Dar, Ethiopia in February 2016 that the establishment of the Djibouti Corridor Authority be expedited. However, efforts by COMESA Secretariat to have the corridor Agreement signed did not bear fruits as one of the corridor States appears not to be ready to sign the Agreement.

225. The 10th Meeting of COMESA Ministers of Infrastructure decided that;

(i) The Corridor Agreement be signed by end of December 2017;
(ii) A workshop be convened to consider and adopt the Corridor Strategic Plan developed by the Consultant;

(iii) Harmonize activities of COMESA and IGAD on the Djibouti Corridor; and
(iv) COMESA Secretariat mobilizes resources to support the corridor programme and Secretariat once the Agreement is signed; and
(v) Uganda be included as the 5th Member of the Djibouti Corridor

226. The meeting that had been scheduled for the 10th – 13th December was postponed to early 2019 to allow corridor States more time to consider the Agreement and Strategic Plan before approval and signature.

Establishment of Port Sudan Corridor

227. The 10th Meeting of COMESA Ministers of Infrastructure held in Lusaka, Zambia in October 2017 approved the establishment of the Port Sudan Corridor to serve Central Africa Republic, Chad Ethiopia, South Sudan and Sudan.

228. The Port Sudan Corridor is a multimodal corridor with a diverse stakeholder corridor base therefore the management institution is expected to generate benefits to a diverse stakeholder base through its coordination and intervention efforts.

229. Pursuant to this decision, a COMESA team undertook a mission to Sudan to meet various departments under the Ministry of Transport, Roads and Bridges, Ministry of Trade and other key stakeholders in Sudan.

230. The mission established that Sudan is eager and ready to establish the corridor. A tour of the various port terminals of Port Sudan demonstrated existence of adequate port capacity in terms of its infrastructure and the diversity of cargo handling equipment. The port is equally accessible by both road and rail transport modes.

231. A draft Agreement for Port Sudan Corridor Authority has been prepared by COMESA Secretariat and circulated to corridor States for consideration and comments.

232. COMESA engaged a consultant who developed the Port Sudan Corridor Authority Strategic Plan which was validated at the first all stakeholders workshop held in Khartoum in January 2019.

Establishment of COMESA Railways Association

233. The COMESA Treaty (Article 86) recognizes railway transport as one of the major surface transport modes and provides for the establishment of coordinated railway services. It calls for harmonization of; policies and regulations, safety rules and regulations, legal and administrative requirements for inter-State railway transport within COMESA, documents and procedures, construction and maintenance standards, equipment and facilities with a view to provide cost effective integrated railway transport services. Most of these key issues have not been addressed to date.

234. The 10th Meeting of Ministers of Infrastructure decided that COMESA Secretariat should convene a workshop for railway operators and asset holding companies to discuss the Draft Constitution and Strategic Plan as the first step towards the formation of the COMESA Railways Association.

235. The Tripartite Infrastructure Sub-Committee has proposed that the Association be at Tripartite level given the overlapping membership among the Regional Economic Communities.

Recommendations

(i) The Railways Association be established at Tripartite level
(ii) Convening of a Tripartite meeting to discuss modalities of establishing the Association.

ENERGY

POLICY AND REGULATORY HARMONISATION

236. Article 106 of the Treaty provides the scope of cooperation for member states in the field of energy, with member states recognizing that a secure supply of energy at competitive prices is a pre-requisite for economic development. The scope of cooperation covers Joint development and utilization of energy resources

237. The status of domestication and implementation of decisions on energy include energy policy and regulatory harmonization activities such as the COMESA Model Energy Policy Framework and activities related to the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA).

Domestication of the COMESA Model Energy Policy Framework

238. The COMESA Model energy policy was developed in 2007 and since then, almost all COMESA member states have developed policies and regulations that are compliant to the COMESA model energy policy framework. The model energy policy called for energy reforms, customized to the unique characteristics of each individual country. Among the policy considerations called for was establishment of independent energy regulators, participation of Independent Power Producers (IPPs) in the energy sector, cost reflective tariffs and renewable energy friendly policies such as the feed-in-tariff.

239. The energy policies of 13 COMESA countries are compliant to the COMESA model energy policy framework. These countries are Burundi, Democratic Republic of Congo (DRC), Egypt, Kenya, Malawi, Madagascar, Mauritius, Rwanda, Seychelles, Swaziland, Uganda, Zambia and Zimbabwe. It is interesting to note that most COMESA member countries have taken deliberate steps to increase the share of renewable energy in the energy mix as well as to attract private investment by enacting Renewable Energy Feed –in –Tariff Laws (FIT). Countries that have enacted the FIT Policy include Egypt, Kenya, Uganda, Mauritius and Rwanda. Other countries with draft FIT Policies are Zambia and Zimbabwe.

240. Table below shows status of domestication/internalization of the COMESA model energy policy framework.

Table 13: The Status of Domestication/Internalization of the COMESA Model Energy Policy Framework by COMESA Member States

Compliant to the COMESA Model Energy Policy Framework	Compliant to the COMESA Model Energy Policy Framework (Draft)	Initiated
Burundi Democratic Republic of Congo (DRC) Egypt Kenya Madagascar	Sudan	Comoros

Malawi Mauritius Rwanda Seychelles Swaziland Uganda Zambia Zimbabwe		

Source: Information compiles by COMESA Secretariat from the countries.

Recommendations

241. ***The following recommendations are put forward;***

(i) Countries which are not compliant to the COMESA Model Policy Framework are urged to review/develop their national policies in line with the COMESA Model Energy Policy, and

(ii) COMESA Secretariat should provide Technical Assistance whenever required by Member States.

(iii) COMESA Secretariat together with the member states should review the Model Energy Policy to take into account new developments over the last 10 years since the model policy was developed.

Implementation of Decisions

242. The Ninth Meeting of Infrastructure Ministers Responsible for Transport, Communications, Information Technology and Energy held in Bahr Dar, Federal Democratic Republic of Ethiopia from 22 to 23 February 2016 decided that COMESA/RAERESA and SADC/RERA should work together to implement the following decisions:

Table 14: Decision on COMESA/RAERESA and SADC/RERA implementing decisions on energy

No	Decision	Status
a.	adopt common Minimum Energy Performance Standards, as well as common energy labelling, for widely traded energy using devices, focusing on lighting products in the initial phase;	Implementation of decision has commenced under the EDF 11 Funded Project on Enhancement of Energy Markets in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region which was signed on 30th May 2017
b.	support their member countries in developing national action plans for renewable energy and energy efficiency, using, as appropriate, methods such as twinning arrangements, sharing of best practices between the most advanced and less advanced countries, creation and strengthening of centers of excellence, and common training programmes;	
c.	accelerate cooperation and shared investments between the region's power pools, so as to maximize the benefit to energy users of the regions' vast energy resources;	
d.	strengthen support to national electricity companies responsible for generation, transmission and distribution, in fully integrating energy efficiency into power network infrastructure investments, maintenance practices and operating procedures;	
e.	lead their member countries in developing, adopting and putting into practice thermal building codes, so that the rapid construction in the region's cities affords comfortable, economic and energy efficient living and working space for the region's population;	
f.	facilitate sharing of experience on best practices and successful national initiatives in the area of cooking energy efficiency;	
g.	initiate a process for development of common policies and	

	regulatory guidelines, both at the regional and national level, in view of achieving the region's clean energy goals:	
h.	identify the optimal modalities for regional and national energy efficiency programmes in the industry and transport sectors; and	
i.	Establish a regional working group, to accelerate progress on energy efficiency policies and regulations, as well as to launch work on benchmarking, milestones, monitoring and evaluation.	

243. The Ninth Meeting of Infrastructure Ministers Responsible for Transport, Communications, Information Technology and Energy also made the following decisions with regards to the Draft Guidelines on renewable energy development;

No	Decision	Status
a.	The two guidelines on alignment of renewable energy technologies: (a) revised guidelines on regulatory framework on off-grid electrification and (b) revised effective regulatory regimes as a requirement for renewable energy development be adopted as COMESA guidelines on renewable energy;	Sensitization Training Workshop for Member States arranged 7-11 August in Lusaka
b.	COMESA countries be urged to adopt and/or customize, their national guidelines with these adopted guidelines, to ensure that private sector investors are more-or-less faced with similar regulatory frameworks in the COMESA region;	
c. d. e.	detailed renewable energy standards be developed; detailed competitive bidding guidelines be developed; and detailed guidelines on biofuels be developed.	To be implemented under the EDF 11 Funded Project on Enhancement of Energy Markets in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region which was signed on 30th May 2017.

PHYSICAL INFRASTRUCTURE CONNECTIVITY

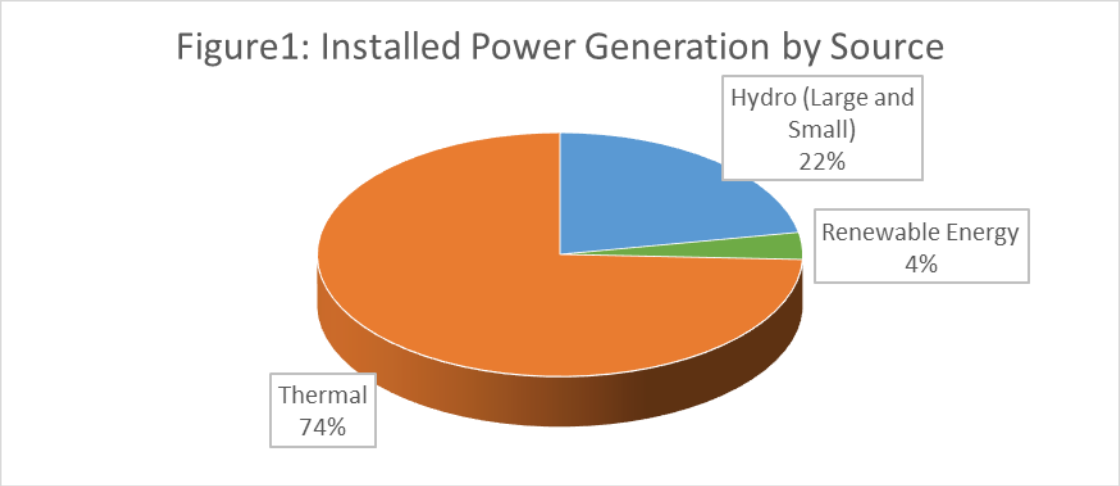
244. Development of energy infrastructure for power generation, transmission and distribution remains one of the key priorities and challenges that the COMESA member states are facing. The items to be reported under physical infrastructure connectivity include those that relate to power generation including development of small hydro power plants, transmission and regional power trade.

Power Generation

245. The total installed power generation capacity in the region is estimated at 74,829 MW.

246. Thermal power generation still dominates power generation in the region, accounting for about 73% as shown in the figure below. Hydro accounts for about 22% with renewables accounting for 4%.

Installed Generation Capacity by Source



247. There is a wide variation in terms of capacity between the member states with Egypt having the highest installed capacity (about 50% of the installed capacity) as shown in the table below;

Table 14: Selected Electricity Indicators by Country in COMESA Region

	Installed Generation Capacity	Electricity Access (%)		
Country	**MW**	**Urban**	**Rural**	**National**
Burundi	65	28	2	10
Comoros	25			69
Djibouti	126	54	1	42
DRC	2,781	35	5	15
Egypt	38,857			99
Eritrea	158.6	86	17	32
Ethiopia	4,232			30
Libya	9460			99.8
Madagascr	562	54	5	15
Malawi	365	32	4	10
Mauritius	1,010			99.9
Kenya	2,335			73
Rwanda	208	72	9	41
Somalia	81	33	4	15
Sudan	3,323			37.1
Seychelles	109.2			100
Tunisia	5,000			100
Eswatini	72			70
Uganda	842			20
Zambia	2,923	67	4.5	31.4
Zimbabwe	2,295	80	19	42
Total	**74,829**			

Source: COMESA Secretariat 2018 (compiled from various sources - Regulator Agency Annual Reports, Power Africa Briefs, IAEA)

248. Currently, there are several power generation projects under development and construction in the member countries. Annex 5 gives a list of selected projects under construction totaling 27,900 MW.

249. In addition, there are also several projects under development given in Annex 6.

250. COMESA region has abundant renewable energy sources including small hydropower which is yet to be harnessed. There is a common consensus that renewable energy sources including small hydropower are a significant ingredient for rural development. In this regard, COMESA has identified small hydropower as a strategic intervention area that would require special attention. Moreover, COMESA has identified several small hydropower projects to be able to unlock this potential to enhance the economic transformation through rural electrification.

251. On 15th December 2016, COMESA and the International Centre on Small Hydro Power Development (ICSHP) signed a Memorandum of Understanding with the objective of promoting the development of small hydropower in Eastern and Southern Africa region and to enhance local capacity building

252. The International Centre on Small Hydro Power (ICSHP), which was established in 1994, is a non-profit institution operating under auspices of United Nations Industrial Development Organization (UNIDO). Its mission is to promote small hydropower development worldwide. It is based in Hangzhou, China.

253. To facilitate Member States, access to the services of the ICSHP, COMESA and ICSHP have opened two Co-Offices, one at COMESA Secretariat in Lusaka and the other at the ICSHP Offices in China.

254. The 8th Hydropower for Today Forum, with the theme of “Hydropower Promotes Industrial Development in Africa” was co-organized by the Common Market for Eastern and Southern Africa (COMESA) and the International Centre on Small Hydro Power (ICSHP), in Lusaka, Zambia from 5 – 7 November 2018. The forum was held in parallel with a training session on Small Hydro Power Development. The training began on 5th November 2018 and the participants joined the main forum on 6 and 7th November. The forum was attended by more than 120 delegates from different organizations in Africa and overseas.

255. ***The following recommendation is put forward***

(i) Member states are urged to take part in the annual training workshops to be organized between COMESA and ICSHP through the COMESA/ICSHP co-office.

Power Interconnection Projects

256. Article 107 of the COMESA Treaty on Trade in Energy Services provides for member states to cooperate in interconnection of national electricity grids.

Benefits and Potential Benefits of Regional Power Interconnectors

257. COMESA seeks to enhance regional compositeness through regional integration. Interconnection of national power systems is one strategy through which this can be achieved. Interconnecting regional power systems has the potential of not only boosting regional and national power security of supply through utilization of power resources availability in those member countries that have adequate supply, but also reducing the actual cost of power supply within member countries.

258. The highlights below demonstrate what could be gained through interconnections:

(i) According to a 2013 Africa EU Energy Partnership report cited by Power Africa, the Ethiopia-Djibouti interconnection has enabled Djibouti to draw about 65% of its electricity needs from Ethiopia since 2011. Prior to this, 100% of Djibouti's power generation came from oil products. The cost of electricity at seven US cents (USD 0.07/kWh) from this new regional source compares favourably with USD 0.30/kWh from oil. Out of the total power supply, 154.97 gigawatt-hours (GWh) was imported from Ethiopia in 2012, which roughly equates to savings of about USD 3.6 million.

(ii) The Zambia-Tanzania-Kenya Interconnector (ZTK) will link the North-South Corridor, thereby making it possible for power trade between the East African Power Pool (EAPP) and the Southern African Power Pool (SAPP). The ZTK Market study, conducted by the consultant, Ricardo and completed in December 2016, estimates the link will make it possible to transfer as much as 600MW from Ethiopia, through Kenya to Tanzania and Zambia in the short-term and vice versa in the long-term. Interconnections therefore make huge projects viable by providing regional markets for the produced power.

(iii) Zambia and Zimbabwe recently organised an Investor Roundtable to raise financing for the construction of the 2400MW Batoka Gorge Hydro Power Plant. The Draft Final Feasibility Studies have indicated that the levelized cost of energy from Batoka will be highly competitive with a generation tariff of US$cents 3.2/kWh. In a regional of varying tariff levels, where in some cases, they are as high as US$cents 30/kWh, an interconnected system would provide opportunities for trade, lowering the cost of production and thereby enhancing regional competitiveness.

Ongoing Power Interconnection Projects

259. There are several interconnection projects both at planning stage and under implementation at regional level. These include; the Zambia –Tanzania – Kenya Power Interconnector (ZTK), Ethiopia-Kenya Power Interconnector Project, Malawi-Zambia Interconnector, Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA), Uganda-Kenya-Uganda-Rwanda, Rwanda-Burundi, Ethiopia-South Sudan power interconnector project, Uganda (Olwiyo) –South Sudan (Juba) and Ethiopia-Sudan Power Interconnector Project
The highlights below show progress of some projects:

Zambia –Tanzania – Kenya Power Interconnector

260. With EU funding support, COMESA has continued promoting the Zambia, Tanzania Kenya Power Interconnector (ZTK). The project aims to interconnect the three countries but also will create a link between the Southern African Power Pool and the East African Power Pool, making it possible to transmit power from Cape to Cairo.

261. The project will link the North-South Corridor, thereby making it possible for power trade between the East African Power Pool (EAPP) and the Southern African Power Pool (SAPP). Several significant milestones were achieved in 2017 as follows;

(i) The Final Feasibility Study, the Environment and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) for the Mbeya - Tunduma (Tanzania) to Nakonde – Kasama – Pensulo - Kabwe (Zambia) section were completed in November 2017.

(ii) Completion of the Conceptual Design for the project in November 2017
(iii) Holding of financiers' conference for the ZTK in November 2017 in Livingstone, Zambia whose objective was to create awareness about the financial needs of the project and raise the required funding.
(iv) The Kenyan section of the interconnection is fully financed, and construction is expected to be completed in 2018.
(v) In June 2018, the world Bank approved the funding for the Tanzanian section of the project.
(vi) The Government of the Republic of Zambia is still working on financial mobilization to finance the remaining sections of the interconnector.

