

Common Market for  
Eastern and Southern Africa



# 2023 ANNUAL REPORT

"Economic Integration for a Thriving COMESA  
Anchored on **Green Investment, Value  
Addition and Tourism**"





# 2023 ANNUAL REPORT

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Designed and published by  
Corporate Communications Unit



# CONTENTS

Message from the Secretary General	viii
Message from the chair of the COMESA Authority	x
COMESA Vision and Mission	xii
The Objectives of COMESA	xii
Institutional Setup of COMESA	xiii
COMESA Member States	xiii
Executive Summary	xv
<b>CHAPTER ONE: MACRO-ECONOMIC DEVELOPMENTS IN THE COMESA REGION IN 2022</b>	
Background	1
Economic Growth	1
Inflation Rate	2
Monetary and Macro-financial Policy and Exchange Rate Developments	2
Overall Fiscal Balance Including Grants	3
Government Debt	3
External Current Account Including Grant	5
Reserve Accumulation	5
Medium-Term Prospects and Recommendations	6
Risks to Outlook	7
COMESA Trade Developments 2023	7

<b>CHAPTER TWO - IMPLEMENTATION OF COMESA REGIONAL COOPERATION AND INTEGRATION PROGRAMMES</b>	14
INTERNAL MARKET	15
COMESA FREE TRADE AREA (FTA)	15
COMESA STATISTICS PROGRAMME	25
COMESA GOVERNANCE, PEACE AND SECURITY PROGRAMME	31
STRENGTHEN DEVELOPMENT OF ECONOMIC INFRASTRUCTURE	34
COMESA INDUSTRY AND AGRICULTURE PROGRAMME	45
GENDER AND SOCIAL AFFAIRS PROGRAMME	80
RESOURCE MOBILISATION AND INTERNATIONAL COOPERATION (RMIC)	85
COMESA BRUSSELS LIAISON OFFICE (BLO)	87
LEGAL AND CORPORATE AFFAIRS	88
CORPORATE COMMUNICATIONS	91
STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION	94
INFORMATION AND NETWORKING DIVISION	95
HUMAN RESOURCES AND ADMINISTRATION	97
FINANCE AND BUDGET	101
Finance and Grants	101
<b>CHAPTER THREE - OPERATIONS OF COMESA INSTITUTIONS</b>	105
ZEP-RE (PTA REINSURANCE COMPANY)	106

THE COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)	110
THE COMESA MONETARY INSTITUTE (CMI)	112
AFRICAN TRADE & INVESTMENT DEVELOPMENT INSURANCE (ATIDI)	115
AFRICA LEATHER AND LEATHER PRODUCT INSTITUTE (ALLPI)	117
COMESA BUSINESS COUNCIL (CBC) – PRIVATE SECTOR VOICE	121
COMESA COMPETITION COMMISSION (CCC)	125
COMESA COURT OF JUSTICE (CCJ)	130
COMESA FEDERATION OF NATIONAL ASSOCIATIONS OF WOMEN IN BUSINESS (COMFWB)	133
THE ALLIANCE FOR COMMODITY TRADE IN EASTERN AND SOUTHERN AFRICA (ACTESA)	140
COMESA CLEARING HOUSE	143
TRADE AND DEVELOPMENT BANK	146
FINANCIAL STATEMENTS	147

## LIST OF TABLES

Table 1 Objectives of COMESA

Table 2: COMESA Total Exports by Sector, 2022-2023, Values in US\$ Millions

Table 3: COMESA Imports by Sector 2022-2023, Values in US\$ Millions

Table 4: COMESA Global Trade by Country, 2021 - 2023 (US\$ Millions)

Table 5: Intra-COMESA Top Export Products

Table 6: Implementation Status on Gender Equality and Empowerment of Women; and Social Affairs and Youth Empowerment

Table 7: Key performance indicators in 2023

Table 8: COMESA Clearance Progress in 2023



# LIST OF FIGURES

- Figure 1: Map of Africa showing COMESA Member States
- Figure 2: COMESA average real GDP Growth (y-o-y % change)
- Figure 3: COMESA average Consumer Prices (annual av., % Change)
- Figure 4: COMESA average Overall Fiscal Balance (incl. Grants, % of GDP)
- Figure 5: COMESA average Government Debt (% of GDP).
- Figure 6: COMESA average External Current Account (incl. Grants, % of GDP)
- Figure 7: COMESA average Reserves (Months of imports of goods and services cover)
- Figure 8: COMESA Global Trade, 2019 - 2023, Values in US\$ Millions
- Figure 9: COMESA's Major Export Trade Markets 2022 – 2023, Values in US\$ Millions
- Figure 10: COMESA's Major Source Markets, 2021-2022, Values in US\$ Millions
- Figure 11: Intra-COMESA Total Exports by country, 2021-2023, Values in US\$ Millions
- Figure 12: Percentage changes over the period 2022-2023 by country
- Figure 13: RSDS 2021-2025 Strategic Objectives
- Figure 14: Gender disaggregation at Seychelles Workshop
- Figure 15: Gender disaggregation at Eritrea Inception Meeting
- Figure 16: Gender disaggregation at Zambia Inception Workshop
- Figure 17: Gender disaggregation at COMOROS Inception Workshop
- Figure 18: Disaggregation data of Eritrea delegation
- Figure 19: Disaggregation data of COMOROS delegation
- Figure 20: Disaggregation data of Zambia delegation
- Figure 21: Disaggregation data of Seychelles virtual meeting
- Figure 22: Disaggregation data of COP28 delegation
- Figure 23: Funds available to the COMESA Secretariat towards implementation of COMESA programmes
- Figure 24: Budget allocation to different divisions and units
- Figure 25: Expenditure distribution by pillar
- Figure 26: Sources of Grants
- Figure 27: Reinsurance Revenue
- Figure 28: Company's Profits and Assets
- Figure 29: Number of Mergers by Affected Member States, 2023
- Figure 30: Number of RBP Cases per Member State
- Figure 31: Number of Consumer Cases per Member State
- Figure 32: REPSS Transactions Trend


# ACRONYMS AND ABBREVIATIONS

ACTESA	Alliance For Commodity Trade in Eastern And Southern Africa
AEO	Authorized Economic Operators
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFRM	African Fisheries Reform Mechanism
AGOA	African Growth and Opportunity Act
AGRA	Alliance for a Green Revolution in Africa
ALLPI	African Leather and Leather Products Institute
AML/CFT	Anti-Money Laundering/ Combatting Financing of Terrorism
ARICEA	Association of Regulators for Information and Communications for Eastern and Southern Africa
APSA	Africa Peace and Security Architecture
ASYCUDA	Automated System for Customs Data
ATIDI	African Trade & Investment Development Insurance
AU	African Union
AU/AGA	African Union-Governance Architecture
BLO	COMESA Brussels Liaison Office
CAADP	Comprehensive African Agriculture Development ProgrammeProgramme
CARSC	Customs Automation Regional Support Centre
CBC	COMESA Business Council
CBTAs	Cross Border Traders Associations
CBTI	Cross Border Trade Initiative
CCC	COMESA Competition Commission
CCH	COMESA Clearing House
CET	Common External Tariff
C-MRF	COMESA Mutual Recognition Framework
CMR	Customs Management Regulations
CNS/ATM	Communication Navigation Surveillance/Air Traffic Management
CCIA	COMESA Common Investment Area
CCJ	COMESA Court of Justice
CMI	COMESA Monetary Institute
COMSHIP	COMESA Seed Harmonization
COMSTAT	COMESA Statistics
COMSIS	COMESA Seed Information System
COMFWB	COMESA Federation of Women in Business
COMWARN	COMESA Early Warning System
COMYAP	COMESA Youth Advisory Panel
COMYES	COMESA Youth Engagement Strategy
CSOs	Civil Society Organizations
CTN	Common Tariff Nomenclature
DFTA	COMESA Digital Free Trade Area
DFIs	Development Finance Institutions
DMROs	Duly Mandated Regional Organizations
DTAA	Double Taxation Agreements
EAC	East African Community
EACREEE	Eastern Africa Centers for Renewable Energy and Energy Efficiency
EAPP	East African Power Pool
EA-SA-IO	Eastern Africa, Southern Africa and Indian Ocean
ECA	Economic Commission for Africa
EGEE-ICT	Environment in the Information and Communications Technology Sector
ECCAS	Economic Community of Central African States
eCO	Electronic Certificate of Origin



ECOFISH	Ecosystems Improved for Sustainable Fisheries
ECOSOCC	Economic, Social and Cultural Council
ECOWAS	Economic Community of West African States
ECTS	Electronic Cargo Tracking System
EDF	European Development Fund
EDF RIP	European Development Fund – Regional Implementation Plan
EREA	Energy Regulators Association of East Africa
ENABEL	Belgian Development Agency
ESAAML	Eastern and Southern Africa Anti-Money Laundering Group
ESA-EPA	Eastern Southern Africa – Economic Partnership Agreement
ESREM	Enhancement of Sustainable Regional Energy Markets
EU	European Union
EU-MIEUX	Migration EU Expertise
FAO	Food Agriculture Organization
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FIUs	Financial Intelligence Units
FSMA	Food Safety Modernization Act
FTA	Free Trade Area
GDP	Gross Domestic Product
GFSI	Global Food Safety Initiative
GLTFP	Great Lakes Trade Facilitation Project
GPS	Governance, Peace and Security
GMap	Global Markets ProgrammeProgramme
GTWG	Gender Technical Working Group
HS	Harmonized System
ICBT	Informal Cross-Border Trade
ICER	International Confederation of Energy Regulators
ICP	International Comparison ProgrammeProgramme
ICTs	Information Communication Technologies
IGAD	Intergovernmental Authority for Development
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IOM	International Organization for Migration
JICA	Japan International Cooperation Agency
LEAs	Law Enforcement Agencies
MASE	Regional Maritime Security ProgrammeProgramme
MCBRTA	Multilateral Cross-Border Road Transport Agreement
M&E	Monitoring and Evaluation
MFN	Most Favored Nation
MoU	Memorandum of Understanding
MNEs	Multinational Enterprises
MSME	Micro Small and Medium Enterprises
MSITS	Manual on Statistics of International Trade in Services
MTSP	Medium Term Strategic Plan
NDC	Nationally Determined Contributions
NDICI	Neighborhood, Development and International Cooperation Instrument
NEPAD	New Partnership for Africa’s Development
NIPAs	National Investment Promotion Agencies
NMCs	National Monitoring Committees
NTBs	Non-Tariff Barriers
NTFCs	National Trade Facilitation Committees
NTMs	Non-Tariff Measures
NSC	North-South corridor

NSDS	National Strategies for the Development of Statistics
OACPS	Organization of the African, Caribbean and Pacific States
OSBP	One Stop Border Post
P-IMA	Prioritizing SPS Investments for Market Access
PCRD	Post Conflict Reconstruction and Development
PTA	Preferential Trade Area
RCTG	Regional Customs Transit Guarantee
RAERESA	Regional Association of Energy Regulators for Eastern and Southern Africa
RECs	Regional Economic Communities
RECAMP	Regional Enterprise Competitiveness and Access to Markets ProgrammeProgramme
REPSS	Regional Payment and Settlement System
RERA	Regional Electricity Regulators Association of Southern Africa
REEESAP	Renewable Energy and Energy Efficiency Strategy and Action Plan
REO	Regional Economic Outlook
RFB	Regional Fisheries Bodies
RIA	Regional Investment Agency
RICB	Regional Integration Capacity Building Project
RIGO-SS	Regional Intergovernmental Organization-System Strengthening
RIFF	Regional Infrastructure Finance Facility
RMIC	Resource Mobilization and International Cooperation
ROA	Rest of Africa
ROW	Rest of the World
ROO	Rules of Origin
RRAs	Regional Regulatory Associations
RTIP	Regional Trade Information Portal
SATSD	Support to Air Transport Sector Development
SACREEE	Southern Africa Centers for Renewable Energy and Energy Efficiency
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool
SAATM	Single African Air Transport Market
SACU	Southern Africa Customs Union
SCD	Simplified Customs Document
SDC	Swiss Development Cooperation
SEZ	Special Economic Zones
SMEs	Small and Medium Scale Enterprises
SPS/SQAM-TBT	Sanitary and Phytosanitary Standards/ Standardization, Quality Assurance and Metrology- Technical Barriers to Trade
SSCBT	Small-Scale Cross Border Trade
STR	Simplified Trade Regime
T2FP	Tripartite Transport and Transit Facilitation ProgrammeProgramme
TBT	Technical Barriers to Trade
TCBP	Tripartite Capacity Building ProgrammeProgramme
TDB	Trade & Development Bank
TFA	Trade Facilitation Agreement
TFP	Trade Facilitation ProgramProgramme
TFTA	Tripartite Free Trade Area
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TIDOS	Trade Information Desk Officers
TIP	Trade Information Portal
TOT	Training of Trainers
TIS	Trade in Services
TSMC	Trade and Transport Corridor Monitoring System
TTNF	Tripartite Trade Negotiating Forum
TWG	Technical Working Group



UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development ProgrammeProgramme
UNECA	United Nations Economic Commission for Africa
UNITAR	United Nations Institute for Training and Research
USAID	United States Agency for International Development
VLMA	Vehicle Load Management Agreement
WCO	World Customs Organization
WOAH	World Organization for Animal Health
WTO	World Trade Organization
YC-MIS	Yellow Card Management Information System
50MAWS	50 Million African Women Speak



# MESSAGES



## Message from the **SECRETARY GENERAL**

We continue to make remarkable strides in our journey towards integration, stronger cooperation, and shared prosperity, as highlighted in the achievements outlined in this 2023 Annual Report. This progress underscores our unwavering commitment to the objectives enshrined in the COMESA Treaty for a collaborative future, promoting socio-economic development, establishing a competitive common market, and fostering peace and security across the region. It is with great pleasure therefore that I present the COMESA Annual Report for 2023 which provides a comprehensive overview of the region's economic performance, key developments within COMESA programs, and our future priorities.

The year 2023 presented a complex economic environment for the COMESA region. While some countries experienced growth recovery, others faced ongoing challenges. The report analyzes key macroeconomic indicators. The average regional growth slowed slightly to 5.7% compared to 5.9% in 2022. This masks significant variation among Member States, with roughly half experiencing growth recovery and the other half experiencing decline. Inflation rose somewhat to 23.9% in 2023 from 19.6% in 2022.

However, some countries achieved the COMESA convergence criteria of 7% inflation with a +/- 1% band. Central Banks in several countries implemented tighter monetary policies to combat inflation. Fiscal consolidation efforts continued, with a projected improvement in the overall fiscal deficit, including grants. The region's external current account deficit narrowed slightly, reflecting falling global commodity prices, rebounding tourism, and resilient remittances. However, external reserves declined due to pressures to support exchange rates and imports.

For overall Trade, COMESA's total exports and imports declined in value terms compared to 2022. This reflects a decrease in global demand for some key exports and disruptions in global supply chains. With regard to export performance, fuels, manufactures, and agricultural raw materials declined, while exports of ores and metals, food, and other products increased slightly. The EU remained the top export destination and import source for COMESA, followed by China and intra-COMESA trade.

The Authority of Heads of State and Government, alongside the Council of Ministers, Technical Committees, and other crucial organs, have diligently worked to oversee and steer COMESA's strategic direction, ensuring cohesive and effective implementation of our programmes. We have seen significant advancements in intra-COMESA trade, powered by initiatives such as Electronic Certificate of Origin systems and the Authorized Economic Operator Programme. These efforts have streamlined customs procedures, reduced barriers, and enhanced trade efficiency across our Member States.

Through initiatives like the Zambia-Zimbabwe Joint Industrialization Programme and the CAADP/Malabo commitments, we have bolstered agricultural productivity and supported the growth of sustainable industries. Our efforts in the Regional Pharmaceutical Sector Development Project illustrate our dedication to enhancing industrial capacity and promoting health security.

The Governance, Peace, and Security Programme has played a crucial role in stabilizing our region. From early-warning systems to election observation missions, our initiatives have reinforced peace, security, and good governance, which are fundamental to sustainable development.

Significant progress has been made in developing regional economic infrastructure, particularly in energy, ICT, and transport sectors. Our projects have focused on increasing private sector participation, ensuring sustainable energy access, and harmonising regulations to enhance connectivity.

Our commitment to gender equality and social integration remains unwavering. Programs aimed at empowering women, engaging youth, and promoting social justice have yielded notable outcomes, despite ongoing challenges. We are determined to amplify these efforts, ensuring inclusive growth for all.

Sound financial management has resulted in an operating surplus this year, exemplifying our prudent use of resources. Our transparency and accountability in managing COMESA's finances remain pivotal to our success.

Our investments in building the capacity of our institutions and Member States through programs such as the COMESA Digital Retail Instant Inclusive Payments Platform and training workshops have laid the groundwork for sustained economic growth and integration.

This report concludes with a discussion of the region's medium-term prospects and key recommendations. These include improved coordination between fiscal, monetary, and exchange rate policies is crucial to manage inflation and support economic recovery; Debt management that demonstrates the need for our countries to prioritize fiscal consolidation to bring down debt levels and create fiscal space for essential spending. Further, deepening regional integration through frameworks like the African Continental Free Trade Area (AfCFTA) can boost trade, diversify markets, and improve resilience to external shocks. In addition, these efforts will address the increasing frequency and intensity of climate change events which is critical for long-term economic sustainability, particularly in the agricultural sector.

As we reflect on these accomplishments, it is crucial to acknowledge that our journey is far from complete. The dynamic global landscape presents new challenges and opportunities, urging us to remain vigilant and adaptive. I extend my heartfelt gratitude to all stakeholders, including our Member States, institutions, partners, and citizens, for their unwavering support and dedication. Your collective efforts have been instrumental in driving our agenda forward and achieving our goals.

Let us continue to build on this foundation, working together to address challenges and seize opportunities for progress. Through our unity and resilience, we will continue to foster a prosperous, secure, and integrated COMESA region.

Her Excellency, Chileshe Mpundu Kapwepwe

**Common Market for Eastern and Southern Africa (COMESA)**





## Message from the **CHAIR OF THE COMESA AUTHORITY**

The year 2023/24 was a pivotal one for COMESA as a regional bloc, solidifying its position as a leading economic community in the eastern and southern African region. Our programs have continued to set the standard across the Continent, while our strong institutions continue to set the pace for a solidified framework for regional integration. We have maintained our leadership in championing the implementation of initiatives across multiple sectors, including agriculture, energy and infrastructure—spanning four other regional economic communities. 2024 is a special year for COMESA as we shall be turning 30 years on 8 December. It is indeed a milestone achievement.

I extend my sincere appreciation to our development partners, who have generously taken on up to 70% of our program financing. Their commitment and confidence in COMESA are instrumental to the advancement of regional integration agenda. Thanks to their support, our bloc continues to make significant progress toward achieving the goals we set a year ago, guided by the theme: “Economic Integration for a Thriving COMESA Anchored on Green Investment, Value Addition, and Tourism.”

It is gratifying to see our interventions focused on these critical sectors by facilitating investment and fostering partnerships. The COMESA region, in particular, aims at diversifying its manufacturing base by increasing value addition, thereby reducing dependence on imports of value-added agricultural and resource-based commodities. Our ongoing collaborative support to promote the establishment of common industrial parks, including the agro-industrial park between Zambia and Zimbabwe, exemplify our strong belief in the power of collaboration and the development of strong regional value chains as key drivers of industrialization in our regional bloc.

At COMESA, we firmly believe that the private sector is key to unlocking the developmental potential of our resource endowment. We, therefore, continue to urge Member States to create favorable operational environments for investment, guided by regional frameworks such as the COMESA Common Investment Area. I want to emphasize the crucial role

that beneficiation, value addition and the development of strong value chains play in accelerating economic growth and development.

Similarly, industrialization, anchored on the diverse regional resource base to support agricultural value chain development and minerals beneficiation, driven by the private sector engagement, remain a key pillar for regional trade expansion, inclusive development and sustained economic growth.

Agro-processing and the tourism industries, remain the backbone of most economies in the COMESA region. Agro-processing alone contributes 32% of COMESA's GDP, and provides livelihood to about 80% of the region's labour force. The tourism sector contributes about 9.7% to COMESA's GDP and 9.9% to employment. Our region is also endowed with vast arable land, renewable energy, and water resources. The rising income, booming population and diverse climatic conditions provide an opportunity for expansion of the region's productive capacity. It is for this reason that our region has resolved to continue developing strong and viable value chains and creating opportunities for investment.

Our quest for COMESA to become the one stop destination for tourists and investors remain on course. This trajectory will be maintained going forward. At the same time, we have continued to promote green investments and can now boast of a good portfolio of projects especially on renewable energy. The aim is to ensure that investments in our region are environmentally sustainable, responsive to climate change and aligned to our commitment to reduce greenhouse gas emissions by mitigating risks. We consider these as key elements for sustainable investment. We appreciate our development partners that have provided resources to support investments in the energy sector. The devastating effects of climate change experienced in our region over the past year, propelled by floods and drought, points to the need for preparedness at all times. We must continue to build resilience through green investment.

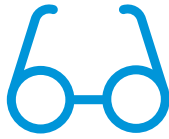
In conclusion, I want to thank all Member States for the support rendered during my chairmanship. Your commitment to support COMESA Secretariat through your financial contributions and participation in the work of our regional body, has no doubt contributed to advancing our regional integration agenda. I equally recognize our partners and acknowledge their contribution to our regional integration process. Your support is invaluable and demonstrates the confidence you have in our regional bloc to drive growth and development for our people.

Together, we will grow to prosperity!

***His Excellency, Mr. Hakainde Hichilema***

***President of the Republic of Zambia***

***Chairperson of the Authority of the COMESA Heads of State and Government***



### VISION

COMESA's vision is "to be a fully integrated, internationally competitive regional economic community with high standards of living for all its people ready to merge into an African Economic Community."



### MISSION

COMESA's mission is "to endeavor to achieve sustainable economic and social progress in all member states through increased co-operation and integration in all fields of development particularly in trade, customs and monetary affairs, transport, communication and information technology, industry and energy, gender, agriculture, environment and natural resources."

## The objectives of COMESA

1. The implementation of COMESA programs aligns with the aims and objectives outlined in the COMESA Treaty. Article 3 of the Treaty specifies that the objectives of the Common Market shall be:

Table 1: Objectives of COMESA

To attain sustainable growth and development of Member States by promoting a more balanced and harmonious development of its production and marketing structure.	To promote the joint development in all fields of economic activity and joint adoption of macro- economic policies and programmes to raise the standard of living of its people's and to foster closer relations among its Member States.	To co-operate in the creation of an enabling environment for agriculture, foreign, cross border and domestic investments including the joint promotion of research and adaptation of science and technology for development.
To co-operate in the promotion of the peace, security and stability among the Member States to enhance economic development in the region.	To co-operate in strengthening the relations between the Common Market and the rest of the world and the adoption of common positions in international fora;	To contribute towards the establishment, progress and the realization of objectives of the African Economic Community

## Institutional setup of COMESA

The COMESA Decision-making structure is as follows:

- **The Authority of Heads of State and Government:** This is the supreme organ of the Common Market and is composed of the Heads of State and Government of all the 21 Member States;
- **The Council of Ministers:** This is composed of Ministers from the Coordinating Ministries of all the Member States. It is responsible for overseeing the functioning and development of COMESA and ensuring the implementation of agreed programs and policies;
- **The Technical Committees:** These are comprised of sector specific technical officials from the Member States. These committees are responsible for the preparation of comprehensive implementation programs and timetables, which serve to prioritize the programs with respect to each sector. In addition, they monitor and review the implementation of the programs on co-operation;
- **The Committee of Governors of Central Banks:** Comprises the Governors of Central Banks of all the Member States and they are in charge of the regional finance and monetary affairs;
- **The Intergovernmental Committee:** This Committee comprises principal and permanent secretaries from Member States and is responsible for developing the programs and action plans in all sectors of co-operation, except in the finance and monetary sectors. It monitors the functioning and development of the Common Market and oversees the implementation of the programs in accordance with the provisions of the Treaty; and
- **The Secretariat:** Consists of members of staff that are representative of the 21 Member States, headed by the Secretary-General, who is appointed by the Authority. The Secretariat of the Common Market is in Lusaka, Zambia.

The COMESA Court of Justice is the Judicial Organ of COMESA.

## COMESA Member States

As illustrated in the map below, our Member States include Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

Figure 1: Map of Africa showing COMESA Member States




## EXECUTIVE SUMMARY

In 2023, the COMESA region experienced a slight deceleration in economic growth, with the average growth rate easing to 5.7%. This trend was influenced by fiscal consolidation, improved macroeconomic balances, and a resurgence in foreign direct investment. Inflation, which varied across countries rose to 23.9% regionally, prompting adjustments in monetary policies, with some regions ending tightening cycles. Fiscal deficits improved to -4.2% of GDP, while government debt reduced to 55.6% of GDP, with further improvements anticipated. The external current account deficit and reserve cover also demonstrated positive trends. Medium-term prospects remain cautiously optimistic, with a focus on policy coordination and economic diversification despite ongoing risks such as geopolitical tensions, funding shortages, and climate impacts. Trade, both within COMESA and with African countries, significantly increased, surpassing pre-pandemic levels.

However, COMESA's total exports and imports experienced a decrease in value terms in 2023 compared to 2022. The EU maintained its top position as the leading destination for COMESA's exports and imports. Intra-COMESA trade remained relatively unchanged, underscoring the need for enhanced coordination between fiscal, monetary, and exchange rate policies. Continued efforts in debt management and fiscal consolidation, trade diversification and economic integration are critical to strengthening regional resilience.

COMESA made substantial progress in regional cooperation and integration during the year. Key achievements included efforts to bring Ethiopia and DR Congo into the COMESA Free Trade Area (FTA), facilitating the accession processes for Eswatini and Somalia, and extending Kenya's sugar safeguard. Progress in customs and trade facilitation was marked by the development of an electronic certification of origin system, the Authorized Economic Operator (AEO) program, and operational electronic single window systems in 14 Member States. The Trade Facilitation Program (TFP) worked to reduce non-tariff barriers and improve border management, while the Simplified Trade Regime (STR) expanded its reach. The €15 million Small-Scale Cross Border Trade Initiative progressed with agreements and training between DRC and Zambia. Additionally, the Great Lakes Trade Facilitation and Integration Project focused on improving cross-border trade despite coordination challenges. Efforts towards activating the Tripartite Free Trade Area (TFTA) also moved forward. In parallel, research and capacity-building initiatives, including the 10th Annual Research Forum and the Master's Degree Program in Regional Integration, saw continued progress. Statistical development supported various economic activities, addressing challenges in data transmission and procurement.



The Governance, Peace, and Security Program within COMESA advanced regional stability through initiatives in conflict prevention, anti-money laundering, climate-related security risks, election observation, and youth engagement. Notable achievements included establishing Early Warning Vulnerability Bureaus in eight countries, reviewing AML/CFT laws, conducting climate-security studies, observing elections in Zimbabwe and Egypt, and establishing a youth center in Uganda. These efforts underscore COMESA's commitment to fostering peace, security, and governance, as crucial pillars for regional development.

Significant strides were also made in developing regional economic infrastructure, particularly in the energy, ICT, and transport sectors. Achievements included enhancing private sector involvement in energy projects, advancing sustainable and clean energy access, and harmonizing electricity regulations. In ICT, COMESA focused on improving regulatory frameworks, connectivity, and secure ICT services, bolstered by an €8 million EU grant. Transport initiatives focused on improving corridor performance, supporting the Single African Air Transport Market, and conducting feasibility studies for critical infrastructure projects. Despite challenges such as slow procurement processes and political instability, COMESA's efforts have laid a strong foundation for regional integration and economic growth.

The Industry and Agriculture Program made notable progress in advancing agricultural productivity, sustainable fisheries and livestock development, as well as promoting industrialization, investment, and climate resilience. Key initiatives included the CAADP/Malabo commitments, a regional food balance sheet platform, the Zambia-Zimbabwe Joint Industrialization Program, and the Regional Pharmaceutical Sector Development Project. Efforts in SPS and TBT harmonized food safety regulations and upgraded metrology infrastructure. The Climate Change Program supported compliance with the Paris Agreement and the implementation of Nationally Determined Contributions. Despite challenges, COMESA leveraged partnerships and mobilized resources to drive regional integration and sustainable economic growth.

The Gender and Social Affairs Program made progress towards gender equality, women's empowerment, youth engagement, and social justice through research, capacity building, and partnerships. Key achievements include research on health, youth and gender issues, supporting a digital platform for women in business, convening meetings on gender and women's affairs, and conducting training workshops on gender mainstreaming and trade. However, challenges persist, including a limited number of gender experts, the absence of a gender accountability mechanism, and insufficient funding for social affairs programs. To address these challenges, the program recommends increasing support for the gender technical working group, developing a gender accountability mechanism, and advocating for the integration of gender, youth, and social aspects into funded programs.

The Resource and Mobilization and International Cooperation (RMIC) unit at COMESA made substantial progress in resource mobilization, international cooperation, and development partner coordination, despite budget constraints and collaboration challenges. Key actions included operationalizing the Common Market Levy, enhancing strategic partnerships, and updating the partner database. Recommendations include increasing budget allocation and improving inter-unit communication and involvement.

The COMESA Brussels Liaison Office (BLO) successfully advanced COMESA's strategic objectives in 2023 by fostering key partnerships and securing resources. The BLO represented COMESA in major international forums, facilitated dialogue with the EU and OACPS, and mobilized significant funding for regional projects. Through these efforts, the BLO strengthened regional integration, enhanced development cooperation, and ensured the continuous progress of COMESA's programs and initiatives.

In 2023, the Legal and Corporate Affairs Division provided extensive legal advisory services, facilitated the enactment of key legal instruments, managed significant legal cases, and supported notable regional initiatives in intellectual property and migration. Despite facing funding and resource challenges, the division's recommendations include securing necessary resources to maintain its effectiveness.

The Corporate Communications Unit successfully enhanced visibility and public awareness of the regional integration agenda through extensive publishing, media capacity building, active stakeholder engagement, audio-visual productions. Despite challenges in national-level coordination, the Unit recommends stronger involvement of national communication experts for greater impact.


The Human Resources and Administration at COMESA focused on delivering essential administrative and operational support to enhance the Secretariat's efficiency. Key areas of responsibility included human resource management, knowledge and information services, organizing conferences, procurement, and general support services. This division plays a crucial role in ensuring the smooth execution of planned activities and programs while supporting Member States in achieving the objectives outlined in the 2021-2025 Medium-Term Strategic Plan (MTSP) and COMESA'S regional integration agenda.

The COMESA Secretariat demonstrated sound financial management in 2023, reporting an operating surplus of COM\$ 3,349,225. Total income increasing by 9.97% to COM\$ 17,969,571 compared to the previous year, while total expenditure rose by 2.42% to COM\$ 12,657,465. Despite this increase, the Secretariat achieved a utilisation rate of 96.94% against the budget for the year.

COMESA institutions made substantial progress in 2023 toward regional economic integration, financial stability, and sectoral development. Key highlights include:

- **ZEP-RE (PTA Reinsurance Company):** Achieved 11.2% revenue growth amidst economic challenges, supported by strategic market expansions and robust risk management;
- **COMESA Regional Investment Agency:** Enhanced the region's investment appeal through digital marketing, capacity-building workshops, and international event participation;
- **COMESA Monetary Institute:** Advanced monetary and financial integration with comprehensive training and research initiatives bolstering regional financial stability;
- **African Trade & Investment Development Insurance:** Marked a significant rebranding effort and financial growth, with a 203% profit increase and expanded member base, offering innovative risk management solutions;
- **African Leather & Leather Products Institute:** focused on capacity building and value addition in the leather sector, fostering intra-regional trade and market access;
- **COMESA Business Council:** Reinforced its role as a private sector advocate, with initiatives improving competitiveness, market access, and policy development, accompanied by a strategic plan for 2024-2026;
- **COMESA Competition Commission:** Regulated anti-competitive practices and enhanced consumer protection, supported by capacity building and advocacy across Member States;
- **COMESA Court of Justice:** Effectively resolved critical cases, engaged in capacity building, and continued structural improvements to uphold the rule of law and ensure treaty compliance;
- **COMESA Federation of National Associations of Women in Business:** Effectively implemented its 2023 work plan, achieving significant milestones in governance, resource mobilization, program development, and advocacy, thereby strengthening organizational capacity, supporting women entrepreneurs, and promoting trade within the COMESA region in alignment with its Medium-Term Strategic Plan (2021-2025);
- **Alliance for Commodity Trade in Eastern and Southern Africa:** Advanced intra-regional agricultural





trade in Eastern and Southern Africa by implementing strategic initiatives and collaborative partnerships focused on seed development, policy harmonization, and capacity building, significantly enhancing market access and support for small-scale farmers;

- **COMESA Clearing House:** Facilitated trade and services payments among Member States through the Regional Payment and Settlement System (REPSS). Currently, nine Central Banks are active on REPSS, with plans for more to join. Transactions on REPSS range from US\$ 23 to US\$ 4,999,900, covering services and goods without the need for Letters of Credit, thus saving importers over US\$ 5.5 million.
- **Trade and Development Bank:** Demonstrated resilience and growth, surpassing US\$ 10 billion in assets and achieving significant increases in equity and profits despite challenging macroeconomic conditions. With continued capital attraction, expanded green financing, robust sustainability initiatives, and a strong focus on regional trade and infrastructure, TDB solidified its critical role in the region's development, earning multiple prestigious awards for its innovative and sustainable finance solutions.

Collectively, these institutions have significantly contributed to the economic development and integration of the COMESA region by leveraging strategic initiatives, enhancing Member States engagement, and fostering a supportive business environment.

1

**MACRO-ECONOMIC  
DEVELOPMENTS  
IN THE COMESA  
REGION IN 2023**

## 1. Background

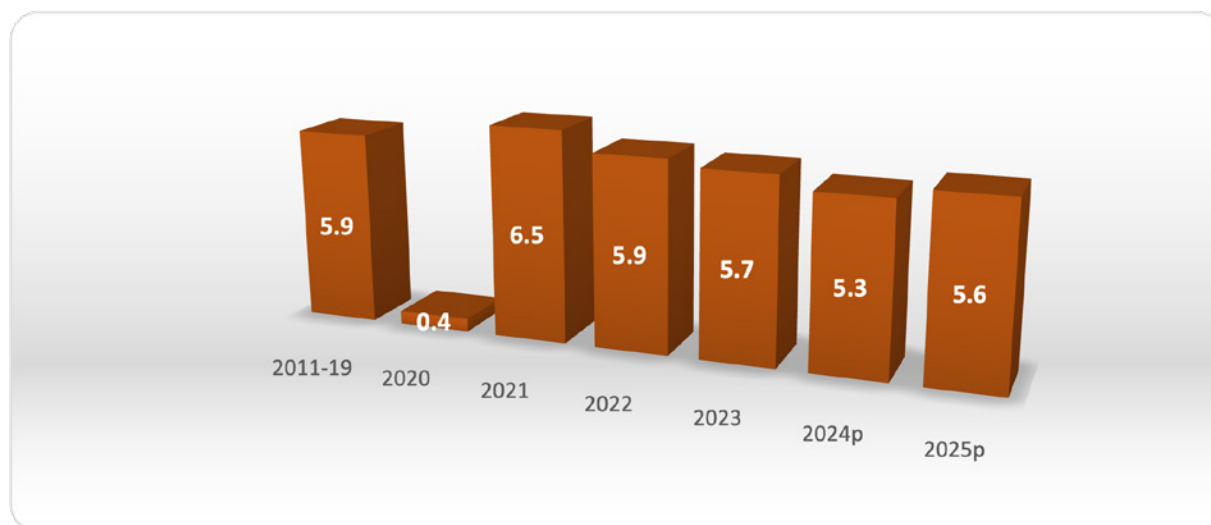
This chapter provides a comprehensive analysis of the macroeconomic developments within the COMESA region in 2023. It evaluates the key macro-economic indicators, assesses the medium-term economic prospects and offers policy implications and recommendations in the short-to-medium term. The analysis also highlights the risks that may affect the region's economic outlook.

## 2. Economic growth

In 2023, the average economic growth across the COMESA region slightly decelerated to 5.7% down from 5.9% in 2022. However, country level growth data is divergent. Growth recovered and declined in the ratio of about 50:50 among the COMESA Member States (Fig. 4). This growth was driven by continued improvement in macroeconomic stability, fiscal consolidation efforts and a resurgence in foreign direct investment (FDI) after several years of weak inflows. Inflation rates generally remained moderated in most countries, and efforts to enhance revenue collection and improve expenditure efficiency – such as phasing out of untargeted subsidies – led to the stabilization of public debt ratios at around 55.6% of Gross Domestic Product (GDP) in 2023. Projections suggest a further decline to 51% of GDP in 2024.

On the downside, many governments continued to grapple with funding challenges—characterized by a protracted decline in foreign aid, high borrowing costs, and risks associated with debt servicing costs, and rollover risks due to the tight global financing conditions. Some countries' agricultural yields and labor productivity were severely affected by climate change—flash and prolonged floods, severe drought and devastating cyclones. Additionally, the geopolitical tensions, particularly in Gaza and Israel, along with disruptions in Red Sea shipping routes and rising commodity prices, (especially oil), exacerbated the region's struggles, affecting disproportionately some of the Member States in the Middle East and North African (MENA).

Figure 2: COMESA average real GDP Growth (y-o-y % change)



Source: IMF REO sub-Saharan Africa, April 2024.

Looking outward, the IMF projects that the region's growth will slow to 5.3% in 2024, before rebounding to 5.6% in 2025. The outlook for 2024 is clouded by downside risks, including: funding challenges, escalating geopolitical tensions in the MENA region, disruptions in supply chains, and potential increases in commodity prices. The region also remains vulnerable to global external shocks and faces the threat of rising political instability, which could exacerbate human and economic losses and strain already tight budgets. The regions frequent climate-related events are likely to put additional pressures on external balances and public spending.

The anticipated recovery in 2025 is premised on the resolution of earlier weather shocks, gradual improvement in supply chain issues, and an expected easing in global financial conditions. If inflation continues to decline, and

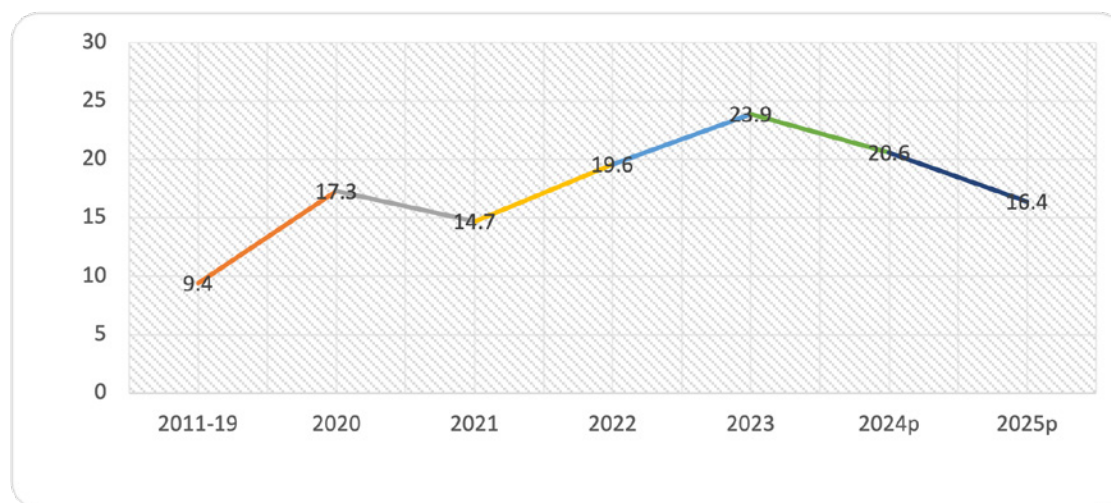
continuing recovery in private consumption and investment. Reflecting the already easing global financial conditions, there is renewed global appetite for African debt—one country in the region has so far issued a Euro bond this year, while many others could follow suit. This will ease the funding squeeze in these countries and supporting recovery. Implementing structural reforms including the pace of trade integration and improving ease of doing business could bring more foreign direct investments, diversify funding sources and the economy.

### 3. Inflation rate

The average inflation rate across the COMESA region increased to 23.9% in 2023, up from 19.6% in 2022 (Fig. 3). However, at the country level, inflation trends were mixed, with most countries experiencing a moderation in consumer prices due to earlier monetary policy tightening, and lower global food and energy prices. In contrast, some countries saw persistently high rates, reaching double digits, primarily due to exchange rate depreciations and accommodative monetary and fiscal policies.

In 2023, eight COMESA Member States - Djibouti, Eswatini, Kenya, Libya, Mauritius, Seychelles, Somalia, and Uganda achieved the COMESA macroeconomic convergence criteria of the average annual inflation rate of 7% (with a band of +/-1%).

Figure 3: COMESA average Consumer Prices (annual av., % Change)



Source: IMF REO sub-Saharan Africa April 2024.

Looking ahead, international oil prices are expected to drop, by up to 2.5% in 2024 and 6.2% in 2025, which along with non-fuel commodity prices is expected to slow down global inflation. Oil and crude prices are estimated at US\$ 73.68 per barrel in 2024 and 2025, respectively, down from US\$ 85.5 in 2022. Similarly, non-fuel commodities prices are also projected to remain broadly stable. These developments are expected to slow down global inflation, providing retrieve for the region. Consequently, inflation in the COMESA region is projected to ease to 20.6% in 2024 and further to 16.4% in 2025, although it will likely remain above the pre-pandemic average of 9.4%. This outlook assumes that global and local supply challenges will ease and that central banks in the region will effectively anchor inflation expectations should inflationary pressures threaten to strengthen.