Ethiopia - Kenya Power Interconnector Project

262. The Ethiopia-Kenya interconnector is 500kv High Voltage Direct Current (HVDC), 1,045 km line, 612 on the Kenyan side and 433km on the Ethiopian side. The construction of the project is in progress following the securing of finance through co-funders, namely, the World Bank, the African Development Bank the French Development Agency and of course the Ethiopian and Kenyan governments. The project is expected to be completed in 2019.

Malawi-Zambia Interconnector

263. The feasibility study is still on-going and is expected to be completed at the end of 2017.

Malawi – Mozambique Interconnector

264. The feasibility study is still on-going and is expected to be completed at the end of 2017.

Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA)

265. A special Purpose Vehicle (SPV) has been established and registered in Namibia 2016.

NELSAP Power Interconnection Projects

266. The Nile Equatorial Lake Subsidiary Action programme (NELSAP) of the Nile Basin Initiative (NBI) is fast-tracking the implementation of the following power interconnectors:

Uganda-Kenya;

267. This is a 254km Transmission line of length of 400kV Transmission Line initially operated at 220kV.Kenya has stagnated at 50% and 35% overall progress on the substation and Overhead Transmission line (OHTL) respectively due to a non-performing contractor who was terminated in April 2016. The Uganda portion is expected to be completed in 2018.

Uganda-Rwanda, Rwanda-Burundi

268. For Uganda-Rwanda (Uganda Scope): Uganda progressed to 94.7% with OHTL and to 94.5% for New Mbarara Substation and 69% for Mirama substation. The project is expected to be completed by the end of 2018.

269. For Uganda-Rwanda (Rwanda-Scope): Rwanda completed its OHTL (Shango-Mirama) in December 2015 with Shango substation at 75.8% and Birembo substation at

94.5%. The 143km, 220KV overhead line from Kigoma to Gitega is still under procurement and expected to be completed at the end of 2019.

270. For Rwanda-Burundi - EPC Contractor procurement was expected to commence early 2018.

Upgrade of existing electricity system Burundi-DRC (Eastern part) Rwanda into 220 kv:

271. Burundi OHTL (Bujumbura-Kamanyola) is slow going at design review stage. This is due to the termination of the supervision consultant in April 2016 and having to procure a new one. The Substation (Bujumbura) has stagnated at EPC contractor procurement following KfW/Government of Germany suspending activities in Burundi.

272. On DRC part - The OHTL interconnecting with Rwanda (Gisenyi-Goma) but Goma substation works have stalled at 36.8% overall progress due to site abandonment by the EPC contractor. Procurement of a new contractor is underway.

Ethiopia South Sudan power interconnector project:

273. NELSAP is consulting with the Countries to promote/source for funding for feasibility studies.

Uganda (Olwiyo) –South Sudan (Juba)

274. NELSAP has secured funding from NEPAD-IPPF to undertake Uganda (Olwiyo)-South Sudan (Juba) interconnection and await conclusion of financing agreement.

Ethiopia-Sudan Power Interconnector Project

275. The Feasibility Study, Environmental and Social Impact Assessment (ESIA), Resettlement Action Plan & (RAP), Engineering Design and Tender documents had been finalized. The Interconnection Agreements documents are under negotiation.

276. The two countries are seeking for financing for the project. A Joint letter of request for finance was issued by the two finance Ministers to the African Development Bank AfDB. The two governments of Ethiopia and Sudan was fully committed to this project. The project is proposed to be commissioned in year 2021 as agreed in Road Map.

277. The total estimated cost is USD 566.01 million USD according to the Feasibility Study with the Sudan portion being 536.980 million USD and the Ethiopia portion being 29.030 million USD.

Existing and Committed Interconnections in COMESA

Table 16 below summarizes some existing and committed power interconnector in the COMESA region.

Table 16: List of Existing and Committed Interconnections in COMESA

From	To	Existing (MW)	Committed (MW)	Year
DRC	Burundi	16	49	2018
DRC	Rwanda	100	300	2015
DRC South	DRC East	-	500	2025

DRC West	DRC South	560	1,000	2025
Egypt	Sudan		200	2016
Ethiopia	Djibouti	180	-	
Ethiopia	Kenya	-	2,000	2017
Kenya	Tanzania	-	1,300	2018
Libya	Egypt	180	-	
Rwanda	Burundi	12	100	2018
Rwanda	Tanzania		27	2018
Sudan	Ethiopia	200	-	
Sudan	South Sudan	300	-	
Tanzania	Burundi		27	2018
Uganda	Kenya	145	300	2015
Uganda	Rwanda	5	300	2015
Uganda	Tanzania	70	-	
Zambia	Zimbabwe	1400	-	
Zambia	DRC	500	-	

Source: ZTK Market Study 2016

Map of the transmission line is provided in annex 8.

Power Trade within the EAPP

278. The East African Power Pool has not yet established a platform for trading power within the region. However, Long Term Bilateral trading (5 – 15-year agreements) between member countries do exist. The total value of the existing bilateral contracts within the EAPP is 1030MW as shown in table below;

279. This is compared to more than 5000MW worth of bilateral contracts in the SAPP. In addition, 923 GWh was traded on the Day Ahead Markets (DAM) in 2016 at a value of $US56m

Table 17: Existing Bilateral Power Trade Agreements

Agreement	**MW**	**Date started**	**Period**
Ethiopia - Rwanda	0 MW	**-**	**-**
Ethiopia - Sudan	100 MW	20/8/2009	3 years
Ethiopia - Djibouti	100 MW	-/06/2006	3 years
Ethiopia - Tanzania	400 MW	--	--
Ethiopia - Kenya	400 MW firm	14/12/2012	25 years
Kenya - Rwanda	30 MW firm	09/10/2014	5 years
Kenya -Uganda	Non-firm	27/03/2013	4 years

Source: ZTK Complimentary Market Study, 2016.

280. The linking of the two regions of the EAPP and SAPP will present opportunities for power trade. The consultants working on the ZTK Market Analysis study undertook an analysis of the two power pools based on the existing master plans for selected countries and highlighted the following potential for inter-regional trade. After reduction of 15% for reserves and Energy availability in the year 2023, the potential is shown the table11 below.

Table 18: Selected Countries Surplus / Deficit Capacity (MW)				
SAPP - 2023				
Entity	**Installed Capacity**	**Demand with Reserves**	**Surplus Capacity**	**Trade Type**

South Africa	52,175	54,002	-1,827	Import
DRC	7,362	2,867	4,495	Export
Mozambique	3,969	3,255	714	Export
Zambia	5,064	3,271	1,793	Export
Zimbabwe	3,720	2,691	1,029	Export
EAPP - 2023				
Entity	**Installed Capacity**	**Demand with Reserves**	**Surplus Capacity**	**Trade Type**
Ethiopia	21,296	13,075	8,221	Export
Kenya	8,228	8,714	-486	Import
Tanzania	6,646	5,687	959	Export
Uganda	1,910	2,252	-342	Import
Sudan	8,816	7,523	1,293	Export

Source: ZTK Complimentary Market Study, 2016.

281. SAPP has a surplus capacity of 8,541MW after allowing for 15% reserves including DRC and Tanzania with committed power plants only.

282. EAPP has estimated surplus energy to trade with the SAPP of 24,000 GWh in 2023 equivalent to 2,700 MW continuous power according to the EAPP 2011 Master Plan.

Recommendation

283. ***The JTC is invited to note progress on the implementation of the power interconnection projects.***

INSTITUTIONAL CONNECTIVITY

284. The Items to be reported under Institutional Connectivity include the activities related to the Eastern Africa Power Pool (EAPP), activities of RAERESA and jointly implemented activities with other Regional Economic Communities.

East African Power Pool (EAPP)

285. The EAPP is a specialized institute of COMESA. It is specializing in electrical power. The EAPP has the mandate to undertake power system planning at regional level taking into consideration the national plans and ensuring that mechanisms for power trade within the region are developed and implemented.

286. The 13th Council of Ministers of the EAPP met in Kampala, Uganda on the Thursday, 15th February 2018 and made the following resolutions:

(i) EAPP Regional Master Plan to be reviewed and updated to guide in decisions making going forward.
(ii) EAPP Strategic Plan and its 3-year Action Plan is approved and the Strategic Plan to be reviewed every year.
(iii) EAPP Strategic Plan and its 3-year Action Plan be supported by EAPP
(iv) Members and Development Partners under the Multi-Donor Trust Funds and the new proposed regional facility financed by the World
(v) Bank;
(vi) EAPP General Secretariat to lead the process of implementation of the Strategic Plan and Action Plan through consultation with members of the Steering Committee, Senior Government Officials and Development Partners.

(vii) The Secretariat and the Steering Committee to continue engaging with the Development Partners to close future funding gaps to implement the EAPP Strategy for the next 10 years.
(viii) To take note of the support by World Bank, GEIDCO and other Development Partners to EAPP that could play a catalytic role in fostering investment in power infrastructure in the region.
(ix) Feasibility studies of Transmission lines to connect the North and South of the EAPP region be done a priority for future implementation.
(x) An addendum to be made to the IGMOU on the EAPP Governance Structure and other gaps following the adoption of the revised Governance Structure done by HR & Governance Committee.
(xi) The Principal/Permanent Secretaries or equivalent Senior Officials in respective Country Member Ministries to be part of the Steering Committee to address policy decisions. This has to be accommodated in the amendments of the IGMOUs.
(xii) The deliverables of the General Secretariat should be clear and reports on what COM resolved and how far the implementation of the Resolutions has reached.
(xiii) EAPP's Secretariat Staff Terms and conditions of Service should be clear on the deliverables and accountability.
(xiv) Updates on the Performance of EAPP Steering Committee to be shared periodically to CoM.
(xv) EAPP should embrace and take advantage of modern communication by having details of all stakeholders for ease of communications.
(xvi) Concerns on Arusha-Tanzania 2017 COM Resolutions are noted. Trilateral engagements to continue as the process of EAPP Strategic and Action Plan moves on for implementation.
(xvii) Egypt's written reservations on the 13th COM Declarations be attached to this Declaration

287. The meeting is invited to note the resolutions of the 13th COM of the EAPP.

Power Trade within the EAPP

288. The JTC is invited to note that the Eastern Africa Region is expected to be interconnected by 2021 and that region power trade is expected to accelerate after that. Currently power trade within the region is limited to bilateral trading arrangements.

Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA)

289. There are many challenges which are impacting on the implementation of several of energy projects. They are relating to market governance and regulatory related challenges. They include under-developed regulatory framework, unlegislated and unclear integration model / uptake market structure (feed-in tariff mechanism, standards and specifications for system compatibility) for alternative renewable energy sources and limited participation of the private sector. They are in part leading to prolonged financial closure of many energy projects.

290. It has, therefore, been established that, it would be very critical to enhance sustainability of regional energy market through development of a harmonized regulatory framework. This will provide the enabling environment for the needed investments, power trade and promotion of renewable energy and energy efficiency to thrive.

291. It is against this background and also based on international and regional best practice that COMESA established the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) to address these challenges from a regulatory perspective, pursuant to COMESA Treaty, Chapter 13 article 106 of the Treaty on co-operation in the development of energy which provides for the scope of co-operation. In addition to the COMESA Council of Minister decision to establish RAERESA.

292. Since its inception in 2009 and operationalization in 2010, RAERESA membership has expanded by 86%. The membership has expanded from seven members in 2009 to thirteen members in 2018. This expansion has been attributed to the value that RAERESA is adding to its members in terms of capacity building, information and best practices sharing.

293. RAERESA is also currently engaging with Democratic Republic of Congo and Comoros to establish the level of technical support that is required in the process of establishing and enhancing energy regulatory capacity in the two countries.

Table 19: RAERESA Membership

Full Members	**Associate Members**	**Observers**
Burundi		
Ethiopia	Comoros	
Egypt	Djibouti	
Kenya	Democratic Republic of Congo	Swaziland
Madagascar	Eritrea	
Malawi	Libya	Tunisia
Mauritius	Somalia	
Rwanda		
Seychelles		
Sudan		
Uganda		
Zambia		
Zimbabwe		

294. ***The committee recommended that Eswatini and Tunisia are urged to acquire full membership status of RAERESA.***

295. The analysis of landscape of RAERESA which have been based on some surveys undertaken recently indicated that some RAERESA members have advanced and unbundled electricity market structures with multiple public and private sector ownerships managed by fully autonomous regulators with very active independent power producers (IPPs) and viable distribution companies. The viability of the distribution companies in these countries reduces market risks for the IPPs, who have shown willingness to invest in these markets. The regulatory frameworks and energy market structures could act as role models for the other countries. Moreover, some RAERESA members have an energy regulator where tariffs determined by the regulators are approved by government. However, these countries are managing to carry out large investments in energy projects.

296. It has also been established that in some countries, the vertically integrated power utilities are carrying out power generation, transmission, distribution, and retail supply functions. While in some countries the generation, transmission and distribution functions have been unbundled but are still under government control.

297. The Eastern Africa Power Pool (EAPP) has a fully autonomous regulator and that both the EAPP and the Southern Africa Power Pool (SAPP) have regional master plans to

expand their regional electricity grids but lack of funding has prevented meaningful investments in power.

298. The aggressive investment in power generation in some RAERESA members has trigger some countries to invest in several interconnectors particularly in Eastern and Southern Africa, most of which will be operational in 2020/2021. This means that the COMESA region will witness a massive power trade and that the energy balances show the opportunities available for increased regional trade if only harmonized and independent regulatory frameworks can support investments in clean energy.

299. However, there are also opportunities for substantial energy efficiency (EE) interventions on the supply side in addition to some demand side management (DSM) initiatives, which are considered as a hanging fruits and that quick gains could be achieved.

300. Transmission and distribution (T and D) losses in some COMESA countries vary from about 10% to 35% against best practice benchmarks of about 8% - 10%. Most utilities have loss reduction targets as part of their Key Performance Indicators (KPIs), which are linked to their tariff adjustment. There is need to do more to ensure that the KPIs are followed and that Member States without these KPIs, adopt them.

301. On renewable energy, it should be highlighted that COMESA/RAERESA, through a support from USAID-East Africa, developed guidelines to assist member countries to facilitate private sector players in developing renewable energy projects in their respective countries.

302. In this regard, COMESA/RAERESA intends to work with member countries so that each of them implements the approved COMESA guidelines which include the following:

(i) Guidelines for Feed-in-tariff (FIT) for projects not exceeding 20 MW;
(ii) Guidelines for negotiating Power Purchase Agreement (PPA);
(iii) Guidelines for attracting Public Private Partnership (PPP);
(iv) Guidelines for multiple countries to development projects jointly;
(v) Guidelines for developing the necessary regulatory framework on off-grid electrification; and
(vi) Best regulatory practices for renewable energy development.

303. This is intended to increase investment in renewable energy and to spur their growth and to promote clean energy initiatives in efforts to facilitate attaining the following;

(i) encouraging private sector investment and trade in renewable energy technologies; and
(ii) promoting use of renewable energy technologies to mitigate global climate change

304. To this end, it is worth noting that some COMESA Member States such as Egypt, Ethiopia, Kenya, Rwanda and Uganda, Zambia, among other, have managed to attract Independent Power Producers (IPPs) owing to the domestication of the energy regulation instruments indicated under this intervention.

305. To address the issues indicated above, RAERESA held its Eighth Annual General Meeting (AGM) which was held Khartoum, Sudan on 19 – 20 September 2018. The meeting was intended to strengthen the capacity of RAERESA so that it could proactively influence developments in the energy sector of COMESA and also to facilitate information sharing among the members of RAERESA on energy regulatory issues.

306. The Eighth AGM of RAERESA made some decisions relating to the enhancement of the work and the effectiveness of RAERESA. The decisions are highlighted below:

(i) RAERESA should sign a Memorandum of Understandings (MoUs) with the Council of European Energy Regulators (CEER), the Collaborative Labelling and Appliance Standards Programme (CLASP), (USA based) and with Rocky Mountain Institute (RMI), (USA based) to collaborate with strategic partners to strengthen service delivery in the field of energy sector and also to facilitate capacity building in the Eastern Africa, Southern Africa and Indian Ocean (EA-SI-AO) region, in accordance with the objectives of the European Development Fund (EDF) Action Programme on Enhancement of a Sustainable Regional Energy Market (the MoUs are being finalized);

(ii) the full membership requests of the Agency for Regulation of Water, Electricity and Mining of the Republic of Burundi, the Utility Regulatory Authority of the Republic of Mauritius and Energy Regulation Board of the Republic of Zambia to RAERESA were approved;

(iii) Some Articles and Paragraphs in the Constitution of RAERESA were amended to allow the adoption of the proposed new structure with restructured Portfolio Committees to be a service based rather than industry based, to reflect the mandate and strategic goals of RAERESA and also take into consideration these new developments in the energy sector; and

(iv) RAERESA should join the International Confederation of Energy Regulators (ICER) to benefit from the programmes run by ICER, and as an update, RAERESA has joined ICER).

307. On election of the Chairperson of the Plenary and the chairpersons of the Portfolio Committees, the Eighth Annual General Meeting elected:

a. Kenya as Chair of the Plenary; and
b. the following Portfolio Committees Chairs*:*

- Zambia as Chair of Portfolio Committee on Capacity Building, Information Exchange, Energy Statistics and Database;
- Egypt as Chair of Portfolio Committee on Harmonization of Legal and Regulatory Frameworks;
- Ethiopia as Chair of Portfolio Committee on Renewable Energy;
- Seychelles as Chair of Portfolio Committee on Environment and Energy Efficiency; and
- Sudan as a Member of the Executive Committee without portfolio.