### 4. Monetary and macro-financial policy and exchange rate developments

In 2023, inflation trends varied across the region, with some countries experiencing a downward trend, while others saw persistently high rates, hitting double digits in some particularly in those countries that suffered rapid exchange rate depreciations and pursued accommodative monetary and fiscal policies. The IMF projects that average regional inflation will ease to 20.6% in 2024 and further to 16.4% in 2025, although it will still be above the pre-pandemic average of 9.4%. At the same time, regional growth is expected to decelerate for a third-year consecutive year in 2024, before recovering in 2025.

Monetary tightening cycles appear to have ended in countries where inflation is approaching historical averages, supporting economic recovery. In countries where inflation remains high, policymakers face the challenge of

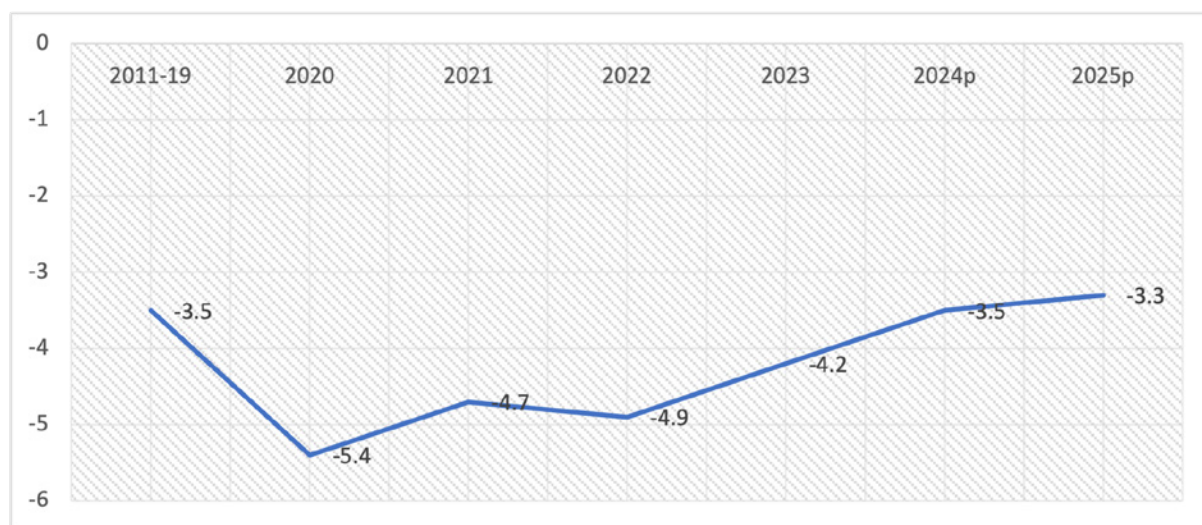
balancing macroeconomic stability, debt sustainability and supporting fragile recoveries. Coordination between fiscal, monetary and exchange rate policies remains crucial, particularly in countries with elevated debt levels. In some countries, further monetary tightening may be necessary to curb rising inflation, while in others, central banks may need to cautiously adjust policy rates to support economic growth, while keeping inflation expectations in check.

For countries with flexible exchange rates, where inflation has been exacerbated by the exchange rate passthrough and/ or fiscal imbalances, tight monetary policy and fiscal consolidation have helped to stabilize inflation expectations, stem capital outflows, and address external imbalances and contain the increases in debt related to exchange rate depreciation. Foreign exchange interventions may be necessary to smooth exchange rate volatility, especially in countries with shallow foreign exchange markets and large unhedged balance sheet exposures. Therefore, monetary tightening may be needed in some countries to support exchange rates, even in the face of weak economic activity. On the other hand, for pegged countries will need to keep a close watch on inflation trajectory while keeping policy rates in lock with the anchor policy rate to preserve external stability and foreign exchange reserves. Going forward, therefore, monetary policy needs to be increasingly data-dependent depending on country-specific circumstances. Striking the delicate balance between anchoring inflation expectations and reducing policy rates to support the fragile economic growth and recovery, will be critical.

## 5. Overall fiscal balance including grants

The region's average fiscal deficit, including grants, as a % of GDP started to decline from -4.8% in 2021 to -4.2% in 2023, with a projected consolidation of -3.5% in 2024 and -3.3% in 2025 (Fig. 4). This improvement reflects enhanced revenue mobilization efforts, expenditure efficiencies, and the phasing out of untargeted subsidies as countries strive to consolidate their public finances and maintain fiscal sustainability (particularly those with elevated debt vulnerabilities) on the path to a credible and transparent medium-term fiscal policy framework.

Figure 4: COMESA average Overall Fiscal Balance (incl. Grants, % of GDP)



Source: IMF REO sub-Saharan Africa April 2024.

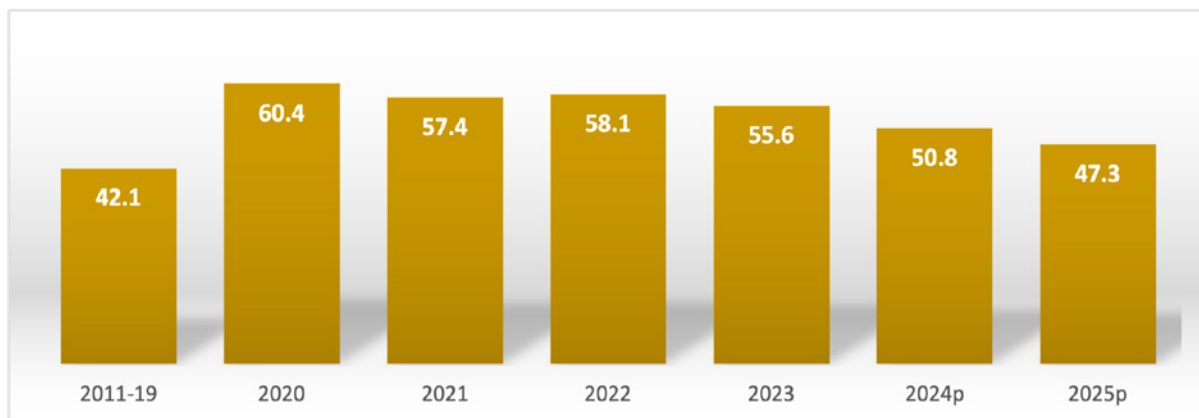
Relative to 2022, the deficit in 2023, narrowed in 11 COMESA Member States—Burundi, Ethiopia, Eswatini, Libya, Kenya, Madagascar, Malawi, Rwanda, Tunisia, Uganda and Zambia, remained at 2022 levels in Egypt and Somalia, but deteriorated in other countries. Furthermore, as per IMF REO data, 11 COMESA Member States, namely, Comoros, DRC, Djibouti, Ethiopia, Eswatini, Madagascar, Mauritius, Seychelles, Somalia, Sudan and Uganda achieved the COMESA macroeconomic convergence criteria of overall budget deficit/GDP ratio (including grants) of 5%.

## 6. Government debt

The region's average government debt as a share of GDP declined to 55.6% in 2023, down from 58.1% in 2022 (Fig. 5). This reduction reflects, improvements in macroeconomic imbalances, fiscal consolidation and a resurgence in foreign direct investment (FDI) after several years of sluggish inflows. In 2023, 10 COMESA member countries,

including, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Ethiopia, Eswatini, Madagascar, Rwanda, Seychelles and Uganda, achieved the revised COMESA secondary convergence indicator of total government debt as a share of GDP of less than 65%.

Figure 5: COMESA average Government Debt (% of GDP).



Source: IMF REO sub-Saharan Africa April 2024.

Going forward, the average government debt to GDP ratio is projected to decline, further to 50.8% in 2024 and 47.3% in 2025. This projection is driven by several factors:

- Macroeconomic imbalances;
- Fiscal consolidation;
- A resurgence in foreign direct investment (FDI) after several years of sluggish inflows;
- The effects of earlier weather-related shocks;
- Gradual improvement in supply issues and expected easing in global financial conditions if inflation continues to decline; and
- A rebound in private consumption and investment.

In addition, the global financial conditions have started easing, spurring a renewed global interest in African deb. One country in the region has already issued a Euro bond this year, and more are expected to follow suit, potentially easing the funding pressure and accelerating economic recovery.

Despite these positive developments, several countries continue to face challenges due to:

- A shrinking financing envelope, marked by protracted decline in foreign aid over the past decade and a half; and
- The necessity to diversify debt instruments, expand the credit score base, and engage in complex debt negotiations.

These challenges are exacerbated by geo-political tensions in the Middle East and Red Sea regions, rising political instability, and increased vulnerability to global external shocks and the frequent climate change events. These risks have heightened the potential for fiscal slippage, which could lead to:

- A significant rise in regional government debt;
- Increased financing risks and potential debt default; and
- Some countries' debt-to-GDP ratios exceeding 80%.

Without prompt effective measures to control debt growth, the stock of external debt and associated servicing costs could escalate, posing a major risk to macroeconomic stability.

Given these realities, creditors must implement a well-functioning "debt-resolution framework." This includes debt reprofiling or restructuring, to create fiscal space as proposed in agreements with the IMF for countries facing severe debt vulnerabilities. However, creditor coordination remains challenging, and there is a need for more predictable, timely aid processes. Creditors and international financial institutions need to enhance earlier sharing of information and introduce a standstill on debt service.

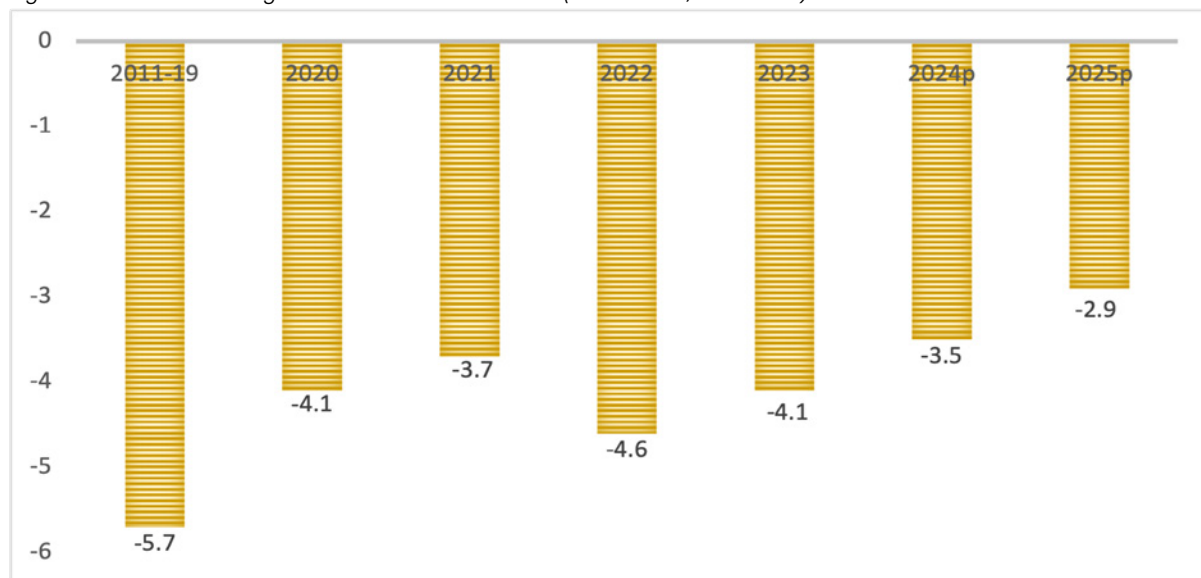
## 7. External current account including grant

The external current account including grants for the COMESA region improved in 2023, with the deficit narrowing to an average of -4.1% of GDP from -4.6% in 2022 (Fig. 6). This is attributed to:

- Falling global commodity prices;
- Rebounding tourism;
- Resilient remittances; and
- Fiscal consolidation efforts.

It is important to note that the perennial external current account deficit for most economies in the region is due to the usual persistent trade imbalances due to a combination of declining export demand and relatively inelastic import bills. This is due to higher commodity prices and in some cases late disbursement of external aid flows faced by most countries in the COMESA region.

Figure 6: COMESA average External Current Account (incl. Grants, % of GDP)



Source: IMF REO sub-Saharan Africa April 2024.

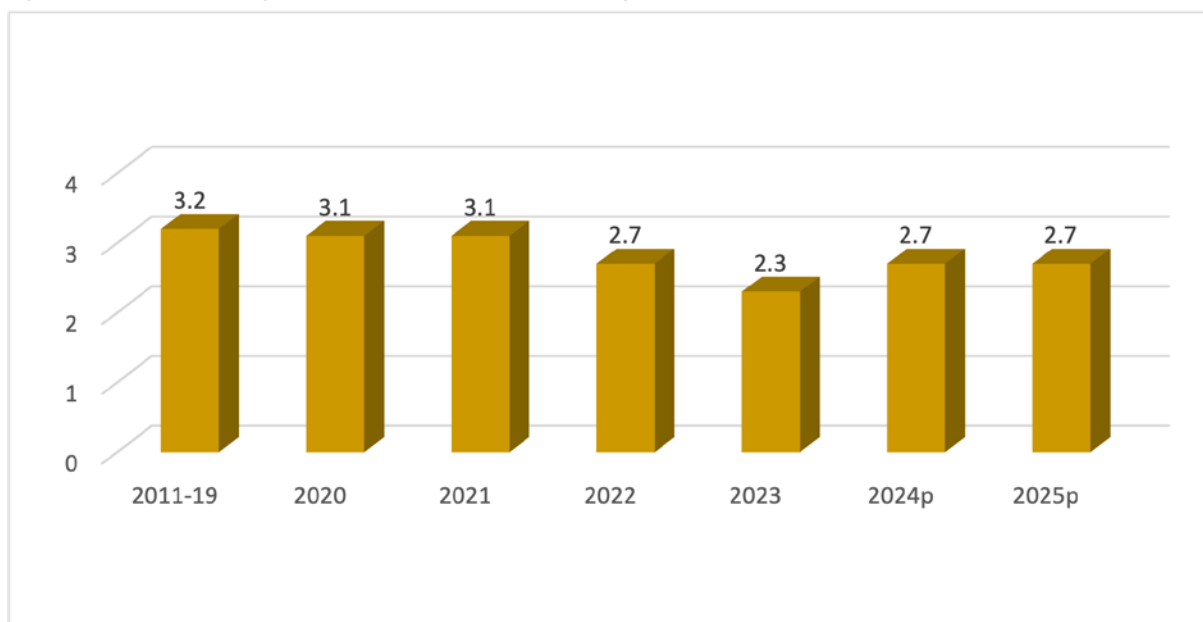
The external current account, including grants is projected to improve to -3.5% of GDP in 2024, and to -2.9% of GDP in 2025. This improvement is attributed to an expected decline in international commodity prices, rebounding tourism, resilient remittances and fiscal consolidation efforts. Moving forward, it is crucial to prioritize the strengthening of continental value chains, particularly in light of the uncertain global business environment. With the private sector advancing its digital transition, the continent must focus on enhancing essential telecommunication infrastructure, such as fiber optics and high-speed internet, and completing the regulatory agenda for e-commerce and overall the digital transition. This investment will be key to enabling essential for the emergence and expansion of 21st century value chains in the region. In the medium-long term, the effective implementation of regional integration agenda of the Regional Economic Communities (RECs) and the Africa Continental Free Trade Area (AfCFTA) will be key to strengthening regional production networks, fostering trade, reducing the continent's vulnerability to external shocks, and improving external current account balances.

## 8. Reserve accumulation

Adequate reserves are essential for countries to manage their economies effectively and respond to external shocks. Sound reserve management helps minimize the opportunity cost of holding reserves while maximizing returns. In 2023, the COMESA region's external reserve cover dropped to an average of 2.3 in months of imports of goods and services, compared to 2.7 months in 2022 and 3.1 months in 2021 (Fig. 7).

This decline in external reserves in months of imports of goods and services during the year under review reflects the pressure to provide foreign exchange for managing exchange rate volatility and supporting oil and food imports particularly for commodity importing economies.

Figure 7: COMESA average Reserves (Months of imports of goods and services cover)



Source: IMF REO sub-Saharan Africa April 2024.

At an average of 2.3 in months of imports of goods and services, reserves have breached the standard import-cover benchmark for the COMESA macroeconomic convergence criteria of external reserves of equal to or more than three months. Eleven COMESA Member States, including, Comoros, Egypt, Eswatini, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Tunisia, Uganda and Zambia met the threshold on reserves in months of imports of goods and services cover. Relative to the historical average, the region's reserve cover, in the outer years of 2024 and 2025, is projected to improve to 2.7 months of import of good and services, driven by an improving current account and easing global financial conditions.

## 9. Medium-term prospects and recommendations

Inflation across the region is projected to ease over the medium term but will likely remain above the pre-pandemic levels. Regional output is expected to decelerate for the third consecutive year by 2024, before reversing this trend beyond 2025. The funding squeeze driven by limited access to financing and rising debt service costs; escalating geo-political tensions in the Middle East and Red Sea regions, when added to increasing vulnerabilities to global external shocks and threats of rising political instability and frequent climate change events presents additional spending pressures on shrinking fiscal budgets.

While monetary tightening has ended in some countries where inflation is stabilizing, policymakers in regions with persistent inflation must carefully balance macroeconomic stability, debt sustainability, and fragile economic recovery. In response to these challenges, the following measures are recommended:

- **Enhancing policy coordination:** Strengthen coordination between fiscal, monetary and exchange rate policies to balance inflationary pressure containment, support economic recovery, and manage exchange rate volatilities;
- **Monetary policy tightening:** In countries with rising inflation until there are clear signs that inflation expectations are well anchored. And where inflation pressures have abated but still elevated, central banks may consider steering monetary policy cautiously until inflation is firmly on a downward trajectory and projections have returned to the central bank medium-term target;
- **Debt management:** To address rising debt levels, Member States will need to create fiscal space, through domestic revenue mobilization and spending efficiency. Long-term fiscal frameworks should credibly balance short-term support with medium-term consolidation;
- **Adapting to tighter financing conditions:** To preserve fiscal sustainability, countries must double boost revenue mobilization and prioritize efficient spending where possible, while minimizing possible negative impacts on growth and poverty. Boosting revenue mobilization will help attract more external



- financing as a country's revenue stream is a main metric for its debt repayment capacity. However, in the near-term, it is envisaged that authorities will struggle to secure external financing and debt vulnerabilities are likely to worsen in the current environment of rising borrowing and debt servicing costs;
- Debt reprofiling: Countries facing aggravated debt vulnerabilities may need to pursue debt reprofiling or restructuring. A well-functioning debt-resolution framework will be essential for creating the fiscal space needed for recovery. While countries have widened the variety of debt instruments; the creditor base has also become more diversified; and negotiations more complex. In this kind of environment, it is crucial that creditors increase their reliability and predictability, co-ordinate credit delivery systems and make it more transparent and introduce a standstill on debt service during the debt treatment process;
  - Effective and proactive debt management: This will be critical for lowering debt risks. Debt management can help strike the balance between funding the government's needs and ensuring that debt levels remain sustainable. This includes enhancing debt reporting, lengthening maturities, and avoiding bunching of repayments to mitigate refinancing risks;
  - Strengthening resilience to global shocks: The cascading series of dislocations of trade routes and supply chain disruptions, the latest being the rerouting of ships from the Bab al-Mandab Strait due to marine attacks in the Red Sea highlight the importance of expediting efforts that actively pursue both partner diversification and reduction of distortionary trade restrictions to strengthen resilience to future advance shocks and exposure to climate change with its impact on agriculture production risks which has heightened vulnerabilities to non-diversified product and destination trade structure; and
  - Structural transformation and economic diversification: This is crucial for economies in the region, particularly reforms that raise potential growth by bolstering private sector development and increasing the benefits from trade. The AfCFTA offers a significant opportunity to expand trade relationships and mitigate risks associated with economic downturns in individual countries. But the success of AfCFTA depends on the progress made to substantially reduce tariff and non-tariff barriers, enhance trade facilitation and improve trade environment and infrastructure across the continent. Bolstering continental and regional trade integration will forge a larger and more interconnected market and make sure the continent becomes attractive to more investment.

## 10. Risks to outlook

Despite ongoing recovery, risks remain abundant. These include limited access to financing, rising debt service costs and geopolitical tensions in the Middle East and Red Sea regions. Additionally, vulnerabilities to global external shocks, political instability and frequent climate change related events pose significant risks to the economies of the COMESA region. However, on a positive note, the fuel prices and non-fuel commodities prices are projected to ease over the medium-term, providing some retrieve for the region.

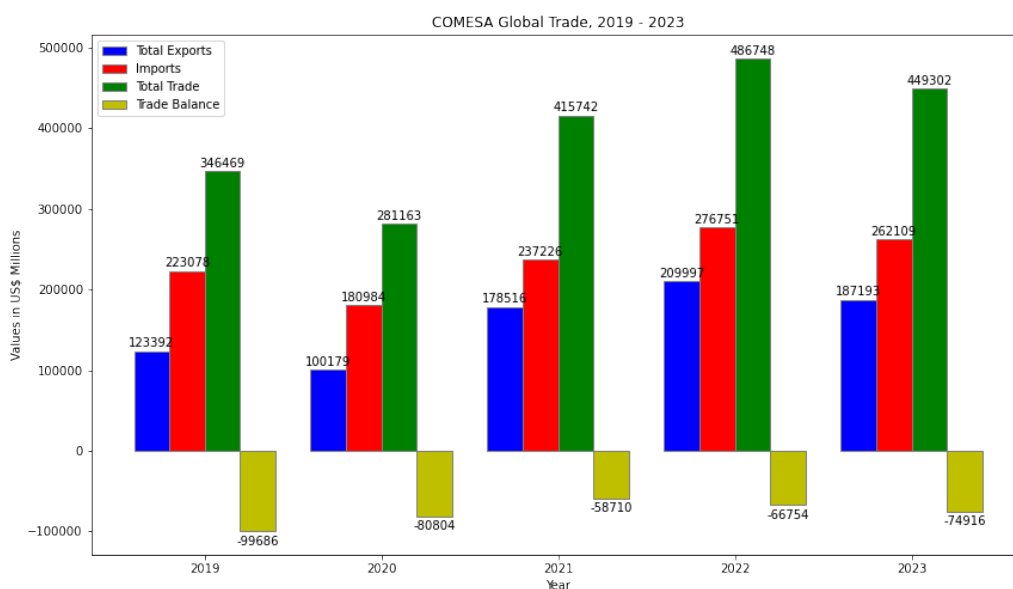
## 11. COMESA Trade Developments 2023

### 11.1. Trade in goods

In 2023, the total exports for the COMESA region decreased by 11% in value terms, dropping from US\$ 210 billion in 2022 to US\$ 187 billion in 2023. Over the same period, global imports into the COMESA region also decreased by 5% from US\$ 277 billion in 2022 to US\$ 262 billion in 2023.

Over the past five years, the region has consistently reported trade balance deficits, with the highest deficit recorded in 2019, while the smallest deficit occurred in 2021. A detailed trend of COMESA's global trade performance for the period 2019–2023 is presented in Figure 8.

Figure 8: COMESA Global Trade, 2019 - 2023, Values in US\$ Millions



## 11.2. Exports

COMESA's overall export performance in 2023 showed a negative trend compared to 2022. The decline in export values can largely be attributed to decreases in exported values of fuels, manufactures, and agricultural raw materials. Specifically, exports of fuels decreased by 26% from US\$ 81 billion in 2022 to US\$ 60 billion in 2023. Exported values of manufactures decreased by 6% while exports of agricultural raw materials decreased by 8% in 2023. Exported values of Ores and metals, food and other products n.e.s. however increased by 0.02%, 4.6% and 4.1% respectively in 2023 in value terms. Table 2 depicts COMESA's global total exports by sector for the period 2022–2023.

Table 2: COMESA Total Exports by Sector, 2022-2023, Values in US\$ Millions

Sector	2022	2020	% Change 2022-2023
Fuels	80,927	60,300	25.49
Manufactures	55,762	52,313	6.19
Ores and Metals	37,146	37,153	0.02
Food	24,886	26,033	4.61
Other products n.e.s	8,372	8,718	4.14
Agric raw materials	2,903	2,676	7.80
<b>Total</b>	<b>209,996</b>	<b>187,193</b>	<b>10.86</b>

## 11.3. Imports

Imports into the COMESA region also saw a decrease in 2023 and 2022, attributed to the negative performance of manufactures, fuels, food, ores and metals and agricultural raw materials all of which decreased by 3%, 4%, 13%, 12% and 9% respectively in value terms during the year 2023.

COMESA's imports of other products n.e.s. however registered an increase of 83% from US\$ 1.8 billion in 2022 to US\$ 3.2 billion in 2023 as shown in Table 3.

Table 3: COMESA Imports by Sector 2022-2023, Values in US\$ Millions

Sector	2022	2023	% Change 2022-2023
Fuels	155,404	150,006	3
Manufactures	50,402	48,283	4
Ores and Metals	53,292	46,468	13
Food	11,606	10,244	12
Other products n.e.s	4,274	3,873	9
Agric raw materials	1,772	3,235	83
<b>Total</b>	<b>276,750</b>	<b>262,109</b>	<b>5</b>

#### 11.4. COMESA's global trade by country

COMESA's trade performance by country for the period 2021 to 2023 is summarized in Table 4.

Table 4: COMESA Global Trade by Country, 2021 - 2023 (US\$ Millions)

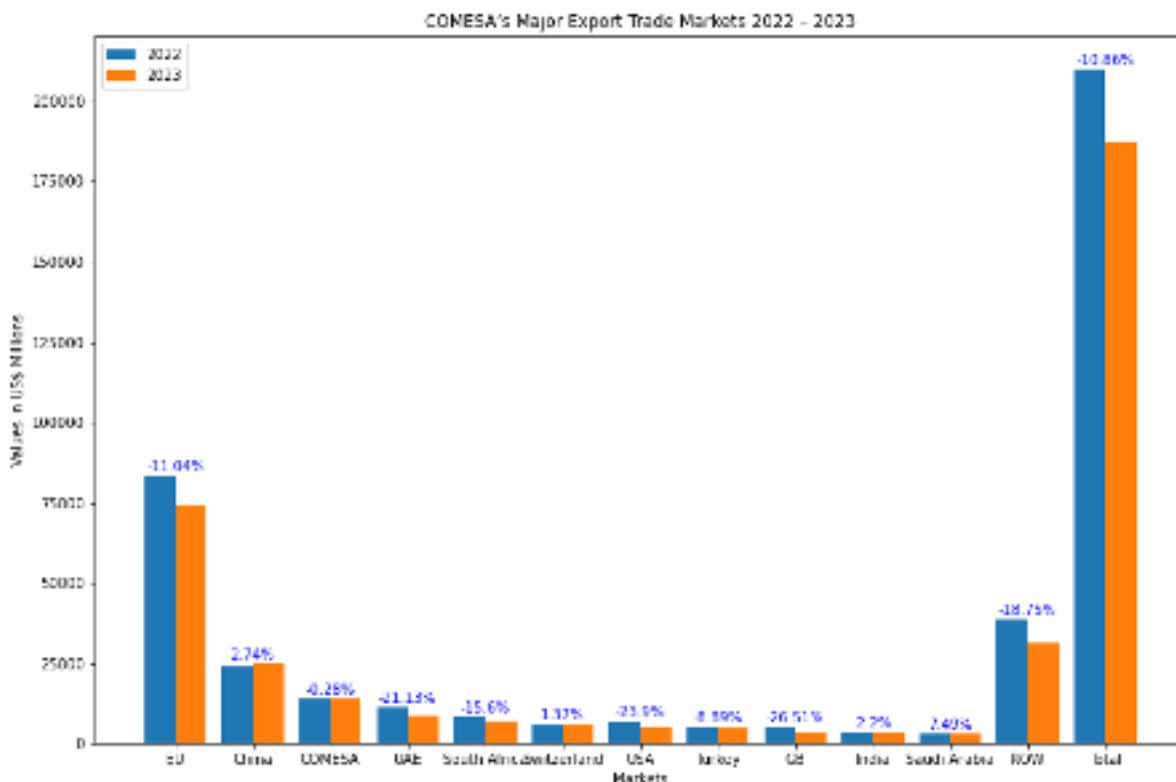
Year	2021		2022		2023		% change 2022-2023	
	Total Exports	Imports	Total Exports	Imports	Total Exports	Imports	Total Exports	Imports
Burundi	166	1,028	192	1,297	206	1,158	7.0	-10.7
Comoros	34	326	54	213	32	273	-41.9	28.0
Congo DR	24,125	7,658	30,291	13,039	30,372	14,608	0.3	12.0
Djibouti	348	9,434	544	8,412	394	7,484	-27.6	-11.0
Egypt	40,555	73,523	51,643	94,460	42,061	83,188	-18.6	-11.9
Eritrea	607	403	774	451	336	406	-56.5	-9.9
Eswatini	2,068	2,105	1,958	2,115	2,046	2,028	4.5	-4.1
Ethiopia	2,843	15,573	2,977	17,209	2,704	16,536	-9.2	-3.9
Kenya	6,755	19,588	7,370	21,122	7,170	18,626	-2.7	-11.8
Libya	49,908	27,228	60,300	28,856	49,694	29,073	-17.6	0.8
Madagascar	2,035	4,043	2,879	5,355	1,268	4,499	-55.9	-16.0
Malawi	998	3,067	890	1,566	966	3,145	8.5	100.8
Mauritius	1,679	5,130	1,879	6,568	1,689	5,743	-10.1	-12.6
Rwanda	1,447	3,796	2,048	5,398	2,417	6,200	18.0	14.8
Seychelles	1,729	1,878	605	2,112	714	3,208	18.0	51.8

Somalia	486	5,776	544	5,276	87	3,728	-84.1	-29.3
Sudan	5,184	10,198	5,490	10,188	3,119	5,553	-43.2	-45.5
Tunisia	16,801	22,636	18,684	26,836	20,049	25,566	7.3	-4.7
Uganda	3,285	8,662	2,637	8,570	4,160	11,698	57.7	36.5
Zambia	11,143	7,096	11,651	9,037	10,485	10,165	-10.0	12.5
Zimbabwe	6,322	8,078	6,586	8,668	7,226	9,225	9.7	6.4
<b>Total</b>	<b>178,518</b>	<b>237,226</b>	<b>209,996</b>	<b>276,748</b>	<b>187,195</b>	<b>252,885</b>	<b>-10.9</b>	<b>-5.3</b>

**11.5. Key export markets**

The EU maintained the top position as the number one export destination market for COMESA's exports with a market share of 40% in 2023, the same share it commanded in 2022. The China export market was ranked second in 2023 with a share of 13%. Intra - COMESA export market was ranked third with a share of 8% in 2023 while the United Arab Emirates market was fourth with a share of 5%. The value of COMESA's exports to the EU market, however, dropped by 11% from US\$ 84 billion in 2022 to US\$ 74 billion in 2023. Values of COMESA's exports to China slightly increased by 3% while those of intra-COMESA exports slightly dropped by 0.3%. See Figure 9.

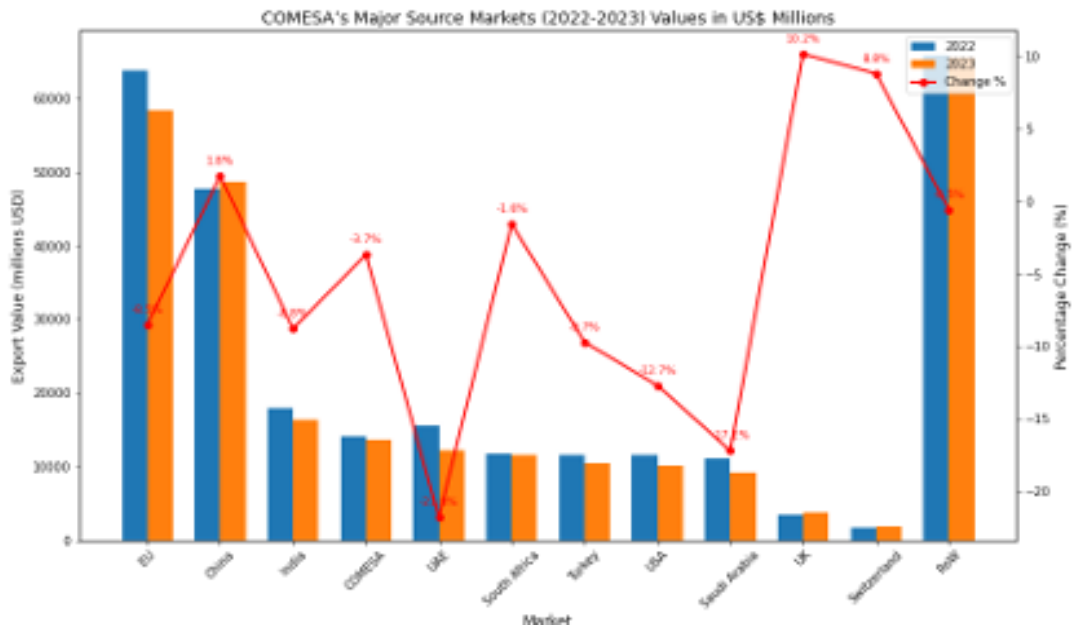
Figure 9: COMESA's Major Export Trade Markets 2022 – 2023, Values in US\$ Millions



**11.6. Key import markets**

On the import side, the EU market was ranked number one as the major source of imports for the COMESA region in 2023 with a market share of 22%. Following the EU was China with a market share of 19%, India (6%), COMESA (5%) and UAE (5%).

Figure 10: COMESA's Major Source Markets, 2021-2022, Values in US\$ Millions



### 11.7. Intra-COMESA trade

The value of Intra-COMESA total exports registered a slight decrease of 0.3%, from levels of US\$ 14.09 billion in 2022 to US\$ 14.06 billion in 2023. Figure 11 shows the performance of Intra-COMESA total exports by country, 2021 – 2023 alongside percentage changes over the period 2022-2023 (Figure 11).

Figure 11: Intra-COMESA Total Exports by country, 2021-2023, Values in US\$ Millions

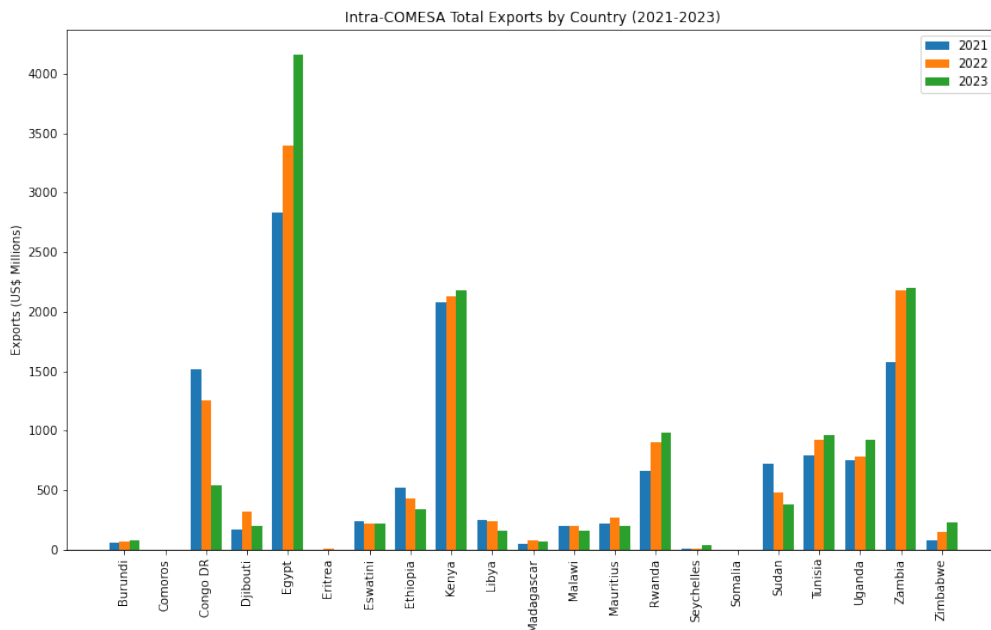


Figure 12: Percentage changes over the period 2022-2023 by country

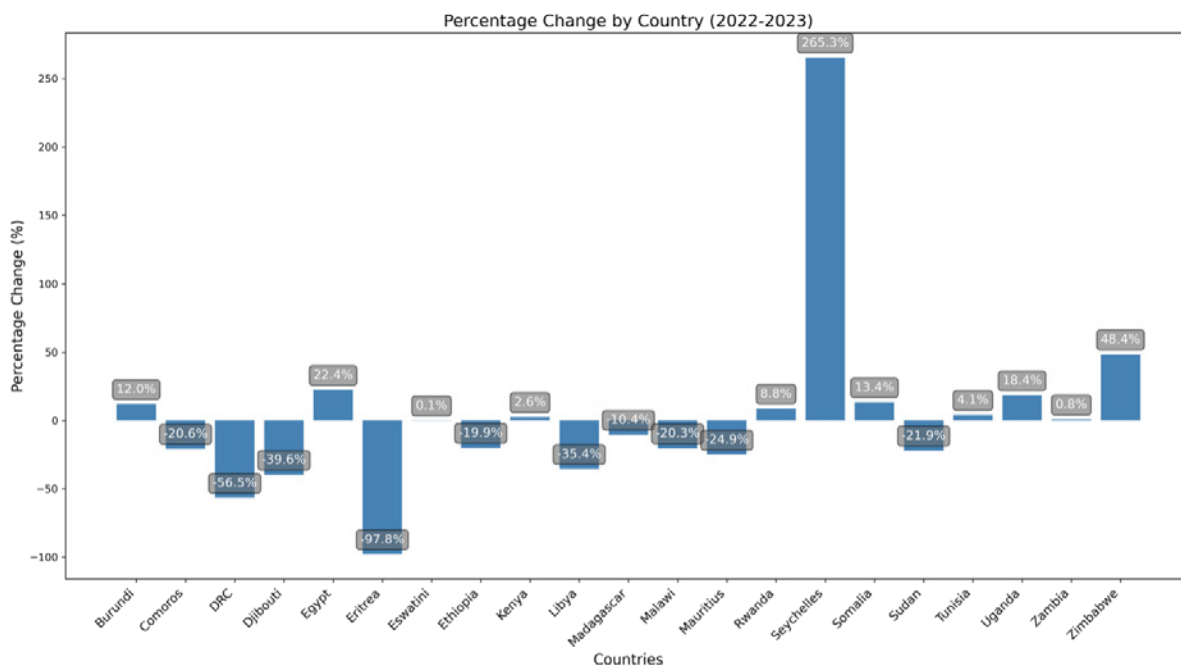


Table 5 shows the top intra-COMESA export products and their 2023 and 2022 rankings, R23 and R22. Petroleum oils were ranked number one in value terms, (up from rank 2 in 2022) followed by Flour of wheat/meslin (a star performing product ranked 17 in 2022). Cobalt Oxides and hydroxides exports took up the third position up from the fourth position they were ranked in 2022, while Portland cement was in the fourth position in 2023, up from the fifth position it occupied in 2022.

Table 5: Intra-COMESA Top Export Products

No.	SITC	SITC Description	2023 Values (US\$M)	R23	R22
1	3346	Petroleum oils & oils obtained from bituminous minerals	402.62	1	2
2	0461	Flour of wheat/of meslin	400.13	2	17
3	52255	Cobalt oxides & hydroxides; commercial cobalt oxides	374.70	3	4
4	66122	Portland cement	357.61	4	5
5	2741	Sulphur of all kinds, other than sublimed sulphur,	301.54	5	6
6	42229	Palm oil, refined, & its fractions	287.08	6	3
7	66134	Marble, travertine & alabaster & articles thereof,	284.39	7	32
8	3510	Electric current	281.02	8	8
9	07414	Other black tea (fermented) & other partly fermented tea,	261.65	9	7
10	06129	Other beet/cane sugar in solid form, other than flavoured/	239.90	10	14
11	05459	Other vegetables, fresh/chilled	220.18	11	9
12	06111	Cane sugar, raw, in solid form, not containing added	218.27	12	12
13	55141	Mixtures of odoriferous substances & mixtures	217.99	13	10
14	11102	Waters (including mineral waters & aerated waters)	184.86	14	13
15	54293	Medicaments, n.e.s., put up in measured doses/in forms	174.07	15	16
16	55422	Surface-active washing/cleaning preparations, n.e.s.,	163.85	16	23
17	78211	Dumpers designed for off-highway use	160.24	17	191
18	66121	Cement clinkers	158.62	18	25
19	89319	Articles for the conveyance/packing of goods, n.e.s.;	149.89	19	19
20	1222	Cigarettes containing tobacco	132.79	20	26
21	76411	Telephone sets, including telephones for cellular networks/	119.38	21	101
22	09899	Food preparations other than headings 098.91 - 098.94	117.26	22	36
23	56216	Urea, whether/not in aqueous solution	113.99	23	11
24	0019	Live animals, n.e.s.	112.56	24	22
25	2631	Cotton (other than linters), not carded/combed	109.90	25	21

2

**IMPLEMENTATION  
OF COMESA  
REGIONAL  
COOPERATION  
AND INTEGRATION  
PROGRAMMES**



# 1. INTERNAL MARKET

## 1.1. COMESA Free Trade Area (FTA)

### 1.1.1. Progress reports on Member States not participating in the COMESA Free Trade Area

As of the end of 2023, 5 Member States had yet to fully join the COMESA Free Trade Area (FTA). These countries include DR Congo, Eritrea and Ethiopia as well as Eswatini (under derogation tied to implementation of the Tripartite FTA) and Somalia, which is still in the process of completing its accession to COMESA.