308. On establishment of a dedicated Secretariat for RAERESA, the Eighth Annual General Meeting resolved as follows:

a. RAERESA to start meeting the payment of the Chief Executive Officer of RAERESA from June 2019; and
b. The Chief Executive Officer ad. interim be confirmed as Chief Executive Officer until July 2021 when the European Union funded project on enhancement of a sustainable

regional energy market in the Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region closes.

309. The Eighth Annual General Meeting also adopted the report on the financial position of RAERESA.

Recommendation

310. ***The JTC is invited to note progress on dealing with energy regulatory matters and affairs of RAERESA.***

Project on Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Region

311. COMESA and the European Union signed on 30th May 2017 a Delegation Agreement of seven million euro to enhance sustainable regional energy market conducive to investment and promoting sustainable development.

312. The funds which have been provided through the 11th European Development Fund (EDF) will be used to address market governance and regulatory related challenges that are impacting on the implementation of energy development projects in the Eastern Africa, Southern Africa and Indian Ocean region.

313. The project titled “Enhancement of a Sustainable Regional Energy Market in the Eastern and Southern Africa and Indian Ocean Region” will support the development of harmonized regulatory frameworks in the regional energy market as well as the renewable energy subsector and efficient energy management.

314. This is in addition to enabling regional regulatory associations and power pools to oversee and stimulate increased regional power trade more effectively. These include the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) in COMESA, the Regional Electricity Regulators Association of Southern Africa (RERA) in SADC and the Energy Regulators Association of East Africa (EREA) in EAC. The regional power pools comprise the Eastern Power Pool (EAPP) and the Southern Africa Power Pool (SAPP). RAERESA has been identified to coordinate the implementation of the programme.

315. The Project’s result areas are as follows:

(i) **Result 1:** A Regionally Harmonized Energy Regulatory Framework
(ii) **Result 2:** Enhancement of Regulatory Capacity of the National Regulatory Authorities and Strengthening Capacity of The Regional Regulatory Associations and Power Pools
(iii) **Result 3**: Development and Harmonizing the Strategy on RES and EE for EA, SA and IO Regions

316. Key Progress made so far is outlined below.

(i) **Result 1**: A regionally harmonized energy regulatory framework:

a. the scope of work and terms of reference to develop a framework for regulatory oversight of the regional energy market was developed, the procurement of non-key experts to supplement the project management team commenced in the period under review;
b. to ensure that the Regional Regulatory Associations (RRAs) in the EA-SA-IO region are exposed to international best practices regarding regulating regional energy

markets, a concept note and framework of collaboration with the Council of European Energy Regulators (CEER) was developed, implementation of the collaboration programs is in progress;

c. a consultative meeting by stakeholders to facilitate the development of a regionally harmonized energy regulatory framework and the support for the establishment of a Regional Autonomous Regulator for the Southern Africa Power Pool (SAPP) was held;
d. the scope of works and terms of reference to engage consultancy services to develop a detailed transformation roadmap for the transformation of the Energy Regulators Association of East Africa RERA into a Regional Regulatory Authority was developed, the procurement of consultancy service is in progress; and
e. a study tour to the Economic Community of West African States (ECOWAS) Directorate of Energy, the West African Power Pool (WAPP), the ECOWAS Regional Electricity Regulatory Authority (ERERA), and the Independent Regulatory Authority (IRB) of the Eastern African Power Pool (EAPP) was completed in the period under review, the delegation was composed of members of the RERA Executive Committee, SADC and SAPP and the study tour's objective was to facilitate knowledge transfer and best practice on possible institutional options in transforming the RERA into a Regional Energy Regulatory Authority.

(ii) **Result 2**: Enhancement of Regulatory Capacity of the National Regulatory Authorities and strengthening capacity of the Regional Regulatory Associations and Power Pools:

a. the appointment of the Project Manager, Deputy Project Manager (RERA) and Project Officers (for RERA & RAERESA) to implement the Action and capacitate the RERA and RAERESA Secretariats was completed in the period under review;
b. the Technical Programme Steering Committee (PTSC) meetings were held to engage stakeholders to facilitate the implementation the Action;
c. facilitated the peer review and peer learning exercise for Botswana Energy Regulatory Authority (BERA) by RERA Members during the RERA Structures' Meetings;
d. facilitated the peer review exercise for the Electricity Regulatory Authority (ERA) of Sudan by RAERESA Members during the RARERESA's Annual General Meeting;
e. facilitated the executive training on managing power sector reform and regulation at Graduate School of Business, University of Cape Town, South Africa to 3 participants from National Regulatory Authorities from the EA-SA-IO region;
f. facilitated training on the regulation of energy utilities at the Florence School of Regulation in Italy to 4 participants from National Regulatory Authorities in the EA-SA-IO region;
g. an intensive two-week programme specifically tailored to the professional needs of utility regulators, policymakers; Public Utility Research Center (PURC) at the University of Florida, USA, to 6 participants from National Regulatory Authorities from EA-SA-IO region;
h. a framework for cooperation on Women in Energy with the International Confederation of Energy Regulators (ICER) was established and a concept note for possible collaboration was developed and submitted to ICER for adoption;
i. communication and visibility programmes continued to be implemented and included the launch of the Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa and Indian Ocean Region (EA-SA-IO) programme; and
j. a Training Needs Assessment (TNA) for Women-in-Energy (WIE) was conducted in-conjunction with the Regional Regulatory Associations (RRAs) in the EA-SA-IO region to establish the baseline and training programs required to be implemented. Implementation of the results of the TNA is scheduled for the second semester of 2019.

(iii) **Result 3**: Development and harmonizing the strategy on Renewable Energy Supply (RES) and energy Efficiency (EE) for Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region:

a. scope of work and terms of reference to engage consultancy services to review existing renewable energy supply policies, strategies, action plans, regulatory frameworks and standards in order to establish best practices to inform the development of a synthesized regional renewable energy and energy efficiency strategy and action plan was developed, the procurement of consultancy service is in progress;
b. engagement with the SADC Renewable Energy and Energy Efficiency Centre was undertaken to synergize efforts in implementing the renewable energy and energy efficiency (RE and EE) programmes;
c. a regional workshop on harmonization and adoption of common Minimum Energy Performance for the EA-SA-IO region was facilitated to support initiatives in the implementation of enabling legislations;
d. COMESA/RAERESA and the USA based Collaborative Labelling and Appliance Standards Programme (CLASP) have developed a framework of collaboration via an MOU to formalize and guide the collaborative effort between the two institutions;
e. A framework of collaboration with Rocky Mountain Institute (RMI) was established to enable the fast tracking of the development and implementation of regional industrial, building and transport energy efficient programs for the EA-SA-IO region; and
f. A consultant to develop a synthesized regional renewable energy and energy efficiency strategy for the EA-SA-IO region was procured during the period under review.

Recommendation

317. ***The JTC is invited to note progress on the implementation of the Project on Enhancement of a Sustainable Regional Energy Market in Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Region.***

Collaboration in the Energy Sector

318. COMESA will be collaborating with strategic stakeholders to strengthen service delivery in the energy sector.

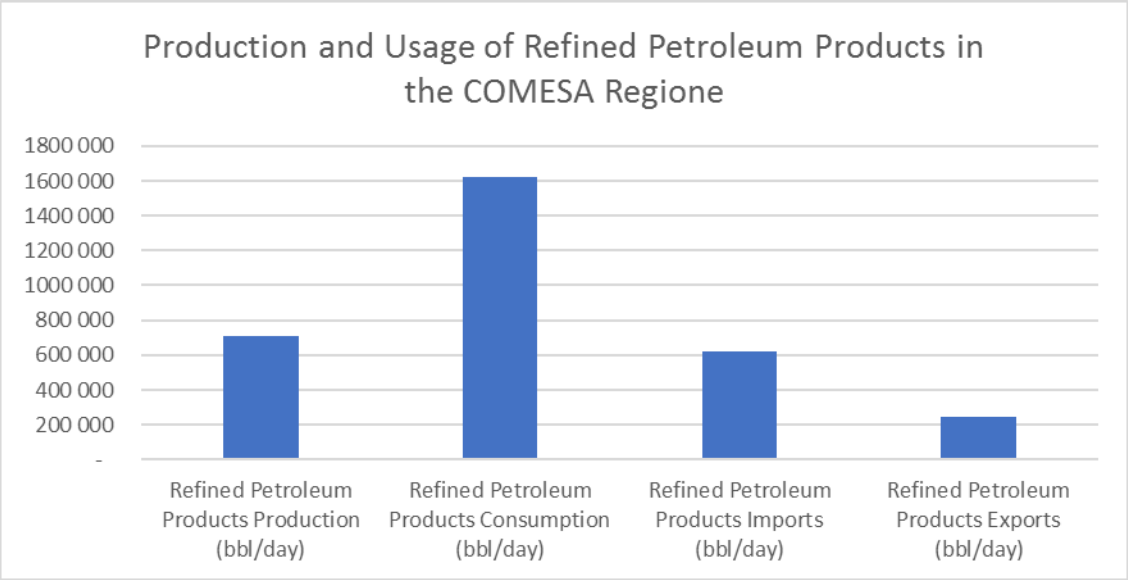
319. The JTC is invited to note that COMESA and the Arab Republic of Egypt have concluded discussions on Egypt's gracious offer to share experiences in electricity shares made at the Tenth Joint Meeting of the Committees on Transport and Communications, Information Technology and Energy in Lusaka, Zambia, October 2017. In this regard, member states will be invited to participate in a capacity building programme to be held in Egypt in March 2019.

320. The JTC is also invited to note that in September 2018, COMESA and the World Energy Council (WEC) also signed a Memorandum of Understanding whose objective is to establish a framework and areas for cooperation between COMESA and the World Energy Council for the promotion of sustainable energy and energy trade in Africa.

Petroleum Subsector

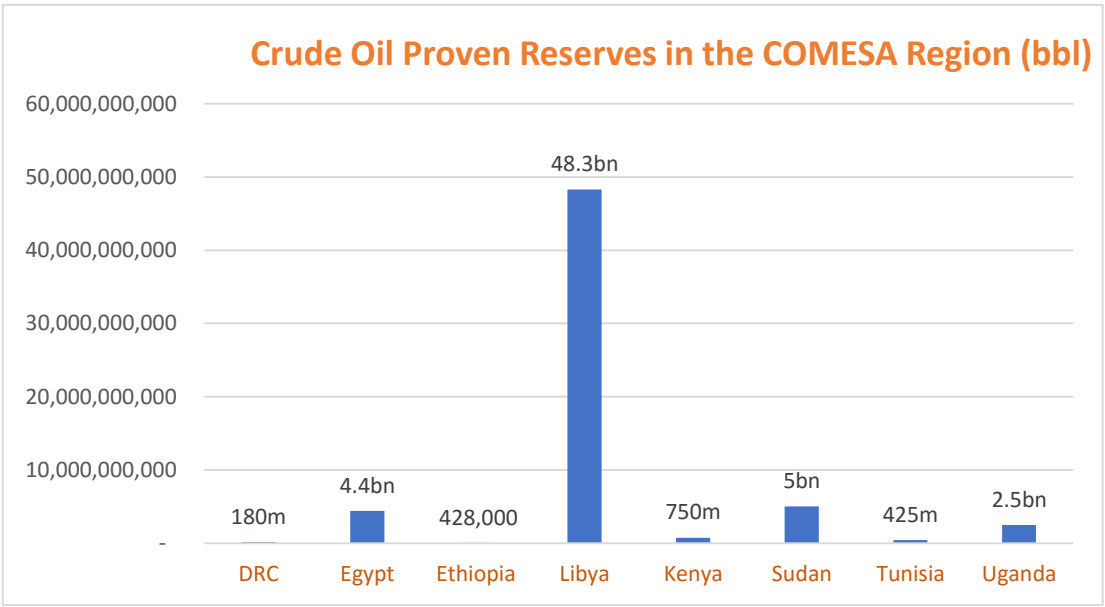
321. The COMESA region consumes about 1,618,100 barrels of refined petroleum products per day and produces 712,250 barrels of refined products per day. There are only five countries currently producing refined products with Egypt producing 471,800

barrels/day, which accounts for 66% of the total production. This is followed by Libya at 102,000barrels/day, then Sudan at 89,300 and lastly Tunisia and Zambia at 34,760 and 14,290 barrels/day respectively.



Source: COMESA Secretariat, compiled from CIA Data
https://www.cia.gov/library/publications/resources/the-world-factbook/ (accessed 06/09/2018)

322. The COMESA region has more than 60billion barrels of proven crude oil reserves, with the bulk of the reserves (48.3bn) being in Libya, followed by Sudan at 5bn, Egypt at 4.4bn and Uganda at 2.5bn.



Source: COMESA Secretariat, compiled from CIA Data
https://www.cia.gov/library/publications/resources/the-world-factbook/ (accessed 06/09/2018)

Selection of ongoing Projects in COMESA Member Countries

Country	Project	Cost
Madagascar	Several companies involved in both on-shore and off-shore, exploration, with exploratory drilling expected to commence soon	

Mauritius	The Mauritian Government is embarking on an ambitious project to transform Port Louis into a leading petroleum and bunkering hub in the Indian Ocean. Ongoing Construction of petroleum terminal, it will comprise five tanks of 5 000 metric tonnes each.	Rs 600million (circa $18m USD)
Kenya	Plans to develop an 850km oil pipeline from Lake Turkana to the Coast. The proposed pipeline is expected to be completed during the first quarter of 2021	$2.1 billion
Uganda	On 10 April 2018, the Government of Uganda, signed a Project Framework Agreement with the Albertine Graben Refinery Consortium (a group including General Electric Co and Lionworks Group Limited) to develop a proposed 60,000 barrel a day Oil Refinery (. Starting in 2020, the plant will be supplied by fields with 6.5 billion barrels of resources, developed by Total, Tullow and CNOOC. China National Offshore Oil Corporation (CNOOC) The refinery will be complemented by 1,445 pipelines from Uganda to the Tanzanian coast.	$US4billion for refinery and another $US4billion for the pipeline

323. The secretariat engaged the African Development Bank to help support a study to establish the status of policy and project developments as well as potential for cooperation in the COMESA region. The Terms of Reference for the Study have been agreed on and the study is expected to be conducted in early 2019.

Recommendations:

324. ***Member countries are urged to explore potential bilateral cooperation in the area of technical capacity exchange programs and petroleum trading in the near future.***

INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICTs)
POLICY AND REGULATORY HARMONISATION

325. Information and Communication Technology (ICT) is part of the development agenda for any country. It promotes development and generate socio economic benefits as it reduces information costs which in turn lowers the cost of economic and social transactions for firms, individuals, and governments. They increase efficiency thus, making existing activities and services cheaper and quicker with improved convenience.

326. Therefore, the coverage, affordability, capacity and reliability of the digital infrastructure over which these services are provided are of fundamental importance to both consumers and businesses.

327. COMESA Treaty, particularly under article 84 and 96, provides a collaboration framework between Member States. It requests inter alia the adoption of common policies in the provision of ICT services and the maintenance of inter-State infrastructure at a high standard for efficient inter-State traffic within the Common Market.

328. In the COMESA region like the rest of Africa many countries have opened the ICT sector to competition in many segments. Opening markets has enabled private participation in the market which together with enabling technologies of mobile and the internet has fuelled rapid uptake of ICT services in the region. Progress is also evident on the regulatory front where the ICT regulators in the region have domesticated many policy guidelines and regulations developed by COMESA.

329. The Member States established the regional regulatory association “Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA)

to foster regional cooperation and ICT development. The aim of ARICEA is to promote sustainable growth and development through efficient use of information and communication technology (ICT) services.

330. However despite these developments, more efforts are required to further open up other market segments and harmonisation of various regulatory instruments in order to achieve a unified digital market.

331. The section below looks at status of domestication of COMESA Council decisions and sector reforms in Member States.

Status of implementation of Domestication of Model Frameworks and Reforms

332. The COMESA council of ministers has been instrumental in passing decisions aimed at fulfilling the requirements of Article 84 of the COMESA treaty and many Member States have so far complied with these decisions.

333. The 15th meeting of the COMESA Council of Ministers of 13-15 March 2003 (§ 71) decided that Member States;

(i) adopt the ICT Policy together with the accompanying Model Bill as guidelines for harmonising institutions, policy and regulations in the region;
(ii) Implement the strategies set out in the ICT Policy document within a period of five (5) years from the date on which Council of Ministers approves it; and
(iii) should provide support to the Association of Regulators of Information and Communications for Eastern and Southern Africa (ARICEA).

334. The Table. ICT 1 below shows the Status of domestication of Model ICT policy and laws in the Telecommunication, Broadcasting and Postal Services sectors.