In 2023, efforts were made to mobilize Ethiopia and DRC to join the COMESA FTA. COMESA Secretariat provided technical support to Ethiopia to implement an agreed action plan. Additionally, a mobilization and sensitization workshop for DRC was planned in April 2023, along with consultations that are expected to continue to mobilize both DRC and Ethiopia.

Eswatini maintained its derogation linked to Tripartite FTA implementation in 2023, while Somalia was still in pursuit of full accession to COMESA. However, Eswatini confirmed during the 43rd Council of Ministers meeting Eswatini that it had ratified the TFTA Agreement, enabling future participation in the COMESA FTA.

Since 1998, Eritrea has been offering 80% tariff preference to COMESA originating products on a reciprocal basis; implying that the country was only left with the removal of the remaining 20% of the Most Favoured Nation (MFN) tariffs to become a full member of the FTA. By the close of 2023, there was no new report from the country on progress or movements to liberalize the remaining 20% of MFN tariffs.

### 1.1.2. COMESA Kenya sugar safeguard implementation

Kenya's sugar industry benefited from a safeguard granted due to its inability to compete with sugar imports from other COMESA Member States. Through Directive No. 1 of 2007, Kenya undertook several reforms which would turn around the sugar sector and make it competitive.

The primary objective of the safeguard was to accord Kenyan sugar producers, namely farmers and millers, protection for some time. Over this period farmers and millers, in collaboration with the Government and other concerned stakeholders, were expected to address the constraints leading to the non-competitiveness of the sector.

The Secretariat prepared a technical report on the effectiveness of the Kenya sugar safeguards measures which established that despite the efforts being made, Kenya sugar industry continue to experience production challenges and competition pressure from sugar exporting countries across the world. Consequently, the 44<sup>th</sup> Council of Ministers meeting in November 2023 granted Kenya an extension of sugar safeguard for another two years starting in December 2023 to November 2025.

Besides, based on the recommendation of the report, the Council directed the establishment of the Trade Remedies Committee to provide technical guidance on all issues related to implementation of the COMESA Regulations on Trade Remedy Measures and subsequent disbandment of the Kenya Sugar Safeguards Sub-committee.

## 1.2. Customs and Trade Facilitation

### 1.2.1. Progress on implementation of the COMESA FTA and trade facilitation instruments

#### Rules of Origin and Electronic Certificate of Origin

During the reporting period, significant progress was made towards the operationalisation of the system of electronic certification of origin. The adoption and implementation of the electronic certificate of origin (e-CO) system is expected to reduce clearance delays caused by the verification process of the paper-based COMESA Certificate of Origin. Additionally, the revised template for the COMESA Certificate of Origin was adopted by the Council is

scheduled to come into effect in 2024 on the date of publication of the official Gazette as stipulated under Article 12 of the COMESA Treaty. Throughout the year, the Secretariat continued to provide technical support to Member States on the interpretation and application of COMESA's Rules of Origin.

As part of the Digital Free Trade Area (DFTA) plan, the e-CO System and its implementation regulations were developed by the Secretariat and were officially adopted in 2019 by the 40<sup>th</sup> Meeting of the Council of Ministers. During the period under review, the Secretariat completed the development of the e-CO and technical modifications required to make the system fully operational

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

In September 2023, a Regional Customs Experts meeting on the COMESA Regional Authorised Economic Operator (AEO) Scheme. This was followed by a meeting of the Regional Customs - Private Sector Consultative Group on the AEO Programme. A regional AEO diagnostics exercise was conducted for COMESA Member States, and both the Regional Risk Management Training Manual and the Regional Post Clearance Audit Manual were revised and adopted to support the AEO Scheme. The next steps include developing a risk criteria for the COMESA Regional AEO Scheme and establishing a Mutual Recognition Agreement (MRA) framework to start piloting the COMESA AEO Programme, which is planned to be undertaken in 2024.

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

The COMESA Coordinated Border Management (CBM) Guidelines and Implementation Strategy were finalized and adopted by the Council and subsequently distributed to Member States to support the Coordinated Border Management (CBM) efforts. Additionally, progress has been made in supporting the implementation of Regional Customs Transit Guarantee (RCTG) project, with activities in Ethiopia and Djibouti underway. As part of these efforts, officials from both countries conducted RCTG and One Stop Border Posts (OSBP) study visit to Rwanda on 23-26 October, 2023. The next steps include finalizing the customs systems integration and launching the pilot project between Djibouti and Ethiopia.

The Secretariat, under the European Development Fund (EDF) 11 Trade Facilitation Programme (TFP) continued to provide support to some Member States (namely Djibouti, Ethiopia, Kenya, Malawi, Tunisia, Zambia and Zimbabwe) at five border posts to improve the customs control and facilitation. Border upgrade projects are ongoing at Chirundu (Zambia/Zimbabwe), Mwami/Mchinji (Zambia/Malawi), Nakonde/Tunduma (Zambia/Tanzania), Galafi (Djibouti/Ethiopia) and Moyale (Ethiopia/Kenya).

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

As of December 2023, national electronic single windows (eSW) for trade and logistics were either operational or in development stage in 14 Member States, which include Burundi, Djibouti, DRC, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Malawi, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe. Key instruments on the electronic single window namely – such as the Legal Framework, Implementation Strategy and Road Map, and Terms of Reference for the development of the regional electronic single window system (COMSW) were developed and adopted by the 44<sup>th</sup> meeting of Council of Ministers. The next phase will involve hiring a consultancy firm to develop the regional COMESA Electronic Single Window (COMSW) building on the existing COMESA Interconnectivity Platform (COM-IPS).

### **Customs automation and website**

The Secretariat signed a co-delegation agreement with the UNCTAD to develop and implement the Customs Automation Regional Support Centre (CARSC). This initiative aims to standardize and harmonise customs systems, enhance connectivity, and facilitate electronic data exchange between Member States. Under the co-delegation Agreement UNCTAD have developed a CARSC prototype and an Inter-Connectivity Platform for data and document exchange which will be launched in 2024, following the finalization of the server installation and software set-up at

the COMESA Secretariat.

In parallel, UNCTAD conducted online training courses on ASYCUDAWorld Functional and Technical Courses respectively for Customs Experts and IT Experts from the Member States.

The Fellowship Programme, expected to commence in the second quarter of 2024, will train a pool of functional and technical experts in ASYCUDAWorld from the Member States who have shared their data files for configuration and implementation of piloting the CARSC.

### **Implementation of the WTO Trade facilitation agreement**

In alignment with the Council of Ministers decisions, the Secretariat continued to implement the COMESA Trade Facilitation Programme under the EDF 11 as a regional trade facilitation strategy to assist Member States in implementing the WTO TFA and improving customs cooperation and trade facilitation.

The Member States have established the National Trade Facilitation Committees (NTFC's) and the EDF 11 TFP is supporting implementation of their work plans. Most of the Member States require support for implementation of selected Category C measures and the COMESA TFP is providing limited support for implementation of Category C measures in Member States. Madagascar is being assisted to undertake a study on the Electronic Single Window (ESW) model and to develop a National Trade Facilitation Strategy and implementation of priority actions under the NTFC roadmap.

Reports on the implementation of WTO TFA measures are being submitted and updated using the Monitoring and Evaluation Framework for Category B and C measures.

A regional consultative meeting was held on 27<sup>th</sup>-29<sup>th</sup> September 2023, to discuss joint resource mobilization for implementing WTO Category C measures, particularly for projects with a regional scope.

### **Regional Trade Information Portal (TIP)**

UNCTAD and the Secretariat are finalizing the development of the COMESA Regional Trade Information Portal (TIP), which is expected to launch in 2024. The TIP will assist Member States in sharing and updating trade-related information in compliance with WTO TFA and COMESA regulations. Additionally, discussions are ongoing regarding the development of national TIPs in selected Member States, including Djibouti, which is close to signing an agreement with UNCTAD.

### **Capacity-building training and sensitization workshops**

During the period under review, the Secretariat provided capacity-building support through various training sessions. Seventeen customs officials received training on ASYCUDAWorld functional courses, and in collaboration with the World Customs Organization, the Secretariat also offered training on the Harmonized System for the classification of goods to customs officials from COMESA Member States.

### **Challenges and constraints**

Several challenges impacted the implementation of the Customs and Trade Facilitation Programme, including:

- Delays in the clearance of goods under the COMESA FTA due to use of paper-based Certificates of Origin. In some cases, Member States took long to verify the authenticity of the paper-based version of the COMESA Certificate of Origin; and
- Delays in the transmitting updated specimen signatures and stamp impressions to the Secretariat for authorised signatories to sign COMESA Certificates of Origin.

## Way forward

The introduction of the electronic certificate of origin is expected to address delays experienced with paper-based certificates. Usage of the electronic Certificate of Origin will not require verification of the authenticity of COMESA Certificates of Origin which delays trade. Piloting of implementation of the COMESA Electronic Certificate of Origin is set to begin in 2024.

### 1.3. EDF 11 – Trade Facilitation Programme (TFP)

The Trade Facilitation Programme (TFP) plays a pivotal role in advancing regional integration, promoting inclusive regional economic growth and boosting competitiveness in the COMESA region. Specifically, the TFP aims to increase intra-regional trade flows of goods, persons and services by reducing the costs, and delays of imports/exports at border posts. This will be achieved through the reduction of non-tariff barriers (NTBs), implementation of digital FTA, the WTO Trade Facilitation Agreement (TFA), and improvements of Coordinated Border Management (CBM). Additionally, the programme supports liberalization of trade in services and free movement of persons.

Under sub-delegation agreement with Member States, the TFP targets upgrades at specific border posts in the region which include Chirundu (Zambia/Zimbabwe); Mwami/Mchinji-Zambia/Malawi; Nakonde/Tunduma-Zambia/Tanzania; Moyale (Ethiopia/Kenya) and Galafi (Djibouti/Ethiopia).

#### 1.3.1. Trade in services

Key activities undertaken in the trade in services component during the reporting period include:

- Technical support and committee meetings: TFP provided technical support and organized the Committee on Trade in Services, where fifteen Member States submitted draft and revised offers. The committee facilitated discussions on requests and offers exchanged and reviewed and reviewed the progress of negotiations on the liberalization of services in COMESA. The Committee facilitated discussions on requests and offers exchanged and reviewed progress of service liberalization negotiations. Additionally, it considered draft procedures for the rectification, modification, and withdrawal of schedules to facilitate implementation of commitments that are already in force. A study of the extension of the COMESA Simplified Trade Regime (STR) in selected services sectors was also validated with draft modalities being developed;
- Capacity-building: Capacity-building initiatives focused on international best practices for facilitating gradual liberalization of trade in services and analysis of information required to promote domestic reforms. Five workshops were conducted, covering topics such as trade negotiation skills and techniques, as well as policymaking. These workshops were held between February and June 2023 in various Member States, including Ethiopia (on 4<sup>th</sup>-17<sup>th</sup> April) and Malawi (on 19<sup>th</sup>-22<sup>nd</sup> June), with the goal of enhancing trade negotiations and implementation; and
- Launch of the online Trade in Services Platform: The Online Trade in Services was launched, designed to accelerate the development and analysis of draft schedules of specific commitments under the COMESA trade in services negotiations. The platform's core objective is to enable chief negotiators to collaboratively draft and digitally circulate the schedules of specific commitments and circulate to all member countries digitally. The platform also serves as an information portal for services where all information on services trade at national and regional level is to be posted for information and transparency purposes. Member States were also trained regarding the utilization of the platform.

#### 1.3.2. Developments in the Simplified Trade Regime (STR)

In recognition of the vital role that cross-border trade plays in intra-regional trade, the Secretariat launched the Simplified Trade Regime (STR) in 2010. This initiative is designed to facilitate small-scale traders engaging in cross-

border commerce by simplifying procedures for the import and export of goods valued at US\$ 2,000 or less. These goods must be listed on a common list of eligible products negotiated and agreed by the two neighboring countries.

The STR seeks to formalize informal cross-border trade (ICBT) by putting in place instruments and mechanisms tailored to the needs of small-scale traders. These tools are deployed at border areas, where informal trade is prevalent, to provide ease of access for traders. The initiative streamlines the customs process through the use of a Simplified Customs Document (SCD) as well as simplified customs clearance procedures, helping reduce costs and speed at border crossings. The Trade Information Desk Officers (TIDOs) have been stationed at key border posts to assist traders with information and document processing.

Currently, eight COMESA Member States are implementing the STR. These are Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. Additionally, Djibouti, Ethiopia and Sudan are in the process of adopting the STR with their neighboring countries.

### **1.3.3. Challenges encountered under SSCBTI**

A key challenge in the implementation of the Simplified Trade Regime (STR) is the diversity of policies across Member States. Non-FTA Member States faced challenges in reaching consensus when negotiating implementation of the STR.

### **1.4. EDF 11- Small Scale Cross-Border Trade Initiative (SSCBTI)**

The Small-Scale Cross Border Trade Initiative, funded under the 11th EDF with a budget of €15 million, aims to enhance formal small-scale cross-border trade flows in the COMESA/tripartite region. leading to higher revenue collection for government at the borders as well as increased security and higher incomes for small scale cross border traders. The programme, signed between the Secretariat and the EU in May 2018, was initially set to run until May 2022 but has been extended until December 2024.

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

- The fourth meeting, held in Lusaka on 18-19 September 2023, provided policy and strategic guidance on programme implementation and urged the completion of remaining activities, especially on the construction of border markets;
- Meetings were held between DR Congo and Zambia as well as between Ethiopia and Kenya to agree on the common lists of products. Zambia and DR Congo resolved the outstanding issues on common list and STR threshold. DR Congo and Zambia resolved outstanding issues related to the common list and STR threshold, agreeing on 86 products and an initial threshold of US\$ 500, subject to regular review. The STR will be launched in these countries in due course;
- A bilateral meeting between Malawi and Zambia was held on 13-14<sup>th</sup> April 2023 to discuss additional products for the STR between Malawi. The two countries agreed on 5 additional products to be added to their Common List for the STR. The agreed products were: avocados, day-old chicks and hatching eggs, dressed quails, terrazzo, and maize seed;
- The Green Pass modalities were validated by pilot project Member States (DR Congo, Zambia and Zimbabwe);
- Sixty fish value chain stakeholders from DR Congo, Zambia and Zimbabwe were trained on risk-based approaches to regulation and self-regulation with a focus on applying these skills during the implementation of the Green Pass, a system that is being piloted in the fish value chain;
- The International Organisation for Migration (IOM), which is a co-delegatee in the programme's

implementation, completed the design and development of an electronic border pass (e-jeton) solution that required the use of a smart phone. However, based on feedback from relevant Member States, IOM is now developing a card-based solution. The e-jeton will help immigration authorities keep a record of traders crossing the borders;

- Seventy-five small-scale cross-border traders and government officers in Ethiopia were trained between 22 February to 1 March 2023. The training covered the rules and procedures for engaging in small-scale cross-border trade, introduced them to their rights and obligations, and the importance of establishing trade associations;
- A second regional meeting for Cross Border Traders' Associations was held, during which a constitution and strategic plan for the newly established regional CBTA, known as the Cross Border Traders Network for Eastern and Southern Africa, were discussed and adopted along with a policy plan of action for issues related to youth and women cross border traders. The network was launched in Lilongwe, Malawi in September 2023; and
- Small-Scale Cross Border Trade (SSCBT) data collection resumed on 1<sup>st</sup> April 2023 at project borders of Zambia (Chirundu, Kasumbalesa, Nakonde and Mwami), Mchinji, Tunduma and Moyale (Kenya). Data collection at the Chirundu – Zimbabwe border resumed on 1st June 2023.

### 1.5. Great Lakes Trade Facilitation and Integrated Project (GLTFIP)

The Great Lakes Trade Facilitation and Integration Project (GLTFIP) is a six-year regional lending operation implemented by the governments of Burundi, DR Congo and COMESA. This project is part of the wider World Bank Great Lakes Initiative (GLI) which reflects the commitment of the World Bank to assist countries of the Great Lakes Region to reduce poverty and promote common prosperity by targeting some of the most vulnerable groups in the border regions of DR Congo and neighboring countries (Burundi, Rwanda, Tanzania, Uganda and Zambia). The GLTFIP focuses on fostering peace and stability in through programmes that improve livelihoods, promote cross-border trade and strengthen economic relationships.

The GLTFIP covers four main components areas of interventions namely:

- Improving policy and regulatory environment for cross-border trade: This includes policy reform, procedure simplification for small-scale traders, and the implementation of a smart border system for coordination and monitoring regional integration);
- Improvements to core trade infrastructure: This involves rehabilitation and modernization of border posts, the construction and development of border markets, improvement of lake ports, and rehabilitation of local access roads);
- Support to commercialization of cross-border value chains: This includes investments in facilities to add value to products, promoting exports of select products, and labelling, certification, and conformity of selected products; and
- Implementation and monitoring and evaluation: This involves providing implementation support, communication, and project monitoring and evaluation.

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

complementarities.

**Project budget:** The total amount of the project is US\$ 250 Million, with the COMESA component being US\$ 8 million.

Following the approval of the World Bank's Great Lakes Trade Facilitation and Integration Project on 9th June 2022, the project took off in October 2022. The actual implementation of the project started in the 1st quarter of 2023. However, the real implementation of the project began in the second quarter of 2023 after the approval of the 2023 workplan and budget by the World Bank in June 2023

Key activities undertaken in 2023 under the GLTFIP include:

- A bilateral technical meeting on the COMESA Simplified Trade Regime (STR) was held in Lusaka, Zambia on 31<sup>st</sup> October to 3<sup>rd</sup> November 2023.

A technical coordination workshop on M&E aspects was organised on 27-30<sup>th</sup> November 2023 in Lusaka, Zambia, bringing together M&E and Trade Facilitation Experts as well as Project Coordinators from Burundi, DRC and COMESA Project Implementation Units (PIUs). The workshop aimed to harmonise PIUs, M&E aspects to ensure a common understanding of the project monitoring and evaluation.

The recruitment process for six out of seven project staff members was finalized, and the recruited project staff, including the Project Coordinator, the Trade Policy Expert, the M&E Expert, the Regional TIDO Coordinator, the Senior Finance Assistant and the project Administration Assistant, have joined the project.

- A field mission was conducted in Burundi and DR Congo in December 2023 for the recruitment of Trade Information Desk Officers (TIDOs) to be based at the Gatumba border post in Burundi and Kavimvira border post of DR Congo. The recruitment process involved officers from the COMESA Secretariat (GLTFIP PIU and Human Resource and Administration), senior officials from the Ministries of Trade in Burundi and DR Congo (Provincial Ministry of Trade, South Kivu), and Cross-Border Traders' Association leadership and border officials from the two countries. Two TIDOs including one female and one male, were selected for deployment at Gatumba/Kavimvira border post.

### **1.5.1. Challenges encountered under GLTFIP**

In 2023, the implementation of activities under the GLTFIP faced challenges primarily due to inadequate project coordination mechanism. Overlapping activities between PIUs further contributed to the slow progress in executing planned activities.

## **1.6. Implementation of the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA)**

The COMESA Secretariat handed over the Chairmanship of the Tripartite to the SADC Secretariat during the 36th Meeting of the Tripartite Task Force (TTF) was held on 14th July 2023 in Nairobi, Kenya.

COMESA convened several high-level meetings, including the 5<sup>th</sup> Meeting of Tripartite Council of Ministers on 29<sup>th</sup> March 2023 and various technical forums. These included the 9<sup>th</sup> Tripartite Sectoral Ministerial Committee Trade, Customs, Finance, Economic Matters And Home/Internal Affairs, one meeting of Tripartite Sectoral Ministerial Committee on Infrastructure, one meeting of Tripartite Committee of Senior Officials (17th TCSO), one dedicated meeting for Tripartite Chiefs of Immigration, one meeting of Tripartite Trade Negotiation Forum, 12 meetings of various Technical Working Groups, three meetings of the Tripartite Task Force and several workshops and seminars.

The Tripartite NTBs/SMS reporting and monitoring mechanism saw significant upgrades on the online and SMS reporting tools as well as upgrading the software for the Non-Tariff Measures databases. The SMS tool was installed

in four Member/Partner States namely: Comoros, Malawi, Zambia and Zimbabwe. Plans to expand the system and raise awareness across the remaining Member States remains a priority.

In addition, the African Union Commission considered adopting the Tripartite Transport and Transit Facilitation Programmes (TTTFP), as the foundation for a continental road transport governance and harmonisation framework, covering all Regional Economic Communities (RECs), following the programme's success.

As of December 2023, twenty-three Member States had signed the TFTA agreement, with Kingdom of Lesotho being the latest signatory in September 2023. To date, eleven Member States have ratified the agreement. These are Botswana, Burundi, Egypt, Eswatini, Kenya, Rwanda, Uganda, South Africa, Namibia, Zambia and Zimbabwe. A minimum of fourteen ratifications is required for the Agreement to enter into force.

### **1.6.1. Challenges in operationalization of the TFTA**

The operationalization of the TFTA faces several challenges, including:

- Slow progress in establishing a dedicated Secretariat and institutional structure to manage TFTA affairs and activities. Presently, the coordination of tripartite activities is carried out by the RECs on a rotational basis;
- Delays in achieving the 14 Member States ratification threshold, hindering support from development partners and delaying the full implementation of the TFTA;
- The multiplicity of membership to various RECs -COMESA, EAC, SADC and the AfCFTA has created complexities and challenges to smooth implementation of the Tripartite FTA. As such negotiators supporting ongoing negotiations must keep alternating across the various RECs and in some cases result in duplication of efforts and/or conflicting positions; and
- Human and technical capacity constraints within the RECs and at the Member States level, hampering smooth implementation.

### **1.6.2. Recommendations and way forward**

- Expedite the development of the Tripartite Resources Mobilization Strategy, for consideration and adoption by the Tripartite Council of Ministers;
- Encourage Member States to volunteer to host technical and policy organ meetings, and forums after the closure of the TCBP- II; and
- The Tripartite Task Force (TTF) should prepare proposals to funding agencies such as AfDB, EU, WCO, UNCTAD, World Bank, AFREXIM, and other development partners for the financing of various Tripartite programmes and activities.

## **1.7. Economic and Trade Policy Research and TradeCOM Project**

### **1.7.1. Research and capacity-building**

#### **The Annual Research Forum**

The 10<sup>th</sup> COMESA Annual Research Forum was held under the theme: "30 Years of COMESA Regional Integration: Retrospect and Prospects." The Forum brought together policymakers, academic, think tanks and private sector to review research papers and discuss emerging issues in trade and regional integration. Eight papers were presented during the forum.

- Prospects and Challenges of Transitioning the COMESA Mining and Metals Industry to Circular



Economy;

- The Effect of Transport Infrastructure Quality on Intra-COMESA Trade;
- The Effects of Air Transport Service on Trade of Pharmaceutical Goods in COMESA;
- The Effects of Transport Infrastructure on Intra-regional Trade in COMESA;
- The Role of the COMESA Free Trade Area in Promoting Trade Efficiency;
- The Effect of Transport Infrastructure on Bilateral Trade in COMESA;
- The Effect of ICT on bilateral trade in COMESA; and
- The Effects of the COMESA Free Trade Area on Export Efficiency.

### **Publication of research outputs**

Key research findings and policy briefs were published in Key Issues in Regional Integration Vol. 10 under the theme “Rethinking Trade and Doing Business in the Wake of COVID-19 Pandemic.”

### **Research studies**

Several research studies were undertaken, including:

- The Implementation of COMESA Kenya Sugar Safeguard Measures: Effectiveness and Lessons Learnt;
- Applications and Impacts of Trade Remedies in the COMESA Region;
- The Role of Sports, Arts and Cultural Services in Economic Growth and Development: The Case of Selected Economies in COMESA region;
- Analysis of Free Movement of Businesspersons and Intra-Regional Integration in the COMESA region;
- The Role of Technology and Innovation for African Businesses in Addressing the Impact of COVID-19 in the COMESA Region; and
- COMESA FTA Implementation, Derogations and Deepening Regional Integration.

Additionally, three studies were commissioned and are at different stages of completion:

- Status of Transport and Logistics in COMESA - Effects on Intra-Regional Trade;
- Assessment of Potential Socio-economic Impacts of the COVID-19 Pandemic in the COMESA Region: A Computable General Equilibrium (CGE) Analysis; and
- Development of COMESA AfCFTA Implementation Strategy.

## **1.7.2. Training and capacity-building**

### **Master’s Degree Programme in Regional Integration**

In 2023, progress continued in the Master’s Degree Programme in Regional Integration, jointly offered by Kenyatta

University and the University of Mauritius. Key achievements include:

- A total of 23 students were admitted for the 3rd cohort in Kenyatta University and University of Mauritius;
- 14 scholarships were awarded, with five recipients from Kenyatta University and nine from University of Mauritius;
- Quality assurance assessments were conducted for the Master's degree programme in Kenyatta University and University of Mauritius resulting in policy recommendations on how to improve the programme and ensure its sustainability;
- Subscription to e-journals and e-books for the Master's degree Programme was facilitated to enhance the resources available to students and lecturers; and
- Six students graduated from the University of Mauritius with a Master of Arts Degree in Regional Integration.

### **Challenges**

- Insufficient funding to undertake research and capacity-building activities.

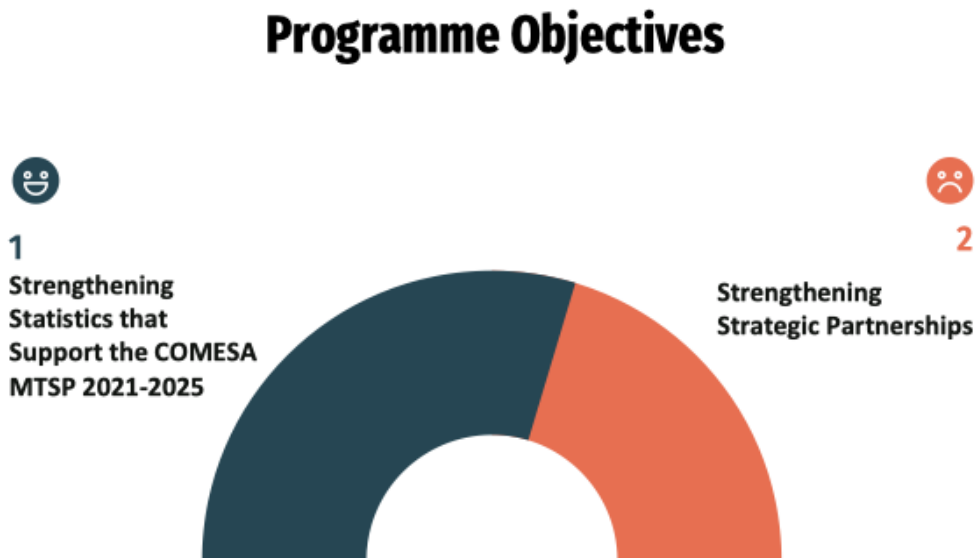
### **Solutions/Recommendations**

- Mobilise resources to support research and capacity building, Master's Degree scholarships and innovation awards.

## 2. COMESA STATISTICS PROGRAMME

The COMESA Regional Strategy for the Development of Statistics (RSDS 2021-2025) is a tier-two policy framework designed to meet the statistical needs outlined in the COMESA 2021-2025 Medium-Term Strategic Plan. The strategy focuses on providing timely and reliable policy responsive statistics across key sectors.

Figure 13: RSDS 2021-2025 Strategic Objectives



This section outlines the achievements and progress made in 2023 under the COMESA Regional Strategy for the Development of Statistics (RSDS) 2021-2025. The RSDS is designed to meet the statistical needs of the COMESA Medium-Term Strategic Plan (MTSP) 2021-2025 through the provision of timely and reliable policy-responsive statistics.

### 2.1 Strengthening Statistics that Support the COMESA MTSP 2021-2025

#### 2.1.1 Statistical Support to the Market Integration Pillar: International merchandise trade statistics

The EUROTRACE software continues to be the most widely used tool for compiling software for international merchandise trade statistics in Africa. As a regional centre, COMESA provides technical assistance and support to requesting Member States and partner states from other RECs to maintain and manage the software. Technical support was extended to Zambia, Malawi, Ethiopia, Zimbabwe, Kenya, Rwanda, Lesotho, Burundi, Tanzania, and Cameroon for the efficient use of EUROTRACE.

#### 2.1.2 Small Scale Cross Border Trade (SSCBT) statistics

Several key achievements were made in following were made in SSCBT statistics for the reviewed period:

- SSCBT data collection resumed in April 2023 at the active target borders of Zambia (Chirundu, Kasumbalesa, Nakonde and Mwami), Tunduma – Tanzania, Mchinji – Malawi, Chirundu – Zimbabwe and Moyale-Kenya;
- Results from the border profiling survey conducted at all four target borders of Zambia on 15th – 30th April 2022 were disseminated on the sidelines of the 13th Meeting of the COMESA Committee on Statistical Matters (CCSM) held on 6 – 8 November 2023. The survey provided detailed insights into the trading environments at the borders; and
- A planned training of enumerators at the Moyale-Ethiopia border was cancelled due to security concerns. However, computer equipment, including 12 tablets, a desktop computer, a laserjet printer and a UPS were shipped to the Ethiopia Statistical Services (ESS).

### 2.1.3 Migration statistics

Migration statistics are an integral component of COMESA's market integration strategy, as they help understand the link between effective migration management and development in the context of trade and investment. The COMESA Secretariat is developing an approach to ensure that its cross-sectional membership moves in a progressively similar direction in the development of migration statistics. In addition to its own mandate as a Secretariat, COMESA also derives a mandate as one of RECs foreseen to play a role in the domestication of SHaSA 2 objectives. Two initiatives on migration statistics are now being implemented by COMESA: the COMESA -AUC-Statistics Sweden Migration Programme and the Southern African Migration Management (SAMM) Programme.

#### *Key achievements in 2023 include:*

- Adoption of the First COMESA Labour Migration Trends Report;
- Establishment of a COMESA Regional Migration Database, including a Digital Migration Statistics Information Sharing Portal. This database focuses on labour migration statistics and facilitated the creation of the First COMESA Labour Migration Trends Report;
- Capacity-building initiatives were conducted through an online course (May-June 2021) aimed at enhancing the technical and analytical capacities of Member States in producing harmonized labour migration statistics;
- Formation of a Joint Committee of Ministers Responsible for Immigration and Ministers of Labour;
- Convening of the Migration Dialogue for COMESA (MIDCOM) at ministerial level;
- Institutional strengthening of the COMESA's labour migration statistics expertise: with support from the COMESA Migration Programme (under the Division of Legal and Corporate Affairs) to strengthen its capacity has been provided by cooperating partners such as the International Labour Organization (ILO) and Statistics Sweden through the secondment of staff;
- The Second Steering Committee Meeting and Capacity Building Programme for the Second Phase of The Cooperation Project Between Statistics Sweden (SCB), Statistics Norway (SSB), AUC, and RECs was organized on 27 November to 1 December 2023 in Tunisia. The meeting consisted of two parts which were capacity-building programme and Second steering committee meeting of the project with the participation of the Embassy of Sweden in Ethiopia;
- The migration projects jointly organized bilateral discussion with three Member States (Zambia, Zimbabwe and Comoros) over capacity building to enhance coordination and production of labour migration statistics that aligns with international standards and concepts;
- Capacity-building workshops on labour migration statistics for the national statistics were organized in:
  - The Union of Comoros: Focusing on labour market and migration indicators and regional harmonization, as well as sharing experiences from other COMESA Member States. Twenty experts from Comoros government ministries and departments participated; and
  - Zambia: Aimed at enhancing the production of migration data and facilitating dialogue between the member institutions of the ministerial working group on migration statistics in Zambia to support the production of serial migration reports. Twenty-five experts from Zambia government ministries and departments took part in the workshop.

### 2.1.4 International Comparison Programme (ICP)

The International Comparison Programme (ICP), managed by the World Bank under the United Nations Statistical Commission, aims to produce purchasing power parities (PPPs) and comparable price level indexes (PLIs) for participating economies.

*In 2023, key activities were completed, including:*

- Machinery and equipment pricing surveys;
- Further validation of national accounts and price data;
- Data quality assessment;
- Two ICP data validation workshops were organized by both COMESA and AfDB, one in January 2023 and the other in June 2023; and
- ICP-CPI integration assessment in the following pilot COMESA countries; Comoros, Djibouti, Rwanda and Zambia.

### **2.1.5 Debt statistics and long-term finance score board**

Under the Statistical Capacity Building Programme (SCB V), COMESA coordinated efforts to develop debt statistics in Member States as well as updating the long-term finance scoreboard. The activities undertaken in 2023 in these areas were mainly data collection on debt statistics and updating the LTF scoreboard. Secondly COMESA held a regional workshop on Debt Statistics under the theme “Strengthening Statistical Capacities for Accountability, Transparency and Reporting on Public Debt Statistics”. Seventeen COMESA Member States were represented, namely: Burundi, Comoros, Djibouti, Democratic Republic of Congo, Eswatini, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Tunisia, Zambia and Zimbabwe.

### **2.1.6 Labour statistics**

COMESA is coordinating the work on capacity development on labour force data analysis. A regional workshop on building capacity on labour force data analysis based on the AfDB labour force data analysis guidelines was held in 2022.

In 2023, COMESA through the SCB V Programme prepared and finalized a document on African Contributions to discussions of the Draft Resolution on the revision of the statistical standards of informality at the 21st International Conference of Labour Statistics (ICLS). Further, Technical support to Kenya and Zimbabwe on aspects of Labour Force surveys, labour statistics and labour market information systems was provided.

### **2.1.7 Statistical business registers**

Under the SCB V Programme, COMESA coordinated capacity-building on the AfDB’s guidelines for building statistical business registers in Africa. In 2023 work focused on the production of text for the revised version of the AfDB’s Guidelines for building Statistical Business Registers in Africa. Further, eight follow up virtual workshops were undertaken where four COMESA Member States benefited, namely, Madagascar, Malawi, Somalia and Uganda.

### **2.1.8 National accounts statistics**

Under the auspice of the SCB V Programme, COMESA coordinated technical assistance on national accounts and GDP rebasing in five African Development Fund countries. Three COMESA member states benefited, namely, Burundi, Rwanda and Zimbabwe.

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

### **2.2.1 Food security statistics**

The COMESA Secretariat, in collaboration with its partner, Statistics Norway (SSB), has been implementing a project since 2020 aimed at enhancing capacity in food security statistics across COMESA Member States. The project is funded by the Norwegian Agency for Development Cooperation (NORAD). The overarching objective of the project is to improve the food security situation in low- and middle-income countries. This is to be achieved through the generation of more comprehensive statistics derived from household consumption and expenditure surveys (HCES), which in turn contribute to the formulation of more effective policies and subsequently the implementation

of concrete projects.

The primary focus of the project lies in capacity-building, with countries receiving training through both national and regional analyses. Capacity is being built at COMESA through conducting national and regional analysis for pilot countries. At the national level, National Statistical Offices (NSOs) in Member States that are interested in doing the analysis are currently receiving training and mentoring from COMESA and SSB. Since its inception, six countries - Kenya, Uganda, Tanzania, Zambia, Malawi, and Zimbabwe - have been actively involved in capacity-building activities under the project.

In 2023, the project continued building capacity in Member States and several benchmarks were achieved in 2023 as listed below:

- Three countries namely Kenya, Tanzania, and Uganda signed-up to for participation on the project were trained and mentored on the production of Food Security Statistics through data processing workshops in their respective countries;
- A regional fact sheet for the three countries Zambia, Malawi and Zimbabwe was disseminated through the COMStat portal;
- Zambia continued receiving support with the new survey and they produced a chapter on food security statistics for their latest household consumption and expenditure survey the Living Condition Monitoring Survey (LCMS) 2022;
- Uganda received support with the new survey instrument so that it can be able to produce statistics on food security;
- Guidelines for processing of household and expenditure surveys data for food security statistics were developed and distributed for a global hearing after which they were submitted to the United Nations Statistics Commission for endorsement in March 2024; and
- Resources for the second phase of the food security statistics project that will run from January 2024 to December 2027 were mobilised. In the second phase, the project aims to continue strengthening the production of official statistics on household food access and consumption, with food security statistics being regularly prepared and published by the National Statistical Systems in line with internationally recommended methods. More countries are expected to join the project.

### **2.2.2 Agriculture statistics**

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

- Food balance sheets (FBS): Specific Technical assistance to develop comprehensive FBS was given to the three COMESA Member States that requested namely Burundi, Madagascar, and Zambia;
- Minimum Set of Core Data: 11 COMESA Member States reported on minimum core data for agriculture (Zambia, Zimbabwe, Malawi, Rwanda, Kenya, Ethiopia, Uganda, Burundi, Comoros, Madagascar, and Democratic Republic of Congo);
- Master Sampling Frames: Zambia received technical assistance to update the agriculture master sampling frame. The newly developed frame was used to sample survey units for the 2022/2023 crop forecast survey. Additionally, a capacity building workshop was held to build capacity on master sampling frames where 14 COMESA member states participated. These were Burundi, Comoros, Djibouti, Democratic Republic of Congo, Eritrea, Ethiopia, Kenya, Malawi, Madagascar, Rwanda, Somalia, Uganda, Zambia and Zimbabwe;

- Agriculture Cost of production Statistics (AgCOP): Malawi received technical assistance on the implementation of the agriculture cost of production (AgCop). It is expected that AgCop findings will help with evidence-based decision making with regards to pricing of agricultural commodities. Additionally, a regional workshop capacity building workshop was held on Agriculture cost of production. Capacity was built in eleven COMESA Member States (Burundi, Comoros, Djibouti, Democratic Republic of Congo, Ethiopia, Kenya, Malawi, Madagascar, Rwanda, Zambia, Zimbabwe) ; and
- Computer Assisted Personal interviews (CAPI): Malawi received assistance on CAPI. This TA was received hand in hand with TA on AgCop.

### **2.2.3 Environment and climate change statistics**

Technical assistance to improve environment and climate change statistics was offered to Kenya and Zimbabwe in 2023. Two national workshops were held in Kenya while Zimbabwe held one national workshop. Kenya produced their first ever compendium of agriculture statistics following the support. Zimbabwe established the roadmap for improving climate change statistics and established a technical working group.

## **2.3 Statistical Support to the Physical Integration/Connectivity Pillar**

### **2.3.1 Infrastructure and energy statistics**

The data from the AIKP surveys was uploaded on the AfDB's African Information Highway portal as well as the COMESA COMSTAT data portal. A second key activity in 2023 under this sector was the completion of the modelling of investment needs of the African power sector using data collected during the 2022 AIKP survey and other data sources. This was undertaken using PyPSA, an open-source energy system simulation and optimization toolbox. The COMESA Division of Infrastructure and RAERESA participated in the validation of the results as well as in the capacity building on the PyPSA model.

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

### **2.4.1 Gender statistics**

In 2023, gender statistics were improved by conducting national capacity building workshops in Malawi and Democratic Republic of Congo on understanding and compiling gender statistics.

Further gender statistics based on the Minimum Set of Gender Indicators for Africa (MSGIA) framework was collected for Zimbabwe and Malawi. The data was uploaded to COMSTAT.

### **2.4.2 Gender-based poverty analysis**

As part of the AfDB/COMESA partnership, the Statistical Capacity Building (SCB) programme organized a workshop on gender-based poverty analysis, in line with international best practices. These rigorous analyses will constitute a valuable decision-making tool for the evaluation and monitoring of the SDGs under the 2030 agenda. The workshop took place in Lilongwe, Malawi during the period 18-22 September 2023, with the participation of twelve COMESA Member States.

## **2.5 Coordination, Strategic Planning and Strategic Partnerships**

### **2.5.1 Partnerships**

Under the ambit of the COMESA Resource Mobilization and International Cooperation, the Statistics Unit participated in partnership discussions and engagements with the Islamic Development Bank and the World Trade Organization.

### **2.5.2 Strategic planning**

With the assistance of the Pan African Statistics (PAS) Programme at the African Union Commission, an independent

mid-term review of the COMESA Regional Strategy for the Development of Statistics was launched.

### **2.5.3 Statistics Statutory Meetings**

The thirteenth COMESA Committee on Statistical Matters was held from 6-8 November 2023. This Meeting considered the report of activities undertaken by the Statistical Capacity Building Programme which closed on 31st December 2023. Further consideration was made on progress of activities under the EDF 11, Statistics Norway and Statistics Sweden funding envelopes. A draft progress report on the evaluation was also considered, and it was decided that the Committee reconvene in early 2024 for its final consideration.

COMESA convened and participated in the following technical working group and expert group meetings in 2023:

- Expert group on environment and climate change statistics under the auspices of the United Nations Statistics Department (UNSD);
- Specialized Technical Group on External Sector (STG-ES) under the AUC;
- Executive Committee of the SHaSA II;
- Expert group meeting on National Accounts; and
- Technical working group on migration statistics.

#### **Challenges:**

- Delays in data transmission from Member States;
- Difficulty in getting VAT exemptions from COMESA Member States in order to equitably distribute regional workshops; and
- Procurement delays especially when there is a large portfolio of individual consultants.

#### **Solutions and recommendations:**

- Transition to firm-based framework contracts to rationalise the management of many individual consultants;
- Continuous engagement with Member States on their responsibilities on data sharing; and
- Engagement of Member States to provide VAT exemption at the beginning of annual cycle in order to facilitate smooth procurement of services in their territories.

#### **Lessons learned:**

When managing partner funded projects, there is need to have pre-project reviews, assessments and engagements with beneficiary Member States. This will avoid delays during implementation.





### 3. COMESA GOVERNANCE, PEACE AND SECURITY PROGRAMME

This section of the report emphasizes a holistic approach to peace and security through conflict prevention, legislative enhancements against terrorism financing, climate change integration, democratic election support, and active youth engagement, all pivotal for fostering stable economic development within the region

In alignment with Article 3 (d) of the COMESA Treaty, peace and security are recognized as essential foundations for economic development in the region. In 2023, COMESA implemented. A series of programs focused on conflict prevention, consolidation of democracy, post-conflict reconstruction, climate change and youth peace and security.

- Conflict prevention: Through the Africa Peace and Security Architecture (APSA), the Governance Peace and Security Program hastened the rollout of the COMESA Early Warning Structural Vulnerability methodology to Member States. In 2023, one additional country (Malawi) held its national multi-stakeholder consultation where the SVA early warning reports outlining forecasted structural vulnerability and resilience drivers were disseminated to an array of stakeholders. This brings to eight the total number of countries in the region that have jointly reviewed their SVA early warning reports and established a response structure in the form of National SVA Bureaus. Additionally, two new countries volunteered to undertake the more comprehensive and participatory AU Country Structural Vulnerability and Resilience Assessment and thus developed robust mitigation strategies aimed at addressing vulnerabilities and building long-term resilience. Efforts were also made to enhance the knowledge and capacities of member states in understanding and appreciating the COMWARN SVA methodology and the Continental Structural Conflict Prevention Framework (CSCPF) which encompasses the Country Structural Vulnerability and Resilience Assessment (CSVRA) and the Country Structural Vulnerability Mitigation Strategy (CSVMS);

- Anti-Money Laundering/ Combating Financing of Terrorism (AML/ CFT): COMESA played a pivotal role in supporting Member States in reviewing their AML/CFT laws and developing guidelines. COMESA, in particular, supported the review of the AML/CFT laws for Seychelles and the development of a guideline for the reporting entities. In addition to these efforts, COMESA supported the evaluation of Eswatini, Kenya and Rwanda AML/CFT policies to align with international standards. The evaluations, which are undertaken by the country's sponsors in the application are part of procedures/ steps required in the assessment towards qualifying for Egmont membership. In collaboration with MASC Foundation, COMESA organized a symposium titled "Mobilizing Collective Intelligence to Counter and Prevent Violent Extremism and Terrorism in Africa," fostering knowledge exchange between national counter-terrorism centers and civil society organizations;
- Climate change, peace and security nexus: As part of its strategic priorities, COMESA conducted and validated five cluster studies in 2023, exploring the nexus between climate change, peace and security. These studies focused on different regional clusters including the Horn of Africa, Islands, Tropics, Southern Africa, and Northern Africa. The findings will inform COMESA's approach to integrating climate change considerations into early warning systems, mediation efforts, climate justice, and peace-building strategies;
- Elections observation: Recognizing the importance of elections in the consolidation of democracy in the region, COMESA partnered with the African Union to observe elections in Zimbabwe and Egypt in August and December 2023 respectively. These observations were conducted in accordance with the COMESA Election Observation Guidelines and other regional governance frameworks. Additionally, a pre-election assessment was conducted in Zambia, with recommendations made to enhance electoral processes and reinforce democracy in the region; and
- Youth peace and security agenda: In line with the Continental framework on Youth peace and Security COMESA continued to prioritize youth engagement in the domain of peace and security. Among other interventions, COMESA in partnership with Save the Children and Horn of Africa Youth Network established One-Stop Youth Centre in Alebtong, Uganda. This centre utilizes an integrated approach to youth development by providing youth with safe spaces in rural settings where they can meet, network and access information and resources critical to youth-led development including peacebuilding, governance, innovation, research and policy development and instilling the value of volunteerism and support life skills.

A second Intergenerational Dialogue Forum under the theme "*Peace and Security as a Catalyst to the Implementation of the AfCFTA*" was held in October 2023 in Zambia. The forum sought to create a safe space for exchanges and best practices on how to develop transformative strategies and perspectives on maximizing the implementation of the AfCFTA within the peace and security context of the COMESA region. The forum was attended by one hundred and thirty-five participants including the Permanent Secretary of the Ministry of Youth, Sports, and Development of the Republic of Zambia, the Assistant Secretary-General programs of COMESA, the COMESA Youth Advisory Panel, trade experts, business gurus, youth leaders, young entrepreneurs, the academia, and the media. COMESA also continued providing paid internship to young people in region.



Leaders from the District and community members blessing the ribbon before cutting it during the official launch of the Apala One Stop Centre



A youth using one of the new computers in the Center



## 4. STRENGTHEN DEVELOPMENT OF ECONOMIC INFRASTRUCTURE

### 4.1. Energy

The 2023 initiatives focused on strengthening economic infrastructure development, particularly in the energy sector, under the guidance of the Medium-Term Strategic Plan (MTSP). The primary objectives for the year concentrated on advancing key projects: the Regional Infrastructure Finance Facility (RIFF), Accelerating Sustainable & Clean Energy Access Transformation (ASCENT), and the regional harmonization of regulatory frameworks through the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA). This report presents detailed progress on each of these priority areas, outlining the achievements, challenges encountered, and future recommendations for optimizing project implementation. The collaborative efforts with the World Bank, African Development Bank, and other stakeholders were instrumental in driving these initiatives forward, aiming to enhance energy accessibility, sustainability, and regulatory coherence across Eastern and Southern Africa.

## 2023 Program objectives: The main priorities were as follows:

**Priority 1:** Implementation of enabling environmental activities under the Regional Infrastructure Finance Facility (RIFF) project under WB financing.

**Priority 2:** Formulation of the Accelerating Sustainable & Clean Energy Access Transformation (ASCENT) in AFE Region Multi-Phase Programmatic Approach (MPA).

**Priority 3:** Regional Harmonization of regulatory frameworks and tools for Improved Electricity Regulation under the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA).

### Progress on implementation:

#### Regional Infrastructure Finance Facility (RIFF) project

The financing agreement for the implementation of the RIFF project was signed between COMESA and the World Bank on 3rd August 2020. The project development objective is to expand long-term finance to private firms in selected infrastructure sectors in Eastern and Southern Africa. The RIFF project has two components: (i) The US\$ 10 million grant COMESA component aimed at provision of technical assistance and capacity-building to Member States, with special focus on private sector; and (ii) The US\$ 415 million credit to the Trade and Development Bank.

#### Under the COMESA component, the following was achieved:

##### *Review of COMESA Model Energy Policy Framework*

In response to the 2019 Nairobi ministerial directive, the secretariat concluded the reviewing and updating of the Model Energy Policy of 2008 to take into consideration the new developments such as climate change, regional trading of energy and e-mobility. This process was concluded in December 2022 and the Model Energy policy Framework was approved by the Ministers of Infrastructure in Kigali in September 2023.

##### *Development of COMESA Model for Solar Standards*

The initiative to develop Model Standards for solar was taken as a measure to respond to the proliferation of low-quality products in the region. The model standards will be used as a tool for the promotion of quality and regional trade among the member states as manufacturing of products can take place in any country and be sold anywhere without worrying about the standards being compatible. The process started in April 2022 and was concluded in December 2022. This process was concluded in December 2022 and the Model Energy policy Framework was approved by the Ministers of Infrastructure in Kigali in September 2023.

#### **Furthermore, capacity build activities aimed at enhancing the understanding and increasing the uptake of the solar standards were held in Burundi, DRC and South Sudan.**

##### *Develop COMESA PPP Framework and Model PPP Law*

Private sector involvement in infrastructure development has been recognized as one of the strategies for closing the infrastructure gap around the world. Public Private Partnerships (PPP) is one of the methods through which involvement can be achieved. In this regard, COMESA conclude the procurement process to engage the services of a consultancy firm (CPCS) to conduct an assessment in the region regarding existing/lack of PPP frameworks. The assessment will be followed by the development of Model PPP guidelines and PPP law to act as a reference document for PPP practitioners. The process of developing the guidelines and Model PPP law is expected to be completed in 2024.

## **Accelerating Sustainable & Clean Energy Access Transformation (ASCENT) in AFE Region Multi-Phase Programmatic Approach (MPA)**

During 2023, the Secretariat and the World Bank formulated the project on Accelerating Sustainable & Clean Energy Access Transformation (ASCENT) in the Eastern and Southern Africa Region which culminated in the signing of a Financing Agreement between COMESA and the Bank on 8th December 2023. The ASCENT program is expected to provide access to electricity through both on grid and off grid solutions, for 100 million people across up to 20 countries. The program will leverage the US\$5 billion from the World Bank to mobilize an additional US\$ 10 billion from development partners, governments, national utilities, private-sector and commercial funders, carbon markets, climate and other impact-oriented financiers, and philanthropic and other partners. The first four countries to join the ASCENT Program were Rwanda, Sao Tome and Principe, Somalia and Tanzania, with more countries expected to join as implementation is rolled out. The bank selected the first four countries based as electrification champions exemplifying different electrification stages and contexts found in the region, and thereby providing both inspiration and lessons for countries in similar conditions.

The program has three pillars of which pillar 1 is the COMESA platform which is a \$US 50million facility. This component will finance technical assistance, tools and capacity building for: (i) digitization, including adoption of digital platforms; (ii) energy access strategies and planning, enabling policies and regulations; (iii) financing mobilization and coordination, including carbon/climate finance mobilization; (iv) data collection, market intelligence and impact evaluations and knowledge exchange; (v) development and deployment of aggregation structures; (vi) analysis and approaches for streamlining value chains and identification of opportunities for local manufacturing and assembly; (vii) identification, facilitation and support for cross-border electrification; (viii) cross-sector collaboration; (ix) resilience and climate change adaptation; (x) skill development, including in Science, Technology, Engineering and Mathematics (STEM), and especially for women; (xi) productive use development, inclusion, consumer outreach and awareness, and (xii) other technical assistance and capacity building for government agencies, national utilities and DRE and clean cooking companies. Pillar 1 will also allow covering project management costs and operating expenses. Program implementation is expected to commence in 2024.

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

The Regional Harmonization of Regulatory Frameworks and Tools for Improved Electricity Regulation in COMESA project is supported by the African Development Bank.


*The project comprises the following components:*

- **Component 1.** Elaboration and Adoption of Regional Electricity Regulatory Principles (RERP), Regulatory and Utility Key Performance Indicators (UKPI) for COMESA;
- **Component 2.** Harmonized Comparison of Electricity Tariffs (HCET) and Cost Reflectivity Assessment Framework Tool (CRAFT); and
- **Component 3.** Development of an Information Management System.

Implementation is being carried out through COMESA's energy regulatory arm, the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) in association with the Energy Regulators Association of East Africa (EREA), based in Arusha, Tanzania.

The project activities are being implemented through two consulting assignments. The two are:

- Consultancy Service for Regional Harmonization of Regulatory Frameworks and Tools for Improved Electricity Regulation in COMESA; and
- Consultancy Service for Development of an Information Management System for RAERESA.



The project is a regional initiative designed to enhance the sustainability of the electricity sector of the region through effective, uniform, transparent and enforceable regulatory frameworks that set out clear principles, rules, processes, and standards for the COMESA region. It aims to harmonize and align regulatory frameworks to facilitate electricity exchanges among COMESA Member States<sup>1</sup> and South Sudan. Implementation of this project is being led by the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) of COMESA in conjunction with the Energy Regulators Association of East Africa (EREA).

The project will contribute towards realization of the following:

- Harmonized regulatory frameworks in COMESA;
- Enhanced utility performance monitoring framework;
- Enhanced migration towards cost reflectivity of tariffs and harmonized tariff frameworks; and
- Improved and secured energy data collection, storage, and dissemination.

During 2023, RAERESA has engaged the services of CRISIL Limited to carry out a consulting assignment that will assist in development of the two deliverables. The deliverables are expected to be concluded by the end of September 2024.

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<sup>1</sup> Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Rwanda, Somalia, Sudan, Tunisia, and Uganda.

## 4.2. Information Communication Technology (ICT)

The primary focus of 2023 was the continued implementation of the Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT), a 4-year programme running from January 2021 to December 2024.

### *2023 Programme objectives:*

Implement the activities under the Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean region (EA-SA-IO).

### **Progress on implementation**

Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean region (EA-SA-IO)

COMESA and the European Union (EU) have signed a grant contribution agreement worth € 8M for the Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) in the Eastern Africa, Southern Africa and the Indian Ocean region (EA-SA-IO). The EGEE-ICT is a 4-year programme that aims at supporting the effective review or and development of various regional policy and regulatory frameworks in a harmonized manner that will contribute to enhancing competition, improved access to cost effective and secure ICT services.

The EGEE-ICT programme is implemented by COMESA as the lead REC collaboration with other partner RECs (SADC, EAC, IGAD and IOC). The programme runs from January 2021 to December 2024.

The overall objective of the programme is to deepen regional integration and growth of the ICT sector in EA-SA-IO region.

The programme specific objectives are to have:


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

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

The following have been done during period under review:

- Development of harmonized roaming and interconnection frameworks: A study on the existing frameworks and development of a cost model for regional roaming and interconnection was carried out. The draft final report of the study was considered and validated at a validation workshop held on 27th – 29th November 2023 in Nairobi, Kenya; and preparations are underway for validation workshop for draft policy and regulatory frameworks for roaming and interconnection and internet transit policy is expected to take place in March 2024;
- Optic fibre study: A study on existing fibre networks, missing links and frameworks was completed. The draft final report of the study on optical fibre infrastructures was considered and validated at a





validation workshop held on 1st – 3rd November 2023 in Lusaka, Zambia. A consultative workshop for the draft policy and regulatory frameworks for optical fibre infrastructures was held on 30th November – 1st December 2023 in Nairobi, Kenya. At the consultative workshop, the consultant obtained further data, information, and perspectives to enhance the preparation of the policy and regulatory frameworks; and preparations are underway for the validation workshop for draft policy and regulatory frameworks for optical fibre infrastructures expected to take place in March 2024;

- Peer exchange: A peer exchange visit to the Independent Communications Authority of South Africa (ICASA) was undertaken on 30th – 31st August 2023 in Pretoria, South Africa; and
- Media training and familiarisation workshop: The second Media Training and Familiarization Workshop for media practitioners for the Eastern and Northern Africa countries. Media practitioners from 11 countries and staff from COMESA, EAC, and SADC Secretariats attended the workshop from 25th - 26th October 2023 in Bujumbura, Burundi. The overall objective of the workshop was to build capacity of media practitioners to enhance appreciation, production, and delivery of media content for the EGEE-ICT and SATSD programmes among others, the workshop considered the evaluation report of the first media training and familiarization workshop that was held in October 2022 in Seychelles.

### **Challenges and mitigation measures**

Despite the progress made, the implementation of the EGEE-ICT programme faced several challenges among them difficulties in collecting data from Member States and coordinating meetings impacted the overall efficiency of the programme.

To address these challenges, the following recommendations have been made:

- Programme extension preparation: Preparations for a potential extension of the programme are being considered to ensure all objectives are met; and
- Acceleration plans: Acceleration strategies are being devised to ensure the timely and effective implementation of remaining activities.

### **Lessons learned**

Continued focus on overcoming these challenges and enhancing data collection mechanisms from Member States is crucial for meeting the strategic objectives and maximizing the impact of the EGEE-ICT programme and maximizing its impact on the ICT sector in the region.



## 4.3 Transport

This part outlines the strategic interventions undertaken in 2023 to enhance economic infrastructure in the transport sector across East Africa, Southern Africa, and Indian Ocean regions. It details objectives, progress, challenges, and recommendations for projects aimed at improving corridor performance, air transport development, maritime feasibility studies, and road transport policy harmonization, emphasizing regional integration and sustainable development.

### *The main objectives were to:*

- Support corridor performance improvement;
- Support implementation of the Support to the Air Transport Sector Development Programme in the East Africa, Southern Africa and Indian Ocean region;
- Facilitate a feasibility study on the establishment of a shipping line for COMESA/Island States;
- Support implementation of the Tripartite Transport and Transit Facilitation Programme (TTTFP); and
- Support resource mobilization and feasibility study for the establishment of a navigational route between the Mediterranean Sea and Lake Victoria.

### **Progress on implementation:**

#### **Corridor performance improvement**

Proposed Kasumbalesa One Stop Border Post: Implementation of the project will promote smooth flow of trade and movement of people through Kasumbalesa border station between the Democratic Republic of Congo and Zambia through reduced delays and congestion at the border post, improved utilization of resources, improved coordination and flow of information between border agencies, reduced risk of pilferage of cargo and exposure to health risk for drivers with an overall effect of reducing the cost of doing business.

The legal and institutional framework for the proposed OSBP at Kasumbalesa developed in 2020 is undergoing legislative review and approval by the Democratic Republic of Congo.

Establishment of corridor management institutions: Establishment of Corridor Management Institutions (CMIs) is aimed at improving management of international traffic and support regional integration through harmonization of operating procedures, policy, skills, infrastructure and equipment among the corridor states. The focus on the establishment of CMIs was on Djibouti and Port Sudan corridors.

The concerned Member States remained committed to the establishment of the two corridors. However, no progress was made towards finalization of agreements for the two corridors in 2022 as the corridor states indicated since 2019, that they required more time before signing the Agreements and would advise when they are ready. The grant disbursement period TTTFP COMESA Specific Activities expired therefore no further work could be undertaken without funding.



### **Support to the Air Transport Sector Development in The East Africa, Southern Africa and Indian Ocean Region (€8million).**

#### **Programme objectives:**

The overall objective of the programme is to contribute to the development of the air transport sector in the EA-SA-IO region. The specific objectives are to achieve the following:

- Single African air transport market operationalised;
- Strengthened regulatory and institutional capacity of civil aviation institutions in EA- SA-IO region; and
- Improved air navigation efficiency in the EA-SA-IO region.

#### **Progress on implementation:**

- The review of national laws, rules, regulations and policies to conform with the provisions of the provisions of the Yamoussoukro decision for Member States in the EA-SA-IO region. The draft model law for domestication of the YD Instruments in the EA-SA-IO Member States was adopted;
- Awareness workshops were held in those countries which have not yet committed to the SAATM to secure their buy-in, including Somalia, Malawi, Seychelles, Burundi, Comoros, Madagascar, and Seychelles;
- Completed the development of the regional institutional framework for the deployment of regional

inter-operable CNS/ATM systems for Member States in the EA-SA-IO region, paving way for adoption and operationalization of the framework at individual REC levels;

*The following on-going consultancy activities commenced in 2023:*

- Assisting Member States to meet SAATM requirements;
- Reviewing and developing of policies for competition advocacy and operationalisation of joint competition rules and regulations;
- Developing and disseminating of regional institutional frameworks and instruments to further implementation of YD;
- Developing appropriate cost-based models to sustain revenues for regulatory bodies in the Member States;
- Lobbying through awareness workshops on gender equality and available career opportunities for women in the aviation sector (four consultants);
- Supporting Member States to meet the Abuja safety targets;
- Developing frameworks (model agreements) that promote flexible use of airspace; and
- Capacity building through training in civil-military cooperation.
- Conducted the 2nd media training and familiarization workshop for media personnel to sensitize them about the SATSD programme activities. The workshop targeted EAC, IGAD, Northern Africa COMESA member states of Egypt, Libya and Tunisia and regional broadcasting organizations.

#### **Facilitate a feasibility study on the establishment of a shipping line for COMESA/Island States**

The shipping line if established will promote trade between the island states and mainland COMESA States thereby deepening regional integration. Trade among the island states themselves and participation in international maritime transport will be enhanced. The main objective of the feasibility study of establishing a shipping line for COMESA island states is to identify the legal requirements, costs, traffic volumes/business case, investments and operational requirements, requisite infrastructure and equipment for establishing the shipping line and make recommendations on market segments for service delivery. The island states involved are Comoros, Madagascar, Mauritius and Seychelles.

The feasibility study was completed, and the draft final report validated. Comments and new issues raised by the concerned Member States were incorporated in the report.

#### **Establishment of a navigational line between Lake Victoria and the Mediterranean Sea - VICMED**

The countries involved in the project are Burundi, Democratic Republic of Congo, Ethiopia, Egypt, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda.

The objective of the project is to establish a navigational route along the Nile River from Lake Victoria to the Mediterranean Sea. Anchored on the River Nile, the strategic objectives of the project are to reduce transportation costs for trade, promote socio-economic integration and cohesion, sustainable integrated multimodal transport system, support environmental sustainability, enhancement of trade and tourism; and reduce poverty among Nile basin footprint countries.

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

The project has been included under PID Priority Action Plan 2 (PIDA PAP 2) and therefore remains one of the continental priority projects.

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

The overall strategic objective of the programme was to facilitate the development of a more competitive integrated and liberalized regional road transport market in the Eastern and Southern African (EA-SA) Region. The project ended in May 2023 having achieved the following deliverables:

- Vehicle Load Management Agreement (VLMA);
- Multilateral Cross Border Road Transport Agreement (MCBRTA);
- Five model laws; and
- Corridor Trip Monitoring System (CTMS).

The European Union has offered a €12 million grant for the successor programme to TTTFP. This successor programme will facilitate implementation of deliverables from the first phase and introduce other components particularly related to climate change and sustainability.

**Deviations from the work programme:**

- The corridor management institutions could not be established as planned due to the political situation in Sudan and unavailability of resources; and
- The full feasibility study for VICMED project could not be undertaken due to unavailability of funds.

**Challenges:**

- Unavailability of data from Member States affected the studies in terms of duration and quality;
- Unavailability of financial resources to conduct the detailed feasibility study for the VICMED project;
- Coordination of activities with identified stakeholders within Member States and among RECs; and

**Solutions and recommendations:**

- Identify relevant focal points from Member /Partner States to facilitate where delays are imminent;
- Improved inter-REC coordination is required for those programmes involving other RECs;
- The resource base needs to be diversified to reduce the risk of programme collapse should the funder withdraw; and
- The procurement process needs to be expedited in all cases to avoid delays.

**Lessons Learnt**

- There is need to establish and maintain databases to facilitate future studies;
- The funding sources need to be diversified to ensure continuity of projects and programmes.

## 5. COMESA INDUSTRY AND AGRICULTURE PROGRAM

### 5.1. COMESA Agriculture Program

The year 2023 marked a pivotal phase for the Agriculture Programme with a central aim of catalyzing inclusive agricultural growth and sustainable transformation. The programme focused on 4 specific objectives: advancing the implementation of CAADP/Malabo commitments, strengthening agri-food data systems, facilitating regional public-private policy engagements, and supporting the domestication of COMESA strategic frameworks.

Significant progress was achieved during the reporting period in collaboration with various stakeholders and development partners. Key highlights include the production of the continental CAADP 4th biennial review report endorsed by the AU Heads of State and Government, the development of a digital regional food balance sheet platform to strengthen agri-food data systems, and the facilitation of regional dialogues on food security and trade policy.

Despite these accomplishments, the programme faced challenges such as inadequate budget allocations. Addressing these challenges through enhanced partnerships and resource mobilization remains critical to achieving sustainable agricultural productivity and food security in the region.

The 2023 Agriculture Programme underscores the importance of strategic partnerships and continuous Member State engagement to drive the regional agricultural transformation agenda effectively

#### **2023 Programme objectives:**

The 2023 Agriculture Programme specific objectives were to:

- Advance the implementation of CAADP/Malabo commitments to boost agricultural productivity and production in the region for improved livelihoods and food security;
- Contribute to strengthening agri-food data systems in the region for improved agricultural market access and trade in select commodities in the region;
- Facilitate the regional public-private policy engagements on agriculture and food security in the region ; and
- Develop and support domestication of COMESA regional strategic frameworks/ instruments to boost sustainable agricultural productivity and enhance food and nutrition security in the region.

#### ***Progress on Implementation:***

During the reporting period, the secretariat made the following progress on implementation of the planned interventions:

- As part of the effort to advance CAADP implementation, the Secretariat in collaboration with AUC-DARBE and other RECs supported Member States in the production of the continental CAADP 4th BR report (2023) that was endorsed by the AU Heads of State and Government in February 2024. The BR process helps Member States in monitoring and tracking progress on key CAADP Malabo targets. While the 4th BR report indicates that many Member States in the region have made some progress in terms agricultural productivity and production, and in increasing investments to agriculture, no Member State was on track to achieve the set targets of the CAADP Malabo Declaration by 2025.
- In collaboration with AGRA, the Secretariat continued to develop and implement the Digital Regional Food Balance Sheet platform in six pilot countries ((Zambia, Malawi, Kenya, Uganda, Rwanda, and

Tanzania) with funding support from our development partners including Rockefeller Foundation, The UK Foreign Commonwealth, and Development Office (FCDO), Bill and Melinda Gates Foundation and the United States Agency for International Development (USAID). As part of the effort to strengthen country data systems and capacities to enable them to generate adequate and quality data for the RFBS platform, the Secretariat conducted refresher training for RFBS national focal points on RFBS quality data production and management practices. The Secretariat also held bi-annual regional stakeholder review meetings that deliberated on the RFBS progress, challenges and opportunities and provided technical inputs to advance its development and implementation. To strengthen stakeholder ownership and governance of the RFBS initiative, a RFBS Steering Committee (SC) was constituted consisting of senior government officials and CEOs of private sector associations from the six pilot countries, and subsequently bi-annual SC meetings were convened to provide strategic direction and guidance to the RFBS effort. National Technical Working Groups (TWG) have been successfully constituted in all the six pilot countries to generate data for the RFBS platform and they meet regularly to collect, consolidate, and validate national data, leading to consistent submissions of data to the RFBS platform. A RFBS business case/models and resourcing strategy has been developed to serve as a blueprint and guide in testing and operating different revenue models to support the RFBS tool and its core products for its sustainability. The RFBS initiative will be expanded in a phased manner to cover additional countries and commodities in the coming years with the ambition to make it a COMESA-wise initiative;

- The Secretariat convened a regional public-private dialogue on food security and trade policy based on the RFBS platform data and analytical reports. The dialogue created greater understanding of the aims of the RFBS initiative and generated key recommendations for enhancing regional food trade and food security, which has led to increased interest in and utilization of the RFBS data and analytical reports by policy makers particularly from the government ministries, departments, and agencies responsible for agriculture, food security and trade, and agribusinesses;
- In collaboration with the United Nations Food and Agriculture Organisation (UNFAO) Regional Office for Africa (FAO- RAF) and the African Union Commission (AUC)- SAFGRAD and extensive engagements with Member States, the Secretariat developed final draft COMESA Regional Irrigation Development and Agricultural Water Management (AWM) Strategy and Implementation Plan. The draft strategy and implementation plan will be presented to the next (2024) COMESA Joint Committee on Agriculture, Natural Resources and Environment for consideration/adoption.
- To enhance food and nutrition security in the region, the Secretariat developed draft COMESA regional guidelines on the establishment, operations, and management of strategic food Reserves (SFR). The draft guidelines will be presented in 2024 to the COMESA joint technical committee on agriculture, environment, and natural resources for consideration/adoption.

#### **Challenges:**

Inadequate budget to support the implementation of key interventions, leading to unfunded crucial priority activities that would contribute to improved agricultural productivity, food security and trade in the region, e.g. support to Member States to domesticate the COMESA regional guidelines for the establishment, operations, and management of Warehouse Receipt System (WRS) for agricultural commodities.

#### **Solutions and recommendations:**

COMESA Secretariat to continue strengthening/expanding structured partnerships to leverage resources (technical and financial) including from non-traditional sources to support its programmes and to ensure continuous engagements with Member States so that they consistently pay their annual contributions to the Secretariat and limit over-dependence on donor support for the implementation of COMESA regional agenda.



### **Lessons learned:**

Building and working with and through strategic partners is crucial in leveraging resources that can support the development and implementation of regional agricultural transformation agenda. And we need to be critical and intentional in the selection of potential partners to ensure mutual interests in enhancing the livelihoods and well-being of the communities in the region for greater and sustainable impacts of the partnerships.

## **5.2 Livestock and Fisheries Development**

In alignment with the MTSP, significant progress has been made in advancing the pillar of productive integration, with a strong focus on Livestock and Fisheries Development. This initiative is designed to enhance the production and productivity of livestock and fisheries through the adoption of modern technologies, improved animal husbandry practices, enhanced health measures, greater resilience to environmental shocks, and improved market access and value addition.

### **Programme objective**

To increase production and productivity of livestock and fisheries through utilization of technologies, enhanced animal husbandry, health, and resilience to shocks and access to markets and value addition.

#### **a. Fisheries programme**

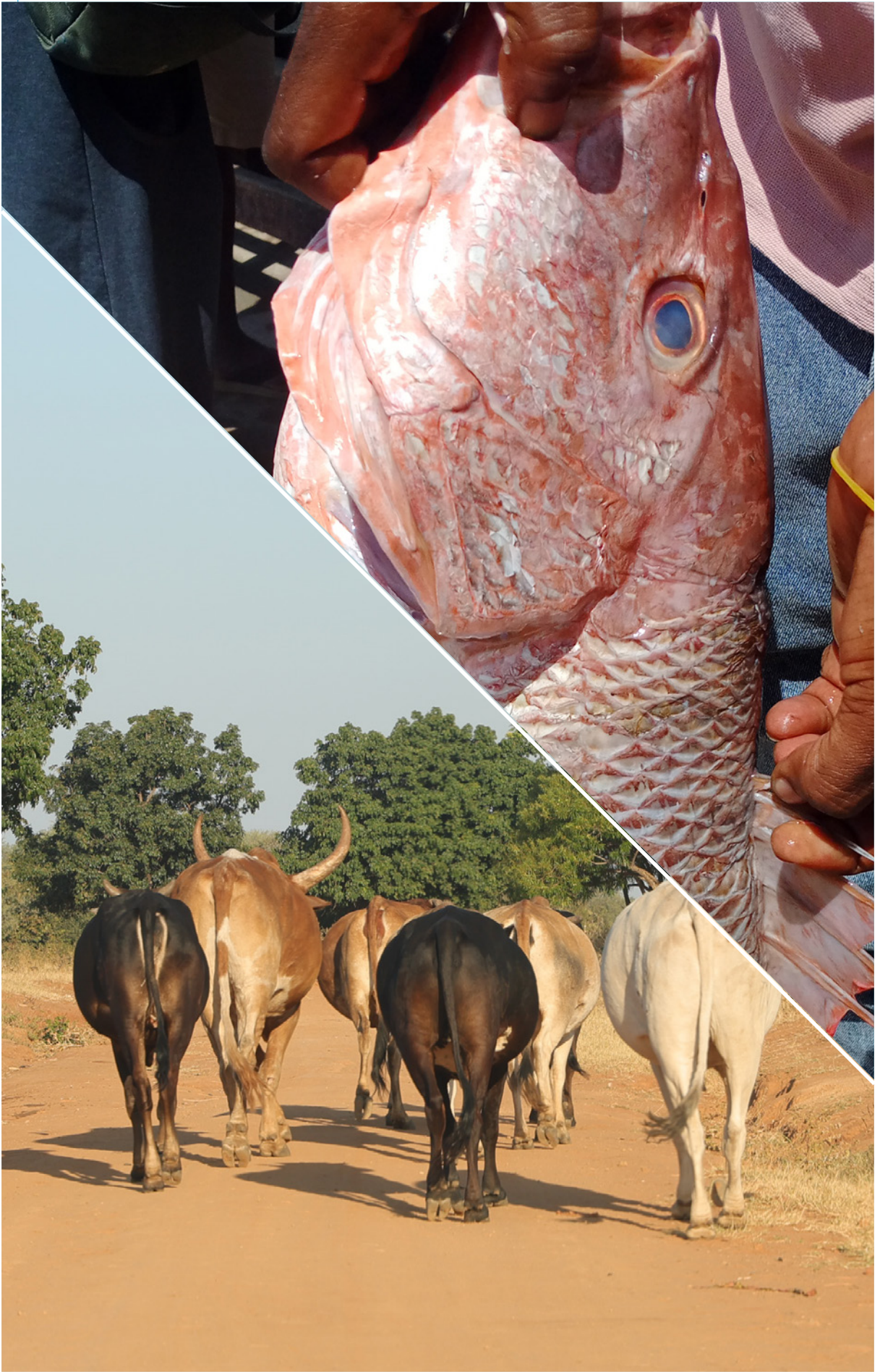
The “Contribution of Sustainable Fisheries to the Blue Economy of Eastern Africa, Southern Africa and the Indian Ocean region (ES-SA-IO)” commonly known as the ECOFISH Programme is a cross-regional initiative funded by the 11th European Development Fund. The programme is managed by the European Union Delegation of Mauritius (EUD-MUS) and implemented by the IOC Secretariat in partnership with COMESA and other RECs.

### **Achievements:**

- Developed fisheries satellite account, user manual and macroeconomic dashboard. The Kenyan Fisheries and Aquaculture Research institute has accepted to pilot the developed fisheries satellite account and is using the system for collection of data on fisheries and is using the information for the development of the sector.
- Regional training on communication skill and awareness creation the importance of fisheries and aquaculture.

### ***Follow up on implementation of pilot activities in each Member State:***

- ECOFISH Programme Kenya: KECOFSH project has reported the following outputs: Seven Beach Management Units were trained in mobile fisheries data collection using mobile fisheries data collection equipment including (mobile phones, measuring board, tape measure, raincoat, torch, weigh scale and stationery) in Lamu and Kwale County; 24 Village Savings and Loan Associations (VSLA), with 426, were selected; 15 Beach Management Units were assessed using the WWF’s CSO Capacity assessment tool;
- ECOFISH Programme Mauritius: The ECOFISH-UNDP project provided the following support to date: two sets of Single Buoy Fish Aggregating Devices (FAD) have been received and deployed at sea and the procurement of three other is ongoing to improve fishing efficiency; one hundred and 96 fishers were sensitized on the best fishing practices training materials for localization of FADs using GPS signals has been developed under the project and handed over to the implementing partners;
- ECOFISH Programme Madagascar: is helping in the effort for conservation of endangered species and habitats with awareness-raising and capacity-building at all levels of the community, from children to fishermen and women, and elders. 223 fishers attended the consultation meeting on sustainable



small-scale fisheries in Ampasindava, Anjiamaloto and Sarimbatavo, Amboaboaka: twenty-four data collectors from Ambolobozokely and Irodo trained in catch data collection. Seventeen youth outreach activities on fisheries and marine management organised. 641 junior ecoguards built their capacity and knowledge on marine biodiversity and habitat monitoring. Seven communities and 221 junior ecoguards reached through community sensitization campaign on biodiversity, fisheries laws, and sea turtles. Over 1201 students and 130 junior ecoguards participated in international awareness day, including World Environmental Day, World Sea Turtles Day and World Ocean Days. Distribution of one hundred and twenty copies of C3's new storybooks on marine habitats (mangrove, seagrass, and coral reef) and ecofish T-shirts for the new Junior Ecoguard Club at Ambolobozobe.

- ECOFISH Programme Zambia: Through Action Aide Zambia with the assistance of Namibia Natural Foundation (NNF) under the project Strengthening Community Fisheries in KAZA, several areas have been protected and this has resulted in the setting up of new fishing rules. The new regulations will help to increase the fish stocks.

For Zambia through Action Aide Zambia fisheries co-management manual was developed and is being used in Zambia. Empowerment and capacity-building:

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

**b. Fish-GOV II programme with AU-IBAR: Sustainable development of fisheries and aquaculture**

- Experience sharing visit to WorldFish and Swiss University in Egypt practical training was provided on fish seed production for sustainable aquaculture development by Prof. Adel Shaheen, Tilapia farming by Prof El'Naggar Gamal. Since the training several countries has improved their aquaculture production. Training was also provided on fish diseases and on the control methods. For instance, fish production in Zambia has tripled due to aquaculture production. Kenya, Uganda, and Zimbabwe have shown an increase in their aquaculture production;
- Development of Blue Economy Strategy for COMESA: The COMESA Blue Economy Strategy developed by employing an international consultant and validated and presented during the joint ministerial meeting and adopted as COMESA strategy to guide the Blue Economy of the region. Project on the development of Blue Economy has been submitted to AfDB for funding;
- Implemented the continental African Fisheries Reform Mechanism (AFRM) to facilitate the development, adoption, and implementation of reforms in fishery governance and management that would contribute towards transforming Africa's fisheries from overexploitation and overcapitalization towards environmental, economic, and social sustainability. As a chair of the trade and marketing working group, we planned the continental meetings to discuss on how to enhance fisheries value chain. Different meetings and workshop took place to enhance fisheries value chain and facilitate trade;

- Continental review of existing Marine Protected Areas (MPAs), documented lessons, best practices and formulate guidelines for their sustainable implementation and governance in conservation of aquatic biodiversity resources in the East and Southern African Regions was completed and validated. The document is ready for use; and
- Established regional women chapters in the region to support women and youth in fisheries sectors. Over 60% of fish traders are women. Fish processing and trading shade was supported at Uganda and Kenya Busia Border to facilitate trade.

**c. Ocean Innovation Africa summit Programme:**

In partner with the Ocean Innovation Africa, we are working to accelerate the development and adoption of ocean-impact solutions in Africa by showcasing opportunities for innovators and investors, highlighting priority challenges and solutions for sustainable, equitable development, and bringing together key stakeholders from around the world to share insights and align efforts for blue growth. COMESA and Ocean Hub Africa (OHA) have signed a Memorandum of Understanding to cooperate in the development of an ocean-based economy in the COMESA region. It was signed by COMESA Secretary General Chileshe Kapwepwe and Mr. Alexis Grosskopf, Executive Director of Ocean Hub Africa during the Ocean Innovation Africa summit in Cape Town, South Africa, on Thursday, 23, February 2023.

**New projects:**

- COMESA support towards enhancing Blue Economy in the COMESA Member States for an inclusive and sustainable ecosystem management and for livelihood diversification- Submitted to AfDB for resource mobilization; and
- Sustainable food system-fish and fish product business "Catalysing Sustainable Investments in Fisheries and Aquaculture and Trade in Fish and Fish Products"- Submitted to NORAD for resource mobilization.

**d. Livestock programme**

The programme entail improving livestock production and trade, with the main achievements of the programme being enhanced private sector especially Small and Medium Scale animal and animal product producers' and value chain actors' participation in sustainable regional and global value chains

Representatives from 10 COMESA Member States held a three-day consultative meeting from 3rd to 5th May 2023 in Nairobi, Kenya. Member States represented at the meeting included the DR Congo, Egypt, Ethiopia, Kenya, Malawi, Mauritius, Somalia, Uganda, Zambia and Zimbabwe. The meeting was convened to map out ways of enhancing trade and promoting sustainable regional and global value chains by small and medium scale actors in animal and animal products. The participants were drawn from the government and the private sector as well as regional, continental and global organizations.

Agreement reached to strengthen the capacity of producers, producer organisations and other value chain actors to enhance competitiveness, value addition and market access.

Opportunities and challenges were identified. Agreement was reached on the way forward to support small and medium scale dairy, poultry, meat, live animal and leather and leather products producers and value chain actors to improve their competitiveness.

Experience sharing visit to Kenya Meat Expo was undertaken where business to business deal were held. Participants were able to identify major challenges and the areas of capacity-building of the producers, producer organizations and other value chain actors to enhance competitiveness, value addition and market access. An agreement was

reached on the way forward to support small and medium scale enterprises and other value chain actors to improve their competitiveness and market access.

**e. Enhancing regional dairy value chain**

The members noted the importance of the dairy sector such as dairy products used as sources of protein for growing children and adults, a measure of wealth and social status in certain cultures, source of regular income for the cattle keeping households. It was highlighted that milk prices in most countries were liberalized with low farm gate prices. The members noted a disincentive for production and productivity enhancement of dairy production in all COMESA Member States. However, Kenya informed having minimum farm gate price for milk regulated to protect milk producers. The members discussed the following:

- The updates on national policy/regulatory processes and dairy development programmes, lessons learned, and views on current challenges;
- Discussed the experiences with incentive systems for quality management in dairy value chains, including milk quality-based payment systems; and
- Discussed the current sources of dairy market information and the gaps, and other supporting services to improve the performance of dairy value chains. The group identified some possible solutions too.

**f. Enhancing poultry value chain and trade**

The members identified the poultry and poultry value chain highlighting the various segments as the Grandparent Stock Breeders that consists of broiler, layers, and village chickens.