Table. ICT 1 Status of Implementing Telecommunications, Broadcasting and Postal services Council Report

Country	*Telecommunication*			*Broadcasting*			*Postal*		
	Policy	***Law***	***Regulator***	***Policy***	***Law***	***Regulator***	***Policy***	***Law***	***Regulator***
Burundi	Y	Y	Y	P	P	P	Y	Y	Y
Comoros	Y	Y	Y	P	P	P	Y	Y	Y
Djibouti	N	N	N	N	N	N	N	N	N
DR Congo	Y	Y	Y	P	P	P	Y	Y	Y
Egypt	Y	Y	Y	P	P	p	N	N	N
Eritrea	N	N	N	N	N	N	N	N	N
Ethiopia	Y	Y	Y	Y	Y	Y	N	N	N
Kenya	Y	Y	Y	Y	Y	Y	Y	Y	Y
Libya	N	N	N	N	N	N	N	N	N
Madagascar	Y	Y	Y	P	P	P	Y	Y	Y
Malawi	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mauritius	Y	Y	Y	P	P	P	Y	Y	Y
Rwanda	Y	Y	Y	P	P	P	Y	Y	Y
Seychelles	N	N	N	N	N	N	N	N	N
Sudan	Y	Y	Y	P	P	P	Y	Y	Y
Swaziland	Y	Y	Y	P	P	P	Y	Y	Y
Uganda	Y	Y	Y	P	P	P	Y	Y	Y
Zambia	Y	Y	Y	Y	Y	Y	Y	Y	Y
Zimbabwe	Y	Y	Y	P	P	P	Y	Y	Y

Y = Compliant (Existence of relevant Policies, Legal framework and Independent regulator)
P= Partial Compliant (Existence of relevant Policies and Laws that allows partial control by the regulator or shared responsibility with another government body or ministry)
N = Non-Compliant (Existence of Policies and Laws that allows full government ministry or department control)

Table. ICT 2 shows the formation of independent regulators in the COMESA region.

Table. ICT 2 Regulatory Bodies of COMESA member states

Country	Regulator Name	Wireless	Data	Wireline
Burundi	Agence de Régulation et de Contrôle des Telecom (ARCT)	x	x	x
Comoros	Autorité Nationale de régulation des TIC (ANRTIC)	x	x	x
Congo, Dem. Rep.	ARPTC (Autorité de Régulation des Postes et Telecom)	x	x	x
Djibouti	Department of Posts and Telecommunications (DPT)	x	x	x
Egypt	National Telecommunications Regulatory Authority (NTRA)	x	x	x
Eritrea	Communications Department of MoTC	x	x	x
Eritrea	Ministry of Transport and Communications (MoTC)	x	x	x
Ethiopia	Ministry of Communication and Information Technology	x	x	x
Kenya	Communications Authority of Kenya (CA, formerly CCK)	x	x	x
Libya	Libyan Post, Telecommunication and IT Company (LPTIC)	x	x	x
Madagascar	OMERT	x	x	x
Malawi	Malawi Communications Regulatory Authority (MACRA)	x	x	x
Mauritius	Information & Communication Technologies Authority (ICTA)	x	x	x
Reunion	Arcep	x	x	x
Rwanda	Rwanda Utilities Regulatory Agency (RURA)	x	x	x
Seychelles	Department of Information Communications Technology (DICT)	x	x	x
Sudan	National Telecommunication Corporation (NTC)	x	x	x
Swaziland	Swaziland Communications Commission (SCC)	x	x	x
Uganda	Uganda Communications Commission (UCC)	x	x	x
Zambia	Zambia Info. & Communication Technology Authority (ZICTA)	x	x	x
Zimbabwe	Postal & Telecoms Regulatory Authority Zimbabwe (POTRAZ)	x	x	x

Source: COMESA

335. COMESA has developed model cybersecurity guidelines and bill. The purpose of the Cyber Security Policy Guidelines is to assist member countries when developing policies in a manner that would ensure the harmonization of legal frameworks in the region.

336. COMESA Council of Ministers at its Thirty First Meeting held on 20 November 2012 made the following decisions:

(i) Member States are urged to fast track the implementation of the policy and the model law on cyber security;
(ii) Member States to establish national Computer Incident Response Teams (CIRTs); and

(iii) Regulators should cooperate with the judiciary and assist in implementation of policy and laws, raise awareness and build their capacity

Table. ICT 3 shows status of implementation council decisions on Cyber security.

Table. ICT 3 : Status of Implementation of Cyber Security Policies, laws and CIRT

	Electronic Transaction		Consumer Protection		Privacy and Data Protection		Cybercrime		Existence of CIRTs
	Legislation	Draft	Legislation	Draft	Legislation	Draft	Legislation	Draft	
Burundi	No	Yes	No	yes	No	Yes	No	Yes	No
Comoros	No	No	No	No	No	No	No	Yes	No
Djibouti	No	No	No	No	No	No	No	No	No
DR Congo	No	No	No	No	No	No	No	No	No
Egypt	Yes		Yes		No	Yes	Yes		Yes
Eritrea	No	No	No	No	No	No	No	No	No
Ethiopia	No	Yes	No	No	No	Yes	No	Yes	No
Kenya	Yes	Yes	Yes		Yes		Yes		Yes
Libya	No	No	No	No	No	No	No	No	Yes
Madagascar	No	Yes	No	No	Yes		Yes		No
Malawi	No	Yes	No	Yes	No	Yes	No	Yes	No
Mauritius	Yes		Yes		Yes		Yes		Yes
Rwanda	Yes		Yes		Yes		Yes		Yes
Seychelles	No	Yes	no		No		Yes		Yes
Sudan	Yes		Yes		Yes		Yes		Yes
Swaziland	Yes		No	No	No	Yes	No	No	No
Uganda	Yes		Yes		Yes		Yes		Yes
Zambia	Yes		Yes		Yes		Yes		Yes
Zimbabwe	No	Yes	No	Yes	Yes	No	No	Yes	No

Recommendations

337. ***The JTC is invited to note progress on the implementation of model frameworks and Sector reforms***

Progress on Reviewing of COMESA Model Policy and Bill

338. While availability, accessibility and affordability remain concerns, the challenges facing ICT sector stakeholders today are as much about how networks are used (demand) as how they are built (supply). These challenges include, emerging new technologies challenging existing regulatory Frameworks; excessive taxation of the sector, or monopoly control of international gateways and the Threats to cyber security undermining confidence in the internet and increasing the costs to businesses and governments

339. *The 10th meeting on Infrastructure decided that;*

(i) Taking into consideration the emerging technological and business dynamics the Secretariat should assess ICT Policy for its possible review;

340. The Secretariat has incorporated the review and development of Model policies and law in the 11th EDF programme.

Progress on Cybersecurity Awareness and Capacity Building

341. In the COMESA region, Cyber security vary greatly among Member States, depending on a variety of factors such as their history, level of social and economic development and governance processes. Many countries are aware of the extent to which cyberspace vulnerabilities can prevent them from maximizing the benefits coming from the use of the Internet, but they often suffer from limited resources or lack of expertise to implement cyber security policies, laws and institutions.

342. *The 10th meeting on Infrastructure Minsters decided that;*

(i) The Member States are urged to adopt the COMESA cybersecurity model bill and Policy guidelines;
(ii) Member States are urged to setup national institutions to deal with cybersecurity matters;
(iii) Member States not compliant with COMESA model bill and Policy guidelines are urged to review/develop their national policies in line with Model guidelines
(iv) COMESA secretariat urged to work with Member States to carryout capacity building and to enhance institutional capacity and to carryout cybersecurity awareness programs; COMESA Secretariat should develop model guidelines on e- commerce.
(v) Guidelines developed by COMESA should be updated and aligned with latest ITU's; and

343. Some members are responding. More effort required to implement cybersecurity. The secretariat is looking for funding options to carryon capacity building initiatives. The model to be used is to use experts from member states to assist countries in need,

Recommendations

344. ***The JTC is invited to note progress on dealing with Cybersecurity awareness and capacity building.***

Progress on Development e- Commerce Frameworks

345. *The 10th meeting on Infrastructure Minsters decided that;*

(i) *COMESA Secretariat should develop model guidelines on e- commerce*

346. E- Commerce is important in the realisation of a digital market in the region. The secretariat has incorporated the activities of developing a framework in the EDF 11 programme.

Recommendations

347. ***The JTC is invited to note progress on dealing with the development of e-commerce frameworks.***

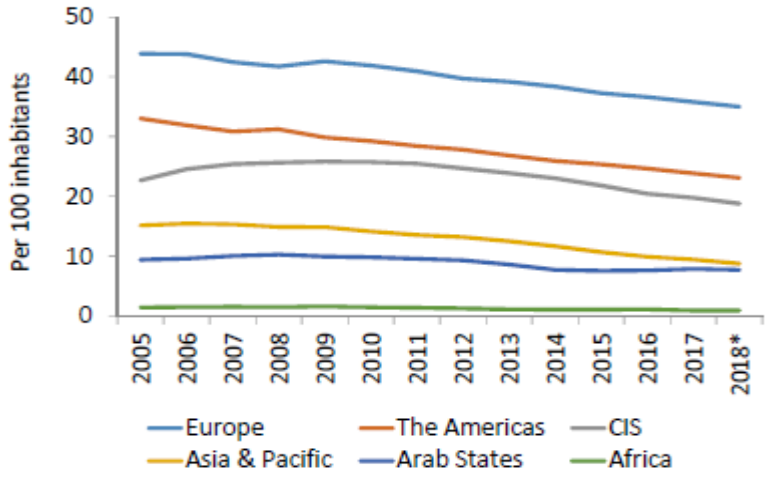
Progress on ICT Connectivity, access and Pricing Developments

348. Connectivity encompasses access to existing and planned fixed networks, mobile networks, broadband speed and services and associated pricing. Connectivity plays a crucial role in achieving regional integration through trade and investment, facilitating reductions in trade related costs, and facilitates people to people interactions.
349. The Africa region has recorded rapid increase in subscription for ICT services in the last two decades, thanks to market reforms and technological development. Liberalization of

the ICT sector opened private sector investments required to expand ICT networks and services while the emergence of mobile telephony enabled an easier, rapid and cost-effective way of delivering ICT services across large geographical areas. Many countries in the COMESA region have opened their ICT markets for Competition and have created regulatory institution.

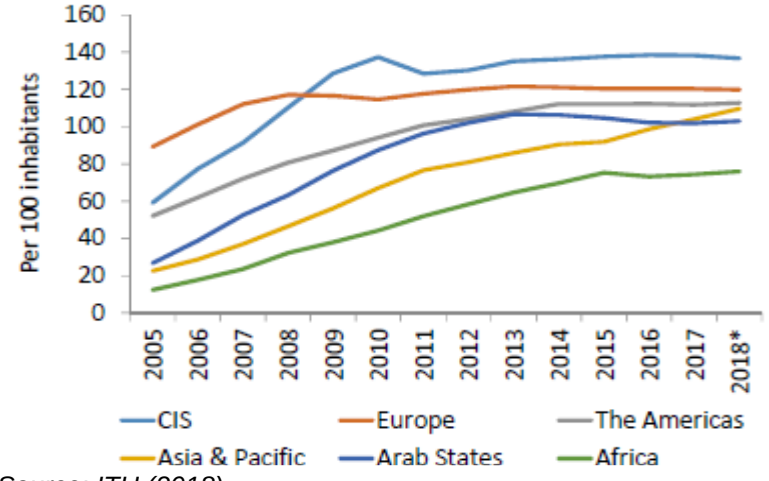
350. Access to mobile phones is closing in fast towards to universal, in most countries, with the fixed line being in the decline. The lack of developed fixed network in Africa means that mobile telephony and smart phones shall be the primary platforms for delivering innovative solutions and services in Africa. Mobile will enable many people have digital inclusion and identification which is cardinal in the increasingly digitized global economy. Figure. ICT 1 and FigureICT.2 shows the current fixed and mobile subscriptions per region

Figure. ICT 1 Fixed subscriptions per 100 inhabitants, by region, 2005–2018



351. Mobile subscribership surpassed fixed lines worldwide in 2002, and today mobile dominates the telephone industry. The growth is occurring in the developing world and amongst poorer populations. For these people, mobile is cheaper, more convenient, and more useful, even if a landline connectivity is an option. The ITU (2016) reported that Global mobile subscription reached 7,377 million in 2016 up from 5, 290 in 2010. Figure. ICT 2 shows mobile subscriptions per region.

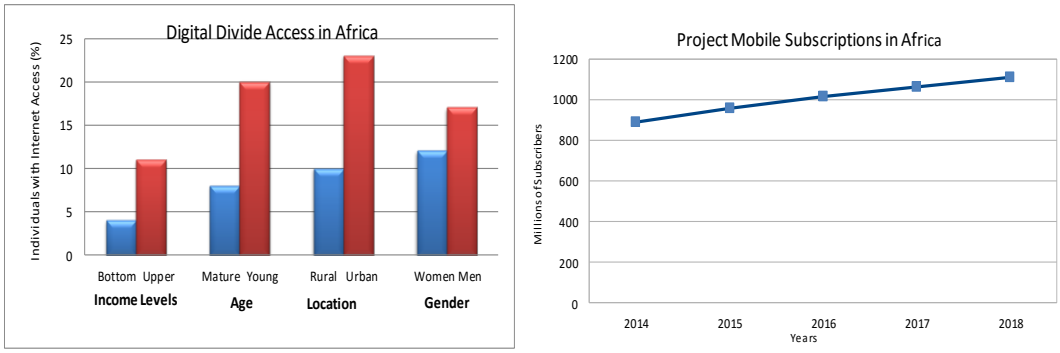
Figure. ICT 2 Mobile-cellular subscriptions per 100 inhabitants, by region, 2005–2018



Source: ITU (2018)

352. Despite growing connections[1], digital benefits are not spreading rapidly enough, because one, nearly 50 percent of the world's people is still offline and can't fully participate in the digital economy. There also are persistent digital divides across gender, geography, age, and income dimensions within each country. Two, benefits are also being neutralised by threats on cyber security, business interests, regulatory uncertainty, and limited competition across digital platforms could lead to undesirable concentration in many sectors. Figure ICT 3 shows the digital divide across Africa social strata.

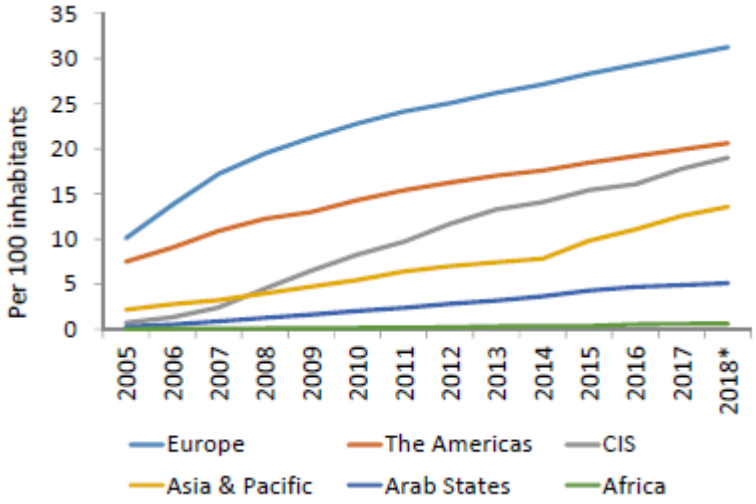
Figure. CT 3 Digital Divide to Access in Africa



Source; World Bank (2016)

353. In Africa though access to basic mobile services are impressive with mobile penetration expected to reach up to more than 1 billion subscriptions with an average annual growth rate of 25 %[2], the majority of African population do not use internet (ITU, 2016)[3] 75% of African population do not use internet and only about 15.4% (see Figure 3) of the households in Africa have access to internet. While the regional average for broadband subscriptions (99% of which is due to mobile broadband) in Africa is close to this tipping point of 30%, the reality is that this average is buoyed by a handful of countries (including Kenya, Egypt, South Africa, Nigeria) and most countries have low penetration rates. Figure. ICTs 4 and 5 shows Broadband subscriptions in Africa compared to other regions.

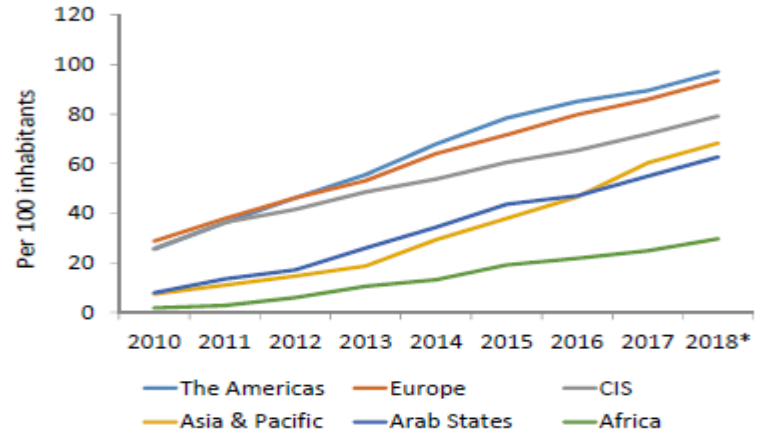
Figure. ICT 4 Fixed-broadband subscriptions per 100 inhabitants, by region, 2005–2018



Source: ITU (2018)

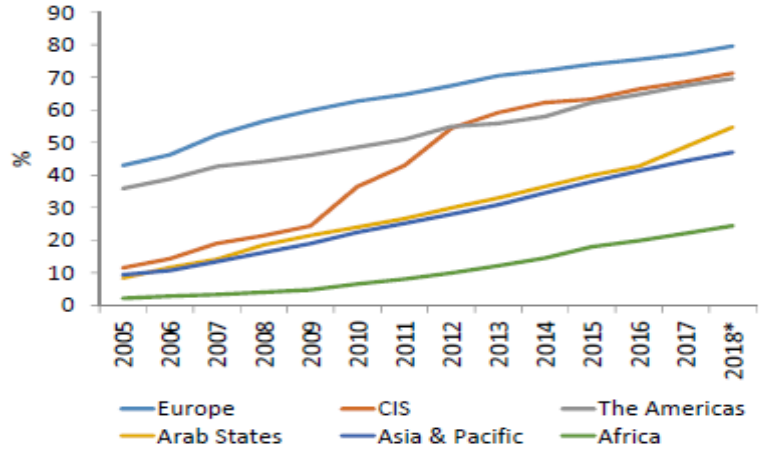
[1] World development Report (2016) Digital dividend
[2] Tele geography 2015
[3] ITU, ICT Facts and Figures 2016

Figure.ICT 5 Mobile-broadband subscriptions per 100 inhabitants, by region, 2005–2018*



Source: ITU (2018)

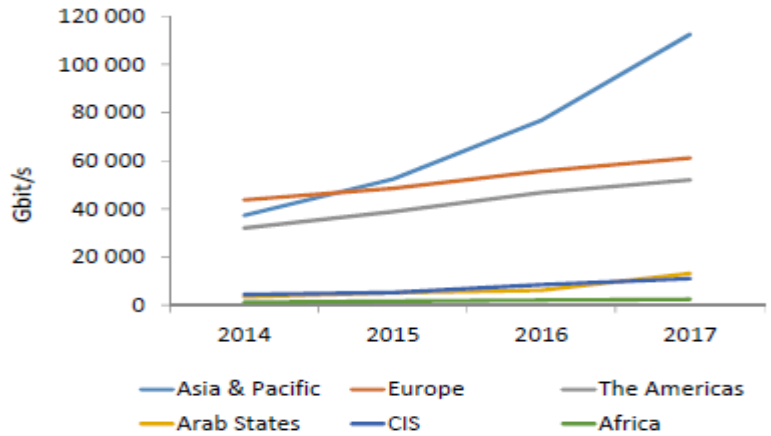
Figure. ICT 6 Percentage of households with Internet access at home, by region, 2005–2018*



Source: ITU (2018)

354. According to Tele geography (2015) International Internet bandwidth connected to African countries increased 49 percent in 2014. From 2010 to 2014, the region's international capacity rose at a compound annual rate of 53 percent. The highest-capacity African Internet links remain connected to countries outside the region especially Europe. Figures ICT 7 and 8 Shows internet bandwidth usage in Africa.