*The group identified the challenges and possible solutions:*

- Non-existence of providers of grandparent stock in the region as currently relying on imports from Europe and United States of America and to expand franchise with GPS providers for different breeds to be in at least two countries within the COMESA region;
- Limited number of countries (2/21) have set up breeder farms to supply F1 (PS) into the region thus need to improve supply linkages from the two F1 suppliers to the rest of the countries (fertilized hatching eggs);
- Limited value addition hence a need for investments in processing facilities in countries that have limited infrastructure, regional linkages for procurement of value-added products, limit the quantities being imported from outside the region to give room to create market within region;
- Limited feed providers in most countries, this calls for a need for linkages within region on raw materials, investment in production of feed premixes;
- Limited production of veterinary medicines and vaccines thus a necessity to investment in pulling resources towards the regional supply chain;
- Transport challenges thus need to improve common infrastructure for roads, air, railway, and water both at stop border facilities and in countries;
- Limited training of players in the value chain, that requires sensitization of players on the entire value chain;
- Genetic improvement of indigenous poultry breeds, establish vibrant research institute; and

- Production of poultry equipment and packaging materials hence a need for investment in technology and equipment within region.

#### **g. Enhancing meat and live animal value chain and trade**

The members explained the entire livestock, meat and meat products value chain within the region. Noted the comparative advantages in the sector emphasizing; huge livestock genetic resource base, indigenous breeds more resilient than exotic breeds, huge livestock numbers due to production capacity, huge market base due to human population, farmers have indigenous knowledge, resilience of farmers despite the adverse conditions and cheap labour. The group highlighted some of the challenges and possible solutions.

#### **h. Enhance animal health to control Transboundary Animal Diseases (TADs) and enhance access to export markets**

- Organized a meeting in partner with World Organization for Animal Health (WOAH) for Standing Group of Experts on Contagious bovine pleuro-pneumonia (CBPP) one of the transboundary Animal diseases in Africa. Evaluated the disease status in Southern Africa and agreed on the way forward to facilitate the control and eradication of the disease;
- As a Working Group for the progressive control of Foot and Mouth Disease (FMD) we have developed 2-year Work Plan (2023-2024) in partnership with Global Framework for the control of Transboundary Animal diseases (GF-TADs). The development of the work plan was led by World Organization for animal Health (WOAH);

#### **Deviations from the work programme:**

Deviation from the work programme due to resource limitation and thus project proposals have been developed and currently waiting for development partners to support initiatives.

#### **Challenges:**

Insufficient resources leading to heavy and unsustainable dependence of programmes on donor funding.

#### **Solutions and recommendations:**

- Explore different approaches to strengthen mobilization of resources to support the development and implementation the programmes.
- Address key impediments to improve production and productivity and enhance animal resources value chain; and
- Mobilization of enough resources to employ more professional staff for better outputs.

#### **Lessons learned:**

- Partnering with global (FAO, WOAH, WHO, WTO), continental (AUC, AU-IBAR, AfDB), RECs and other regional blocks including IOC, regional associations, as well as civil service organizations is very important to leverage resources, nevertheless;
- The commitment and complete engagement of national line ministries, private sector organizations and association in the development and implementation of policies and strategies
- The use of digital system for communication and implementation of programmes.

### **5.3 Productive Integration/ Fostering Industrialization**

#### **2023 Programme objectives:**

The broad key objective of the Industry and Private Sector Development Unit is to enhance value addition through

industrialization and increased competitiveness of SMEs in identified value chains within Member States. The 2023 work programme and budget was aimed at implementing activities underlined in the COMESA Industrial Strategy and Action Plan (2017 – 2026) and within the COMESA MTSP 2021-2025 and the COMESA Treaty. Specific objectives included the following:

- To facilitate capacity building for the private sector particularly Micro, Small and Medium Enterprises;
- To facilitate the implementation of the Zambia-Zimbabwe Joint Industrialization Programme;
- To mobilize resources for the various activities in the division related to industry and private sector development;
- To review the COMESA Industrialisation Strategy; and
- To facilitate the implementation of the COMESA support towards regional pharmaceutical sector development project.

***Progress on implementation:***

**a. Facilitation of local sourcing for partnership between lead firms and SMEs**

Through the COMESA Federation of Women in Business (COMFWB) and under the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), SMEs are being supported through training on business internalization with the aim of enhancing their competitiveness in the regional market. Over 524 SMEs have been trained.

With the view to support these entrepreneurs with market access, the Secretariat supported a select number of entrepreneurs to source markets for their products by facilitating their participation in the Intra-Africa Trade Fair (IATF). Eight entrepreneurs from eight Member States were facilitated to participate in the event with an aim of exposing them to potential opportunities within the African regional market.

**b. The Zambia – Zimbabwe Joint Industrialisation Cooperation Programme**

The Joint Industrialisation Programme between Zambia and Zimbabwe was conceived in 2019 and is anchored on the need to achieve industrialisation in the two Member States of Zambia and Zimbabwe, through collaboration. The aim of the initiative is to increase the availability of industrial goods and services for bilateral market among themselves; expand intra- regional trade in manufactures; develop industrialists that would acquire ownership and management of the industries, among others.

Key among the projects under the initiative is the establishment of a common agro-industrial park between the Zambia and Zimbabwe (Zim-Zam CAIP). A pre-feasibility study on the proposed common agro-industrial parks between the two Member States and an attendant policy, legal, regulatory, and institutional framework to anchor the common agro-industrial park have since been developed. The next step will involve the conduct of a feasibility study for the CAIP.

The CAIP has attained significant recognition at continental level and has been designated as a flagship programme for the AU Agenda 2063 under the Common Africa Agro-Industrial Park (CAAPs) initiative together with the Cote d'Ivoire Ghana Cocoa (CIGC) CAIP at the 2024 AU Summit. The Secretariat through the Division continues with the mobilization of resources for the conduct of the feasibility study and identification of the proposed site for the CAIP.

### **c. Mid-Term review of the COMESA Industrialisation Strategy**

The Secretariat initiated a review of the COMESA Industrialisation Strategy (2017-2026). The Mid-Term review sought to gauge the relevance and effectiveness of the strategy in delivering the desired goals and objectives in line with the COMESA regional integration agenda. The exercise has mainly focused the following:

- Estimate the levels and how the implementation of the strategy through its domestication was likely to lead to achieving the expected outcomes;
- Assess the extent to which different roles/ tasks in the roll-out of the strategy under existing and emerging regional contexts as well as the related models of engagement are conducive to the achievement of the expected outcomes; and
- Assess the potential of COMESA's industrialization interventions at the country level and, based on the lessons learned, make recommendations for future improvement of the strategy.

### **d. COMESA support towards Regional Pharmaceutical Sector Development project**

The COMESA Support Towards Regional Pharmaceutical Sector Development Project is being implemented through the Industry and Agriculture Division financed by the African Development Bank (AfDB). The project is designed to be implemented from April 2023 to April 2025. The overall project cost implication is UA5.0 million (US\$ 6,638,900).

The project is aligned with COMESA's Industrialization Strategy (2017 - 2026), its Industrialization Policy (2015-2030) and one of the pillars of the Tripartite FTA on industrial development, where the pharmaceutical sector is one of the industries prioritized for the development of regional value chains. The overall objective of the project is to create a vibrant pharmaceutical industry in the region through strengthened institutional capacities of pharmaceutical regulatory bodies, quality control and management systems, research, and development institutions for effective manufacturing of safe and quality pharmaceutical products in the region.

#### *The specific objectives include:*

- The institutionalization and domestication of the Pharmaceutical Manufacturing Plan for Africa (PMPA) and the African Medicines Regulatory Harmonization Programme;
- Strengthening of the region's medicines and pharmaceutical regulatory bodies/institutions in the region; and
- Building the capacity of key stakeholders and support trans-regional research and development programmes.

Progress has been made in the setting up of the project Implementation Unit, establishing of a Project Steering Committee and Technical Working Group. The project has also commissioned several studies to inform activities of the project.

#### **Deviations from the work programme:**

- Domestication of adopted policies and strategies. Only two Member States expressed willingness to be provided with technical assistance in the domestication of the local content framework; and
- The mid-term review of the COMESA Industrialisation Strategy was pushed to 2023 to enable finalization of the recruitment process of a consultant.

#### **Challenges:**

Inadequate resources especially for activities under the COMESA Secretariat budget as most of the programme activities are implemented through donor funding.



### **Solutions and recommendations:**

- There is a need to ensure timely engagement of experts;
- There is a need to ensure that there is sustainability of interventions that are supported by donors upon project closure.

### **Lessons learned:**

- Having policies that create enabling environment for trade, investment and market access is important but there is need to support and ensure that their implementation is done effectively at Member State level;
- There is a need to enhance synergies and collaboration with ACFTA, AUC and sister RECs to learn from each other and to avoid overlaps and duplication of effort; and
- There is a need to engage donors more robustly to support programmes especially in emerging sectors such as the circular economy, among others.

## **5.4 Productive Integration / Investment Promotion**

The section focuses on the investment promotion intervention objective to enhance competitiveness and build regional productive capacity within the COMESA region. This objective is aimed at deepening regional integration through initiatives such as inclusive industrialization, private sector development, and agricultural transformation. The unit's interventions include creating a conducive business environment, promoting best practices, and identifying opportunities for economic and social prosperity for COMESA citizens.

### *Progress on implementation:*

#### **Domestication of the COMESA Common Investment Agreement (CCIA)**

As guided by the Council of Ministers, the Industry and Agriculture Division continued with its efforts to the domestication of the COMESA Common Investment Agreement. With financial support from the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), the division hosted sensitization workshops in five Member States namely; DR Congo, Madagascar, Uganda, Zambia, and Zimbabwe the purpose of the workshop was to inform Member States about the benefits of the agreement and encourage ratifying it. All Member States expressed interest to domesticate the CCIA hence work plans were developed to guide on the next steps to be undertaken by Member States.

#### **Guidelines to Improve Business and Investment Environment for SMMEs**

Embarked on the formulation of the guidelines to improve business and investment environment where consultations with Member States were undertaken. A conducive business environment plays a crucial role in ensuring that SMMEs thrive in business. Once adopted, the guidelines will provide a reference point of good practices for enhancing the business and investment environment for SMEs in Member States.

#### **Review of 2013 COMESA Double Taxation Avoidance Agreement (DTAA) Model**

Double Taxation Avoidance Agreements (DTAAs) have played a significant role as legal instruments that promote trade and investment relationships among nations and ensure that honest taxpayers do not end up paying tax in two countries under agreement. COMESA is in the process of reviewing the 2013 COMESA DTAA Model to encourage cross-border trade, facilitating mutual assistance, exchange of information, and attracting foreign investments. A consultant developed a draft revised DTAA Model which will be validated by Member States.

#### **Challenges**

- Lack of resources to facilitate sensitization to all Member States which slows down the domestication process.

#### **Lessons learnt**

- Need for consistent engagement with Member States on investments issues (i.e. CCIA) to keep

the momentum going. This will ensure ownership at national level which will make it easier for the Secretariat to implement its strategies and policies;

- There is a need to be innovative to counter the lack of resources challenges. Having strategic partners and using virtual platforms for meetings/workshop is efficient in minimizing costs.

## 5.5 Productive Integration/ RECAMP

The overall objective of RECAMP is: *“To contribute to the deepening of regional economic integration in the COMESA region”* and specific objective is: *“To increase private sector participation in sustainable regional and global value chains.”*

### Progress on Implementation:

**Result area 1:** Competitiveness and market access of SMEs and other firms in the targeted value chains/sectors are sustainably enhanced.

**Sub result 1.1.** Market access and business linkages in the targeted sectors are enhanced.

### Achievements

- Four additional capacity building workshops on online market intelligence platforms, with a specific emphasis on the African Trade Observatory Platform and Trade Map targeting 253 (133M and 120 F) SMEs, were held in four Member States in collaboration with the International Trade Center (ITC); Eswatini, Zimbabwe, Kenya, and Rwanda were the targeted member states. This brought the total of workshops aimed at eight Member States to eight (Eswatini, Zimbabwe, Kenya, Rwanda, Ethiopia, Malawi, Zambia, and Egypt). 487 (269 and 218 F) Small and Medium-sized Enterprises (SMEs) developed their capacity to access and analyse markets within and outside the region by utilizing digital online platforms;
- Four Member States; Zimbabwe, Eswatini, Malawi, and the Democratic Republic of Congo, participated in capacity building exercises on COMESA gender policy and national gender statistics. Each of member state hosted a workshop for the Gender Technical Working Group (GTWG) as part of gender sensitization initiatives aimed at integrating gender more extensively into national planning. A cumulative of fourteen Member States were supported during the reporting period: Djibouti (34), Ethiopia (30 public, 28 private, and 3 CSOs), Kenya (25 public and three private), Rwanda (nine public sector, ten private, and nine CSOs), Seychelles (60), Sudan (65), Zambia, Zimbabwe, Eswatini, Malawi, and the DR Congo;
- A COMESA 2nd Gender Statistics report was compiled and distributed to all the Member States;
- Delivery of equipment (laptops) in 11 out of 14 Member States supporting piloting of the Leather and Hides traceability system was completed in 11 Member States. Procurement of pneumatic stamps and compressors for 14 Member States was also concluded during the reporting period pending delivery; and
- Two regional dialogues focusing on market access and regional agriculture value chains were conducted during the COMESA summit to identify gaps and opportunities to advance value chain development and market access for informed policy, investment, and trade decisions, and for emergency food and livelihood response in the region.

**Sub result 1.2.** Capacities of beneficiary firms related to SPS, and regional standards and quality management are improved.

- An SPS/TBT Needs Assessment study was undertaken and subsequently validated to identify the challenges that impede regional trade among SMEs and other actors in prioritized value chains.
- A consulting firm Victus Global was awarded a contract to develop the Voluntary Capacity Building Scheme under Global Food Safety Initiative (GFSI), with activities which included data collection, stakeholder validation workshops conducted in nine Member States. GFSI design scheme was developed and validated, with an online platform of the scheme designed and operationalized. Further a gap analysis was conducted in six Member States namely Ethiopia, Rwanda, Madagascar, Uganda, Zambia, and Zimbabwe with in-country Global Markets Programme (GMaP) stakeholders such as Spar, Shoprite, PepsiCo, Massmart, KFC, Pick n Pay, JAVA, Radisson and MacDonalDs among others onboarded to support the SMEs. Consultants and in-country interns to work closely with SMEs in the Member States were recruited.

**Sub result 1.3.** Technical assistance facility to support member states in the implementation of the sub-result areas under result area 1.

- Three Memorandums of Understanding (MoU) under the TAF were signed and implementation of activities commenced by three Member States: Kenya, Zimbabwe, and Eswatini. The targeted goal of the TAF-funded country initiatives focuses on increasing market access and competitiveness within the relevant value chains. Following this, the number of Member States that had signed the RECAMP TAF MoUs was brought to a total of nine (Zambia, Mauritius, Rwanda, Uganda, Malawi, Eswatini, Zimbabwe, Kenya, and Seychelles); and
- Rwanda successfully completed its TAF project on market access while the other eight Member States have initiated activities implementation and are at various stages of project completion.

**Result 2:** Business environment is improved for SMEs and other firms in the selected value chains.

**Sub result 2.1:** Regional public-private dialogue platforms are supported and enhanced aimed at promoting business opportunities.

- To enhance the business and investment climate for small and medium-sized enterprises (SMEs) in the three value chains, a draft report on regional recommendations for best practices was developed and shall be validated by the Member States in the first quarter of 2024.
- One regional Public-Private Sector Policy Dialogue (PPD) workshop on enhancing private sector especially small and medium scale animal and animal product producers' and value chain actors' participation in sustainable regional and global value chains was conducted in Nairobi Kenya bringing the total number of dialogues conducted to three.

**Sub-result 2.2:** Regional policies in favour of value chain development are further developed and mainstreamed in national policies.

- Two additional COMESA Member States gazetted COMESA aligned national seed laws / regulations namely Ethiopia (24th July 2023) and Eswatini (16th August 2023);
- Four Member States participated in stakeholder awareness campaigns and sensitization meetings regarding the COMESA common investment area. DR Congo, Republic of Zimbabwe, Republic of Madagascar, and Republic Uganda were among the Member States that were sensitized on the CCIA and encouraged domesticate the instrument. Cumulatively as per programme target, seven member states in total have been made aware of the CCIA as a result (Eswatini, Malawi, Zimbabwe,

Madagascar, Uganda, and the DR Congo);

- Four Member States—Zimbabwe, Eswatini, Malawi, and the Democratic Republic of the Congo—conducted capacity building exercises on COMESA gender policy and national gender statistics. Further a workshop for the Gender Technical Working Group (GTWG) was conducted as part of gender sensitization initiatives aimed at integrating gender more extensively into national planning. Fourteen member states were supported throughout the programme period these included Djibouti (34), Ethiopia (30 public, 28 private, and three CSOs), Kenya (25 public and three private), Rwanda (nine public sector, ten private, and nine CSOs), Seychelles (60), Sudan (65), Zambia, Zimbabwe, Eswatini, Malawi, and the DR Congo;
- Nine Member States participated in a technical workshop on managing SEZs and IPs in Nairobi, Kenya from 11th to 14th April 2023. The objective of the workshop was to share best practices on managing SEZs and IPs and through peer-to-peer learning;
- A gap analysis study was conducted in the nine Member States to ascertain areas for further support in terms of management of IPs/SEZ;
- A framework comprising key variables and indicators was developed to facilitate the execution of surveys along the horticulture value chain. An Investor Tracking System (ITS) was installed in four Member States and a trial system log-in details were shared with the following investment promotion agencies; SOMINVEST (Somalia), National Investment Promotion Agency (Comoros), National Investment Promotion Agency (Djibouti), Trade and Investment Centre (Malawi) through programme support provided through COMESA RIA; and
- COMESA investment map was finalized and operationalized.

### **Challenges:**

Technical Assistance Facility (TAF) projects faced delay in MoU signing, with the latest being with Kenya in April 2023.

### **Lessons learnt**

- Collaborative Activity Planning: Active engagement and interactions involving all implementing partners and stakeholders played a pivotal role in enhancing activity implementation, leading to increased outcomes, and boosting the programme's absorption capacity;
- Strengthened Impact through Regional Value Chains partnerships: Partnering with stakeholders in the regional value chain development, such as trade mapping, yielded significant impact by pooling expertise and resources to achieve effective results. Notably, this collaboration was evident in activities related to Special Economic Zones (SEZs) and Industrial Parks (IPs), as well as in dialogue meetings that involved various implementation partners, culminating in the successful hosting of the COMESA Heads of State Summit;
- Capacity-building for Focal Persons and Legal Experts: Recognizing the delays attributed to sluggish TAF agreement processing and other implementation processes, an induction workshop is essential to thoroughly orient focal persons and legal experts on TAF procedures to expedite TAF implementation; and
- Communication and Visibility Enhancement: Emphasizing communication and visibility proved indispensable in raising awareness about the programme's initiatives. Increased communication and visibility efforts following capacity-building workshops and SME training sessions demonstrated the importance of showcasing achievements through documents utilized by member states to highlight their accomplishments resulting from participating in various COMESA RECAMP-supported activities.

**2023 Programme objectives:**

The broad key objective of the Sanitary and Phytosanitary (SPS) and Technical Standards (TBT) programmes under the 2023 work programme/budget was to ensure improved levels of implementation of harmonized, science based Sanitary and Phyto-Sanitary (SPS) measures and technical standards. The activities were implemented under various projects which included the following:

- Trade Facilitation Programme (TFP);
- Small Scale Cross Border Initiative (SSCBTI);
- Regional Enterprise Competitiveness for Access to Markets Programme (RECAMP); and
- Enhancing Regional Agricultural Commodity Trade (MRA project).

**Specific objectives included the following:**

- Support Member States to develop risk-based food safety regulation and provide capacity building on food safety risk-based decision making and regionally harmonized regulatory limits;
- Promote best practices in the management of food safety and in particular, import control;
- Strengthening of the COMESA reference laboratory system;
- Strengthen National Plant Protection Organizations (NPPOs) and creation of a regional networking platform for sharing information on risks to human health, plant health arising from transboundary pests and diseases;
- Establishment of an early warning and emergency response system;
- Strengthening/Upgrading of regional metrology infrastructure;
- Strengthening of regional conformity assessment infrastructure and systems;
- Strengthening of the accreditation system in the region; and
- Establishment of mutual recognition agreements to facilitate trade.

**a. Support Member States to develop risk-based food safety regulation and provide capacity building on food safety risk-based decision making and regionally harmonized regulatory limits**

This intervention is on-going and piloted in four Member States i.e. Kenya, Uganda, Zambia, and Zimbabwe with the aim of harmonizing food safety measures among these pilot Member States for commodities of regional trade importance. The four pilot Member States identified commodities of regional trade importance and the associated food safety controls applicable to these commodities in each of the targeted countries. The following were milestones achieved towards harmonisation of food safety regulatory measures for the commodities of regional trade importance:

- Four workshops were held in each of the pilot Member States to validate priority commodities and associated food safety control, and data on the level of implementation of food safety controls;
- Sub-regional workshop for the four pilot Member States to harmonize the food safety regulatory requirements held and commenced the harmonisation processes;

- A draft framework/strategy for harmonisation was developed based on the identified divergency and convergency of the food safety regulatory measures.

**b. Adoption of risk-based food import control practices**

The intervention is aimed at building capacities in risk-based food import control. It is piloted in six French and Arabic Member States i.e., Comoros, Djibouti, Madagascar, Sudan and Tunisia, Egypt. Building on situation analysis, training in risk-based food import control and National Action Plans to adopt risk-based food import control, on-site implementation of National Action Plans in the targeted Member States has continued. Key achievements in Madagascar and Tunisia include the following:

- Development of standard operational procedure and training materials for border inspectors;
- Physical training workshop on risk based imported food control for inspectors and importers;
- Sensitization of stakeholders on good importing practices; and
- Training on Codex Alimentarius standards, as a basis to facilitate trade.

Continued implementation of national action plans in Djibouti and Egypt have been planned for 2024.

**c. Strengthening of the COMESA Reference Laboratory System**

The COMESA designated reference laboratories are: Central Veterinary Research Institute (CVRI) in Zambia for Animal Health; Kenya Plant Health Inspectorate Service (KEPHIS) in Kenya for Plant Health and Food Technology Laboratory (FTL) in Mauritius for Food Safety. This intervention aims at strengthening the COMESA Reference Laboratory System by identifying additional reference laboratories spread across the five geographic regions of COMESA (North, Horn of Africa, Eastern, Southern, Indian Ocean Island) with streamlined role and responsibilities to areas of competency of the laboratories. The following was achieved during the period under review:

- Assessed the available testing laboratories capacities in the region;
- Validated the assessment report of the available testing capacities by laboratory experts;
- Based on the assessment report, potential additional laboratories in the key parameters were identified subject to final selection through on-site assessments; and
- Operational mechanism for the reference laboratory system has been developed.

The final list of recommended laboratories will be drawn after on-site assessment scheduled for 2024.

**d. Strengthen National Plant Protection Organizations (NPPOs) and designing early warning and emergency response system for plant health and food safety with creation of a regional networking platform for sharing information on risks to human health, plant health arising from trans-boundary pests and diseases.**

This intervention is aimed at building capacities of National Plant Protection Organisations (NPPOs) to manage pest risks and designing an early warning and emergency response system. The intervention also aims at creating a regional networking platform for sharing information on risks to human health, plant health arising from trans-boundary pests and diseases. The following were achieved under this intervention:

- An assessment of risk-based border control workflow including technical IT and infrastructural requirements in five COMESA Member States has been done;
- Developed emergency preparedness: guide for developing contingency plans for outbreaks of quarantine pests;
- Three Member States trained on preparedness and response to Fusarium Tropical Race three (TR4) in bananas;
- Trained Member States in Surveillance and early warning of Fusarium TR4 in bananas;
- Guide for prevention, preparedness, and response guidelines for Fusarium Tropical Race 4 (TR4) of banana; and
- Trained Member States in diagnostics of Fusarium TR4 in bananas.

**e. Strengthening/upgrading of metrology infrastructure**

- Based on the findings and recommendations from the assessment of the metrology infrastructure in COMESA region, the following interventions were implemented to strengthen/upgrade the metrology infrastructure:
- Support to eight Member States to develop/expand their legal metrology legislative frameworks to meet requirements of the International Organisation of Legal Metrology (OIML);
- Sensitization/awareness sessions creation on the importance of Quality Infrastructure Systems to national development in those Member States without any National Quality Infrastructure Systems These were identified during metrology assessment study;
- Procurement and shipment of metrology equipment for 16 National Metrology Institutes and Legal Metrology Organisations in 14 Member States in mass, volume, temperature, and dimensional worth €2.6 million has commenced and is in progress.

**f. Strengthening the conformity assessment infrastructure**

The Strengthening of the Conformity Assessment Infrastructure is being implemented in synergy with interventions aimed at strengthening the COMESA Reference laboratory system reported under c) above. Additional activities implemented during the period under review include the following:

- Capacity-building of laboratory analyst to address gaps identified through PT performance evaluation;
- Laboratory personnel from 15 Member States were trained in laboratory quality systems in collaboration with Texas A&M Agrilife Research Institute;
- Proficiency Testing (PT) scheme on aflatoxins and fumonisens – also in collaboration with Texas A&M AgriLife Research Institute;
- Assessment of laboratories in COMESA region conducted and study validated by Member States and Panel of Experts has been set-up to conduct physical assessments of the laboratories recommended for designation. This will commence in March 2024;
- A Regional Technical Regulations framework was developed. Work is in progress together with AUC

to align it to the AUC African Technical Regulatory Framework prior to supporting Member States in its domestication;

- 1st Round PT scheme on aflatoxins and fumonisins completed. PT scheme was held back –to-back with an evaluation workshop to assess the performance of COMESA laboratories that are participating in the PT;
- Engagements with Texas A&M Agrilife Research) for training of PT providers in the Region on capacity building for testing laboratories on provision of the Proficiency Test Scheme (PT) on aflatoxins and fumonisins;
- Proficiency Test Scheme (PT) and evaluation workshop on Aflatoxins and Fumonisin was successfully conducted on 26 to 28 April 2023 at the Uganda National Bureau of Standards (UNBS). On site in-lab training of analysts from 14 Laboratories from the Member States trained on fumonisin analysis was conducted; and
- The second Laboratory Quality Systems (LQS) course was conducted in 2023 with 45 participants from COMESA.

#### **g) Strengthening of accreditation services**

There are inadequate and varied competencies in conformity assessment, metrology and accreditation which continue to undermine the competitiveness of goods produced in the COMESA region. Competitiveness of goods on the market is underpinned by market confidence in the quality of conformity assessment services which is attained through accreditation. However, in COMESA, few Member States have established national accreditation bodies to provide accreditation services, e.g., Egypt (Egyptian Accreditation Council – EGAC, Egypt), Kenya (Kenya Accreditation Service- KENAS, Kenya), Mauritius (Mauritius Accreditation Service – MAURITAS, Mauritius), Tunisia (Tunisian Accreditation Council-TUNAC, Tunisia). Most of Member States have not established national accreditation bodies, not only because of the prohibitive costs associated with the establishment of a fully-fledged national Accreditation Body, but also because the demand for such service at national level is inadequate to sustain such institutions. Therefore, it was found prudent to have a regional accreditation system whose sustainability hinges on pooled demand across COMESA. In this regard, this intervention is aimed at building capacities of Accreditation Assessors in Member States to support the existing accreditation bodies. It is envisaged that the use of a pool of accreditation assessors based in the Member States will contribute to lessening the cost of accreditation in the region.

##### *The following were the interventions implemented in 2023:*

- Validation of the report of the assessment of the available of available scope and competences of accreditation assessors vis-a-vie the required areas for accreditation services to inform the areas of capacity development of assessors in each Member States;
- Development of interventions based on the assessment findings to address the gaps in the scope and competences of accreditation assessors; and
- Implementation of interventions to address gaps in the scope and competences of accreditation assessors has been planned for 2024.

#### **h) Enhancing regional agricultural commodity trade**

This programme is being implemented by COMESA in collaboration with the Alliance for a Green Revolution in Africa (AGRA) with support from the Foreign, Commonwealth and Development Office (FCDO, UK)). The programme aims



at enhancing regional agricultural commodity trade in the region through the establishment of Mutual Recognition Agreements (MRA) among the trading partner Member States. It is being piloted in Kenya, Uganda, Rwanda, Malawi, Zambia, and Zimbabwe with the MRA encompassing six key traded commodities in the region - maize, groundnuts, soya-beans, rice, beans and sorghum. The initiative aims to achieve this through establishment of MRAs that are anchored on agreed Mutual Recognition Framework (MRF) pillars i.e., inspection, sampling and testing grading, and competent testing. The following activities were implemented:

- Trained the pilot Member States on the implementation of mutual recognition framework pillars and standard operating procedures;
- National stakeholder consultations were conducted in all the six target Member States to obtain stakeholder input and support for the establishment of the MRAs;
- Procured Grading equipment for the six Member States; and
- Building on national level stakeholder consultants, bilateral engagements among potential trading partners have been planned for 2024.

#### **I) Green Pass Scheme**

The Green Pass is an initiative being implemented under the COMESA Small Scale Cross Border Trade Initiative supported under the 11th EDF Trade Facilitation Programme (SSCBTI). It aims at facilitating cross border trade for small – scale traders under the COMESA Simplified Trade Regime (STR) by simplifying SPS/TBT documentation requirements while ensuring food safety. The initiative was piloted on fish originating from Luangwa District of Zambia and traded across several borders, including DR Congo through Kasumbalesa Border Post. The following were implemented:

- Rolled out the Green Pass initiative to Chirundu and Mwami/Mchinji Borders;
- Capacity building of small-scale traders and SPS/TBT Authorities in self-regulation and risk-based regulation;
- Construction of Mini laboratory in Luangwa District to house rapid test kits for dried fish and weighing equipment; and
- Commodities of interest to small scale cross borders were identified for Chirundu and Mwami/Mchinji Borders.

#### **J) Development and Implementation of a Regional Voluntary Capacity Building Scheme based on the Global**

##### **Markets Programme (GMap) of Global Food Safety Initiative (GFSI)**

The intervention is being implemented under the Regional Enterprise Competitiveness for Access to Market Programme (RECAMP) funded under the 11 EDF targeted at the private sector to be able to access markets. This is a programme aimed at building capacities of the private sector to meet market requirements for sustained market access. It has been piloted in 10 COMESA Member States namely, Kenya, Ethiopia, Egypt, Madagascar, Mauritius, Rwanda, Tunisia, Uganda, Zambia, and Zimbabwe with a target of a total of 200 SMEs. The intervention envisages the development of a regional voluntary capacity building scheme.

- SMEs identified in each of the pilot 10 Member States to be on- boarded on the programme;
- 154 SMEs have been assessed and on-boarded on the programme from eight of the ten pilot Member States.

#### **Deviations from the work programme:**

On-site assessment of the identified potential reference laboratories could not be done as planned in 2023 because required experts did not respond to the call for experts to carry out the assessment and the call had to be republished; Activities being implemented under the Trade Facilitation Programme by FAO through the co-delegation agreement have not achieved the initially intended objectives as prescribed in the Description of Action of the project

### **Challenge**

Two targeted Member States are yet to submit the list of SMEs to be on-boarded on the programme for the development and implementation of a regional voluntary capacity-building scheme based on GMap of Global Food Safety Initiative (GFSI).

### **Solutions and recommendations:**

- Activities being implemented under trade facilitation by FAO that have not achieved the desired objective have been on-boarded on the TCMAP for continued implementation to achieve the project objectives as TFP comes to an end in December 2024;
- Further engagement of the remaining Member States to on-board SMEs on the programme to develop and implement a regional voluntary capacity-building scheme based on the GMap of GFSI; and
- SPS/TBT activities being implemented under the TFP, RECAMP, SSCBTI, COMESA AGRA project need to continue beyond the respective projects end dates to have impact at Member States level.

### **Lessons learned:**

The operationalisation of the Green Pass will require Member States to implement good regulatory practices to simplify the SPS/TBT procedures. As this is not part of the description of action, there is need a complimentary programme to build capacity of the Member States in good regulatory practices.

## **5.7 Productive Integration (Climate Change Programme)**

The Programme focuses on supporting Member States in complying with international climate change agreements and transitioning towards green economies.

*Projects under the Climate Change Programme:*

### **a. Capacity-Building Initiative for Enhanced Transparency (CBIT):**

With funding from the Global Environment Facility (GEF) COMESA is supporting four Member States (the State of Eritrea, the Union of Comoros, the Republic of Seychelles, and Zambia) through a regional capacity building project to comply with transparency requirements of Article 13 of the Paris Agreement.

### **b. NDC Partnership Zambia**

The NDC Partnership Action Fund (PAF) was established at COP 26 and aims to support developing country members in fast-tracking the implementation of their NDCs and bridging gaps in support. PAF ensures countries have better access to technical and financial resources, and the widest possible range of the Partnership members can respond rapidly to the needs of developing country members. COMESA is a member of the Partnership hence eligible to receive grants from time to time; and

### **c. Africa Union–Green Recovery Action Plan (AU-GRAP)**

Aimed at supporting Member States and RECs to implement the African Union Green Recovery Action Plan (AU GRAP) for the purposes of transforming the African economies.

*Programme's current thematic areas of interventions:*

- Support efforts to improve the capacity of COMESA Member States to comply with transparency requirements of the Paris Agreement;
- Support Member States with NDCs revisions and implementation including updates of national climate change response strategies;
- Support climate change negotiations;
- Support resilience building; and
- Enhance Member States readiness to access climate finance

*During the period under review, the Climate Change Programme undertook the following activities:*

Project closure activities for the intra ACP GCCA+ Programme that was funded by the European Union Commission (Brussels). The Goal of the project was "to increase the resilience of the COMESA region (and its Member States) to climate change and achieve the UN's sustainable development goal 13:

The programme additionally also commenced the implementation of a new project "The Regional capacity-building of COMESA Member States in Eastern and Southern Africa for enhanced transparency in Climate Change Monitoring, Reporting, and Verification as defined in the Paris Agreement (Regional CBIT Project) through establishment of an Eastern and Southern Africa Regional Capacity-building Initiative for Transparency (CBIT), transparency framework for Monitoring, Reporting and Verification (MRV) of climate actions, report on NDCs and knowledge dissemination. The project will also strengthen the national transparency frameworks through the design and implementation of fully functional and harmonized domestic Measuring, Reporting and Verification (MRV) systems for the effective implementation of the NDCs and other transparency-related activities in the four Member States.

COMESA is the is executing agency and the project is being implemented in four countries namely the Union of Comoros Ministry of Agriculture, Fisheries, Environment, Territory Planning and Urban, the State of Eritrea, Ministry of Water, Land and Environment, the Republic of Seychelles Ministry of Agriculture, Climate Change and Environment, the republic of Zambia, Ministry of Green Economy, and Environment. The executing partner is the Regional Center for Mapping of Resources for Development (RCMRD) while Conservation International is the Implementing Agency. The overall goal of the project is "To strengthen the capacity of COMESA Member States to comply with Transparency Requirements of the Paris Agreement through the establishment of an Eastern and Southern Africa Regional CBIT transparency framework for Monitoring, Reporting, and Verification (MRV) of climate actions, report on NDCs and knowledge dissemination."

In addition, COMESA as a member of the NDC Partnership received a grant to support the Government of Zambia in Developing and launching their Zambia Green Growth Strategy. COMESA on behalf of Zambia requested for financial support from the NDC Partnership to develop its Green Growth Strategy. In its request, the Government indicated its desire to have COMESA as an implementing partner for the process of developing the strategy. COMESA was required to elaborate the Zambia request into a full-fledged project outlining the scope of work which was submitted, approved, and funded in the amount of US\$ 223,621.

The programme successfully submitted a proposal to the African Union Commission on 18th August 2023 and received a letter of notification from the African Union Commission on 21st November 2023 about the success of the proposal submitted for inclusion in the first cohort to pilot the inaugural phase for the implementation of the African Union "Green Recovery Action Plan" (AU GRAP).

### **EU Intra ACP GCCA+ project closure**

COMESA signed a contract with the European Union represented by the European Commission on 26th December 2017 for the grant amount of €7,153,838.89 to implement one of the regional components of the intra-ACP GCCA+ Programme funded by the EDF 11. COMESA was awarded the grant to upscale the work that was undertaken from 2010 to 2014. The grant under the GCCA+ was hence a successor to the GCCA Programme that the EU funded from 2010 to 2014 under the intra ACP Programme on climate change mitigation and adaptation in the COMESA region that COMESA successfully implemented. The overall objective of the project was to increase the resilience of the COMESA region (and its Member States) to climate change and achieve the UN's sustainable development goals in particular Goal 13 "Take urgent action to combat climate change and its impacts" to reduce poverty and promote sustainable development. Its specific objective was to improve regional and national adaptation and mitigation responses to climate change challenges faced by COMESA countries at operational, institutional, and financial levels. Indirectly, the action is also intended to contribute to the conservation of biodiversity by applying ecosystem-based solutions to climate change adaptation and disaster risk reduction. The implementation period was from 2018 to 2022 with a six-month closure period up June 2023.

An end of project report was compiled covering the whole project duration of implementation from January 2018 to December 2022. Best practices and lessons learned across the project. Six results of the project were collected and documented and a final audit was also undertaken. The end of project report was approved by the EU (Brussels).

### **CBIT project commencement**

The COMESA CBIT regional project is a first of a kind under the GEF CBIT initiative. Therefore, the GEF is very keenly interested on the delivery of the project as its success can provide many lessons for future programming of regional CBIT projects. Additionally, the four countries are accustomed to receiving country specific GEF technical and financial support. Therefore, the countries are also very keen to receive the technical support that meets their country specific needs and priorities while sharing at regional level the lessons learnt, experiences, challenges, and opportunities in meeting the ETF requirements of the Paris Agreement. The project is very timely as countries are transitioning to the new reporting regime under the ETF as they will be soon required to submit their Biennial Transparency Reports (BTRs). Therefore, it is envisaged that the GEF CBIT project will be crucial in building the requisite capacity to improve the MRV and GHG inventory systems, institutional arrangements as well as the entire transparency and reporting process in the four project countries. Given the momentum already created in the countries, it is very vital that CIAfD, COMESA and RCMRD puts in place strategies to expedite implementation of the project.

### **Inception workshop: 9th - 10th March 2023**

A regional inception workshop was held from 9-10 March in Seychelles to officially launch the GEF CBIT project at regional level. The meeting was attended by representatives from COMESA with the Director of Industry and Agriculture leading the delegation, Conservation International Africa Field Division (CIAfD), Regional Center for Mapping of resources for Development (RCMRD), government officials from Ministries responsible for GEF CBIT in the Union of Comoros, Republic Seychelles and Zambia.

The major objective of the regional inception workshop was to:

- Launch the GEF CBIT project at regional level;
- Present the global budget and work plan of the project to the partner countries;
- Introduce the project implementation partners under the project;
- Discuss the implementation modalities of the project;
- Train and orient all project partners and Member States on the GEF environmental and social safeguards and the prohibited activities under GEF rules and regulations; and

- Review and discuss the communication and visibility requirements of the GEF.

*Meeting outcomes:*

The following were the outcomes of the regional inception workshop:

- The GEF CBIT project was officially launched and technically endorsed by the Member States present at the workshop (with the exception of Eritrea whose delegation were not present);
- The project budget and work plan was reviewed and discussed in detail, with regional and country specific activities identified;
- Detailed implementation modalities were presented to the countries covering matters such as financial disbursement modalities under the project, technical reporting requirements under the project (with COMESA being the executing agency with the task consolidating all technical reports for submission to GEF through CIAfD) and the technical support to meet the capacity building needs of the Member States;
- All participants present were oriented by CIAfD on the environmental and social safeguards especially on the need to adhere to the regulations of the GEF on gender;
- Communication and visibility requirements were disseminated to all participants particularly on the need to include the GEF logos on all project reports, production of project banners and making available the accountability and grievance mechanism on the COMESA website;
- COMESA to draft ToRs for National coordinators and share with the four Member States for their review, input, and finalization to enable recruitment of the national project coordinators;
- The three countries present were guided by CIAfD that the four national coordinators and all consultants to be recruited under the project cannot be government employees as provided by GEF rules and regulations;
- COMESA to develop a procurement plan to share with CIAfD to enable smooth flow of procurements under the project. In lieu of the procurement plan, COMESA should seek a no objection for every procurement above US\$ 5,000; and
- COMESA to extrapolate the global budget into country level budget as countries requested to know the STAR allocation per country.

**Gender:** The regional inception workshop was attended by 20 delegates (65% men and 35% women).

**National inception workshops (Eritrea, Comoros, Seychelles, Zambia):**

Having launched the GEF CBIT project at regional level, it was critically vital to convene national inception workshops to launch the project at national level to secure government endorsement and buy-in as well as disseminate the project to all relevant stakeholders at national level. The following were the objectives of the national inception/ launch workshops:

- To disseminate the project implementation modalities at national level;
- To address the technical coordination aspects of the project at country level;
- To establish national climate change Institutional frameworks through engagement of technical officers and all stakeholders involved in transparency, reporting and GHG inventory processes in the four countries;

- To present the project budget and workplan of activities at national level;
- To discuss the project coordination mechanism at national level including the project steering committee terms of reference; and
- To discuss the modalities of engaging IPCC Sector focal points and CBIT focal point at national level.

### ***Inception workshop outcomes per country:***

#### **Seychelles 20-21 April 2023**

- Project implementation modalities at national level were disseminated;
- Technical coordination: the workshop agreed that the coordinating ministry for the GEF CBIT project should be the ministry responsible for climate change and CBIT matters. Therefore, the Ministry of Agriculture, Climate Change and Environment (MACCE) was identified as the project coordinating Ministry in Seychelles;
- Project Steering Committee at country level: the workshop recommended that the GEF CBIT project should not be seen to be reinventing the wheel at country level. Therefore, the current climate change steering committees should be supported;
- National climate change Institutional frameworks established;
- Project budget and workplan of activities at national level presented to MACCE and all stakeholders;
- Project coordination mechanism at national level including the project steering committee terms of reference developed; and
- Modalities of engaging IPCC sector focal points and CBIT focal point at national level developed.