Figure. ICT 7 International bandwidth usage in Gbit/s, by region, 2014–2017

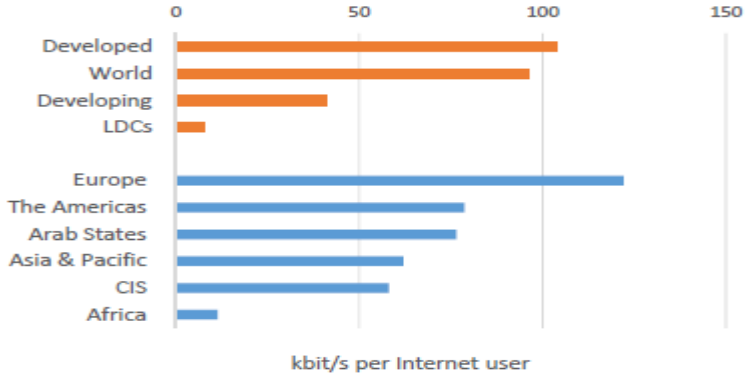


Source: ITU (2018)

355. Two major factors are responsible for the rapid growth in international Internet capacity in sub-Saharan Africa. One, launch of submarine cable system on the east coast such as SEACOM, TEAMS, and EASSy and submarine cable systems Glo-1, Waksman ACE on the west coast, and two, Installation of new high-capacity terrestrial fibre links built in countries such as Zambia, Malawi, and Tanzania and many other countries. Combined, all the two factors have spurred sub-Saharan Africa‘s rapid growth, increased market competition, and lowered prices.

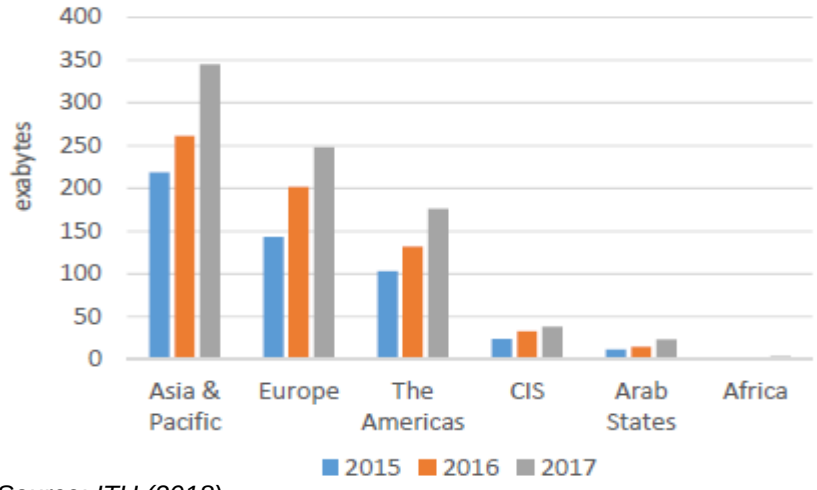
356. The increased connectivity has had limited effect in reducing information inequality in Africa unless the majority can be connected to the internet. Africa has the smallest internet bandwidth in the world both within the continent and connections to the outside world. Figure. ICT 8 shows internet bandwidth usage.

Figure. ICT 8 International bandwidth usage per Internet user (kbit/s), 2017



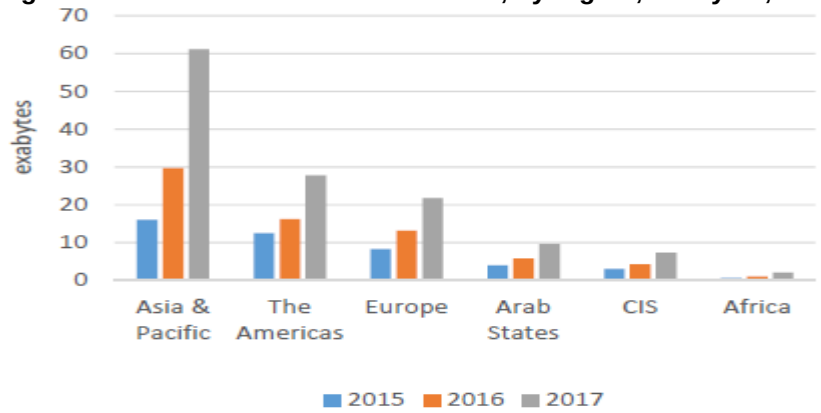
Source: ITU (2018)

Figure. ICT 9 Fixed-broadband traffic, by region, Exabyte’s, 2015–2017



Source: ITU (2018)

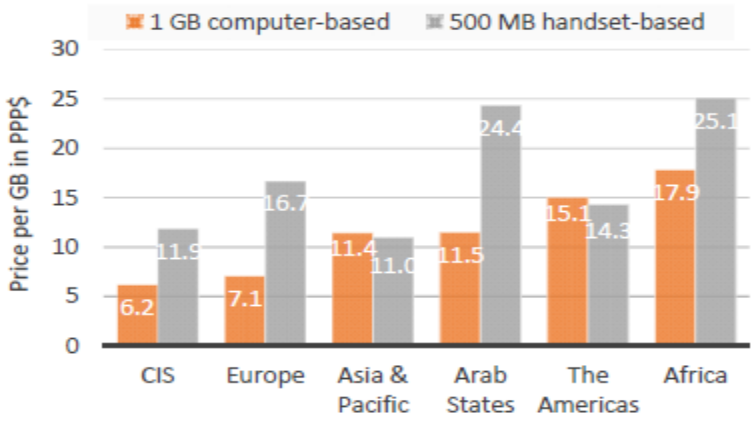
Figure. ICT 10 Mobile-broadband traffic, by region, exabytes, 2015–2017



Source: ITU (2018)

357. Prices of ICT services is still high in Africa, although the pricing of voice services in many African countries is becoming competitive and comparable with the rest of the world, the cost of broadband continues to be beyond the reach for most people. For mobile cellular calls, Africans pay on average 25 per cent of monthly gross national income (GNI) per capita versus 11 per cent in other developing nations.

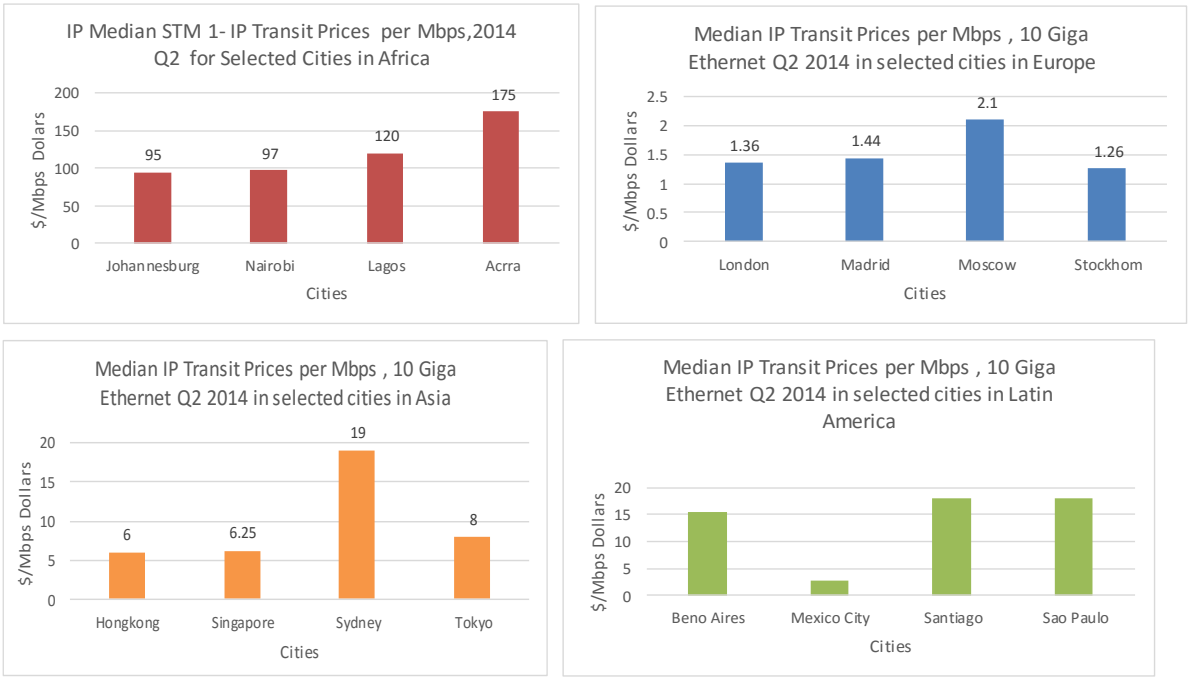
Figure. ICT 11 Internet pricing per Region



358. Stakeholders in the region have expressed concerns about high mobile termination charges for in country and international terminating calls and transparency of roaming charges which are seemingly high. In terms of mobile termination charges though mobile phones has provided new sources of originating international traffic, it is also frequently more expensive to terminate traffic on mobile networks. Differences in fixed-to- mobile termination rates stem from the type of mobile payment structure in place, usually terminating on a fixed network is cheaper.

359. Despite substantial investments in network infrastructure during the past few years, Africa lack robust network connectivity and high-quality, affordable Internet access. This can mainly be attributed to lack of local content and competition. Most African ISPs continue to purchase international private lines to Europe, particularly London, where they then buy IP transit at major Internet exchanges. Most transactions remain at the STM-1 level and low capacity requirements correspond with high unit prices. Accordingly, Africa endures some of the most expensive transit prices in the world. In Q2 2014, the median full port STM-1 price in Johannesburg was $95 per month, which was very high compared to other prices for transit elsewhere. Figure ICT 12 below shows IP transit pricing in Africa compared to other regions.

Figure.ICT 12 IP Transit Pricing



Source; tele geography

360. *The 10th Infrastructure Ministers Meeting decided that*

(i) Member States must consider reducing or eliminating the roaming charges and COMESA must carry out study on roaming to come out with a clear plan for the charge's elimination;

(ii) Member States must set the proper regulation to encourage investment in the virtual mobile network operator (VMNO) to enhance competition and increase access;

(iii) ICT regulators are requested to carry out studies to reduce the interconnection rates and reduce or eliminate the mobile charges;

(iv) Member States are encouraged to investment into the fibre to the home to increase capacity and provide excellent quality

361. *The* Secretariat has since included the Policy and regulatory interventions to address access and high prices in the ICT EDF 11 programme formulation.

Recommendation

362. ***The JTC is invited to* note these developments.**

Enhancement of ICT Governance and Enabling Environment in EA-SA-IO Region – 11th EDF

363. The JTC may recall that the 11th EDF Regional indicative programme (RIP) for Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) overall objective is to contribute to the deepening of regional integration of the EA-SA-IO region by contributing to the growth of the ICT sector to strengthen trade, economic and social ties. The program approved budget is 8. Million Euros.

364. The major problem raised in the RIP Action document is that despite the region witnessing a rapid diffusion of ICT services subscriptions in the last two decades, the region is facing many challenges the majority of which are stemming from fragmentation, and non-implementation of effective regional policy and regulatory frameworks to promote competitive markets resulting in the following undesirable outcomes:

(i) Limited network coverage and low access to ICT services especially in rural areas;
(ii) General high cost of ICT services in terms of usage and initial subscriptions; and
(iii) Low intra-regional internet traffic and inefficient utilization of networks.

365. In order to address the problems identified, the ICT RIP will support the achievement of the following key objectives: -

(i) Creation of a regional cooperating framework and mechanism to coordinate the strategic partnership among stakeholders;
(ii) Development, strengthening and harmonization of ICT policies, planning capacity and regulatory frameworks to provide an enabling environment for competitive markets and sustainable development; and
(iii) Development, strengthening and harmonisation of policies and regulatory frameworks promoting investments and improved international Infrastructure connectivity.

366. Experts from the five Recs (COMESA, EAC, SADC, IGAD and IO) convened in Lusaka and formulated a full funding proposal Action document outlining the following;

(i) A brief baseline report on the status of the ICT sector in the region on harmonization of policy and regulation and analysis of key problems/issues as well as opportunities faced by the regional and national authorities in relation to having a regional competitive market;
(ii) Financial structure of the project and all main cost categories at the input level corresponding to all outcomes and outputs and budget; and
(iii) Implementation arrangement, including the procurement plan, procedures and principles the project will adhere to, in accordance with the required rules and regulations.

367. The Action Document is in the final review before submission for approval. Signing of Agreement and funding expected in the first quarter of 2019.

Recommendation

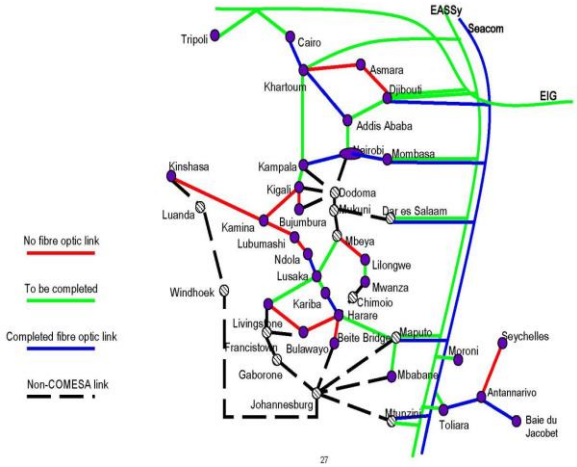
368. ***The JTC is invited to note these developments*.**

PHYSICAL CONNECTIVITY

COMTEL

369. The COMTEL project scope requires the establishment of a terrestrial telecommunications network linking Telecoms Operators in the COMESA region and beyond. The original concept is based Carrier Operator (CO) model that is building an overlay core and transmission network on the existing infrastructure where available but in most cases, new transmission routes employing a mix of buried fibre-optic cable and overhead infrastructure will be constructed. The primary purpose of the network is to provide a reliable and cost-effective multimedia connectivity among telecommunications users within the region and beyond.

Figure 17: COMTEL Project Topology



370. The objective is to unlock the value in the installed terrestrial fiber optic infrastructure by the regional networks and value-added services to break the region's dependence on international content by keeping regional traffic in the region and creating an environment for the uninhibited low-cost movement of traffic across borders. Internal traffic within the countries will be routed internally through local internet peering points in each country. The feasibility study has been completed. The consultant Cross Connect finalized the feasibility study and prepared a preliminary business plan. Challenges remain lack of funding, support from member states, operators and private sector.

371. Though, carrier business is still profitable recent and future trends in which networks, technology is moving towards fixed-mobile convergence and telecom business are moving towards consolidations, coupled with existing developments in inland fibre networks there is a need to review the COMTEL business model.

372. The other challenge faced by COMTEL over years is the creation of a sustainable operating model with key stakeholders and shareholders drawn from Member States. Many operators from member states have not been supportive the creation of a regional network.

373. *The 10th Infrastructure Ministers Meeting decided the following;*

(i) The meeting recommends that COMTEL project and associated business model be reviewed to consider the emerging industrial trends.

(ii) The review report should recommend the best technical and business options going forward.

374. The Secretariat carried a review and proposed the way forward.

375. The COMTEL project was conceived as a "Carriers carrier" whose aim was to improve telecommunication interconnectivity in the region by installing new fibre links and also using existing and other sub-marine cable projects. Improved interconnectivity will in turn lead to reduced tariffs for telecommunication services in the sub-region.

376. Now bearing in mind the complexity of the project in terms of planning and implementation and due to the fact that the infrastructure gap is quickly closing up in the region in the form of fibre optic backbones being developed in the member countries. And that the installed fibre optics by network operators and other utilities are not optimally utilised. It is proposed that the Project closes and COMESA Secretariat and member states concentrate on creating an enabling environment to promote optimal utilisation of existing infrastructure and investment in missing links.