#### **Recommendations for effective implementation of GEF CBIT project in Seychelles**

The workshop made the following recommendations to be considered by COMESA, CI-GEF and RCMRD for effective implementation of the project in Seychelles:

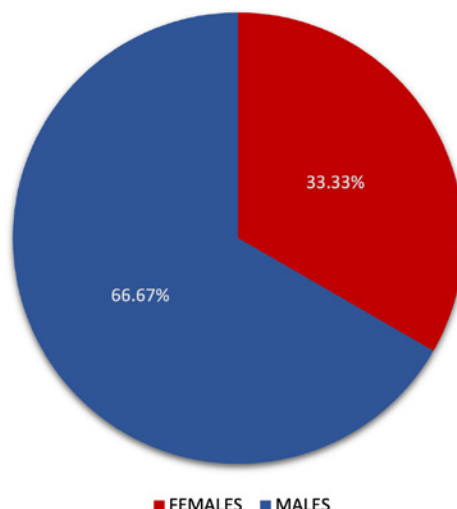
- There is need for training of more experts especially the youth in climate change, GHG data handling and GHG inventory processes in Seychelles;
- There is a need for greater engagement between sectors, MACCE and stakeholders;
- There is no need to create other additional coordinating structures but there is need to use the existing structures;
- There is need to create a central repository of GHG data in Seychelles as data is scattered all over some of which is still sitting on personal laptops of consultants. MACCE should explore the possibility of being the central repository of data;
- There is need to have definite terms of reference for the national climate change committee and PSC;
- The national climate change committee needs to be revived for it to effectively coordinate the CBIT project;
- The structures to be used for implementing and coordination the CBIT project should not be



oversubscribed as members are already burdened with other work;

- AFOLU sector is very complex and needs to be critically given attention in Seychelles;
- There is a need to involve non-state actors in regional exchanges and initiatives;
- Holding IPCC trainings for all sectors at once can be heavy and confusing, hence the need to explore possibility of having sector specific trainings such as training for the energy sector should not be mixed with training for AFOLU or waste;
- The national CBIT coordinator should reorganize the training component so that foundational trainings can be held with sectors on board while also segmenting sector specific trainings;
- The CBIT project should consider procuring software, hardware, and satellite imagery for Seychelles, CIAfD to interrogate the global budget to advise the available budget to procure equipment for each country;
- Seychelles is not affected by gender issues as the case with other project countries wherein women and girls are marginalized. However, the Seychelles case is converse were women are more empowered than men, hence the need to be innovative when implementing the gender components of the project in Seychelles to capture the national context;
- Women in Seychelles in the context of MRV are not actively engaged in the computation of the GHG inventory and MRV data compilation. This requires improvement on the further activities of the project that shall follow; and
- Instead of recruiting an international consultant to cover 4 countries, Seychelles would prefer having one national consultant for GHG and one national consultant for MRV within the project instead of one international consultant for both components. This proposal shall be presented to CI for consideration and advise for smooth implementation of the project without any perceived hurdles.

The Seychelles national inception workshop was attended by 21 participants, 7 females, 14 males.

*Figure 14: Gender disaggregation at Seychelles Workshop***Eritrea inception meeting 10-12 May 2023**

The State of Eritrea did not attend the regional inception meeting in Mahe, Seychelles. Additionally, correspondence with Eritrea has been a challenge due to internet challenges. Therefore, it was deemed necessary to hold a project support supervision meeting before convening of the national inception workshop. This was critically vital as the GEF CBIT project requires ownership and buy in from the government especially the GEF operational focal points and the Ministries responsible for Climate Change. The following were the objectives of the meeting:

- To hold detailed discussions with the coordinating ministry and ministry of environment on the best implementation approach of the GEF CBIT project;
- To hold discussions with the GEF operational focal point and UNFCCC focal point on the CBIT project;
- To present the GEF CBIT project workplan and budget to the technical team in Eritrea;
- To understand the institutional arrangement in Eritrea and best modalities of engaging IPCC sector focal points and all relevant stakeholders involved in transparency, reporting and GHG inventory processes in the CBIT project; and
- To discuss and plan for the inception workshop in Eritrea as well as identify all the stakeholders to be invited to the inception workshop.

***The following were the outcomes of the meeting:***

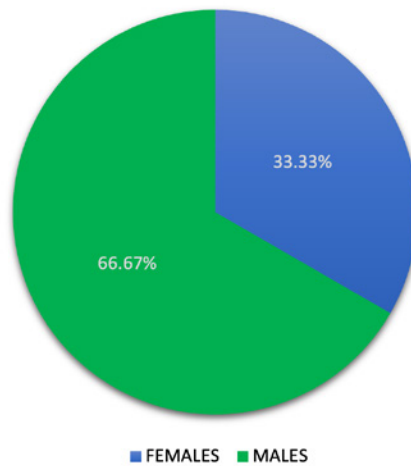
- The GEF operational focal point welcomed and endorsed the GEF CBIT project as it will address some of the technical challenges being experienced in meeting the ETF and UNFCCC reporting requirements;
- The project global workplan and budget was presented to the GEF OFP and the government officials upon which a request was made to further elaborate the workplan and budget bilaterally;
- The institutional arrangements in Eritrea was explained by the GEF OFP, detailing how GHG data flows from the sectors to the Ministry of Land, Water and Environment which is mandated to implement climate change and CBIT related interventions; and
- Inception workshop in Eritrea planned with actual dates set as well as identification of all the stakeholders to be invited to the inception workshop.



The Eritrea inception meeting was attended by 24 delegates, eight females, 16 males.

Figure 15: Gender disaggregation at Eritrea Inception Meeting

**Eritrea delegation gender disaggregation**



### **Zambia 21-22 June 2023**

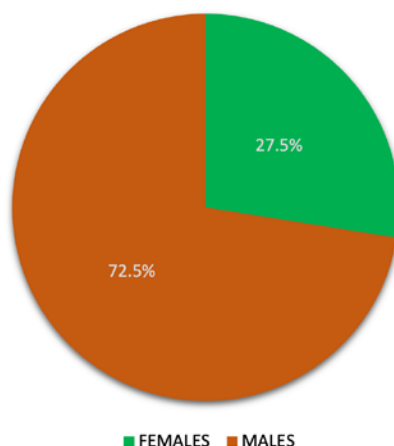
The Zambia inception workshop was held in June 2023 and brought together Government Officials from the Ministry of Green Economy and Environment and all stakeholders (public and private) who are involved in the Green House gas inventory process in Zambia. The meeting reviewed and discussed the global workplan of activities and the global budget. The following are the outcomes and recommendations:

- The project delayed starting hence the country is not at the same level as at design stage as there are many processes that have taken place some involving capacity building and institutional arrangements;
- To address the above concern in there is need to conduct a needs assessment to identify the specific priority areas for capacity building as well as the gaps, challenges, and opportunities to meet the ETF requirements;
- The project should constitute a robust M&E system especially to track the gender component;
- There is need to review the budget especially the activities related to procurement of hardware and software to unpack what exactly will be delivered as support to the countries; and
- Though the project is regional, there is need to unpack the budget estimate for Zambia's allocation.

The Zambia inception workshop was attended by 40 participants, 11 females, 29 males.

Figure 16: Gender disaggregation at Zambia Inception Workshop

#### Zambia delegation gender disaggregation



#### Comoros inception workshop 4 July 2023

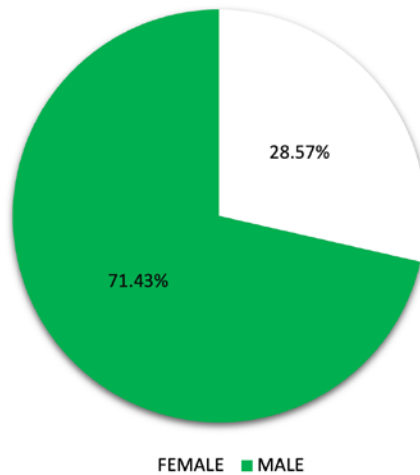
COMESA convened the Union of the Comoros national GEF CBIT inception workshop in Moroni, on 4 July 2023 which brought together the GEF operational Focal point, UNFCCC Focal points, IPCC Sector focal points and all other relevant stakeholders involved in transparency, reporting and GHG inventory process in the Union of the Comoros. The following were the major outcomes of the workshop:

- Extensive discussions be held to interrogate the work plan and budget together with key sectoral heads;
- Some of the activities in the workplan have already taken place hence the need to align the global work plan to ongoing national processes;
- There is need to review the budget especially the activities related to procurement of hardware and software to unpack what exactly will be delivered as support to the countries;
- The project delayed to start hence the country is not at the same level as at design stage as there are many processes that have taken place some involving capacity building and institutional arrangement;
- To address the concern in (iv), there is need to conduct a needs assessment to identify the specific priority areas for capacity building as well as the gaps, challenges, and opportunities to meet the ETF requirements; and
- The COMESA budget should be interrogated to include translation as French is the official language of Comoros.

The Comoros inception workshop was attended by 35 participants, ten females, 25 males.

Figure 17: Gender disaggregation at COMOROS Inception Workshop

### Comoros delegation gender disaggregation



### Eritrea project support mission

COMESA convened the GEF CBIT Eritrea inception meeting on 10-12 May 2023 in Asmara. The meeting brought together all stakeholders involved in the transparency and reporting processes in the State of Eritrea. Detailed discussions were held on the coordination modalities, financing model and roadmap of implementation. The meeting particularly noted that from the time of project design to date, many national processes and activities have since taken place hence the need to review the 2023 and 2024 approved GEF CBIT workplan in the context of the current circumstances. Additionally, the Ministry of Land, Water and Environment requested that a needs assessment be done as a first step to ascertain the capacity building needs and priorities for Eritrea. The following were the outcomes:

- Draft ToRs for the needs assessment were reviewed in detail and input received from GEF Operational Focal Person (OFP) and other technical officials;
- Whereas the three countries (Comoros, Seychelles, Zambia) have recruited a national coordinator for the GEF CBIT project, Eritrea would not recruit a coordinator but instead will utilize existing project staff to coordinate the project. Mr. Teame Tekleab was nominated as the national coordinator of the GEF CBIT project in Eritrea; and
- The Ministry of Land, Water and Environment has worked with some consulting firms which have a pool of experts. COMESA should consider the CVs to be submitted by Eritrea which will include CVS of the institutions.

### National workplan review meetings - (Comoros, Eritrea, Seychelles and Zambia)

During the national inception workshops, the countries requested that the activity workplan be reviewed critically to align it to national processes. This is especially because a significant amount of time has since passed from design to project launch. Therefore, COMESA convened work planning sessions to review in detailed activity workplan. The following were the objectives of the meetings:

- To review and discuss the project workplan of activities at national level;
- To align the workplan with current ongoing processes at national level;
- To schedule activities per Quarter in synergy with already scheduled activities at government level; and
- Critically review and provide technical input into the draft Terms of Reference (ToR) for the GEF CBIT needs assessment to be conducted in Comoros.

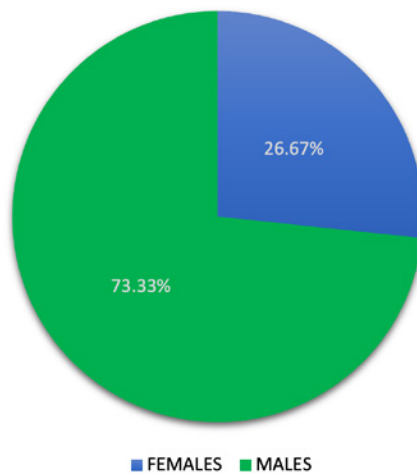
The following were the major outcomes of the workplan review meetings:

- Project workplan of activities at national level were discussed, reviewed, and agreed upon;
- CBIT project activities at national level were aligned to ongoing processes at national level;
- Activity schedules were developed with specific timelines in line with approved workplan; and
- Draft ToRs for the GEF CBIT needs assessment were reviewed and finalized to enable COMESA to start the formal process of engaging the consultants.

**Disaggregated data of participants of the work planning sessions by country:**

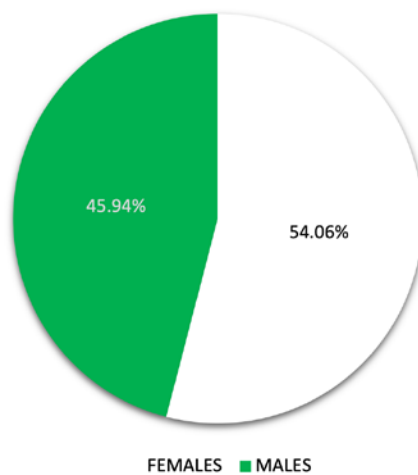
*Figure 18: Disaggregation data of Eritrea delegation*

**Eritrea delegation gender disaggregation**



*Figure 19: Disaggregation data of Comoros delegation*

**Comoros delegation gender disaggregation**



*Figure 20: Disaggregation data of Zambia delegation*

**Zambia delegation gender disaggregation**

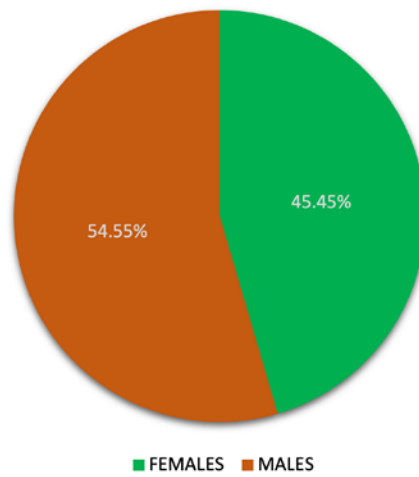


Figure 21: Disaggregation data of Seychelles virtual meeting

**Seychelles virtual meeting gender disaggregation**

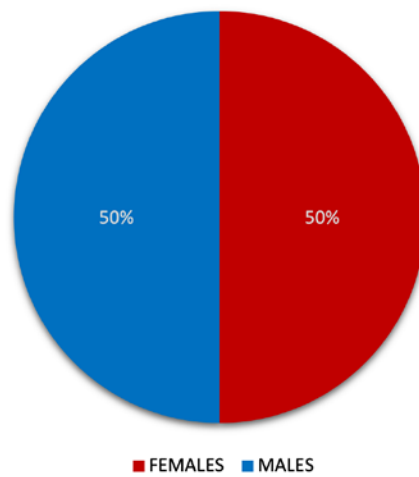
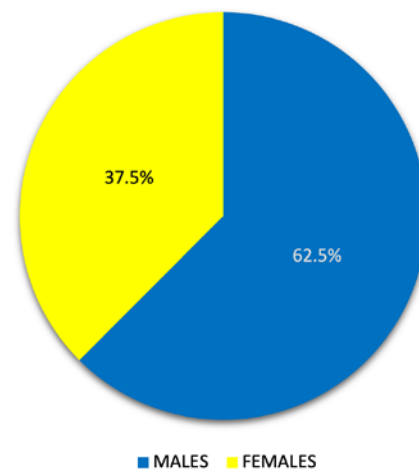


Figure 22: Disaggregation data of COP28 delegation

**COP28 delegation gender disaggregation**



### *Project Steering Committee for GEF-CBIT project*

The project held its inaugural Regional Project Steering Committee meeting on 4-5 September 2023 in Nairobi, Kenya at the Regional Center for Mapping of Resources for Development (RCMRD) which was chaired by COMESA ASG-P.

#### **Objectives of convening the Project Steering Committee meeting:**

- Strategic expedition into enhanced climate transparency: The PSC meeting aims to steer the project towards strategically enhancing climate transparency across COMESA Member States in Eastern and Southern Africa. This objective involves exploring innovative pathways to elevate monitoring, reporting, and verification processes aligned with the Paris Agreement;
- Catalyzing collaborative momentum: Through the PSC meeting, the objective is to ignite collaborative momentum among key stakeholders, fostering synergy between COMESA Member States, donor partner, technical expert. The meeting will serve as a platform to harness collective insights, experiences, and resources;
- Progress tracking and decision nexus: The meeting aspires to establish a decisive nexus for tracking project progress and making informed decisions. By reviewing project milestones, accomplishments, and challenges, the PSC aims to provide strategic direction and prioritize actions that amplify project impact; and
- Develop roadmap of implementation for the project.

The meeting approved and adopted the terms of reference for the Project Steering Committee. In addition, the meeting reviewed the progress of the project to date and the challenges being experienced and made recommendations to fast-track implementation.

#### **NDC partnership grant implementation for support for Zambia**

COMESA received funds to support the Government of Zambia to develop their Green Growth strategy Zambia requested for financial support from the NDC Partnership to develop its Green Growth Strategy. In its request, the Government indicated its desire to have COMESA as an implementing partner for the process of developing the strategy. COMESA was required to elaborate the Zambia request into a full-fledged project outlining the scope of work which was funded in the amount of US\$ 223,621.

The NDC Partnership Action Fund (PAF) was established at COP 26 and aims to support developing country members in fast-tracking the implementation of their Nationally Determined Contributions (NDCs) and bridging gaps in support. PAF ensures countries have better access to technical and financial resources, and the widest possible range of the Partnership members can respond rapidly to the needs of developing country members.

COMESA became a member of NDC partnership in 2019. This means that COMESA is eligible to support Member States in accessing NDC funding and provide technical support. Arising out of this partnership, COMESA. In 2022/2023 the Republic of Zambia through Ministry of Green Economy and Environment requested COMESA to be their implementing partner by applying for funding on their behalf from the NDC Partnership Action Fund to develop and launch the Zambia Green Growth Strategy. The NDC Partnership Action Fund which is managed by the United Nations Office for Project Services (UNOPS) conducted a Financial Management Capacity Assessment (FMCA) (due diligence) that COMESA successfully passed and awarded COMESA a grant of US\$ 198,621 for the duration of nine months. A Grant Agreement in the amount of was signed by COMESA and the (UNOPS) in April 2023.

Hence COMESA with Financial support from the Nationally Determined Contribution (NDC) Partnership and with

other donors supported the Republic of Zambia to develop and launch the Green Growth Strategy, Implementation plan and Resource Mobilization Strategy.

The Green Growth Strategy will be instrumental in promoting green growth and low carbon economic growth and development while ensuring social inclusion. The process of developing the Green Growth Strategy, Implementation plan and Resource Mobilization Strategy is being spearheaded by the Ministry of Green Economy and Environment. To date, the Ministry has developed a Green Growth Index which fed into the first draft of the Green Growth Strategy Framework. The Climate Change Programme has since supported the Ministry of Green Economy and Environment and successfully convened the 3rd drafting session on 19-23 June 2023 and the fourth drafting session on 9-13 August 2023 and 5th drafting sessions which concluded the development of the green growth strategy due to be launched in 2024. The 3rd and 4th drafting sessions were the most important milestone against the government target of having a final green growth strategy launched in 2024.

Zambia has drafted a Green Growth Strategy to guide the country's economic growth towards environmental sustainability and low-carbon development while promoting social inclusion. Implementing green growth interventions articulated in the draft Green Growth Strategy is also envisaged as an avenue for catalyzing Zambia's quest to attain the aspirations of the Vision 2030, the Eighth National Development Plan (8NDP), the Sustainable Development Goals (SDGs) and the Nationally Determined Contribution (NDC). Concurrently initiating the Zambia Green Growth Strategy Implementation Plan and mobilization strategy is crucial. These initiatives will function as a comprehensive framework, directing the execution of the Zambia Green Growth Strategy. Simultaneously, they will establish a resource mobilization aimed at formulating and securing new and additional resources, which will provide guidance on the realignment and reallocation of existing resources for optimal impact. To this end, the Ministry of Green Economy and Environment sought the services of two qualified consultants to develop an Implementation Plan as well as to develop a Resource Mobilization Strategy for the Zambia Green Growth Strategy.

COMESA has supported the crucial drafting sessions for the comprehensive Green Growth Strategy. These sessions spanned the third through fifth, including provincial consultations and the Second GEM. The latter aimed to compile ultimate technical input from stakeholders, laying the groundwork for the upcoming national Validation meeting. Originally scheduled for 21 November 2023, the national validation was deferred to the following year due to time constraints.

### **Africa Union-Green Recovery Action Plan (AU-GRAP)**

The programme submitted a proposal on 18 August 2023 and received a letter of notification from the African Union Commission dated 21 November 2023 about the success of the proposal submitted for inclusion in the first cohort to pilot the inaugural phase for the implementation of the AU GRAP. The other successful cohort members are (two Regional Economic Communities EAC and SADC) and the seven AU Member States of: Cote d'Ivoire; Ethiopia; Lesotho; Namibia; Senegal; Rwanda; and Zambia. A first cohort inception meeting is planned in the first quarter of 2024 and will be convened by AUC and thereafter commencement of implementation will begin. COMESA's award is aimed at supporting Member States and Regional Economic Commissions to implement the African Union Green Recovery Action Plan (AU GRAP) for the purpose of transforming the African economies. Phases of implementation will include:

**Phase A:** AU GRAP Engagement with COMESA, Developing Diagnostics, Key Performance Indicators (KPIs) and benchmarking; **Phase B:** Finding and closing out differentials to meet with COMESA; **Phase C:** Policy Development, through capacity development and enhancing the skills of national policy makers, in line with Phase B; **Phase D:** Craft out the Enabling Environment (to allow financial and human capital to flow) with various Ministries of the AU and COMESA Ministries; **Phase E:** Full Scale Implementation of the project:

### **Participation in the United Nations Framework Convention on Climate Change Conference of Parties Number 28 (UNFCCC COP28) Expo City in Dubai**

COP 28 Dubai: COMESA Secretariat has an observer status to the UNFCCC processes and has been participating in the Conference of Parties (COP) to the UNFCCC for the last 11 years. In its participation, COMESA has held several sessions to showcase the milestones, achievements and lessons learned from the implementation of its climate change programmes in the region. It has also equally supported negotiators in their pre-and post COP participation through technical meetings and actual participation in the negotiations. The 28th Conference of the United Nations Framework Convention on Climate Change (UNFCCC) was held on 30 November until 12 December 2023, at the Expo City. The project also supported Member States participation by the four implementing countries.

At COP28 COMESA engaged inside events, held bilateral meetings with some Member States as well as discussions with international partners while highlighting COMESA Member States' priorities, sharing best practices in climate action, and engaging with global partners for resource mobilization.

#### **Side events and meetings**

- Side events were held, and others were attended with a focus on sustainable agriculture, food systems, river transport, climate resilience, and transparency frameworks as well as the Africa Day meeting;
- Strategic meetings with key organizations like the Commonwealth Secretariat, UNFCCC, NDC Partnership, AfDB, African Union Commission and Conservation International were held to discuss collaborations in climate change and environment, energy, environmental policies, and enhanced transparency framework capacity building;
- Attended the inaugural COP28 business & philanthropy climate forum at CEO-level Forum that mobilized global business leaders and philanthropists to progress action in line with the COP28 Presidential Action Agenda to advance cross-sectoral progress around net zero and nature-positive goals. The forum converged business and philanthropy leaders and policymakers to ensure co-creation, collaboration, and acceleration to unlock solutions and drive bolder results. Notable attendee among others was Sir Mohammed Fathi Ahmed Ibrahim KCMG a Sudanese-British billionaire businessman.
- COP28 provided a platform for showcasing COMESA's role in climate action and setting the stage for increased collaboration and support for its Member States. While some key outcomes were achieved at COP28 high level, there remains a substantial role for COMESA in driving further action towards climate resilience and sustainable development, particularly in the implementation and revision of Nationally Determined Contributions (NDCs) and capacity building in enhanced Transparency Framework.

#### **Next steps for COMESA post-COP28**

- Translate COP28 outcomes into actionable strategies for Member States;
- Strengthen Member States capacities for enhanced transparency and climate negotiations;
- Facilitate access to climate finance and readiness for funding opportunities;
- Develop and implement joint projects with international partners like the Commonwealth, NDC Partnership and UNFCCC; and
- Mobilize resources for sectors like climate smart agriculture, adapting to specific regional needs.



**Challenges:**

Funding remains a key challenge to be able to support the Member States mainly:

- Lack of adequate funding to support NDC implementation in at least ten Member States; build capacity of Member States to comply with ETF requirements of article 13 of Paris Agreement; implement the COMESA Resilience Framework and rollout of CSA encompassing all 21 Member States Climate Finance interventions for both Adaption and Mitigation;
- Limited Human resource capacity to fully support the climate change technical needs of all the 21 Member States as the Programme is short staffed.

**Solutions and recommendations**

- To carry out a resource mobilization drive and continue to benefit from the NDC Partnership Membership which allows us to submit proposals or funding,
- To submit proposals and pursue more GEF funding.



## 6. GENDER AND SOCIAL AFFAIRS PROGRAMME

Regional, African continental and global development frameworks consider gender equality, empowerment of women and youth, and social justice as critical elements to inclusive and sustainable development. Objective 4.1 of the COMESA 2021- 2025 MTSP is to foster Gender equality and social development to reduce gender inequalities and strengthen the inclusion of women and youth in social, political, and economic development. In 2023, the Secretariat continued to implement gender and social affairs programs guided by the 2021 – 2025 medium-term strategic plan.

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

The report is divided into five parts: 1. Introduction; 2. Progress on the Implementation for 2023 on Gender Equality and Empowerment of Women; and Social Affairs and Youth Empowerment; 3. Deviation from the 2023 Work Program; 4. Challenges, Solutions and Recommendations; and 5. Lessons Learnt.

**6.1. Progress on the Implementation for 2023 on Gender Equality and Empowerment of Women; and Social Affairs and Youth Empowerment**

*Table 17: Implementation Status on Gender Equality and Empowerment of Women; and Social Affairs and Youth Empowerment*

<b>Program Activity</b>	<b>Amount Spent (USD)</b>	<b>Result</b>
Research and knowledge on health, youth, and gender to inform policy and inclusive programming	45,000 for three consultation fees	Conducted four research studies on health, youth and gender: a study on second edition of the Statistics Bulletin, a study on alcohol and drug abuse among youth, a study on pharmaceutical needs of women and men; and a study on the gendered impact of COVID-19. The findings and recommendations of the studies will help in ensuring inclusivity and support for youth, health, and women in relation to socio-economic development. The gender statistics study revealed the continued gaps in availability of gender disaggregated information for many development indicators.
Support for women and youth participation in socio-economic development to increase access to economic opportunities	72,000 for management of the platform	<p>Promoted and supported the digital platform for women in business. The platform continued to provide information, networking, and capacity building services and opportunities to women and youth across all the Member States and beyond. More than 600,000 users have patronized the platform and 16,000 registered. Over 25,200 women participated in networking groups created through the platform.</p> <p>In addition, support was extended to initiatives on women and youth empowerment such as the SSCBTI; GLTFP; RECOMP, Youth Project and COMFWB through technical and steering committee meetings, member states meetings on the implementation of the STR. and trade fairs.</p> <p>Participated in the Ministerial Meeting on Youth and Peace and Security in East Africa region held in Burundi.</p> <p>The deployment of young interns at COMESA Secretariat was done under the cultural and creative industries initiatives project.</p>
Legal and Policy Environment.	14,100 for translation of working documents, and interpretation and other logistics.	<p>Convened the technical and ministerial meetings on gender and women's affairs to consider programs and progress on gender mainstreaming and women empowerment at secretariat and national level. COMESA Regional GBV Workplace Policy Gender Management System, the gendered impact of the COVID-19 and the assessment of gender statistics were considered.</p> <p>Fourteen Member States Burundi, DRC, Egypt, Ethiopia, Eswatini, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Tunisia, Uganda, Zambia, Zimbabwe shared updates on legal, policy and programs implemented on gender and women empowerment, and recommended educational exchanges.</p>

<p>Legal and Policy Environment.</p>	<p>14,100 for translation of working documents, and interpretation and other logistics.</p>	<p>COMESA in collaboration with Indian Ocean Commission received a grant to implement a culture project funded by EU, HEVA in 13 Member States - Burundi, Kenya, Rwanda, Uganda, Djibouti, Ethiopia, Eritrea, Somalia, Sudan, Comoros, Madagascar, Mauritius, Seychelles for the period of March 2023 to April 2024. The project supported the:</p> <ul style="list-style-type: none"> <li>▪ Review of the legal and policy frameworks for Cultural and Creative Industries (CCIs) to identify policy and regulatory gaps that need to be addressed for the CCIs to contribute to socio-economic development at national as well as regional level through trade in creative goods and services within the COMESA Free Trade Area (FTA) and other regional common markets;</li> <li>▪ Training of culture experts and statisticians from the targeted Member States on the UNESCO Culture 2030 indicators to enhance implementation and monitoring of the global 2030 agenda on culture;</li> <li>▪ Assessment of copyright landscape in Kenya and Madagascar and produced videos to showcase the status of copyright laws within the creative and cultural industries and challenges to enhance the protection of the work of artists;</li> <li>▪ A meeting of more than 80 artists to raise awareness on copyright laws; and</li> <li>▪ COMESA established a Cultural Technical Committee within the countries.</li> </ul>
<p>Improved capacity for gender mainstreaming and youth integration in programs implemented by Member States, COMESA Secretariat and COMESA Institutions.</p>	<p>50,835</p>	<p>On gender mainstreaming and enhancement of women's participation in regional trade, training was conducted for 100 (70 female and 30 male) stakeholders from public and private sector in Eswatini, Malawi, and Zimbabwe focusing on gender policy, digital platform for women in business, and multisectoral gender planning guidelines. The training contributed to the objectives of the regional competitiveness and access to markets program for women and youth SMEs. Public, private, and CSO are duty-bound to use principles of equity and inclusivity to ensure that no one is left behind in benefiting from regional integration efforts.</p> <p>Conducted public and private sector stakeholder dialogues in two member States (DRC and Mauritius), on the implementation of the COMESA Gender Policy, trade instruments, digital platform for women in business and continental and global gender commitments. 238 people-women, men and youth (133 in DRC and 105 in Mauritius) participated in the dialogues.</p> <p>Produced videos on the training modules on gender and trade in the three COMESA languages to support the operationalization of the online course. The course will enhance understanding of the relationship between trade and gender among staff.</p>

<p>Strengthened the capacity of Member States to compile gender-sensitive statistics related to COMESA's regional integration agenda</p>	<p>122,938</p>	<p>Gender statistics assist in tracking gender mainstreaming and implementation of commitments on gender equality and women empowerment across sectors. During the period under review, three capacity building training were undertaken in three Member States - DRC, Malawi, Zambia. A total of 95 participants (68 female and 27 male) representing the National Statistical offices, Ministries of Gender, Agriculture, Trade, UN Agencies, NGOs and private sector participated in the training. Of these, 30 were from DRC (24 female and 6 male), 35 from Malawi (23 female and 12 male), and 30 from Zambia (21 female and 9 male). The training covered among other areas: user-producer dialogue on gender statistics, benefits of utilizing the statistics, gender mainstreaming concepts, gender statistics, analysis and reporting, data quality, how to calculate/disaggregate gender data.</p> <p>The training was also conducted for 12 members (60% female) of the COMESA gender technical working group at secretariat.</p>
<p>Partnerships</p>		<p>Signed a partnership agreement between COMESA and Africa Resource Centre (ARC) to support COMESA Health Desk. ARC appointed an adviser to assisting COMESA with strengthening operations of a Health Desk in framing gender equality and mainstreaming in public health sector procurement and supply chain services that respond to gender and age specific health challenges and/or diseases.</p> <p>Proposal was submitted to the Investment Climate Response call for proposals on gender and economic empowerment of women.</p>



### Deviation from the 2023 work programme

During the year under review, there was slow progress on the implementation of some planned activities on social affairs such as the workshops on social charter and reporting guidelines on youth, and the study on the establishment of the COMESA sports tournament and cultural festival..

### Challenges

- Limited number of gender experts to adequately support all programmes.
- Lack of a gender accountability mechanism undermines the expected obligation for all staff to be accountable for gender.
- Limited funding for social affairs programmes such as health.

### Solutions and recommendations

- The gender management system has been developed to address gender accountability.
- The partnership with ARC helped to get a health advisor to support COMESA on matters of Health. Advocate for the integration of gender, youth and other social aspects in the funded programmes of COMESA.

### Lessons learnt

- Multistakeholder Public and private sector dialogues proved to be a valuable forum for creating awareness about COMESA trade instruments and other initiatives such as its Gender Policy as well as the digital platform for women in business. In addition, PPDs are valuable tools for obtaining feedback from stakeholders. More of such dialogues should be conducted in more Member States. More dialogues will be conducted in 2024.
- The reports by Member States on the policy and legal environment and programmes on gender and empowerment of women are always appreciated as they enable learning and progressive exchanges.
- Gender statistics training is in demand. Member States have requested for the support. More resources have been sought for the training of additional three Member States on gender statistics.

## 7. RESOURCE MOBILISATION AND INTERNATIONAL COOPERATION (RMIC)

The Resource Mobilization and International Cooperation activities focused on three priority areas for the year 2023.

### Progress on the implementation for 2023

**Priority Area 1: Strengthening of Modalities for Resource mobilization.** The Unit continues to spearhead the processes and activities aimed at operationalizing of the Common Market Levy as a modality of sustainable domestic resource mobilization.

A consultant was recruited to develop the Resource Mobilisation Strategy (RMS) and the formulation of the policy paper on the operationalization of the Common Market Levy. The inception report was validated, enabling the consultant to collect information from Member States;

As part of priority area 1, the Unit continues to spearhead activities aimed at efficient and effective coordination of development partners aimed at mobilization of extra budgetary (grants) resources from development partners.

#### *For 2023, the Unit has continued to:*

- Support Divisions/Units/Institutions in resource mobilization through provision of technical support on preparation of proposals of grant application including EU-Youth Lab, USAID Women in Digital Economy Fund, Ignite Culture project;
- Organized and facilitated bilateral meetings with partners to mobilize extra-resources, such as OECD, IOF, IsDB, GCC, USAID-RIGO, MasterCard Foundation, Bill & Melinda Gates Foundation, China, Saudi Arabia, Russia, French Development Agency, Heva Fund, and among others, including:
  - **World Bank** – Accelerating Sustainable & Clean Energy Access Transformation (ASCENT).
  - **African Development Bank** – Regional Clean energy transition strategy and action plan.
- Participated in the Steering Committee meeting and mid-term reviews: Great Lakes Project, Regional Infrastructure Financing Facility (RIFF) implementation support mission; mid-term review of the Southern Africa Regional Integration Strategy paper 2020-2026; mid-term evaluation of COMESA Regional Strategy for Development of Statistics.

**Priority Area 2:** Strengthening International Cooperation, through enhancement and promotion of COMESA participation and influence with other regional, continental, and international organizations.

#### *The Unit undertook the following:*

- Organized and facilitated the accreditation of nine ambassadors, permanent and special representatives to COMESA: Japan, Italy, Cuba, USA, Russia, European Union, IOM, ILO, Eswatini;
- Coordinated/facilitated various courtesy calls/visits to COMESA SG Heads of Diplomatic Missions/ Ambassadors, such as Germany, Saudi-Arabia, India, Russia, IOM, ILO, UNECA, AfDB, China, Cuba, and among others;
- Organized and coordinated COMESA's participation in the work of AUC, AU-NEPAD, 5th AU-RECs-RM Mid-Year Coordination Summit, Inter-REC Coordination meetings, EU negotiation, Tripartite meetings, and Indian Ocean Commission;
- Organized and coordinated COMESA's participation in the events and the work of partners such as 67th CSW, AfDB Annual meeting, Turkey Africa meeting;

- Organized and/or hosted bilateral meetings with existing and new partners to strengthen the cooperation and partnerships such as AfDB, World Bank, International Organization of Francophonie, OECD technical meetings, Islamic Development Bank (IsDB), Ocean Hub Africa, MasterCard Foundation, ITC, ARC, EISA, Interface Solutions, UNDP, GOPA, CABI, IUCN, EU-CBRN, Cap Business Ocean Indian, and among others; and
- Coordinated and facilitated the negotiations & signing of MoUs between COMESA and strategic partners: MoU with Ocean Hub Africa, ARC, ITC, EISA, India, CABI, Save the Children, SDGA Centre, IDEA, CEHA, EUSL, CSV, IOC, India, AFUR, China, PMAESA, and among others.

Priority Area 3: Strengthening of the Development Partners Coordination and dialogue mechanisms by facilitating and coordinating the continuous update development partners database, holding of biannual development partners dialogue and exchange of information, experiences and lessons learnt across programmes and partners.

- The Unit, in close collaboration with the Procurement Unit, cancelled the tender, for the recruitment of the consultant to develop the online Partners Database. With support from the USAID-RIGO, the project developed an online database software for use for the three RECs (COMESA, EAC, IGAD). The database was handed over to COMESA. The database prototype from RIGO will be aligned with the COMESA needs; and
- Continued to maintain an update list of the MoU and development partners database.

#### **Deviations from the work programme**

- Establishment of inter-RECs coordination platform;
- Discussion on the possibility for COMESA staff to get scholarship for short-term trainings in China;
- Implementation of the French training programme; and
- Support the implementation of the culture project.

#### **Challenges**

Limited budget

#### **Corrective actions and recommendations**

- Increase budget allocation



## 8 COMESA BRUSSELS LIAISON OFFICE (BLO)

The COMESA Brussels Liaison Office (BLO) plays a crucial role in supporting the strategic objectives of regional integration, resource mobilization, and capacity building by fostering relationships between the COMESA Secretariat and key European and international institutions. The BLO effectively represents COMESA to the European Union (EU), the Organization of African, Caribbean and Pacific Group of States (OACPS), other African groups, and cooperating partners based in Brussels. This ensures active participation and support for COMESA in multilateral trade negotiations and various cooperative efforts.

In 2023, the BLO focused on three main areas:

### *Providing Adequate Representation of COMESA in Brussels*

The BLO represented COMESA in various important meetings and forums, including those with the OACPS, EU institutions, African Union (AU) ambassadors, and other regional economic communities (RECs). Key engagements included the OACPS Committee of Ambassadors, the EU-Sub-Saharan Africa Dialogue Platform, and the AU-EU ministerial meetings.

The BLO facilitated critical discussions and presentations on regional integration, peace, and security issues in Eastern and Southern Africa.

### *Development Cooperation with Strategic Partners*

The BLO was instrumental in facilitating dialogue and collaboration between COMESA, the EU, and the OACPS on various strategic initiatives, compliance assessments, and implementation of resolutions and agreements such as the new EU-OACPS Partnership Agreement (Samoa Agreement).

It participated in drafting reports and technical documents on significant issues affecting the COMESA region, such as the impacts of the EU's Deforestation-Free Supply Chain Regulation.

The BLO actively contributed to discussions on financial flows, transnational crime, and regional cooperation, stressing the role of regional organizations in these areas.

### *Mobilizing Resources from the EU and intra-ACP Funds*

The BLO played a central role in resource mobilization efforts, securing funding for multiple projects and coordinating with various divisions at COMESA Secretariat HQs.

It facilitated calls for proposals and project applications, including those aimed at promoting women's economic empowerment and youth engagement.

The BLO ensured ongoing monitoring and reporting on EU-funded projects and facilitated dialogues to enhance development effectiveness within the COMESA region.

Overall, the BLO successfully advanced the strategic objectives of COMESA by enhancing cooperation with European and international partners, participating in significant multilateral negotiations, and securing essential resources for ongoing and future projects.



## 9 LEGAL AND CORPORATE AFFAIRS

The legal and corporate affairs division provides legal advisory services to Policy Organs of the Common Market, COMESA Institutions and Specialized Agencies and Member States.

### **Progress on implementation**

The Division supported the office of the Secretary General, COMESA Institutions and Member States during meetings of COMESA Policy Organs including COMESA Council, Governors of Central Banks, Intergovernmental Committee, other subsidiary committees including the Committee on Legal Affairs.

*The Legal Division assisted and facilitated the drafting and conclusion of the following legal instruments:*

Rules on Appointment of Board of Commissioners of the COMESA Competition Commission;

- Amended COMESA Competition Commission Procurement Rules;
- Amended COMESA Competition Commission Financial Rules;
- Amendment to Article 6 of the Charter of the COMESA Regional Investment Agency; and
- Rules of Procedures of the Committee of Governors of Central Banks.

The Division rendered, amongst others, the following legal opinions:

- ACTESA-Bill and Mellinda Gates Financial Agreement;
- COMESA – Statistics Sweden Agreement;

- COMESA-Statistic Norway Agreement;
- COMESA Secretariat (CVTFS)-Malawi Revenue Authority Revenue Sharing Agreement;
- COMFWB - Acting Allowance for Acting CEO;
- Host Agreement between the Government of Tunisia and COMESA;
- Host Agreement between the Government of Madagascar and COMESA;
- ASYCUDA World Upgrade;
- Status of Maldives in the OACP;
- Membership of the Council of Bureaux for Non-COMESA Member States;
- Yellow Card Council of Bureaux Secretariat Staff Rules;
- WAVTEQ Ireland Consultancy Services;
- Africa Leather and Leather Products Institute;
- COMESA Secretariat- Accreditation of Observers;
- ZEP - re: Application for ACRE as a COMESA Specialized Agency;
- ACTESA: Legal personality and registration of operations;
- ACTESA: Contract for the CEO;
- COMESA and USAID: Amendment on Cooperation and Financial Agreement;
- COMESA Secretariat- Elections of the Committee of Elders;
- ALLPI-Recruitment of the Executive Director;
- COMESA Secretariat - Refund of Funds Confiscated by a COMESA Member State;
- COMESA Secretariat - Membership of Somalia to COMESA;
- COMESA Secretariat - Council Report;
- COMESA Secretariat - Suspension of a Member State;
- COMESA-United Nations Office for Project Support (UNOPS) - Development and Launch of Zambia Green Growth Strategy;
- COMESA/RCTG-AFRIEXIM Bank; and
- COMESA - Conservation International Foundation Grant Agreement.

***The Division assisted innegotiations, drafting and conclusion of the following Donor Funded Agreements:***

- COMESA- World Bank Great Lakes Trade Facilitation Project;
- COMESA – USAID Agreement (Regional Development Objective Grant Agreement);
- COMESA- African Development Bank (AfDB)- Financing the Regional Pharmaceutical Sector Development in COMESA;
- COMESA – Statistics Sweden extension; and
- COMESA - International Labour Organisation (ILO)- MIDCOM funding.

On legal support, amongst others, the following cases were handled

- Agilis Ltd v Mauritius and others
- Michael Adara v COMESA

**The Implementation of the COMESA Intellectual Property Rights Programme**

The Legal Division, in conjunction with the World Intellectual Property Organization, convened a Regional Conference on IP for Women in Agribusiness on 15 to 17 May 2023 in Kigali, Rwanda.

Additionally, under the auspices of the EDF 11 Programme's cross border component, the COMESA IP programme identified areas requiring intellectual property rights interventions for the IPR promotion, protection and enforcement of goods traded across borders of the Common Market. In this regard, terms of reference for engagement of consultants were developed to undertake studies to address those identified gaps.

**COMESA Migration Programme**

The Legal Division convened the First Joint Meeting of Ministers Responsible for Migration and Ministers of Labour. This meeting amongst other things launched the First COMESA Labour Migration Statistics Report, which is the first time such data has been consolidated and documented by COMESA. COMESA also developed a Training Manual on Migration and Health for border officials for use in the management of migration/mobility at the borders during a health crisis.

In addition to the aforementioned milestones, COMESA launched the Regional Migration Database that shall support Member States with evidence-based decision and policy making. The Ministers also adopted a Strategy and Roadmap/Action Plan for the Implementation of COMESA Protocols and Capacity building on the Free Movement of Persons which will serve to guide the Member State led COMESA Task Forces on the implementation of the COMESA migration agenda.

**Challenges**

- Inadequate human capital
- Inadequate funding for programmes such as Intellectual Property Programme
- Delay in implementation of Migration Programme activities due to Member States' slow confirmation of planned meetings and activities

**Solutions and recommendations**

Ensure that when COMESA mobilizes funding from partners, they also include a component for funding hiring legal officers at the negotiation phase of that grant. Another proposal is for Divisions implementing programmes that involve dealing with legal issues to make sufficient budgetary provision for hiring of a suitably qualified legal officer to support the implementation of that programme.

## 10. CORPORATE COMMUNICATIONS

The primary objective of Corporate Communications is to enhance access to information on the COMESA regional integration agenda, its opportunities, and benefits among stakeholders. This is aimed at increasing visibility, public awareness and participation. Below are key activities undertaken during the year in review:

### 10.1. Progress on Implementation

Publicity and visibility activities

#### Publishing

- Edited and published four quarterly newsletters that provided an annual overview of key activities of COMESA;
- Released 16 editions of bi-weekly digital newsletters e-COMESA and shared with wide a cross section of stakeholders; and
- Produced additional key publications including the COMESA Annual Report, 2022, the COMESA Gazette No 28, Border Profiling Survey, Labour Statistics Report, Tripartite FTA booklet, Special Reports, Court of Justice, MTSP among others.<sup>2</sup>



Eswatini Media Training Workshop

#### Capacity-building

- Conducted national and regional media capacity-building workshops to enhance coverage of the COMESA regional programs;
- Hosted a national media workshop in Eswatini (29 – 30 November 2023), training 37 media practitioners and integrating them into COMESA online information sharing network (WhatsApp group); and

<sup>2</sup> <https://www.comesa.int/publications-2/>

- Held a regional media training and familiarization workshop for the Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) & Support to the Air Transport Sector Development (SATSD) Programs in Eastern Africa, Southern Africa, and the Indian Ocean (EA-SA-IO) Region, in Burundi (25 – 26 October 2023). Thirty-six media practitioners and technical experts participated.

### Outreach and stakeholder engagements

- Participated in five regional trade fairs - Djibouti, Uganda, Kenya, Rwanda, Zambia and the intra-Africa Trade Fair in Egypt, to directly engage and share information with a wide spectrum of stakeholders including businesspeople, students, policy makers, government officials, private sectors, institutions of higher learning among others. Over 6,000 direct engagements were conducted in the events and 1800 assorted information resources disseminated.

### Audio/visual productions

- Produced 27 videos documenting COMESA programs and events including the COMESA Summit;
- Produced a corporate documentary, "COMESA Briefly," covering the accomplishments under four pillars of the MTSP 2021 – 2025: market integration, productive integration (industry and agriculture), physical integration (infrastructure connectivity) and gender and social integration. The documentary was disseminated regionally through national television and social media platforms that reached a wide spectrum of stakeholders in the region. It has raised public awareness of COMESA's regional integration program<sup>3</sup>.

### COMESA Media Awards

The objective of the awards is to promote media reporting of COMESA regional integration activities by recognizing journalists whose works contribute to the integration agenda. The awards are open to journalists from all the 21 COMESA Member States.

- In 2023, four winners from the 2022 media awards were recognized and awarded during the 22nd COMESA Summit in Zambia; and

<sup>3</sup> <https://www.comesa.int/#features-3>



COMESA Media Awards ceremony at the 22nd Summit in Zambia



COMESA booth at trade fair

- 52 entries were received, with four winning entries selected from Burundi, Kenya, Mauritius and Zambia. These winners will be awarded at the COMESA Summit in 2024.

### News coverage

- News on COMESA activities and events were compiled weekly throughout the year and published in newsletters and online platforms including the COMESA Website, LinkedIn, X (Twitter), Facebook, YouTube. Significant growth across the social media channels was recorded with Twitter followers increasing by 48% and Facebook by 75% from 82,900 to 110,203, with followers rising from 14,186 to 16,984. Over 120 news articles were generated and published in 16 digital newsletters and online platforms. These provided a source of news for the regional media and international media outlets<sup>4</sup>.

### 10.2. Challenges

Low involvement of COMESA Communication Coordinators in COMESA-led activities in Member States. These coordinators serve as the interface between COMESA and the media at the national level and related publicity activities.

### 10.3. Corrective Actions and Recommendations

Continued enhancement and involvement of communication experts in the coordinating ministries and other line ministries in COMESA activities at the national level to support COMESA visibility.

### 10.4. Lessons Learned

Direct stakeholders' engagement capacity building for communication practitioners in the public sector and the media significantly enhanced the visibility of COMESA at the national level. The need for more capacity-building opportunities was evident going by the feedback obtained. There was enhanced networking, information sharing on COMESA and increased participation in COMESA events and coverage amongst the media practitioners.

<sup>4</sup> <https://www.comesa.int>

## 11. STRATEGIC PLANNING, RESEARCH AND POLICY HARMONISATION

The Strategic Planning, Research and Policy Harmonisation Unit spearheads the management of COMESA's strategy. The Unit plays a central role in formulation and development of strategic plans and work programs, offering support to Divisions/Units, and COMESA Institutions to ensure that these are aligned with the broader organizational strategy. Additionally, the Unit ensures the harmonization of strategies across different sectors within COMESA.

To promote operational Efficiency, Effectives and Economy (3E), the Unit reviews council decisions, work plans and medium-term strategies, collaborating closely with the Budget and Finance and Monitoring and Evaluation departments. In cognizance of global and continental developmental agendas with which COMESA's strategic orientation is aligned to, the Unit coordinates reporting on issues related to Sustainable Development Goals (SDGs) and the African Union Agenda 2063.

Key achievements in 2023:

- Dissemination of the COMESA 2021-2025 MTSP: The Unit continued its efforts to promote awareness and ownership of the MTSP among stakeholders;
- Strategic Alignment Meetings: The Unit participated in meetings to align COMESA's strategy with other key entities such as the African Union Commission (A) and the United Nations Commission for Africa (UNECA);
- Reporting: Prepared comprehensive reports on the implementation status of COMESA programs including annual reports, country reports, and inputs into the Agenda 2063 & regional integration report;
- Monitoring and Evaluation System: Supported the establishment of an operational Online M&E System by creating a taskforce to receive and test system, coordinating training and system rollout with developers and identifying Focal Persons (Champions); and
- Consolidated Work Plan: Prepared the 2022 Annual Work Plan and corresponding schedules of activities.



## 12. INFORMATION AND NETWORKING DIVISION

The Information and Networking Division is responsible for the implementation and maintenance of COMESA's information systems, IT infrastructure, and IT system support services to facilitate the effective implementation of the MTSP. In 2023, the Division undertook several initiatives to enhance technological support across COMESA.

Key achievements in 2023:

- Electronic Certificate of Origin (eCO) System: The Division modified the existing eCO System in readiness for piloting and commenced its rollout to Member States.
- Smart Borders: Supported the implementation and rollout of two smart borders within Member States to streamline border processes;
- Online Import/Export Permit System: Implemented a generic online system to ease import/export permits in Member States;
- Customs Automation Regional Support Centre (CARSC): Established a CARSC to provide ASYCUDA System support when required in Member States;
- 50 Million African Women Speak Platform (50MAWSP): Continued to maintain the platform;
- Web Development: Enhanced existing COMESA websites and developed new websites for COMESA Programs;
- Intranet Enhancement: Upgraded the COMESA Intranet, including layout improvements and providing training to administrative staff for better management;
- COMESA Online Market: Developed and launched the platform to facilitate trade across the region;
- Paperless Environment and Data Centre: Worked towards creating a paperless environment within COMESA and established a Data Centre to centralise data management;
- 5-Year ICT Policy and Strategy: Formulated a comprehensive ICT policy and strategy for the next five years;
- Video Conferencing: Supplied video conferencing hardware and software to Member States to improve communication infrastructure;
- ISO Compliance: Reviewed existing services and policies to ensure compliance with ISO Standards; and
- Africa Cloud Ecosystem (ACE) Project: Conducted a pre-market study for the ACE project.

### 12.1. Progress on implementation

- The eCO system was developed and successfully passed the User Acceptance Test (UAT). The next step will be supporting Member States to utilize the system to realize the benefits of automation. Technical and User Acceptance Tests (UAT) are important to ensure that systems are fully functional before rollout;

- Study tours to border posts such as Mwami (Zambia-Malawi), Kasumbalesa (Zambia – DR Congo), Kazungula (Zambia – Botswana) and Katima-Mulilo (Zambia-Namibia) aided the development of terms of reference for setting up smart borders;
- ASYCUDA functional and technical training was conducted for both English and French Speaking Member State's officers and COMESA staff;
- Tender for the procurement of CARSC equipment and software for the ASYCUDA Regional Support Centre was issued – Process to finalise procurement was ongoing;
- The 50 MAWSP Platform is now hosted and maintained by the Secretariat;
- Developed and continued to maintain the COMESA's online presence - Summit website developed and launched, RAERESA Website – Waiting for official launch<sup>5</sup>: Support to Air Transport Sector Development (SATSD). Waiting for official launch<sup>6</sup>: Maintenance of existing COMESA websites namely: Governance, Peace & Security Website; and Covid-19 and COMESA main portals.
- In conjunction with the Information Resource Centre, provided training and support to administrative assistants and secretaries to manage the COMESA Intranet<sup>7</sup>. Additionally, layout enhancement of the platform was undertaken;
- Continued to provide a secure, uninterrupted operating environment. IT infrastructure was enhanced taking on-board the 50 MAWSP equipment which provided huge savings on cloud hosting costs. The following systems and services continued to be provided to staff and stakeholders, email, internet access, robust backup and redundancy, unified threat management systems, authentication and authorization, corporate collaboration platform, hosting, and virtual meetings platforms (Teams and Zoom);
- Provided an online signature signing solution (GMO Sign) to promote a paperless environment;
- For the automation of internal business processes, supported the development of the COMESA e-Procurement which is work in progress; and
- Facilitated the development processes of the monitoring & evaluation and trade in services negotiations portals.

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5 <https://raeresacomesa.int>

6 <https://satsd.comesa.int>.

7 <https://intranet.comesa.int>

## 13. HUMAN RESOURCES AND ADMINISTRATION

The Division of Human Resources and Administration is responsible for providing comprehensive administrative and operational support to the COMESA Secretariat and its Member States. The Division's core mission is to enhance the efficiency and effectiveness of the Secretariat through services such as human resource management, knowledge and information services, conferencing, procurement, and general support services. These functions are instrumental in supporting the Secretariat's ability to implement its planned activities and programs as well as assisting Member States in achieving the objectives of the 2021 – 2025 MTSP objectives and COMESA's regional integration agenda.

During the reporting, the Division's four units: Human Resources, Information and Resource Center, Conferences, and Procurement and General Services contributed significantly to the smooth operations of the Secretariat, ensuring alignment with the 2021 – 2025 MTSP objectives.

### 13.1. Human Resources Unit

The Human Resources Unit is integral to the success of the regional integration agenda, as it is overseas the management of the Secretariat's most valuable asset, its staff. The following key activities were undertaken during the reporting period:

- Organizational restructuring: Following the Council's approval of Phase 1 of the Secretariat's Organizational Structure will bring eight programmatic staff to the Secretariat at the beginning of 2024, the Unit will continue with the restructuring exercise and obtain approval to proceed with Phase II which would bring additional four staff that will join the Secretariat in 2025;
- Recruitment: Recruitment continued to be the key activity in the Unit resulting from the increased number of vacant positions through the implementation of phase 1 of the ongoing organizational restructuring that saw the approval of eight newly created professional positions, and the filling of four positions that had fallen vacant. The Unit also facilitated the recruitment of executive positions for its institutions namely: COMESA Leather and Leather Product Institute (ALLPI) and COMESA Yellow Card Scheme;
- Cost of living adjustment: The Unit, in collaboration with the Division of Budget and Finance, successfully secured approval for a 15% cost-of-living adjustment for staff, to be implemented over 2 years, helping offset the impact of rising commodity prices on salaries;
- Medical scheme: Consistent with valuing its staff as the most important asset and due to the realization, that a healthy and productive workforce is key to the achievement of its goals and objective, the Secretariat through the Human Resources Unit continued to provide medical insurance cover to its staff;
- Staff welfare: As part of the Staff Welfare program, the Unit in collaboration with the medical insurance provider provided a Health Talk to staff on non-communicable diseases and facilitated staff screening for various health conditions. The Unit continued to support sports and fitness activities such as aerobics sessions and football with a view of improving the physical and mental well-being of staff; and
- COMESA scholarship: In collaboration with the Division of Trade and Customs, the Unit facilitated the 3<sup>rd</sup> cohort selection and engagement of students from all COMESA Member States to participate in this master's degree. The objective of the program is to provide academic yet practical training on Regional Economic Integration.



### **13.2. Information and Resource Center**

The Information and Resource Center Unit plays a critical role in managing, securing, and disseminating the Secretariat's intellectual capital resources. It supports knowledge management, research and regional integration activities, aligning with the goals of the MTSP 2021-2025. The Unit plays a critical role in enhancing Secretariat operations efficiency in streamlining records management practices and archiving. In line with the current MTSP 2021 – 2025, the Unit leveraged on digital technologies to enhance service delivery and achieved its mandate under the following:

- Research support and information services: The Unit provided enhanced digital information management and access to its wide clientele in support of COMESA programs and the COMESA Virtual Master's Degree in Regional Integration through appropriate information systems. Research support services are now fully digitized and this includes a digital repository of all flagship publications, upgraded liberty online catalogue, MyLOFT - a federated search platform that aggregates online journals, e-Books and online databases, annual subscriptions to authoritative subject databases, such as ScienceDirect, JSTOR, EBSCO as well as collaborative e-resources sharing with reputable e-libraries such as IMF e-Library, OECD i-Library, World Bank e-Library, UN Research4Live among a host of other databases. The electronic resources link is now accessible from COMESA website under Resources, e-resources. The unit carried out regular virtual training sessions for information users;
- Records management: To achieve operational efficiency through seamless flow of information at the Secretariat, the Unit implemented the Secretariat Records Management Policy and Retention and Disposal Schedule. This culminated into every division having a fully functional filing index to guide records management practices and the development of a master file index for the entire Secretariat. The Intranet is the central depository of internal records and documents providing an all-time access to information to all staff of the Secretariat in respective divisions and units. Plans

are at an advanced stage to source for an Electronic Document Management System to streamline information management and workflow within the Secretariat. Security of information, both digital and print has been given prominence through various mechanisms both physical secure storage as well as digital controls. Special attention has been given on protection of personal data through user login credentials and necessary data access restrictions. Intensive training was done to all Secretariat staff on records management practices as well as electronic archiving; and

- Knowledge management: As the custodian of organizational memory, the Unit continued to maintain archival copies of COMESA history including Council Reports, COMESA working documents, Council decisions, reserve publications, and program reports. The Unit is at the Center of knowledge and information sharing within the Secretariat, Member States, collaborative and knowledge exchange partners for which it continues to forge strong relationships in the region and globally. The Unit participated in various international trade fairs in Member States, seminars, and workshops to educate, inform and disseminate information. During the period under review, the Unit participated in various Member States knowledge and Information sharing sessions namely: Cairo International Trade Fair; Rwanda International Trade Fair, Kampala International Trade Fair, Nairobi International Trade Fair, Djibouti International Trade Fair, and the COMESA Summit in Zambia.

### **13.3. Procurement and General Services Unit**

The Unit supported the procurement of goods, works, and services for the Secretariat and its institutions and specialized agencies based on key principles such as transparency, competitiveness, and cost-effectiveness to enable them to achieve the strategic objectives outlined in the MTSP 2021– 2025.

The activities undertaken during the period under review include:

- Development of the annual procurement plan in consultation with stakeholders and in line with the Procurement Rules, which enabled the Secretariat to carry out all procurement in a systematic and coordinated manner;
- Provision of services to user divisions, Units and COMESA institutions, including consultancy services and procurement of goods and equipment in line with the approved budget, workplan and the procurement plan;
- Coordination of the development of an Electronic Procurement system that will automate and digitalize the procurement processes which will culminate in the reduction of the turnaround time on all procurements by eliminating duplications;
- Through the Estates Section, facilitated the maintenance and rehabilitation of COMESA premises, properties and assets and equipping the offices with all the required logistics to ensure that staff have a conducive work environment;
- Through the Travel Section, facilitated the provision of travel services for staff, delegates, and other stakeholders for both inland and air travel so that they can implement COMESA programs and activities in the Member States;
- Supported several Member States Meetings, workshops, and conferences through timely acquisition of meeting venues, conferences facilities, transport and logistics of all the delegates; and
- Provision of technical assistance and professional capacity building to COMESA Institutions such as RIA, COMFWB, Yellow Card, CBC and RAERESA in matters related to Procurement.

### 13.4. Conference Services and Documentation Unit

The Conference Services Unit provides conference management and documentation support services to the Secretariat, Member States, and other relevant stakeholders. Support services comprise the identification and customization of conference facilities, documentation support, translation, and interpretation services as well as the provision of general meetings and workshops management support systems. The Unit's main goal is to ensure that services are delivered in a professional, efficient, and standardized manner, which is consistent with the overall goals of COMESA as guided by the MTSP and stakeholder expectations. The Unit serves as the organization's multi-lingual (English, French and Arabic) meetings management and document processing center, which offers tailor-made services to all the arms of the organization, guided by expressed and prescribed needs.

The Unit undertook the following key activities:

- **Translation and interpretation:** Carried out its translation and interpretation responsibilities effectively and in line with the standard and responsive to the needs of stakeholders and ensured that all meetings and workshops were serviced accordingly. The quality of translation in the COMESA languages, Arabic, French and English was appropriate, timeous and consistent with international standards, while identified shortcomings were addressed through the Unit's total quality management processes. The Unit applied its quality management and assurance strategy very well, evaluating its performance and output against best practices. All services were delivered in a satisfactory manner, working with in-house and outsourced professionals, ensuring the highest possible standards, by commending good performance, while reprimanding and reviewing any shortcomings among teams.
- **Documentation:** The document tracking system established in 2022 was continuously tested and improved on, to establish an efficient records management process, which is traceable and user-friendly. It is envisaged that the system, a foundation that feeds into the organization-wide document management system when established will be integrated seamlessly. Reports from meetings were filed in all the 3 COMESA languages while annexes and working documents were filed in line with guidance from source divisions and units. The Unit also provided editing and quality control services on working documents, letters and memoranda from Units and Divisions across the Secretariat.
- **Management of Meetings:** Meeting room logistics, ushering, room set up, décor and protocol matters were well organized to the satisfaction of delegates and stakeholders. The Unit collaborated with the Information Technology and Networking Division, to refocus the document control system to create a partnership that ensured all scheduled meetings ran seamlessly, using the Secretariat's paperless system, as well as on-line platforms such as Zoom and Microsoft Teams.

## 14. BUDGET AND FINANCE

### 14.1. Finance and Grants

In accordance with the COMESA financial rules and regulations, the Secretary General is responsible for the preparation of the COMESA – Secretariat financial statements. These statements, which include the statement of financial position as of 31 December 2023, the statements of income, expenditure, changes in accumulated funds, and cash flows, are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the COMESA Treaty.

The Secretary General also ensures the implementation of adequate internal controls to prepare financial statements that are free from material misstatement whether due to fraud or error. Further, she is tasked with maintaining sufficient accounting records and an effective risk management system.

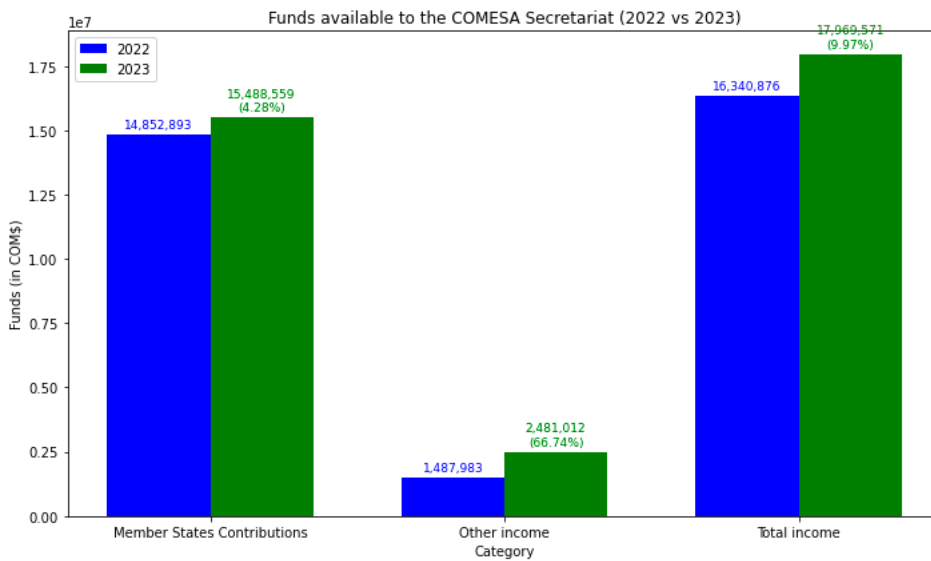
The Secretary General has assessed the COMESA - Secretariat's ability to continue as a going concern and has no reason to believe the Secretariat will not be a going concern in the year ahead.

The auditor's responsibility is to report on whether the financial statements present a true and fair view under the relevant financial reporting framework.

In 2023, the Secretariat recorded an operating surplus of COM\$ 3,349,225 in 2023 (2022: COM\$ 4,352,894). The total income for 2023 was COM\$17,969,571, a 9.97% increase from the 2022 income of COM\$ 16,340,876.

Analysis of the income recognised in the year is presented in Figure 23:

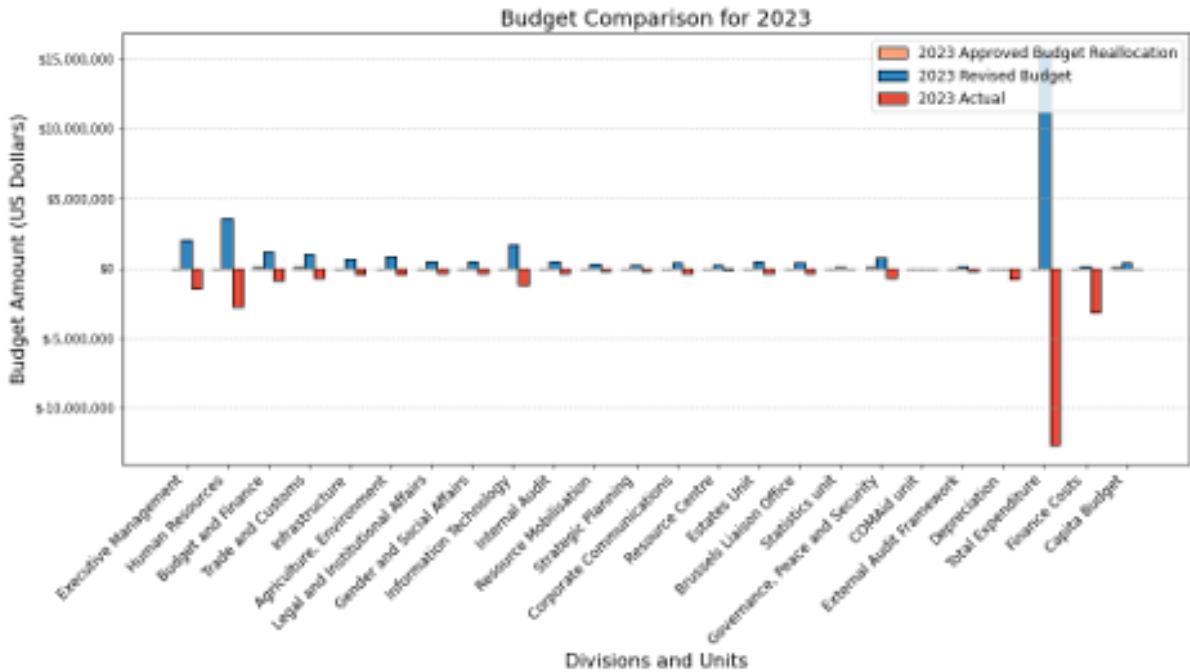
*Figure 23: Funds available to the COMESA Secretariat towards implementation of COMESA programs in the period 1 January to 31 December 2023 (in COM\$)*



The total expenditure for 2023 amounted to COM\$12,657,465, reflecting a 2.42% increase from COM\$ 12,358,377 in 2022. The Secretariat achieved a utilisation rate of 96.94% (Budget: COM\$ 15,527,051; Actual: COM\$ 15,051,171 excluding, depreciation of COM\$ 796,445 on funds provided by Member States).

Based on the figure below, the division with the highest budget allocation for 2023 was Human Resources and Administration, with a budget of \$3,664,813. On the other hand, the unit with the lowest budget allocation was the Statistics Unit, with a budget of \$60,000.

Figure 24: Budget allocation to different divisions and units



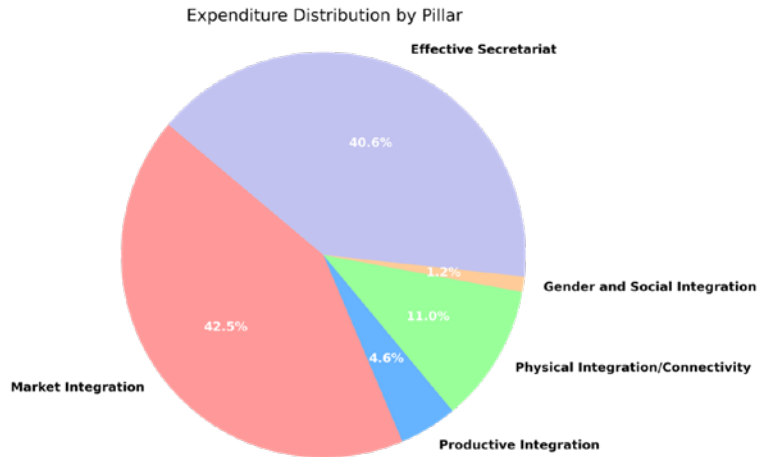
The Secretariat’s assets increased by 1.26%, from COM\$ 80,686,203 in 2022 to COM\$ 81,703,224 in 2023. Included in these funds are outstanding assessed annual contributions amounting to COM\$ 19,393,716 (2022: COM\$ 21,772,890).

### 14.2. COMESA Secretariat Expenditure by Pillar

Between 1 January 2021 and 31 December 2023, the COMESA Secretariat allocated a total of \$112,556,002.75 across five key pillars. The largest expenditures were directed towards market integration (\$47.8 million, 42.50%) and effective Secretariat (\$45.7 million, 40.61%), reflecting a strong emphasis on enhancing trade integration and administrative efficiency. Physical Integration/Connectivity received \$12.4 million (11.03%), supporting infrastructure development, while Productive Integration (\$5.2 million, 4.64%) and Gender and Social Integration (\$1.4 million, 1.23%) were allocated comparatively lower funds, indicating potential areas for increased investment to promote inclusive and comprehensive regional development. This expenditure distribution underscores the Secretariat’s strategic focus on economic integration and operational effectiveness but suggests a need for balanced resource allocation to ensure sustainable and inclusive growth across all pillars.



Figure 25: Expenditure distribution by pillar



### 14.3. Events after the Reporting Date

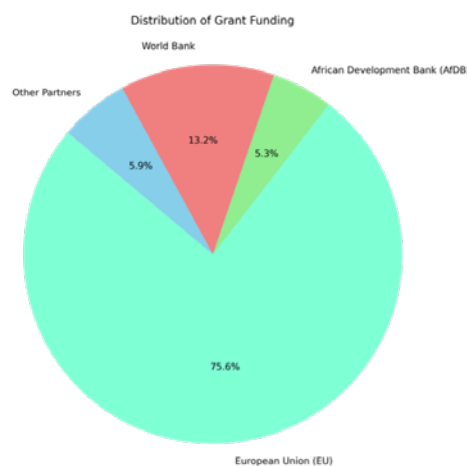
No events or circumstances have arisen between the financial year-end and the date of this report that materially affect the interpretation of these financial statements.

### 14.4. Grant Funding and Utilization Overview

The total grant funding amounted to US\$136,682,299, with cumulative expenditure of US\$48,320,020, leaving a grant balance of US\$90,140,223. The overall absorption rate for all grants is 35%, indicating areas where absorption rates need improvement to ensure effective utilization of grant funds.

The funding sources for these grants come from multiple funding entities, including the European Union (EU), African Development Bank (AfDB), World Bank, and other cooperating partners. The EU contributes the majority share of funds, accounting for approximately 75.6% of the total grant amount. The AfDB provides around 5.3% of the total funding, while the World Bank contributes about 13.2%. Other cooperating partners collectively contribute about 5.9% of the total grant funding.

Figure 26: Sources of Grants



The aforementioned diverse funding sources underscore the importance of collaborative effort in supporting various development programs, with the EU being the primary contributor. It is essential to acknowledge the combined efforts of these funding entities in driving positive impact and sustainable development across the supported projects and programs.



3

# OPERATIONS OF COMESA INSTITUTIONS

## ZEP-RE (PTA REINSURANCE COMPANY)

ZEP-RE (PTA Reinsurance Company) is an institution of COMESA, established by an Agreement signed by Heads of State and Governments on 23 November 1990 in Mbabane, Swaziland (current Eswatini).

### Signatories and shareholding

The signatory Member States to the Agreement include Angola, Burundi, Comoros, Djibouti, D.R. Congo, Ethiopia, Eritrea, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, Somali, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe. ZEP-RE is headquartered in Nairobi, Kenya, and operates eight country offices in Abidjan, Addis Ababa, Harare, Kampala, Khartoum, Kigali, Kinshasa, and Lusaka.

ZEP-RE currently has 41 shareholders, including eight governments (Djibouti, Ethiopia, Kenya, Mauritius, Rwanda, Somalia, Sudan, and Zambia), 13 government-owned insurance and reinsurance companies, 16 private companies, 2 COMESA institutions (the COMESA Secretariat and TDB), and two development finance institutions (AfDB and DEG).

### Vision and mandate

ZEP-RE's vision is to become a leading reinsurer in Africa. To achieve this objective, the company's current strategic plan focuses on various key business objectives, including identifying, developing, and maintaining a sustainable business growth model that emphasizes profitability, enhancing shareholder value, practicing sound risk management and contributing to the economic development of the COMESA region. The company is also working with Member States to implement policies that enable access to insurance services and ensure premium retention, promote increased insurance penetration in the region, and increase investments within the region.

## 2023 Business and Finance Performance

### Performance of regional economies

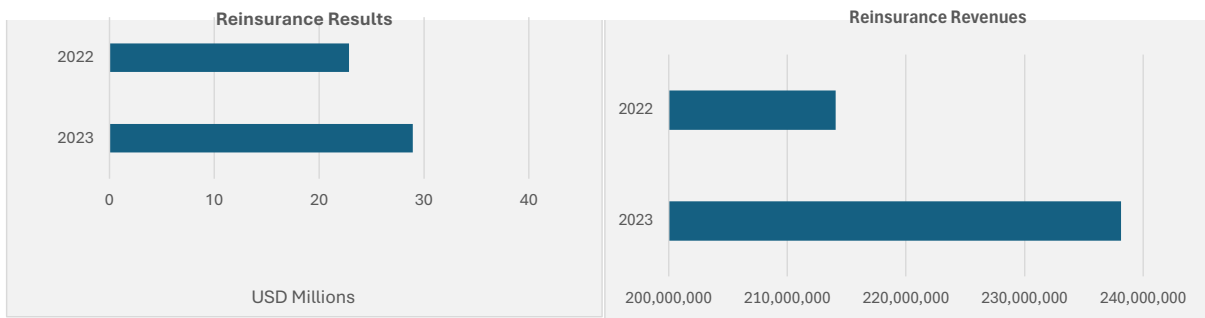
According to the IMF, GDP growth in sub-Saharan Africa slowed to 3.3% in 2023 from 4% in 2022. Despite a positive performance in selected countries, overall, economic slowdown in developed markets and tight financial conditions continue to weigh on economic activity within Sub-Saharan Africa. High debt burdens remain a key issue for many African economies, with 33% of African countries reporting debt-to-GDP ratios of over 70% above the 60% threshold for debt sustainability. Increasing global interest rates crowd out African countries from accessing global capital markets for debt refinancing, which exacerbated the situation.

### Company performance

The growth of Insurance markets remained subdued. The company managed to register an 11.2% growth in reinsurance revenue over the previous year, showing remarkable resilience despite a slowdown in the regional economic block. Kenya remained the largest contributor to the company's business in 2023, followed by Zambia, Uganda, Zimbabwe, Tanzania, the Democratic Republic of Congo and Ethiopia. Underwriting discipline remained the company's top priority, and selective risk acceptance resulted in a more stable loss ratio.

The company collected US\$238.13 million in reinsurance revenue for the year 2023, which represents a growth of 11.25% from US\$ 214.6 million reported in 2022. This performance was mainly attributable to new business from key markets, which posted double-digit growth rates. The company achieved positive underwriting results in a financial year characterized by continued pressures on premium rates, price undercutting and low insurance penetration. The insurance service result in 2023 was US\$ 28.93 million, representing a 24.25% growth from US\$22.86 million in 2022.

Figure 27: Reinsurance Revenue



The company posted a profit of US\$ 14.19 million in 2023, a 55% decline compared to a profit of US\$ 31.6 million reported in 2022. The decline was mainly due to lower investment income and the impact of exchange losses arising from the depreciation of major African currencies. Shareholders' funds as of 31 December 2023 stood at US\$ 336.56 million against US\$ 318.02 million in 2022, representing a 5.8% increase mainly due to new capital invested in the company and retained earnings from the period's profit. The company's total assets in 2023 amounted to US\$ 481 million.

Figure 28: Company's Profits and Assets

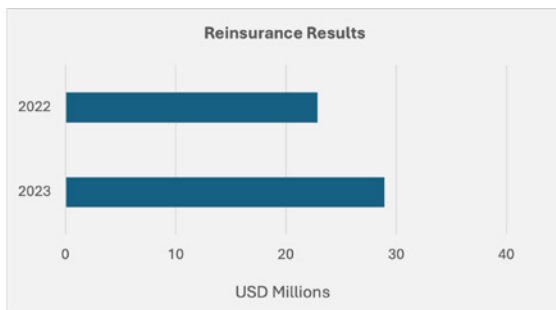


Table 19: Key performance indicators in 2023.

	2023	2022
Reinsurance Revenue	238,134,146	214,060,258
Reinsurance Expenses	140,860,167	113,366,989
Reinsurance Results	28,927,594	22,860,799
Profit for the Year	14,187,025	31,613,756
Total Equity	336,558,890	318,021,939
<b>Total Assets</b>	<b>481,006,249</b>	<b>409,587,130</b>

### Development and Impact Report

ZEP-RE remains committed to supporting regional growth through policies and activities that enhance insurance penetration, innovation and financial inclusion.

### Trade, development, and financial inclusion

In 2023, ZEP-RE collaborated with regional governments to formulate policies for sustainable insurance markets, financial inclusion and the growth of microinsurance in agriculture.

### **Regional policy support**

The 43rd COMESA Council of Ministers urged Member States to leverage ZEP-RE's technical resources, including Acre Africa Ltd, to develop policies for financial inclusion. ZEP-RE is now involved in COMESA's agricultural and climate resilience initiatives for 2024.

### **Country specific initiatives**

In the Democratic Republic of Congo, ZEP-RE partnered with ARCA to improve reinsurance premium retention and mandatory insurance classes for a national agricultural insurance scheme. In Malawi, the company invested in capacity building and explored the implementation of a National Agricultural Insurance Scheme with ongoing negotiations about the establishment of a country office. In Zambia, the company supported the implementation of the new Insurance Act through stakeholder engagement, subsidiary regulations and reinsurance guidelines for 2024. ZEP-RE also engaged with regulators to improve underwriting standards and technical capacity in the Ethiopian and Tanzanian markets.

### **Micro insurance initiatives**

The company supported financial inclusion initiatives in the Democratic Republic of Congo, Malawi and Zambia to develop micro-insurance frameworks that provide coverage to the over 10 million uninsured people in these countries. The company also provided technical support to develop National Agricultural Schemes in DRC, Malawi, and Tanzania, home to a potential four million farmer households in need of crop insurance.

In Zambia, the company supported food security programs covering millions of farmers and paid out an estimated ZMW120 million (US\$ 4.8 million) in crop losses. The company is also working with the International Finance Corporation and the government of Zambia through the Pensions and Insurance Authority to provide technical support to improve climate insurance. The expected impact of this exercise will be the design of at least 3 products and 1,500,000 insurance policies, newly developed policies and improved regulatory framework and skills transfer within the market.

### **Regional trade**


ZEP-RE manages reinsurance pools for the COMESA Yellow Card and RCTG schemes which promote regional trade through motor vehicle insurance and customs guarantees.

In 2023, a total of 308,844 yellow cards were issued generating a total premium of US\$ 17.23m during the period, reflecting growth of 20.3% in the number of cards issued and 17% in premiums. The reinsurance pool recorded a premium income of US\$ 4.7 million, a 6% increase from the prior year's premium of US\$ 4.4 million. The pool's investment portfolio grew by 15% in 2022 rising from US\$ 18,738,923 to US\$ 21,468,642. The reinsurance pool recorded a profit of US\$ 3,818,752 in 2022, a 15.1% increase compared to the prior year. This strong profitability is primarily due to the pool's robust technical performance in 2022.

The COMESA RCTG scheme saw over 1,238 bonds issued in 2023, worth US\$ 718.6 million. Over 401,120 carnets were issued for the transfer of goods in the Northern corridor, marking an increase of 21.3% compared to the previous year. The scheme remains vital in supporting intra-COMESA trade worth over US\$ 10 billion in the active corridor. The RCTG reinsurance pool premium income for the year was US\$ 1,078,476, and its investment portfolio grew by 40.1% to US\$ 1,987,968. The RCTG reinsurance pool also recorded a profit of US\$ 357,914, a 29.8% increase from the previous year.

### **Climate Risk Adaptation and Mitigation (the DRIVE program)**

The DRIVE program enhances pastoralists' financial access to drought mitigation measures and supports trade facilitation of livestock. The program is currently being implemented in Djibouti, Ethiopia, Kenya, and Somalia. As the implementing agent for component 1, ZEP-RE has allocated US\$ 179 million towards providing integrated financial services. These services include parametric drought insurance, savings incentives, digital accounts and financial literacy initiatives.



The program has had a significant positive impact on communities in the Horn of Africa, providing 1.6 million pastoralists with access to financial services. It successfully mobilized over US\$ 572 million in private capital to support its initiatives. Through these efforts, the program connected more than 2,500 pastoralist groups to markets, enabled climate adaptation, improved herd management and introduced mitigation strategies for pastoral communities.