(i) Initiate studies to identify the gaps and opportunities in the cross border terrestrial fibre, national backbone networks and access networks for investment by the public and private sectors and determine the cost of investment to realize the optimal network.
(ii) Develop or strengthen policy and legislation that will promote open access principles in accessing existing and future backbone networks and explore and which will support and encourage investments in the ICT sector.
(iii) To develop model policy and regulatory guidelines for use of alternative fibre infrastructure on an open access principle and assess existing regional and national regulatory frameworks that would facilitate investments into regional ICT infrastructure and develop a harmonized framework for the Region
(iv) Design strategies which will foster regional cooperation on backbone networks and explore service models designed to ensure reliable service and maximise access and minimise cost for the region.

Recommendation

377. ***The JTC will be invited to recommend that COMTEL project be discontinued.***

ICT Infrastructure Development Strategy

378. To support the future development of ICT infrastructure and services in the region it is essential to have a clear strategic framework in which future regulatory decisions can be taken. An innovative framework based on harmonization, cooperation and co-ordination is required to advance the region beyond individual national policies.

379. The 10th Infrastructure Ministers meeting decided the following;

(i) *A regional ICT strategy is developed. The strategy shall identify and priotise projects which shall support improved regional broadband connectivity, content creation and cyber security*

380. The secretariat has incorporated the development of the strategy in in the 11th EDF programming

Recommendation

381. ***The JTC will be invited to note this development***

Missing Links and Infrastructure Sharing Study (SADC, EAC and COMESA)

382. The JTC will be invited to note that while the basic ICT infrastructure is already in place consisting of cross-border, intra and inter-regional broadband infrastructure which mainly consist of broadband terrestrial underground and overhead and submarine fibre optic cables, microwave links and satellite links. However, the regional infrastructure in Tripartite Member States has been implemented inefficiently due to lack of development in other sectors. The network connectivity is not well balanced between the inland connectivity and the submarine connectivity.

383. The JTC will further note that the backbone infrastructure of telecom operators could be easily expanded and upgraded if they could utilize alternative fibre infrastructure deployed by other utility operators for electricity, railway networks, and oil and gas pipelines. However, due to lack of open access policies and regulations, this opportunity has not been exploited.

384. To address these challenges, it is proposed that a study be undertaken to identify the infrastructure gaps on ICT interconnectivity among the Tripartite Member States, assess the enabling environment for investment in backbone infrastructure, define an optimal ICT network infrastructure, and develop model policies and regulations to facilitate the establishment and operation of competitive and efficient backbone networks.

Recommendation

385. ***The JTC will be invited to recommend this study be undertaken and be considered by the Ttripartite Task Force to expedite the ICT missing links study.***

INSTITUTIONAL CONNECTIVITY

Status of Implementation of Ministerial Decisions on Institutional Connectivity

386. The JTC may recall that the 10th Meeting of Infrastructure Ministers Responsible for Transport, Communications, Information Technology and Energy held in Lusaka, Zambia from 3rd to 4th October 2017 made various decisions regarding institutional connectivity in the ICT sector. The table below shows the progress made in implementing ministerial decisions on institutional connectivity.

Progress of implementation of Ministerial decisions on institutional Connectivity Projects

Item No.	Considered Item	Decisions	Progress
1.	**Cybercrime Centre**	*The meeting commended Mauritius for the offer to host the cybercrime capacity building centre and decided that:* *(i) The concept note on the cybercrime capacity building centre, legal framework harmonization be enhanced through Mauritius initiative with the support of COMESA; and* *(ii) That Mauritius will host the centre and will initially look into the sources of financing for its set up with the support of the COMESA Secretariat.*	There are no funds to enable the secretariat to assist the setup of the Centre . Secretariat is still exploring funding options.
2.	**Hosting of ARICEA Secretariat and Cybersecurity Centre**	*The meeting noted the following decisions from ARICEA AGM:* *(i) The hosting of ARICEA Secretariat and Cybersecurity Centre be awarded to Rwanda;* *(ii) A letter of acceptance be sent to Rwanda for hosting ARICEA Secretariat and Regional Cyber Security centre;* *(iii) A letter should be sent to Egypt to communicate the results of the evaluation;* *(iv) Should Rwanda fail to Host the ARICEA Secretariat and regional Cybersecurity Centre the Bids to Host shall be recirculated to all members;* *(v) ARICEA Secretariat and Regional Cybersecurity Canter to be operationalized within 6 months after notification to the successful bidder; and* *(vi) The successful bidder is urged to fulfil ARICEA Membership obligations.*	Host Agreement is under Legal Review. Executive Committee to make decisions regarding sustainability of secretariat. Members are not contributing to ARICEA fund Funding for establishing Cybersecurity Centre is not yet secured. Concerns

			over sustainability have been raised.
3.	**Recruitment of ARICEA Executive Committee**	*(i) The meeting decided that:* *(ii) The Secretariat hires a Consultant on a competitive basis to develop ARICEA operational manuals, based on terms of Reference, attached in Annex II.* *(iii) The budget for Consultancy be increased to USD80, 000 and the budget line shall be from ARICEA Fund. Payment of the Consultant should be done by COMESA Secretariat in accordance with COMESA Finance rules and regulations.* *(iv) Job advertisement for the Executive Secretary be sent to all Members reminding them on conditions for eligibility and requesting them to nominate two candidates. The cost for interviews (Travel and leaving allowance) should be borne by candidates.* *(v) COMESA Secretariat to facilitate the recruitment process and a report be sent to the Chairperson of the ARICEA Executive Committee for their information*	Consultancy Done Recruitment process on. Not yet completed.

Recommendation

387. ***The JTC will note the development and recommend that ARICEA members should to sustain the operations of ARICEA.***

INFORMATION TECHNOLOGY

388. New industrial revolution, driven by new-generation of information technologies such as Internet, cloud computing opens new horizons for trade and industry to become more adventurous, more efficient, to improve processes and to develop innovative products and services. Currently, COMESA Member states are not taking full advantage of advanced technologies or the innovative business models to expand its Regional Integration and trade horizons. The state of digitization varies across sectors in the COMESA region, particularly between high-tech and more traditional areas, and also between COMESA countries and regions. There are also huge disparities in use of IT as a tool to enhance regional integration through trade among different Member States.

Videoconferencing facility for online meeting

389. Skype for Business is a secure and reliable communication platform which will be used for conducting virtual meetings as well as share documents between COMESA secretariat and its member countries. The implementation of Skype for business between COMESA and its member states will save a lot of time and money by reducing movement and travel expenses. This will create work efficiency and ease collaboration between COMESA Secretariat and Member States. The introduction of virtual meetings will also reduce the carbon footprint within the region.

390. Pre-requisite for installation and setup has been sent to Member States prior to Secretariat technical team’s visit to setup

391. The status for shipping and installation of the equipment is as follow;

NO	DESTINATION	STATUS
1	Kenya	Shipment sent but yet to be cleared by coordinating Ministry – Several reminders sent
2	Madagascar	Shipment sent but yet to be cleared by coordinating Ministry – Several reminders sent
3	Sudan	Shipment sent but yet to be cleared by coordinating Ministry – Several reminders sent
4	Egypt	Shipment sent but yet to be cleared by coordinating Ministry – Several reminders sent
5	Eswatini	Delivered
6	Malawi	Delivered
7	Burundi	Delivered
8	Mauritius	Delivered
9	Comoros	Delivered
10	Seychelles	Delivered
11	Djibouti	Delivered
12	Zimbabwe	Delivered
13	Uganda	Delivered
14	Rwanda	Delivered
15	Libya	Physical address for shipping yet to be provided by coordinating Ministry – Reminders sent
16	Congo	Physical address for shipping yet to be provided by coordinating Ministry – Reminders sent
17	Eritrea	Physical address for shipping yet to be provided by coordinating Ministry – Reminders sent
18	Ethiopia	Physical address for shipping yet to be provided by coordinating Ministry – Reminders sent
19	Zambia	Delivered and setup complete
20	Secretariat	Delivered and setup complete

Recommendation

392. ***The JTC is invited to recommend that;***

(i) ***Member States are urged to expedite the clearance of the shipment to facilitate setup and installation of the video conference facility; and***

(ii) ***Member States are urged to ensure that the pre-requisites are met and send confirmation to the Secretariat prior to the technical team visit.***

(iii) ***Member States are urged to embrace this initiative***

Implementation of the COMESA Digital Free Trade Area - DFTA

393. The COMESA Digital Free Trade Area (DFTA) which is about empowering traders to do cross-border trade using ICTs as a tool to minimize physical barriers in the process providing traders with the necessary digital tools and infrastructure they need for enhancement of intra trade and global trade. DFTA is Segmented into eTrade, eLogistics and eLegislation

394. eTrade intends to promote e – commerce by providing an online platform for COMESA region traders to trade online. DFTA platform will enable duty-free and quota-free treatment making it an online market for COMESA region.

395. Digital logistics uses ICT as a tool to improve the commercial activity of transporting goods to customers. E-legislation looks at the reediness of legislation in countries for them to carry our e transactions e payments etc.

396. DFTA will require both technological and legal innovations. Especially in the fields of intellectual property, competition, data privacy and protection, Cyber security and a whole range of other innovative laws. This project is being implemented in collaboration with Trade Division

397. The following instruments are ready for implementation;

(i) Electronic Certificate of Origin
(ii) Trade Portal
(iii) Small scale cross-border traders data collection mobile application

COMESA secretariat's Data Centre

398. COMESA is in the process of upgrading its data centre. The tender for this project was advertised and bids received. A technical evaluation committee is in the process of evaluating the bids received.

50 Million African Women Speak Project (50 MWS)

399. The 50 MWS is a three-year project funded by the African Development Bank jointly implemented by three regional economic communities (RECs) i.e. COMESA, EAC and the Economic Community for Western African States (ECOWAS) in 36 countries. The objective of the project is to empower women entrepreneurs by providing access to financial information necessary to grow business. COMESA was selected to be the lead in the implementation of the project.

400. The project will create a networking platform to connect women entrepreneurs and encourage peer-to-peer learning, mentoring as well as information and knowledge sharing. The platform will be accessible amongst other platforms including mobile phones. It will enable women to access business training, financial services and locally relevant business information, and mentors among other services. This will support the overall goal of enhanced financial inclusion of women, leading ultimately to increased economic activity in Africa.

401. We are at the procurement stage for the Software Platform and infrastructure. The installation and commissioning of infrastructure is expected to be complete by end of October 2018 while the Software platform will be completed by the end of December 2018

COMESA secretariat- Migrating to Cloud Computing

402. The internet is changing the way we conduct business and interact as a society. Traditionally, hardware and software are fully contained on a user's computer. This means that you access your data and programs exclusively within your own computer. Cloud computing allows you to access your data and programs outside of your own computing environment. As a first step towards cloud computing, the COMESA Secretariat has rolled

out Exchange Online (Office 365) email and Microsoft application services. Each user now has increased online email storage space of 99GB that can be synced on smartphones, tablets, PCs and using ActiveSync making it easier to maintain large mail boxes.

COMESA Virtual Trade Facilitation System (CVTFS)

403. COMESA Secretariat has come up with an electronic initiative known as COMESA Virtual Trade Facilitation System (CVTFS) based on the COMESA Treaty and Protocol on Transit Trade and Trade Facilities with a view of assisting Member States in their endeavor to manage and monitor the process of movement of cargo in an efficient and effective manner and in real time to reduce the cost of doing business. The system facilitates the tracking and monitoring of transit and local products distribution.

Recommendation

404. ***The JTC is invited to note the above development***

STATUS OF IMPLEMENTATION OF PROGRAMMES AND PROJECTS FUNDED BY EUROPEAN UNION UNDER EDF11

405. The Infrastructure envelope under EDF11 (EUR 600 Million) has two sub envelopes. The status is as follows;

406. The Soft-infrastructure envelope (Euro 75 Million) has seven projects whose status of implementation is as follows;

(i) Sustainable Regional Energy Market (led by COMESA): The Financing agreement for the implementation of the project was signed between COMESA and the EU on 30 May 2017. The project has been allocated EUR 7 Million;
(ii) Transport and Transit Facilitation (led by SADC): Financing Decision was granted by the EU last year and preparations for implementation are underway. EUR 18 Million has been allocated to this project;
(iii) ICT project (led by COMESA): Action document finalized and submitted to the EU;
(iv) Civil Aviation (led by COMESA): action document finalized and submitted to the EU;
(v) Rail (led by EAC): Action document being prepared;
(vi) Maritime (led by IOC): Action document being prepared; and
(vii) Technical Assistance Facility (led by EU-DEVCO): action document being prepared.

407. **The Hard Infrastructure envelope (EUR 525 Million)** for the ESA-IO region for physical infrastructure which will be used as grants and leveraged approximately three times with funding from the European Investment Bank (EIB) and other regional and multilateral financial institutions. Out of this allocation EUR 200 Million has been committed as a contribution to the Africa Investment Facility (AfIF), which is a blending mechanism. The revised pipeline of infrastructure projects as of 01 April 2017, is attached in Annex 9. Indicative grants are included for projects that have already attracted interest of development banks.

408. ***Recommendation***

(i) The meeting is recommending that COMESA Secretariat conveys on behalf of Member States its appreciation to the European Union for the

support for the implementation of regional integration programmes and projects.

(ii) ***Member States are urged to submit their project to be included in the***

(iii) ***list for funding under EDF 11 hard infrastructure envelope.***

MOBILIZATION OF GRANT FINANCING FOR FEASIBILITY STUDIES FOR INFRASTRUCTURE, ENERGY AND TELECOMMUNICATIONS PROJECTS

409. *The* estimated financing requirement to close Africa's infrastructure deficit amounts to USD 93 billion annually until 2020. The tripartite region on its own requires US$50 billion to bridge the infrastructure gap.

410. Traditionally, infrastructure investments have been financed with public funds. Governments have been the main actors in this field, given the inherent public good nature of infrastructure and the positive externalities often generated by such facilities. However; public deficits, increased public debt to GDP ratios and, at times, the inability of the public sector to deliver efficient investment spending, have in many economies led to a reduction in the level of public funds allocated to infrastructure. This has resulted in the vicious cycle instead of the virtuous cycle in the infrastructure development as indicated in fig, below.

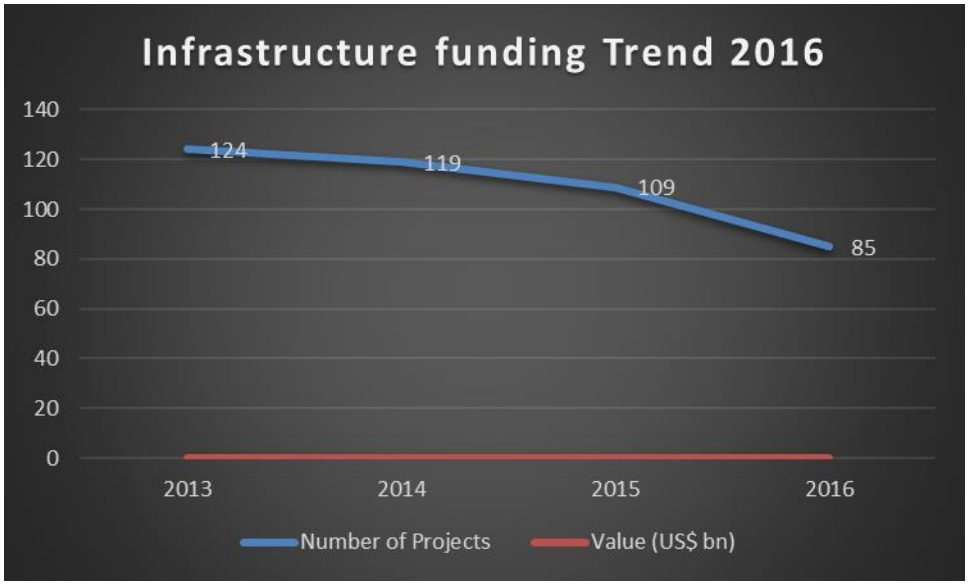
411. Country officials, development experts, and donor representatives have struggled for years to understand the infrastructure financing problem in Africa. By all accounts the problem is massive. Africa ranks last among the developing regions in access to infrastructure services such as water, transport, energy, and telecommunications. Not surprisingly, there is no shortage of infrastructure investment opportunities in Africa.

412. It is lack of bankable projects with enough time and money invested to establish that they are financially viable from the standpoint of a financier. A closer look at the lists of infrastructure projects that circulate in Africa reveals many projects that still lack a detailed cost-benefit analysis or sustainability assessment.

413. In some cases, the problem is that regional projects are not included in the national development planning and preparation processes of the countries involved. Many projects that are socially or economically desirable may not be bankable, at least by the private sector, no matter how well structured. Many others may not be viable or desirable by any measure.

414. Whatever the case, many project proposals in Africa are backed only by out-of-date engineering studies, with little additional analysis or preparation. The projects need preparation and packaging. But such preparation is expensive and risky. Private operators and commercial lenders have money to do their own due diligence on projects for which bankability has been reasonably established but little to spend on preliminary assessments of bankability.

415. **Reversing the Trend -** According to the report by Deloitte 'Africa Changing Infrastructure Landscape 'Infrastructure investment has been dropping in the past 4 years also as shown below



Eastern Africa

	2013	2014	2015	2016	2016% of continental projects
Number of Projects	124	119	109	85	15%
Value (US$ bn)	67.7	60.7	57.8	27.4	8.5%

416. The good news is that COMESA has started exploring opportunities for tapping into private financing, creating new partnerships and reducing wastage in such investments. This strategic shift has come about on the realization that scaling up financing from traditional sources alone would not be adequate to close the infrastructure gap.

417. **COMESA – COIDIC Role in closing infrastructure gap -** Public infrastructure financing across Africa falls far short of its infrastructure needs and aid alone cannot close this gap. In fact, in several African, official aid is not projected to increase in line with public investment spending. Therefore, financing options for closing Africa's infrastructure gaps should focus on broadening the sources of finance.

418. At the 2nd Invest in Africa Forum held in Guangzhou China, September 2016 sponsored by the World Bank Group and the China Development Bank (CDB), China announced the start of operations of a new company to help solve Africa's shortage of bankable infrastructure projects. With US$500 million of initial capitalization, the China Overseas Infrastructure Development and Investment Corporation Limited (COIDIC) is the world's largest fund ever targeted for project preparation in emerging market countries.

419. COIDIC is a for-profit company that invests in and manages projects from concept to feasibility studies, financial close and commercial operations. Its founding shareholders include: CDB's China-Africa Development Fund (CAD Fund); China Gezhouba Group Overseas Investments Co. Ltd; China Telecom Global Limited; Changjiang Survey, Planning, Design and Research Co., Ltd (CISPDR); China ENFI Engineering Corporation; and HCIG Energy Investment Co., Ltd.

420. CAD Fund is Africa's largest project sponsor, and over the past nine years it has invested equity in 87 projects in 36 Africa countries with total capitalization (debt plus equity) of over US$30 billion.

421. In Johannesburg in December 2015 Chinese President Xi Jinping announced China's program to expand its investments in Africa. CAD Fund's allocation of capital for project equity co-investment was increased to US$10 billion. China Development Bank and other state-owned financial institutions have capacity to lend US$60 billion or more for African ventures and projects. The newly formed COIDIC brings US$500 million for project preparation. This combination of debt from CDB, equity from CAD Fund, project preparation by COIDIC, and engineering resources from top quality Chinese companies represents the largest commitment by any group or nation to Africa's development. "One of the challenges for investment in African infrastructure is the scarcity of bankable projects," as highlighted above. The role of COMESA and COIDIC is specifically to prepare infrastructure projects into Bankability, and attract private investors, to finance the development.

COMESA – COIDIC MoU

422. On 26 April 2017 COMESA signed a Memorandum of Cooperation (MoC) with COIDIC. This Memorandum of Cooperation (MOC) provides a framework to guide relations between the Parties on the delivery of specific Energy and infrastructure (E&I) development projects in the region. The main purpose of this MOC is to provide a framework for the Parties to carry out studies and complete other tasks necessary for project development and execution with a focus on projects that are likely to promote the economic and social development of COMESA members and to attract more foreign investment to the region.
COMESA and COIDIC agreed to cooperate in the following areas:

(i) preparation of projects to reach bankability;
(ii) in some cases, supervision of projects through completion;
(iii) exploration and development of methodologies of economic and technical co-operation in several areas of mutual interest;
(iv) development of specific programmes for strengthening inter-institution and inter-programme synergies and complementarities;
(v) development of specific programmes for funding project preparation in areas of possible collaboration such as:

Progress after Signing of the MoU.

423. The following three (3) Categories of potential infrastructure projects have been submitted to COIDIC;

(i) Cross-border transmission grid,
(ii) Cross-border telecoms,
(iii) Regional rail.

424. Based on the list of projects submitted – COIDIC noted that there are many projects that could fit in each of the categories in para 2a to c on areas of cooperation. However, COIDIC requested COMESA to list down the top 2 projects that would fit under each category. COMESA therefore resubmitted its infrastructure projects and the following projects have been attained:

(i) COIDIC is currently working on agreeing with the governments of Zambia, Mozambique to finalise the financing model to develop the Mozambique – Zambia Power Interconnector.

(ii) COIDIC will help the Republic of Congo to develop a special economic zone (SEZ) and a Multipurpose Port Facility in the harbour city of Pointe Noire.

(iii) COIDIC is working on the construction of a gas-fired power plant in Pointe-Noire and a transmission line (Pointe Noire).

(iv) Under an umbrella Sovereign Development Services (SDS) agreement between Madagascar and COIDIC, COIDIC is preparing a new development plan for a Malagasy national power system covering generation, transmission and smart-metered distribution.

(v) Negotiations are underway for the development of the freight rail line between Kenya and Uganda, using the existing old route which is currently not operational,

425. **Recommendations**

(i) In order to facilitate Infrastructure development, and cloud in private investment, a regional workshop be organised to discuss the partnership with COIDIC, Potential Projects, and concrete steps to developing regional projects.

(ii) The committee recommended that Member States are urged to submit their infrastructure candidate projects using the template attached in Annex 10

ANNNEXES

Annex 1 : Status of implementation by Member States the COMESA transport facilitation instruments namely Harmonized Road Transport Charges (HRTC); Axle Load Limits (ALL); Harmonized Vehicle Dimensions (HVD); COMESA Carrier License (CCL); and Air Transport liberalization (in line with Legal Notice No.2 of 1999).

Table 3: Transport Instruments
Council Decision (dates): HRCT (1992); ALL (1992); HVD (1992); CCL (1990); Legal Notice (1999)

Country	*Harmonized Road Transport Charges (HRTC) (1992)*	*Axle Load Limits (ALL) (1992)*	*Harmonized Vehicle Dimensions (HVD) (1992)*	*COMESA Carrier License (CCL) (1990)*	*Air Transport liberalization (Legal Notice No.2 of 1999)*	*Measure: Count of Instruments Domesticated*	*Ranking*
Burundi	Yes	Yes	Yes	Yes	Yes	5	1
Comoros*	N/A	N/A	N/A	N/A	Yes	1	1
Djibouti	Yes	Yes	Yes	Yes	Yes	5	1
DR Congo	Yes	Yes	Yes	Yes	Yes	5	1
Egypt	No	No	No	Yes	Yes	2	17
Eritrea						0	18
Ethiopia	Yes	Yes	Yes	Yes	Yes	5	1
Kenya	Yes	Yes	Yes	Yes	Yes	5	1
Libya						0	18
Madagascar*	N/A	N/A	N/A	N/A	Yes	1	1
Malawi	Yes	Yes	Yes	Yes	Yes	5	1
Mauritius*	N/A	N/A	N/A	N/A	Yes	1	1
Rwanda	Yes	Yes	Yes	Yes	Yes	5	1
Seychelles*	N/A	N/A	N/A	N/A	Yes	1	1
Sudan	Yes	Yes	Yes	Yes	Yes	5	1
Swaziland	Yes	Yes	Yes	No	Yes	4	16
Uganda	Yes	Yes	Yes	Yes	Yes	5	1
Zambia	Yes	Yes	Yes	Yes	Yes	5	1
Zimbabwe	Yes	Yes	Yes	Yes	Yes	5	1
Regional: "Yes"	12	12	12	12	17		
Regional "Yes" (% of total eligible MS)	80%	80%	80%	80%	89%		

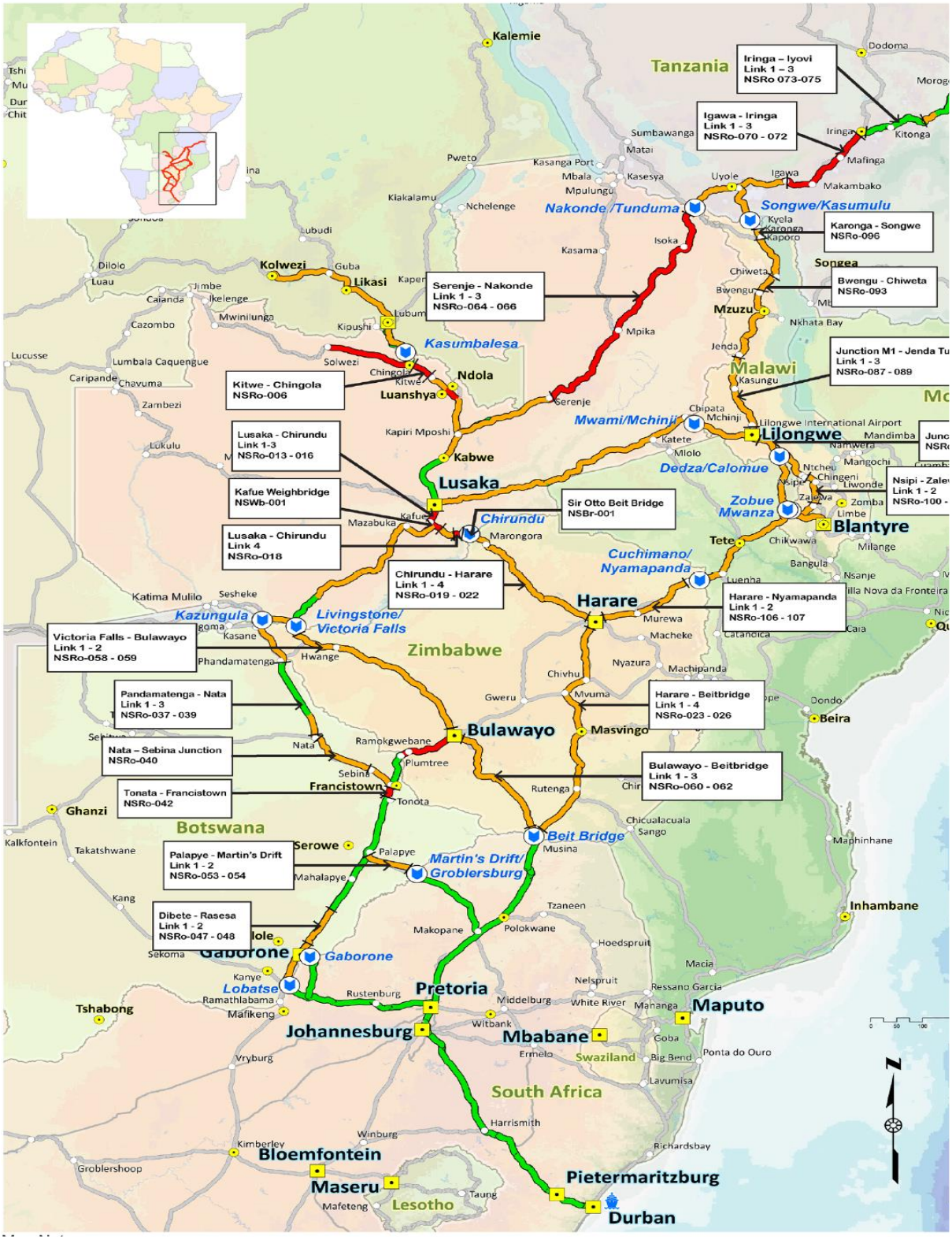
Notes: *Ranked out of one Instrument (air transport liberalization); the four land transport instruments are not applicable.

Annex 2: status of implementation of the COMESA Yellow Card and Customs Bond Guarantee by the Member States

Table 3: Transit facilitation

	Yellow Card					***Customs Bond Guarantee***					
Country	*Signed*	*Ratified*	*# of bonds issued (2015)*	*Total value of issues (US$, 2015)*	*Ranking*	*Signed*	*Ratified*	*# of bonds issued (2015)*	*Total value of bonds issued (US$, 2015)*	*Ranking*	*Overall ranking*
Burundi	Yes	Yes	10,813	240,425	6	Yes	Yes	-	-	4	7
Comoros	No	No	-	-	14	Yes	No	-	-	11	14
Djibouti	Yes	Yes	1,839	383,912	9	Yes	Yes	-	-	4	8
DR Congo	Yes	Yes	6,737	421,183	7	No	No	-	-	12	11
Egypt	No	No	-	-	14	No	No	-	-	12	15
Eritrea	Yes	Yes	1	115	12	No	No	-	-	12	12
Ethiopia	Yes	Yes	32,230	1,123,371	2	Yes	Yes	-	-	4	4
Kenya	Yes	Yes	22,930	1,820,694	1	Yes	Yes	184	92,671,063	3	2
Libya	No	No	-	-	14	No	No	-	-	12	15
Madagascar	No	No	-	-	14	No	No	-	-	12	15
Malawi	Yes	Yes	642	33,316	10	Yes	Yes	-	-	4	9
Mauritius	No	No	-	-	14	No	No	-	-	12	15
Rwanda	Yes	Yes	7,535	149,571	8	Yes	Yes	346	101,124,814	2	3
Seychelles	No	No	-	-	14	No	No	-	-	12	15
Sudan	Yes	Yes	154	16,808	11	Yes	Yes	-	-	4	10
Swaziland	Yes	Yes	-	-	13	No	No	-	-	12	13
Uganda	Yes	Yes	12,960	1,070,065	4	Yes	Yes	310	252,999,193	1	1
Zambia	Yes	Yes	24,893	725,679	3	Yes	Yes	-	-	4	5
Zimbabwe	Yes	Yes	11,592	1,029,892	5	Yes	Yes	-	-	4	6
Regional: "Yes"	13	13	132,326	7,015,030		11	10	840	446,795,070		
Regional "Yes" (% of total MS)	68%	68%	11,027	584,586		58%	53%	280	148,931,690		

Annex 3: Status of the roads on NSC



Source: University of Birmingam study

Annex 4: Cost to import (US$ per container)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Seychelles	876	876	876	876	876	876	876	876	675	675		
Mauritius	683	683	673	677	689	689	689	695	710	710		
Egypt	1106	1106	786	880	880	755	755	755	790	790		
Djibouti	831	831	831	849	911	911	911	911	910	910		
Comoros	1108	1108	1108	1191	1191	1191	1191	1295	1295			
Madagascar	1282	1282	1282	1660	1660	1555	1555	1555	1555	1555		
Eritrea	1581	1581	1581	1581	1581	1581	1581	1600	1600	2000		
Swaziland	1820	1820	1820	2249	2249	1849	2030	2085	2145	2245		
Libya								2255	2255	1255		
Kenya	2325	1995	1995	2190	2190	2190	2190	2350	2350	2350		
Ethiopia	2790	2790	2790	2560	2660	2660	2660	2660	2760	2960		
Malawi	2500	2500	2500	2550	2570	2570	2570	2870	2870	2895		
Sudan	1970	1970	2300	2900	2900	2900	2900	2900	2900	3400		
Uganda	2945	2945	2990	3290	3390	2940	3015	3215	3375	3375		
Zambia	2840	2840	2840	3335	3335	3315	3315	3560	3560	7060		
Congo D.R	2688	3088	3088	3388	3388	3740	3740	3890	3890	4290		
Burundi	4035	4035	4035	4035	3950	3950	4520	4670	4420	4420		
Rwanda	4000	4000	4890	4990	4990	4990	4990	4990	4990	4990		
Zimbabwe	2420	2420	2420	3999	5101	5101	5101	5200	5660	6160		
COMESA	2100	2104	2156	2400	2473	2431	2477	2544	2564	2739		
Brunei		590	590	708	708	708	745	745	770			
Singapore	367	367	367	439	439	439	439	439	440			
Malaysia	385	385	385	450	450	450	435	420	485			
Vietnam	586	586	586	606	645	645	670	600	600			
Indonesia	675	675	623	660	660	660	660	660	660			
Myanmar								660	660			
Philippines	800	800	800	819	819	730	730	660	660			
Thailand	1042	1042	786	795	795	795	750	750	760			
Cambodia	816	852	852	872	872	872	872	900	930			

Lao PDR	1690	1690	1930	2040	2040	2040	2035	2125	1910			
ASEAN	636	699	692	739	743	734	734	796	788			
China	430	430	430	545	545	545	545	615	615			
Korea, Rep.	1040	1040	745	747	742	790	695	695	695			
Japan	957	957	957	957	957	970	970	970	970			
East Asia 3	809	809	711	750	748	768	737	760	760			

Annex 5: Power Generation Projects Under Construction for Selected COMESA Countries

Country	**Name of Project**	**Capacity (Megawatts)**	**Type**
Egypt	Beni Suef, Burullus and New Capital Egypt	16,400	Natural Gas
Ethiopia	Genale Dawa III (GD-3)	246	Hydro
	Grand Renaissance	6,000	Hydro
	Adama II	153	Wind
	Aluto Langano Upgrading	70	Wind
	Repi Waste to Energy	50	Waste to energy
	Bamza Biomass plant	137	Biomass
	Melkesedi Biomass pl.	120	Biomass
	Tendaho	120	Bagasse
	Wenji	30	Bagasse
	Fincha	31	Bagasse
	Beles 1, 2 and 3 (3*30)	90	Bagasse
	Welkayit	133	Bagasse
	Omo Kuraz 1 to 6 (6*60)	360	Bagasse
	Kessem	26	Bagasse
	Total	***9,436***	
Rwanda, Burundi and Tanzania	***Rusumo***	***80***	***Hydro***
Kenya	Olkaria 1 Rehabilitation	50	Geothermal
	Olkaria I Unit 6	70	Geothermal
	Olkaria V	140	Geothermal
	Kinangop Wind	60	Wind
	Lake Turkana Wind Power	300	Wind
	Total	***620***	
Zambia	Kafue Gorge Lower	750	Hydro
	EMCO	300	Coal
	Total	1050	
	Kariba	300	Hydro
Zimbabwe	Pungwe (IPP)	15.25	Hydro
	Total	315.25	
	GRAND TOTAL	**27,901**	

Annex 6: Power Generation Projects Under Development

Country	Name of Project	Capacity (MW)	Type
Burundi, Rwanda and DR Congo	Ruzizi III	145	Hydro
	Ruzizi IV	390	Hydro
	Total	**535**	
DR Congo	Inga	3,500 - 40,000	Hydro
Djibouti	Jaban´As Power station	56	Thermal
	Petit Barra	50	Solar
	DAMERJOG	150	LNG
	Assal/Fiale Caldera	50	Geothermal
	Goubhet	60	Wind
	Total	**366**	
Ethiopia	Genale VI	246	Hydro
	Helele Werabesa	422	Hydro
	Gilgel Gibe IV	1400	Hydro
	Chemoga-Yeda I & II	280	Hydro
	Aysha	300	Hydro
	Assela & Debrebrihan	200	Hydro
	Ayisha	300	Wind
	Debre Birhan	300	Wind
	Assela	300	Wind
	Woldia area	300	Wind
	Semera	100	Solar
	Hurso	100	Solar
	Awash 7 Kilo	100	Solar
	Other Solar plants	300	Solar
	Tendaho	100	Geothermal
	Corbeti /IPP/	500	Geothermal
	Aluto Langano	200	Geothermal
	Total	**5448**	
Kenya	Menengai	440	Geothermal
	Suswa	150	Geothermal
	Baringo-Silali Block	200	Geothermal
	Marine Power	70	Geothermal
	Agil	70	Geothermal
	Olkaria VI	140	Geothermal
	Meru Wind	100	Wind
	Prunus Wind	50	Wind
	Kipeto Wind	100	Wind
	Lamu	981.5	Coal
	Kitui	960	Coal
	DongoKundu	700	LNG
	Total	3,961.5	
	Total (for Kenya)	**4,581.5**	
Malawi	Kapichira II	64	Hydro
Uganda	Karuma HPP	600	Hydro
	Isimba HPP	183	Hydro
	Ayago HPP	600	Hydro
	Total	**1,383**	
Zambia and Zimbabwe	Batoka Gorge	2400	Hydro
Zambia and DRC	Luapula Hydro		
Zambia	Kalungwishi	247	Hydro
	Lufubu	163	Hydro

	Kabompo	040	Hydro
	Lunsemfwa	230	Hydro
	Total		
	Hwange	600	Thermal
	Gairezi	30	Hydro
	Gwayi Power Station (IPP)	600	Thermal
	Southern Energy (IPP)	660	Thermal
Zimbabwe	Total	1,830	
	GRAND TOTAL		

Annex 7: Other Power Generation Projects

Country	**Name of Project**	**Capacity (MW)**	**Type**
DR Congo and South Sudan	Wanie – Rukula	288	Hydro
Ethiopia	Mandaya	2000	Hydro
	Helele Warabesa	422	Hydro
	Baro	500	Hydro
	Genji	200	Hydro
	Chemoga-yeda 1 &2	420	Hydro
	Gilgel Gibe IV	1,400	Hydro
	Aysha	300	Wind
	Total	5,242	
Uganda	Karuma	700	Hydro
	Murchinson Falls	750	Hydro
	Ayago	550	Hydro
	Total	**2000**	
Zimbabwe	Sengwa (IPP)	1200	Thermal
	Gwanda	100	Solar
	Lusulu (IPP)	500-2000	Thermal
	Total	***1,800-3,200***	

Annex 8: EAPP Master Plan 2014 - Volume I: Main report 19/12/2014.

Annex 9: Priority Infrastructure submitted for Funding under EDF 11 Africa Investment Facility - Indicative List of Priority Projects 01/09/2018

N.	Project title	Sector	Countries involved	Lead DMRO	Lead Financial Institution	Estimated Total cost (EUR M)	Estimated Africa Investment Facility grant (EUR M)
1	Zambia - Tanzania - Kenya Interconnector	Energy	Tanzania, Zambia, Kenya	COMESA	AfD	190.0	To be determined
2	Zambia - Tanzania - Kenya Interconnector: Sector Mbeya - Kabwe	Energy	Tanzania, Zambia, Kenya	COMESA	KfW	210.0	25.0
3	ZIZABONA Interconnector	Energy	Zimbabwe, Zambia, Botswana, Namibia	SADC	KfW, EIB	169.0	20.0
4	Masaka (UG) - Mwanza (TZ) transmission line (220 kV)	Energy	Uganda, Tanzania	EAC	KfW (TZ), AfD (UG)	135.0	22.0
~~9~~	~~Eritrea - Sudan Interconnector~~	~~Energy~~	~~Eritrea, Sudan~~	~~COMESA~~	~~pending~~	~~53.0~~	~~To be determined~~
10	Namibia - Angola Interconnector	Energy	Namibia, Angola	SADC	EIB	To be determined	To be determined
13	HCB (Cahora Bassa) North Bank	Energy	Mozambique	SADC	AfD	603.0	To be determined
14	Batoka Gorge Hydropower	Energy	Zambia, Zimbabwe	SADC	pending	1,800.0	To be determined
15	Rwanda Geothermal Power Plants (Kinigi, Rubavu, Bugarama)	Energy	Rwanda	EAC	pending	To be determined	To be determined
16	Tanzania Geothermal Power Plants (near Mbeya)	Energy	Tanzania	EAC	AfD	40	To be determined
18	Road Rehabilitation Kolwezi – Dilolo	Trans-port	DRC	COMESA	pending	90.0	To be determined
19	Airport Rehabilitation Lilongwe & Blantyre	Trans-port	Malawi	pending	EIB	30.0	To be determined
21	(Lukaga Dam) Lake Tanganika, Ports Mpulungu & Bujumbura	Trans-port	Burundi, DRC, Tanzania, Zambia	COMESA	pending	60.0	To be determined
~~23~~	~~Road rehabilitation RN 13: Tolanaro – Ambovombe~~	~~Trans-port~~	~~Madagascar~~	~~IOC~~	~~EIB~~	~~61.0~~	~~(20)~~
25	Berbera Corridor	Trans-port	Somalia	IGAD	pending	200.0	To be determined
26	Road rehabilitation Nadapal - Kitale - Isebania/ Mara & Simiyu Boder - Nyanguge	Trans-port	Kenya - South Sudan	EAC	KfW	750.0	30.0
27	Road upgrading of Kampala Jinja	Trans-port	Uganda	COMESA	EIB / KfW	690.0	40.0
28	Railway improvement Dar Es Salaam – Isaka	Trans-port	Tanzania	EAC	EIB	500.0	20.0

29	Rehabilitation of Kagitumba - Rusumo - Lusahunga	Trans-port	Rwanda/ Tanzania	EAC	AfDB	140.0	20
30	Road Cankuzo – Gahumo - Murusaganba - Nyakahura	Trans-port	Burundi-Tanzania	EAC / COMESA	AfDB	80.0	10
~~31~~	~~Port of Mombasa~~	~~Trans-port~~	~~Kenya~~	~~EAC~~	~~KfW~~	~~270.0~~	~~30.0~~
32	Road Mieso - Dire Dawa	Trans-port	Ethiopia	COMESA	EIB	157.0	40
~~33~~	~~Berth Extension and Strengthening of the Mauritius Container Terminal~~	~~Trans-port~~	~~Mauritius~~	~~IOC~~	~~AfD~~	~~15.0~~	~~To be determined~~
~~34~~	~~Cargo and Freeport Development at the Airport~~	~~Trans-port~~	~~Mauritius~~	~~IOC~~	~~AfD~~	~~8.0~~	~~To be determined~~
35	Improving Digital Interconnectivity in Island States	ICT	Indian Ocean Islands	IOC	AfD	70.5	15.0
36	Port development in Comoros	Trans-port	Comoros	IOC	EIB	70.5	15.0
37	Rodrigues Airport Development Project	Trans-port	Mauritius	IOC	AfD	60.0	10.0
~~39~~	~~Multilateral Lake Victoria Maritime Communication and Transport (MLVMCT)~~	~~Trans-port~~	~~Kenya, Uganda, Tanzania~~	~~EA region~~	~~AfDB~~	~~32.86~~	~~5.0~~
40	Extension of South Sudan Corridor (Kitale - Kapchorwa) – Uganda part	Trans-port	Kenya, Uganda	EA region	AfDB	233.0	30.0
41	North-South corridor improvement in Zambia (Serenje-Mpika section 3)	Trans-port	Zambia	SA region	AfDB	225.0	To be determined
42	Bagamoyo Lunga Lunga Malindi Road between Kenya and Tanzania	Trans-port	Kenya, Tanzania	EA region	AfDB	703.0	50.0
~~43~~	~~Second runway of JKIA Nairobi~~	~~Trans-port~~	~~Kenya~~	~~EA region~~	~~AfDB~~	~~107.0~~	~~30.0~~
44	Resano-Garcia / Maputo railway line (rehabilitation)	Trans-port	Mozambique	SA region	AfD	170.0	20.0
45	Kakono Hydro Power Project (87 MW)	Energy	Tanzania	EA region	AfDB	380.0	35.8
46	Malagarasi Hydro Power Project (45 MW)	Energy	Tanzania	EA region	AfDB	95.0	To be determined
47	Mini Hydro Power Stations in the area of responsibility of Lake Victoria South Water Services Board	Energy	Kenya	EA region	KfW	To be determined	14.0
4	Ethiopia Sudan extra	Energy	Sudan	IGAD	pending	550.0	To be

8	high voltage Power Systems Interconnection						determined
49	MOZIZA Transmission Line	Energy	Mozambique, Zimbabwe, South Africa	SA region	KfW, AfDB	To be determined	To be determined
50	Mozambique-Zambia Interconnector (MOZA)	Energy	Mozambique, Zambia	SA region	AfDB, EIB	To be determined	To be determined
51	Malawi-Zambia Interconnector	Energy	Malawi, Zambia	SA region	EIB	To be determined	To be determined
52	Power Sector Investment Program (Mega project Angola)	Energy	Angola	SA region	AfDB, EIB	To be determined	To be determined
53	Songwe River basin development	Energy, water	Malawi, Tanzania	SA-EA region	AfDB	690.0	To be determined
54	BioMass Power Station	Energy	Namibia	SA region	KfW	To be determined	30.0
55	Construction of New Hydro Power Plant Tsate	Energy	Mozambique	SA region	KfW	To be determined	To be determined
56	Caia-Nacala Transmission Line	Energy	Mozambique	SA region	AfDB	To be determined	To be determined
57	Contribution to Somali Infrastructure Fund[4]	Trans-port, energy, water, ICT	Somalia	EA region	AfDB	To be determined	40.0
58	Affordable foreign exchange protection SE4ALL investments	Energy	Sub-Sahara Africa		KfW	130.0	30.0
59	Dondo Dry Port	Trans-port	Mozambique	SADC	AfDB/DBSA	79.00	To be determined
60	Francis Town –Nata Road	Tran-sport	Botswana	SADC	pending	60.00	To be determined
61	Nata Pandamatenga Road	Trans-port	Botswana	SADC	AfDB	79,675	To be determined
62	Palapye-Martins Drift Road	Trans-port	Botswana	COMESA/SADC	AfDB	110	To be determined
63	Bulawayo-Beitbridge Road	Trans-port	Zimbabwe	COMESA	AfDB	320	To be determined
64	Lesotho Lowlands Water Supply Scheme Unit (LLWSSU), phase II	Water/ energy	Lesotho	SADC	EIB	To be determined	To be determined
65	Lomahasha/Namaacha Cross-Border Water Supply	Water	Mozambique, Swaziland	SADC	KfW	25.5	17.5
67	Rehabilitation of road to Lac Abbé	Trans-port	Djibouti	IGAD	pending	70.00	To be determined
68	Cross-border roads DRC-Burundi & DRC-Rwanda	Trans-port	DRC, Burundi, Rwanda	EA region	pending	8.0	8.0
6	Nacala Road Corridor	Trans-	Malawi	SA	AfDB	55.2	20.0

[4] Subject to the identification of concrete project proposals with a regional dimension

9	Development Project - Phase V	port		region			

Acronymes :

AfD Agence française de Développement
AfDB African Development Bank
KfW Kreditanstalt für Wiederaufbau
EIB European Investment Bank

Annex 10: List of Projects Submitted to COIDIC and under consideration

tem	Project Name	Country or Countries	Description	Sector
1.	COMESA SAPP-EAPP interconnect	COMESA	Develop a power transmission interconnect between the southern and eastern African power grids; 667 km high-voltage power line from Kenya through Tanzania to Zambia, thereby linking EAPP to SAPP; Priority project for north-south grid	Energy
2.	Congo-B Gas-to-Power	Congo-B & DR Congo	Congo-B has extensive reserves of offshore oil and natural gas, currently in production. COIDIC is working with NewAge to deliver offshore natural gas to Congo-B and to finance and operate a gas-fired power plant to supply baseload power to the cities of Brazzaville and Kinshasa, DRC.	Energy
3.	Madagascar National Power System	Madagascar	Potential partnership with government and national power company (JIRAMA) to design, finance, construct and co-manage a national system (or several sub-national systems), including new baseload generation, transmission and smart-metered distribution to mines, businesses and homes	Energy
4.	SCZONE Utility Company	Egypt	Create, develop and operate a utility company jointly owned by investors and the Suez Canal Zone authority to handle basic utilities for businesses and residents of the SCZONE (power distribution, water & sewage, waste water treatment, waste management, telecoms, public transport)	Infrastructure

5.	Malawi-Zambia & Malawi-Mozambique transmission Interconnects	Malawi	Develop a power transmission line to connect Malawi to SAPP for first time; access points in Zambia or Mozambique or both; Malawi has severe power disruptions.	Energy
6.	Chongoene Port and Rail	Mozambique, connecting to Zimbabwe, Botswana	Southern Africa needs additional port capacity; Chongoene is one of the candidates; project includes upgrade of parts of rail network in Mozambique, Zimbabwe, Botswana and the development of one or more IDZs	Transport
7.	Crude-to-Power Madagascar	Madagascar	Finance, construct, operate and own a crude-to-power ~200MW power plant in northwest Madagascar near the site of Madagascar's crude oil field; also, construct a transmission line from the plant to the main grid serving Antananarivo	Energy
8.	Continental/Regional Fiber Network	COMESA	China Telecom is interested in building network interfaces to link national fibre systems in regional and continent-wide networks	ICT
9.	Zambia Coal-to-Power	Zambia	Shortage of electricity in Copperbelt region; opportunity to generate power and sell directly to mines in Zambia and DRC and to sell to national grids.	Energy
10.	Nairobi Utility Corridor	Kenya	Create, finance and own jointly with the Metro a municipal utility; upgrade and develop one of Nairobi's urban corridors into a 'Smart City'. Revenues from electricity, water, telecoms and light rail. Include services for sewage treatment, perhaps municipal WTE	Urban Utility
11.	PV for Zambia Mines	Zambia	Mining operations in Zambia have unreliable supplies of power; this project is to create a pilot for 25-40MW of PV solar to be sold to one or more Chinese-operated mines in Zambia	Energy
12.	Djibouti coal-fired power	Djibouti	Design, procurement, construction and commissioning of 2X100MW coal-fired power station in Djibouti	Energy

13.	Moatize Coal-to-Power	Mozambique	Construction and operation of >300MW coal-fired plant in Moatize region of Mozambique; construction of transmission connections into Zambia and Malawi	Energy
14.	Cuamba Coal	Mozambique	Construction and operation of a 150MW-450MW coal-fired power plant in Cuamba region; possibility of reinforcing the transmission grid from Cuamba to Malawi	Energy
15.	North-South Corridor	COMESA	This is a high-profile project to upgrade and expand the port-rail-road-IDZ network from Durban, South Africa, up to the Copperbelt and to Tanzania	Transport
16.	Tana ICT and Smart City	Madagascar	China Telecom is exploring data and telecoms services in Madagascar;	ICT
17.	TAMS Ethiopia	Ethiopia, Saudi Arabia	1,700MW TAMS hydropower project in western Ethiopia; construct subsea HV cable under the Red Sea to Saudi Arabia; S	Energy
18.	DR Congo Power System	DR Congo	Eastern DRC has poor coverage for power distribution; project to refurbish Inga 1 & 2 to restore to nameplate; upgrade transmission grid to Copperbelt and connect main towns and cities; implement smart metered distribution	Energy
19.	Small Hydro Dev't Company	Sub-Saharan Africa	There is an opportunity for small hydro in many regions of Africa that are off-grid. COIDIC will evaluate the creation of a special development company dedicated to small hydro that will design, finance, construct and operate hydro systems. Goal is to have a portfolio of several dozen systems (<25MW each)	Energy

20.	Uganda 840MW Hydropower	Uganda	Ayago HPP Project is located in the Murchison Falls National Park in Uganda, 340km from Kampala. The installed capacity will be 840MW and annual generation capacity is 5,184GWh. The main work scope includes the concrete gravity dam, the water diversion and power generation system, the power transmission line, the owner's camp and access road.	Energy
21.	Zambia Batoka Hydropower	Zambia	Batoka HPP Project is located on Zambezi River, 54km downstream from Victoria Fall. The main work scope includes a RCC concrete gravity-arch dam, four diversion tunnels, two ground powerhouses, transmission lines and so on. The installed capacity will be 2400MW, of which half belongs to Zambia and half belongs to Zimbabwe. The annual generation capacity is 10,215GWh.	Energy

Annex 11: Format for project submission

1. Project Title	
2. Project Reference Nr	
3. Project Length / Capacity	
4. Country (s)	
5. Corridor	
6. National Context	
7. Regional Context	
8. Construction & Maintenance History	
9. Economic Activity on the Project	
10. Project Objectives	
11. Expected Results	
12. Project Scope & Core Activities	
13. Current Project Status	
14. Political & Governance Context (Budget, Exposure, National Strategy, Legal Framework, Risks, Assumptions)	
15. Stakeholders	
16. Estimated Cost for Preparation	
17. Estimated Date of Completion of Preparation (until PIM)	
18. Funding Status of Preparation	
19. Estimated Cost of Construction & Supervision	
20. Estimated Completion of Construction & Supervision	
21. Funding Status of Construction & Supervision	
22. Financing Model	
23. Revenues for Repayment of Financing	
24. Project Contacts	
25. Project Documents Available	