### **Training and capacity building – The ZEP-RE Academy**

Established in 2016, the academy trains insurance personnel, conducts research, develops underwriting manuals and mentors young leaders. It collaborates with regulators, international institutes and local associations to meet training needs. Its achievements in 2023 include:

- Growing the brand: The academy expanded online and in-person training programs, developed curricula, conducted research and published a quarterly newsletter. The academy aims to become Africa's leading data resource institute for the insurance industry;
- Delivery of the academy flagship program: In 2023, the academy trained and certified 108 professionals through webinars and workshops, including its flagship program titled Proficiency in Short-Term Reinsurance Practice (PSTRP);
- Capacity-building for the DRIVE Program: The academy developed training curricula and awareness raising tools for stakeholders in the DRIVE project, and used these tools to train 4,200 participants across Kenya, Somalia, and Ethiopia;
- Climate Insurance Project: The academy provided training and capacity building to 157 participants, raising awareness about index and climate insurance among farmers and stakeholders;
- Capacity Building for Regulators: The academy conducted workshops and engagements with regulators in Tanzania and Somalia to support financial stability, solvency, market conduct and legislative development; and
- Collaboration with industry partners: The academy also collaborated with various institutions to offer specialized training, enhancing industry skills in medical and engineering insurance, insurance defects, and financial lines.

### **Insurtech**

ZEP-RE aims to lead technological innovation in the insurance market through strategic investments, capacity building and cutting-edge research.

In 2023, the company made significant investments in Insurtech to enhance claims processing, customer service and fraud detection in the region's insurance industry. The company launched an innovation hub cohort, incubating five solutions from 90 pitches, with three startups progressing to market rollout. This initiative not only created job opportunities but also increased market interest. The company also continued its partnerships with telematics service providers, such as Altron, to transform motor insurance products. Positive feedback from the pilot program indicated potential for cost reductions and improved customer satisfaction.

In conclusion, ZEP-RE's business and impact objectives for 2023 focused on creating shareholder value, providing capacity to the region's insurance industry, and enhancing its impact initiatives to foster regional growth and sustainability. This includes policy support for governments, market development, financial inclusion and advancements in Insurtech.

## THE COMESA REGIONAL INVESTMENT AGENCY (COMESA RIA)

Established in 2006 in Egypt, Cairo, the COMESA Regional Investment Agency (COMESA RIA) is an institution of COMESA. Its mandate is to position the economic block as a prime destination for both regional and international investors while simultaneously bolstering national investment through focused activities in investment promotion, facilitation and advocacy.

In 2023, COMESA RIA made strides in enhancing the region's visibility as a preferred investment destination. This was achieved through the implementation of various digital marketing campaigns, and strategic partnerships with international investment-related conferences. Furthermore, COMESA RIA focused on enhancing the capacities of officials from Member States' National Investment Promotion agencies (NIPAs) and investor service centers by conducting various regional capacity building workshops and experience sharing events. Key topics covered included amongst others sectoral investment incentives, next wave of sectors post COVID-19 and the development of Investor Tracking systems (ITS). In addition, COMESA RIA also produced country-specific business guides for two Member States and a regional publication on investment opportunities in the region.

### Capacity-Building Activities for COMESA Member States NIPAs

- COMESA NIPAs experience sharing and networking seminar: In February 2023, Mahé, Seychelles, COMESA RIA organized the second edition of the seminar. This event served as a vital platform for COMESA NIPAs to exchange successful experiences, share business models and establish tangible bilateral cooperation amongst them. 20 CEOs and officials from National Investment Promotion Agencies from 17 Member States attended the seminar. The heads of NIPAs committed to the following actions and priorities for their institutions, including on joint collaboration:
  - Maintain a record of progress on the action plan and share good practices on the RIA knowledge platform to facilitate appreciation and learning among Member States;
  - Continue to engage in bilateral joint promotion activities and map common sectors and value chains with high investment potential;
  - Form internal task forces within IPAs to ensure standardized, up-to-date information and include up to date key contacts in the investment map project contact card;
  - Review, and where possible restructure incentive structures to align with and target the Sustainable Development Goals (SDGs); and
  - More visible intra-agency collaboration and sharing of these updates with the COMESA RIA team.
- Participation of COMESA NIPAs in various workshops held during the Annual Investment Meeting (AIM2023) in Abu Dhabi, United Arab Emirates. The workshops covered the following topics:
  - Opportunities for FDI attraction through data and innovative digital tools;
  - New age IPAs: Aligning with the changing world order (WAIPA); and
  - The future of investment promotion – NxtZones.
- Regional capacity building webinar on the Next Wave of Sectors post COVID-19: This webinar provided more than 100 CEOs and officials of COMESA NIPAs with updated information on state of different sectors post COVID-19. It highlighted key trends driving sectoral growth as well as opportunities for NIPAs to attract and retain FDI in these sectors;
- Regional capacity building programme on Sectoral Investment Incentives: This webinar, attended by 79 officials from COMESA NIPAs, focused on sharing successful cases from regional and global IPAs. Participants gained insights into providing effective sectoral incentives their implementation and learnt how to monitor their effectiveness in attracting further investments;
- Experience sharing event between Eswatini Investment Promotion Agency (EIPA) and Rwanda



- Development Board (RDB): The event facilitated the exchange of best practices in establishing and managing Investors Service Centres (One-Stop-Shop); and
- Update of the COMESA Knowledge Centre (KC): The knowledge centre was enriched with 29 new resources, including regional and international reports as well as training materials from COMESA RIA capacity building workshops.

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

In 2023, COMESA RIA actively facilitated the participation of NIPAs and government representatives from COMESA Member States in key international investment forums and enhanced digital outreach efforts:

- Participation in the Annual Investment Meeting (AIM) 2023: COMESA RIA facilitated the engagement of NIPAs and government representatives of COMESA Member States in the AIM 2023, held in Abu Dhabi, United Arab Emirates. The event featured active participation from NIPAs from Burundi, DR Congo, Madagascar, Mauritius, Seychelles, Uganda and Zimbabwe;
- Participation in the Africa Investment Conference (AFSIC 2023): COMESA RIA supported the involvement of COMESA NIPAs at the AFSIC 2023 in London, United Kingdom. The event showcased and promoted investment opportunities within the COMESA region to potential investors and businesses. COMESA NIPAs participated actively and organized various country investment summits for Egypt, Ethiopia, Mauritius, Rwanda, Seychelles, and Zambia. As a direct result of AFSIC 2022, the Rwanda Development Board is currently in the process of concluding two investment deals that originated from its participation at the event;
- Country-specific digital marketing campaigns: COMESA RIA implemented various country-specific digital marketing campaigns to raise awareness among potential investors about the attractiveness of COMESA Member States as investment destinations; and
- Digital stakeholder engagement: COMESA RIA maintained continuous communication with 10,000 FDI stakeholders in its database. Through quarterly e-newsletters and an online platform, stakeholders received continuous updates on COMESA RIA's activities and important business developments in the COMESA region and its Member States.

### **COMESA RIA as an Information Hub for Investors and FDI Stakeholders**

- 2023 COMESA Investment Teaser: This publication identified more than 200 investment opportunities in different sectors of strategic importance to COMESA Member States. Most of the projects were supported by sufficient documentation including feasibility studies, pre-feasibility analyses and project concept papers;
- Practical Guides to Doing Business in Djibouti: The guide was developed to provide investors with an overview of each country's investment and business climate. The guide offers essential information for investors to consider during their decision-making process; and
- COMESA Investment Map: As part of its strategy to enhance investment promotion efforts, COMESA RIA launched its online Investment Map of the region. The map includes information on all investment opportunities identified by Member State NIPAs as well as complete profiles of all COMESA Member States. The Investment Map fits within a broader effort to enhance the existing digital solution platform, aimed at promoting existing investment opportunities, generating leads, increasing regional and member state visibility and as a result contributing to COMESA's integration agenda.

## THE COMESA MONETARY INSTITUTE (CMI)

Since its establishment, the COMESA Monetary Institute (CMI) focuses on the implementation of two key programs. First is the COMESA Monetary Integration Program executed through the COMESA Multilateral Macroeconomic Surveillance Framework. This involves regular assessments of Member States' performance in terms of macroeconomic convergence. The primary goal of this intervention is to ensure the viability and sustainability of COMESA's monetary integration agenda, fostering a zone of macroeconomic stability. Second is the COMESA Financial System Development and Stability Plan. This program involves the regular assessment of Member States' financial systems development. The main objective of this intervention is to achieve Regional Financial Integration (RFI).

To support improvement in macroeconomic management and financial stability in the region, CMI conducted various capacity development activities including training, workshops and country-specific research activities. These efforts are aimed at strengthening the COMESA region's Monetary and Financial Integration Programs. The main tasks accomplished by CMI in 2023:

### Capacity Building Activities

In 2023, the COMESA Monetary Institute (CMI) conducted the following trainings:

- Application of econometric software to cross-sectional survey data using financial inclusion data and its implication for financial stability;
- Basic analysis of various monetary policy transmission channels using a Dynamic Stochastic General Equilibrium (DSGE) modeling framework;
- Modeling and forecasting volatility in financial markets;
- Practical application of a Bayesian vector auto regression (BVAR) approach to analyze monetary policy transmission mechanisms, using the coding software R;
- Analytical tools for assessing risks in the financial system of developing countries;
- Intermediate analysis of various monetary policy transmission channels using a DSGE modelling framework;
- Analysis of payment systems, banking interconnectedness and system risk using network analysis;
- Application of panel vector auto regression (PVAR) using registration analysis of time series (RATS) software in the analysis of the transmission of shocks to the economy; and
- Applications of big data analysis and artificial intelligence in central banking, offered in collaboration with Central Bank of Egypt.

### Research Activities

- Undertook and validated country specific research studies, using staff from member states' central banks on the following:
  - Impact of climate change on financial stability; and
  - Exchange rate pass-through to domestic prices, analyzing the effect of exchange rate fluctuations on domestic price levels.
- Organized validation workshops for the user's guide on Basel III and Macro-prudential Surveillance.
- Published the following CMI Working Papers after a rigorous peer-review process:

- Assessing the lending channel of the monetary policy transmission mechanism in Rwanda using panel data;
- Empirical analysis of the effects of external shocks on selected macroeconomic variables: The case of Zambia;
- Assessing the bank lending channel of the monetary policy transmission mechanism in Zimbabwe: A panel data analysis;
- Empirical analysis of the effects of key external shocks on selected macroeconomic indicators in Mauritius;
- Assessing the lending channel of monetary policy transmission process in Mauritius: Evidence from panel data;
- Modelling the spillover effects of volatility in international commodity prices on financial stability in Zimbabwe;
- Inflation dynamics in Zimbabwe;
- Effects of external shocks on macroeconomic performance in Malawi;
- Impact de la volatilité des cours des produits de base sur la stabilité financière;
- Empirical analysis of the effects of key external shocks on selected macroeconomic indicators in Mauritius; and
- Modélisation et prévision de la dynamique de l'inflation en RD Congo: Une application des modèles modèle de correction d'erreur vectorielle (VECM) et Box-Jenkins.
- Completed the peer-review process of papers on the following topics in collaboration with experts from Member State central banks:
  - Interbank bank markets and effectiveness of monetary policy; and
  - Impact of financial systems developments on financial system stability.
- Commenced the peer-review process of papers on the following topics in collaboration with experts from Member State central banks:
  - Equilibrium real effective exchange rate and monetary policy implementation; and
  - The implications of FinTech on financial stability.
- Prepared the following special reports which are available on the COMESA and CMI websites:
  - Reducing the costs of remittance transfer remains: a critical policy issue for Africa;
  - Why large dependency on foreign aid yet only small detectable growth effects in low-income countries?;
  - The monetary tightening cycle and its implication on the economies of the COMESA region; and
  - Operational issues for the implementation of the inflation targeting monetary policy framework.
- Prepared the following other reports which are available on the CMI website:
  - Macroeconomic developments in the COMESA region in 2022;
  - Implementation of the COMESA assessment framework for financial system stability in 2022;
  - Analysis of macroeconomic shocks on the economies of COMESA countries; and

- COMESA-wide financial stability report for 2022.

Organized the following statutory meetings:

- Meeting of experts of the 2023 bureau to review and finalize the draft rules of procedure of the COMESA Committee of Governors of Central Banks;
- Meeting of the task force to review the COMESA financial stability assessment framework and prepare the 2022 financial stability report for the COMESA region;
- 17th meeting of the COMESA Financial System Development and Stability Sub-Committee;
- 20th meeting of the Monetary and Exchange Rates Policies Sub-Committee;
- Meeting of experts to prepare the 43rd Meeting of the bureau of the COMESA Committee of Governors of Central Banks;
- 27th meeting of the COMESA Committee on Finance and Monetary Affairs;
- 43rd meeting of the Bureau of the COMESA Committee of Governors of Central Banks; and
- 27th meeting of the COMESA Committee of Governors of Central Banks.

**Participated in the following regional and continental conferences:**

- 55th session of the Economic Commission for Africa Conference of Ministers, from March 15 - 21, 2023, Addis-Ababa, Ethiopia (Virtual);
- 2023 continental seminar of the Association of African Central Banks (AACB), May 15 - 17 2023, Yaoundé, Cameroon;
- 2023 annual meeting of the Boards of Governors of the African Development Bank (AfDB) Group, May 22 - 26, 2023, Sharm El Sheikh, Egypt;
- 2nd Sub-Committee on Tax and Illicit Financial Flows (IFFs) of the Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration, 31 May - 02 June 2023, Addis Ababa, Ethiopia;
- COMESA business forum and the 22nd summit of the COMESA Heads of State and Government, 7 - 8 June 2023, Lusaka, Zambia;
- IMF AFRITAC South (AFS) steering committee meeting, 19 June 2023, Comoros;
- 6th African Union (AU) Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration, 17 - 21 July 2023, Nairobi, Kenya;
- 5th COMESA digital financial inclusion public private dialogue: Towards operationalization of the COMESA digital retail payment scheme, 25 July 2023, Lilongwe, Malawi;
- Symposium of the Association of African Central Banks (AACB) for 2023, 3 - 4 August 2023, Livingstone, Zambia; and
- MEFMI Governors Forum on climate change and its impact on macroeconomic and financial management, 5 August 2023, Livingstone, Zambia.

## AFRICAN TRADE & INVESTMENT DEVELOPMENT INSURANCE (ATIDI)

The African Trade Insurance Agency (ATI) now operates under the brand name of the African Trade & Investment Development Insurance (ATIDI) launched in July 2023 during the 23<sup>rd</sup> annual general meeting of shareholders in Kigali, Rwanda. ATI's rebranding to ATIDI serves to emphasize the organization's increased focus on the development impact of investments and trade across the continent, hence the inclusion of "Investment and Development" in its new name. The new brand ATIDI aims to re-think risk by offering innovative risk-mitigation and financial interventions as well as expanding its capacity to facilitate financing through new avenues and solutions for trade and investment within Africa. The new brand is bold and progressive, aligning with the organization's growing stature as the largest provider of investment and trade credit insurance on the continent, whilst also symbolizing the optimism and vibrancy of the continent.

Since its establishment as a COMESA initiative in 2001, ATIDI has consistently expanded its product offer to meet the growing demand and increasing volumes of investment and trade in Africa. With its focus on improving development finance across its Member States, ATIDI's robust capitalization (US\$ 700 million in equity) and strong balance sheet positions (US\$ 9.6 billion gross exposure) as of December 2023, position ATIDI as one of the largest and most strategic development finance institutions (DFIs) in Africa, supporting countries in achieving their economic development goals.

ATIDI's financial performance in 2023 was exceptional with significant year-on-year growth across various metrics: Profit for the year increased by 203%, insurance revenues by 14%, gross exposures by 19%, total assets by 27%, equity by 25% and net insurance and investment results by 174%.

In 2023, ATIDI's gross exposure portfolio exceeded US\$ 9.6 billion worth of trade and investment projects supporting Member States in sectors such as agriculture, forestry and fishing, construction, energy and gas, financial and insurance activities, information and communication, manufacturing, mining and quarrying, transporting and storage, water supply, and wholesale and retail trade.

During the year under review, ATIDI's geographical footprint and membership base across the continent expanded significantly, now including 24 African Member States, one non-African Member State and 13 institutional shareholders. In 2023, ATIDI welcomed new shareholders including the Governments of Angola, Burkina Faso, Chad, Mali and the Japanese Nippon Export Investment Insurance (NEXI) under classes A and D2 respectively. It is expected that several AGM approved prospective shareholders will soon finalize their ATIDI membership requirements. These include the Governments of Mauritania, Mozambique, Guinea, Tunisia, Egypt and the German Development Bank (KfW). With this continuous growth of ATIDI's regional footprint, All COMESA Member States are encouraged to join ATIDI by acceding to the ATIDI Treaty to benefit from its membership, guarantees and insurance products.

Despite economic headwinds following the post COVID-19 pandemic, ATIDI posted a significant net profit of US\$ 52.9 million, reflecting a growth of 61% and an equity growth of 25% over the period. This growth was driven by additional equity received from shareholders through new memberships, reinvested dividends, capital increases, a 70% growth in gross written premiums which resulted in increased net earned premiums and commissions income and finally by a 134% growth in financial income.

In recognition of ATIDI's growing membership base, improved portfolio diversification, strong underwriting performance, profitability and capital adequacy, ATIDI's investment-grade credit rating was upgraded to A+ stable outlook by S&P and to A3 stable by Moody's. This positions ATIDI amongst Africa's highest-rated financial institutions by international rating agencies, a remarkable performance despite the challenging post COVID-19 recovery context and the difficult operating environment.

ATIDI closed the 2023 financial year with a 70% growth in gross written premium (GWP) of US\$ 226.2 million, up from US\$ 133.2 million the previous year. To further strengthen its business resilience, ATIDI implemented counter

measures and a new corporate strategy (2023 – 2027). In 2023, the organization also embarked on a number of projects including attaining higher levels of capitalization with tier 1 and tier 2 capital, implementing IFRS17 for updating annual reporting cycles retrospectively, enhancing digital transformation to improve and automate operational processes and optimizing the reinsurance retention strategy to achieve better pricing, claim reserving and leveraging of shareholder's capital. ATIDI also adopted a climate change resilient strategic framework as part of the organization's approach to tackling climate change and its wider environmental, social and governance responsibility across Member States.

Looking ahead, the next 5-year corporate strategic plan (2023 – 2027) is aligned with ATIDI's vision, mission, mandate and values, and will focus on being developmental transformational, robust and reliable (DTR<sup>2</sup>). Over the past five years, ATIDI has built a strong business and financial foundation in support of the continent's growth, achieving significant milestones, not only in expanding its sovereign and institutional shareholder base, but also in increasing equity capital and business coverage across Africa. These accomplishments successfully position ATIDI as bigger, better and more relevant as originally envisioned five years ago.

In 2023, ATIDI conducted a comprehensive review of its Treaty and associated legal instruments to align them with international best practices. Its shareholders adopted this set of fundamental revisions at the 22<sup>nd</sup> Annual General Meeting held in Accra, Ghana. The changes introduced in the ATIDI Treaty include the reclassification of classes of shares, and a revised composition of the board of directors introducing up to two independent directors. The revised edition of the ATIDI Treaty has been published and is accessible on ATIDI's website.

## **Recommendations**

With the support of COMESA Member States, institutional shareholders and DFIs, ATIDI is well-positioned to continue playing its countercyclical role as facilitator of private and multilateral lending in key development sectors such as health, education, energy and infrastructure. This support is vital to foster trade, investment and economic growth across Member States.

As we embrace the new corporate brand identity, we are committed to renewing our dedication to COMESA Member States and seize this opportunity to:

- Invite all COMESA Member States who are not yet ATIDI members to join ATIDI by acceding to its Treaty. ATIDI membership provides access to benefits and opportunities, such as tailor-made guarantees and insurance products which are designed to mitigate trade, investment and political risks in Africa and;
- Urge ATIDI COMESA Member States with delayed payments to facilitate the refund of sovereign claims paid on their behalf by ATIDI. We request these Member States to make the necessary arrangements to reimburse ATIDI without further delay, in fulfilment of their membership obligations and in respect of ATIDI's preferred creditor status as conferred upon the institution through the parliamentary ratification of the ATIDI Treaty by Member States.

## AFRICA LEATHER AND LEATHER PRODUCT INSTITUTE (ALLPI)

The Africa Leather and Leather Products Institute (ALLPI), formerly known as the COMESA Leather and Leather Products Institute (LLPI), is an intergovernmental organization established through a Charter signed in 1990 by the Heads of State of 17 COMESA Member States.

ALLPI is mandated to facilitate the development of the leather sector in Africa by implementing interventions aimed at upgrading the sector from producing and exporting raw materials to producing and exporting finished products.

ALLPI's vision is to be Africa's premier center of excellence for a globally competitive leather sector. Its mission is to support Member States and link partners, enterprises and institutions to achieve value addition, sustainability and competitiveness in the leather sector through knowledge sharing and innovation. The 2016-2025 strategy guides ALLPI's work in alignment with the common market pillars of development.

In 2023, the institute undertook various activities in capacity building, institutional development, and business-to-business (B2B) market connections. These activities directly contribute to COMESA's four strategic pillars: market integration, productive integration, gender and social integration.

The most important activities which ALLPI accomplished in 2023 include the following:

**Design, craftsmanship and export readiness:** To support the growth of intra-Africa trade in value-added products covering both production and market integration, ALLPI has implemented the following activities:

**Training of Trainers on accessories master class product design and development:** In collaboration with the renowned Accademia Della Moda from Italy, ALLPI conducted a highly specialized training on design and product development informed by the vast knowledge and experience from the European fashion industry. The training aims to produce highly qualified designers and fashion industry managers who can elevate the manufacturing of competitive finished leather products for both domestic and export markets. ALLPI trained 15 designers from Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. These 15 trainers will further impart their skills to at least 20 SMEs in each Member State country in 2024. The focus on product design and development is critical for value addition and for the production of fashioned leather goods. The training will help SMES to improve the quality of the designs and as a result will enhance their market access.


**Young Africa Talent Design Competition 2023:** ALLPI, in partnership with the Leather & Hides Council of America (LHCA), organized the Young Africa Talent Design competition, which saw the participation of 45 young designers from ALLPI Member States. The event is part of a global marketing campaign called 'Real Leather Stay Different', which celebrates the versatility, beauty, durability and sustainability of leather. The competition aims to engage and educate young and influential designers about the history, application and sustainable features of leather. With this initiative ALLPI wishes to recognize and reward creativity, craftsmanship and innovation as well as to create ambassadors for the use leather, who will influence their peer groups and the fashion and design industries at large. The competition provides a rewarding stepping-stone for entry-level designers, encourages the development of SME-led African brands and champions the concept of 'Slow Style' as opposed to the harmful and disposable 'Fast Fashion'

ALLPI is representing Africa in this global campaign. In 2024, competition will expand to the whole of Africa in the context of the Africa Continental Free Trade Area. This further positions ALLPI as a continental and global player in the leather fashion industry; and

**Training on footwear and leather goods design, craftsmanship and export readiness:** ALLPI conducted a training for 30 SMEs in Asmara, Eritrea in footwear and leather goods design, craftsmanship and export readiness.







This initiative is part of ALLPI's ongoing work across the region to enhance the capacity of SMEs to design and manufacture eco- friendly, fashionable and high-quality leather products that meet fashion trends and international standards. The training is critical to position the COMESA region as a leather producer and contributes to the growth of intra-Africa trade under the Africa Continental Free Trade Area (AfCFTA).

**Strengthening SME clusters across the leather value chain:** ALLPI has prioritized the development of SME clusters across Member States to stimulate enterprise growth by leveraging the economies of scale from joint action and by promoting the use of shared facilities and machinery. Cluster development is one of ALLPI's flagship initiatives and has been ongoing since 2013. During the period under review, ALLPI implemented the following activities:

- Eighty actors from the leather value chain and twenty-eight government officials from four Member States (Eritrea, Malawi, Rwanda and Uganda) were trained in cluster design, establishment and governance;
- A total of 120 leather enterprises from four Member States (Eritrea, Malawi, Rwanda and Uganda) were trained in cluster formation; and
- ALLPI, in collaboration with Member States, established clusters in Asmara, Eritrea, Blantyre, Malawi, Kigali, Rwanda and Kampala, Uganda.

**Trade fairs and market access:** Market connection is critical to the market integration pillar of COMESA. ALLPI has ongoing activities to reinforce intra-Africa and global trade, which it executes annually. ALLPI implemented the following activities during the period under review:

- Facilitated the participation of nine SMEs from nine Member States - Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Zambia, and Zimbabwe - in the All-Africa Leather Fair (AALF) held in Addis Ababa, Ethiopia;
- Fourteen SMEs from Kenya and Ethiopia showcased their products at trade fairs organized in Addis Ababa, Ethiopia and Nairobi, Kenya;
- Trained 60 enterprises from Kenya and Eritrea to improve their supply chain management, marketing and market connection skills;
- Sponsored and facilitated four leather producers from Ethiopia to showcase their products at the Ethiopia Tamrit (Let Ethiopia Produce) trade fair, organized by the Ministry of Industry of the Federal Republic of Ethiopia in Addis Ababa, Ethiopia. Ethiopia Tamrit is a national effort to create a competitive manufacturing industry by solving the sector's multifaceted challenges in a sustainable, integrated and comprehensive manner;
- In partnership with the BAHAVANA World project, ALLPI facilitated a virtual meeting for selected SMEs from Kenya and Uganda to raise awareness about the expectations of United States' buyers regarding leather goods from Africa;
- Facilitated the participation of Member States in the ALLPI regional consultative forum as an opportunity to showcase their products;
- Sponsored women-owned enterprises from Ethiopia to participate in the "Yegna Mirt Exhibition" to enhance production and marketing linkages; and
- Under RECAMP III, ALLPI trained 56 personnel on the application of standards for the leather value chain, including designing leather finishing processes and producing leather products that are compliant with the market's regulatory and safety standards. The trained personnel were drawn from

14 COMESA countries: Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia, Zimbabwe, DRC, Eswatini, Madagascar and Mauritius.

**Curriculum development:** ALLPI's work is based on the Triple Helix model, which fosters collaboration between the public, private and academic sectors to drive innovation and development. Over the years, ALLPI has supported institutions in its Member States to develop curricula on leather technologies. During the period under review, ALLPI implemented the following activities:

- Trained 12 officials and eight government decision-makers on curriculum review and development in collaboration with the Rwanda TVET board.

**Business plan and integrated leather sector development:** Beyond enhancing technical skills, ALLPI also focuses on strengthening the soft side of business by supporting institutions and SMEs to develop and implement business plans in their day-to-day operations. In the same vein, ALLPI carried out the following activities during the period under review:

- Developed and validated the Zambia satellite design studio and incubation center business plan for effective and efficient facility management.
- Facilitated drafting of the Zambia integrated leather sector development initiative. This multi-institutional approach to leather sector development in Zambia is designed to improve collaboration and optimize resource utilization.

**Promoting access to finished leather for SMEs and artisans:** In line with COMESA's strategic pillar of production integration, ALLPI trained artisans to process finished leather using plant-based tanning agents to reduce the gap of vegetable tanned leather at cottage level. Plant-based materials produce less hazardous effluent than chemical-based chrome tanning material, hence promoting sustainability and environmental responsibility. These capacity-building efforts help address the challenge of limited finished leather production at cottage level while creating employment in the COMESA region and fostering the growth of artisan leather products which are of interest to the tourism industry. This ongoing project has benefitted several COMESA countries over the years. During the period under review, ALLPI implemented the following activities:

- Trained 45 artisan tanners in vegetable tanning techniques, out of which 20, 18 men and two women, were trained in Kenya while 25, 22 men and three women, were trained in Burundi.

## COMESA BUSINESS COUNCIL (CBC) – PRIVATE SECTOR VOICE

The COMESA Business Council (CBC) is a business membership organization bringing together a diverse group of businesses and associations from the region. Recognized as the regional apex body of the private sector and business community in the COMESA region, CBC operates with the vision of “Building regional, going global” and the mission “To be the leading private sector organization in Africa, that promotes competitive and interconnected industries to actively participate in regional and global markets through advocacy, business facilitation and enterprise development”.

In 2023, CBC focused on enhancing resource mobilization by broadening its membership base and strengthening its financial sustainability. CBC also developed a regional business advocacy agenda.

This report outlines the activities CBC undertook between January and December 2023, based on CBC’s four service pillars: Business policy and advocacy, business development, membership development; institutional development, as well as various projects: The digital financial inclusion project and the Federation of German Industries project. Concretely, in 2023, CBC carried out the following activities:

### **1.1. Business Policy and Advocacy**

#### **1.1.1. CBC workgroups: Platform for advocacy**

In 2023, CBC convened several sector working group meetings, including those for the pharmaceutical and healthcare services workgroup, the manufacturing workgroup and the tobacco workgroup. The sector working groups made recommendations which will inform the region’s 2024 business advocacy agenda. Key recommendations included:

- Establishing the COMESA Medicines Agency;
- Conducting a study to assess the pharmaceutical industry within the COMESA region;
- Developing a regional strategy for the pharmaceutical industry in the COMESA region;
- Promoting contract manufacturing of pharmaceutical products among Member States;
- Developing proposals to improve the standards regime within COMESA,
- Continuously tracking the guided trade initiative by the AfCFTA, including the promotion of regional value chains;
- Engaging with stakeholders on the design of a study to inform a regional track and trace system in the COMESA region and;
- Implementing the recommendations of the study on the anti-illicit trade framework for the COMESA region.

#### **1.1.2. CBC Regional Business Advocacy Agenda 2023**

During the year under review, CBC published its regional business advocacy agenda 2023, which serves as the principal framework guiding its advocacy efforts. The agenda is structured around four pillars: Enhancing the competitiveness of the private sector, improving market access, improving border management and trade facilitation and enhancing private sector participation in regional integration and continental and international trade agreements. Preparations for the next CBC Regional Business Advocacy Agenda 2024 are already underway.

## **2.2. Studies on the Anti-Illicit Trade Framework in the COMESA region and business visa**

- Study on policy proposals for the establishment of an Anti-Illicit Trade Framework in the COMESA region:

With technical support from EU Africa RISE program, CBC has published a report with policy proposals to inform the development of an Anti-Illicit Trade Framework for the COMESA region. As a next step, the report is foreseen to be launched and disseminated to COMESA policy organs for consideration.

- Study on developing a COMESA business visa scheme for Member States

CBC is collaborating with the COMESA secretariat to conduct a study on the development of an effective and functional COMESA business visa scheme for Member States. Such an instrument would facilitate the movement of businesspersons within the COMESA region, while taking into consideration that two existing protocols are already in operation to address the movement of persons within the region.

CBC expects that the outcome of this study will help shape a solution that has potential to significantly ease the movement of businesspersons within the COMESA region.

## **3.3. World Customs Organization (WCO) awareness workshop on AfCFTA rules of origin**

On 19 July 2023, CBC with the support of the EU-WCO Rules of Origin Africa hosted a one-day virtual regional awareness workshop on the AfCFTA Rules of Origin. The workshop aimed to enhance stakeholders' understanding and application of these rules in the COMESA region. At the workshop, participants agreed to organize a follow-up training session for the training of trainers.

## **3.4. 16th COMESA business forum**

On 7 June 2023, CBC, in collaboration with the COMESA Secretariat and the Government of the Republic of Zambia, convened a successful 16th COMESA Business Forum in Lusaka, Zambia. The forum themed "Economic Integration for A Thriving COMESA Anchored on Green Investment, Value Addition and Tourism" provided a platform for dialogue between the public and private sector to discuss challenges and opportunities in the COMESA region and measures to address them. The outcomes of the forum were presented as the COMESA business declaration 2023 to the 22<sup>nd</sup> Summit of the COMESA Heads of State and Government on 8 June 2023. One key action point from the summit is the development of a regional private sector development strategy for the COMESA region.

CBC extends its appreciation to the COMESA secretariat for the financial support provided through its Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) under 11<sup>th</sup> European Development Fund.

## **4.5. Business Development**

### **4.5.1. African trade observatory portal**

CBC, in collaboration with the International Trade Centre (ITC), the COMESA Secretariat and Member States chambers of commerce, held workshops on market intelligence under the African Trade Observatory (ATO) portal. These activities were supported by RECAMP under the 11th European Development Fund.

The primary objective of these workshops was to provide market information to the business community in selected COMESA Member States. With the commencement of trading under the AfCFTA, the demand for accurate market information has increased. The ATO portal offers up to date and reliable data to inform business and policy decisions and to monitor the implementation and impact of agreements.

The ATO training workshops were held in eight COMESA Member States: Zambia, Malawi, Ethiopia, Egypt, Eswatini,

Zimbabwe, Kenya, and Rwanda. In total, 500 entrepreneurs from these countries received training on market intelligence.

#### **4.5.2. Trade promotion activities - trade fairs**

CBC, in collaboration with the COMESA secretariat, participated in four international trade fairs held in Zambia, Rwanda, Kenya and Uganda. This engagement is part of CBC's outreach strategy to reach and interact with a wide range of key stakeholders including businesspeople, policymakers, educational institutions, researchers, students and the general public.

At these trade fairs, CBC offered various platforms for Business-to-Business networking, brand creation and visibility through exhibitions. The business forum also provided opportunities for businesses to network and forge new connections. These events enabled CBC to raise awareness among the business community and stakeholders about its mandate and to identify potential members.

### **4.6 Membership and communication**

#### **4.6.1. Communication**

During the period under review, CBC facilitated effective communication and the provision of business-related services through continuous engagement of its members and the broader business community in the COMESA region.

#### **4.6.2. Membership development**

CBC conducted one membership drive in Rwanda, resulting in the identification of two potential members and the recruitment of four new members.

To keep the business community informed with current business information, CBC will continue to disseminate trade and business-related information via email and its social media platforms. Identifying, retaining, and recruiting new CBC members, both in general and for workgroups, remains a key priority.

#### **4.6.3. Increased visibility**

CBC continues to increase its brand presence and visibility to Member States and the business community in innovative ways for example through platforms. In 2023, CBC enhanced the visibility of CBC projects among beneficiaries and stakeholders through wide publicity on social media channels (Facebook, Twitter, Linked-IN and Instagram) and emails with information of interest to the business community. Over 20 pieces of content related to events, trainings and meetings were shared with the business community aiming to boost visibility.

### **4.7. Institutional development**

#### **4.7.1. Recruitment of new staff**

In 2023, CBC recruited several members of staff. Under the digital financial inclusion project, CBC has a regulatory affairs officer and a procurement officer. CBC also brought three interns on board under the internship program.

#### **4.7.2. Capacity Building for Staff**

The Bill and Melinda Gates Foundation, working with the Digital Frontiers Institute, awarded scholarships to the CBC staff to undertake various short courses in digital finance and related sectors. This training is still ongoing, although most CBC staff completed some courses and received their certificates.

The Federation of German Industries (BDI) also supported CBC staff development, facilitating staff to undertake various short courses focusing on diverse fields. Two staff members enrolled in French courses whilst others are still to enroll in other courses.

#### **4.7.3. Strategic plan 2024 - 2026**

CBC was finalizing a 3-year strategic plan for 2024 – 2026, building on the previous 5-year strategic plan for 2018 – 2022. This transition between plans coincides with an ongoing unification of African market. Lessons learnt from the 2018-2022 strategic plan have been incorporated in the 2024-2026 strategic plan.

The 2024 - 2026 strategic plan seeks to reinforce CBC's commitment and approach to addressing members' issues, including membership recruitment, membership retention, services provision improvement, membership base expansion and communication. The plan also focuses on restructuring of members' platforms such as workgroups and includes the development of a sustainability plan. It is designed to help CBC strengthen its membership base, improve its responsiveness to the needs of members and bolster institutional capacity.

#### **4.7.4. Financial performance**

CBC's revenue base primarily consists of membership subscription fees from principal and corporate members as well as sponsorship and administration fees from projects. During 2023, there was a modest increase in the subscription rate of principal members from 33% in 2022 to 37% in 2023.

Conversely, contributions from corporate members slightly declined against the target from 79% in 2022 to 73% in 2023. Total revenue from principal members, corporate members and sponsorship increased from 68% in 2022 to 74% in 2023, strongly driven by full sponsorship payments for the business forum held in June 2023.

### **1. Digital financial inclusion programme**

#### **1.1. Proof of concept for COMESA digital retail instant inclusive payments platform**

The 5<sup>th</sup> COMESA DFI Public-Private Dialogue was held on 25 July 2023 in Lilongwe, Malawi to discuss the operational plan report. This is a pivotal document to advance the implementation of COMESA's retail payments scheme across the region. The report outlines the strategy, operational framework, requirements and governance arrangements, aligning the scheme's management with regional goals. As a result of this dialogue, three specialized workgroups composed of diverse experts emerged: Legal and regulatory, commercial, and technical and standards.

The COMESA digital retail instant inclusive payments platform is now in a crucial development phase, with preparations underway for comprehensive testing through a customized Proof of Concept (PoC) for the Malawi-Zambia trade corridor. The PoC serves to evaluate the proposed solution's feasibility before full-scale roll-out. Significant progress has been made, including the engagement of a contractor and the initiation of the PoC platform's deployment, which is expected to be completed by the end of November 2023.

## COMESA COMPETITION COMMISSION (CCC)

The COMESA Competition Commission (the Commission) is mandated under the COMESA Competition Regulations (the Regulation”) to promote and encourage competition within the Common Market. The Commission performs its mandate by preventing and addressing restrictive, unfair, deceptive and fraudulent business practices that impede the efficient functioning of markets. It regularly engages and cooperates with the Member States through sensitization and advocacy programs. Overall, this commitment to the promotion and maintenance of competition is crucial in advancing the regional integration agenda.

The Commission’s activities for the year 2023 were implemented following the 2023 Annual Work Program developed in line with the Commission’s 2021 - 2025 Strategic Plan. The following summary outlines progress made in executing these activities:

### 1.1 Strategic Objective: Determination of harmful conduct to competition in the market

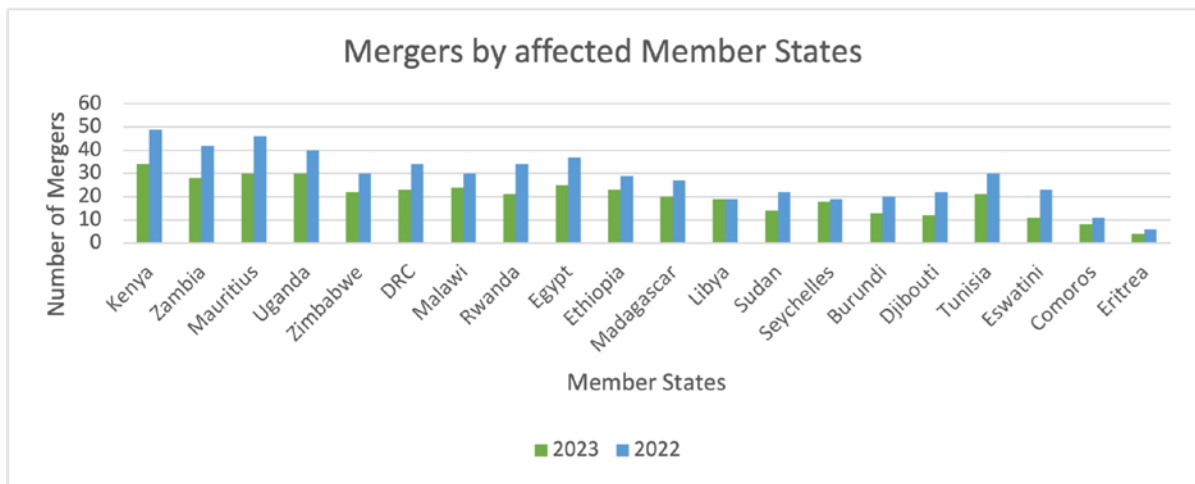
The Commission’s goals under this objective is the effective and timely assessment of mergers and restrictive business practices to prevent practices that harm competition in the region. The Commission seeks to enhance consumer protection and strengthen market monitoring to detect competition and consumer rights infringements.

### 1.2. Effective and timely assessment of competition cases

#### Mergers and Acquisitions

In 2023, the Commission received thirty-nine (39) merger applications and examined and approved thirty-one (31) within the statutory period of 120 days as stated in the Regulations. One transaction was disapproved. As illustrated in Figure 29, the mergers assessed and approved by the Commission affected all Member States in different economic sectors.

Figure 29: Number of mergers by affected Member States, 2022 and 2023



The five most affected Member States in 2023 include Kenya, Mauritius, Zambia, Uganda and Egypt. Comoros and Eritrea were least affected.

As major merger-related highlights in 2023, the Commission recorded its second approval with a divestiture remedy and its first prohibition. The approved merger subject to divestiture involved Heineken International B.V (Heineken), Namibia Breweries Limited (NBL) and Distell Group Holdings (Distel) and the prohibited merger involved Akzo Nobel N.V (AkzoNobel) as the acquiring firm and Kansai Plascon East Africa Proprietary Limited (KPEA) and Kansai

Plascon African Limited (KPAL) as acquired firms. The merging parties did not put forward an effective remedy to address the concerns identified by the Commission.

### 1.3. Restrictive business practices

In 2023, the Commission continued with the investigation of cases under Article 22 carried over from 2022, investigating and concluding seven cases. The Commission received two complaints under Article 21 and one application for authorization in the aviation sector under Article 20. Figure 30 illustrates the trends in restrictive business practices case investigations by the Commission in 2023.

Figure 30: Number of restrictive business practice cases per Member State

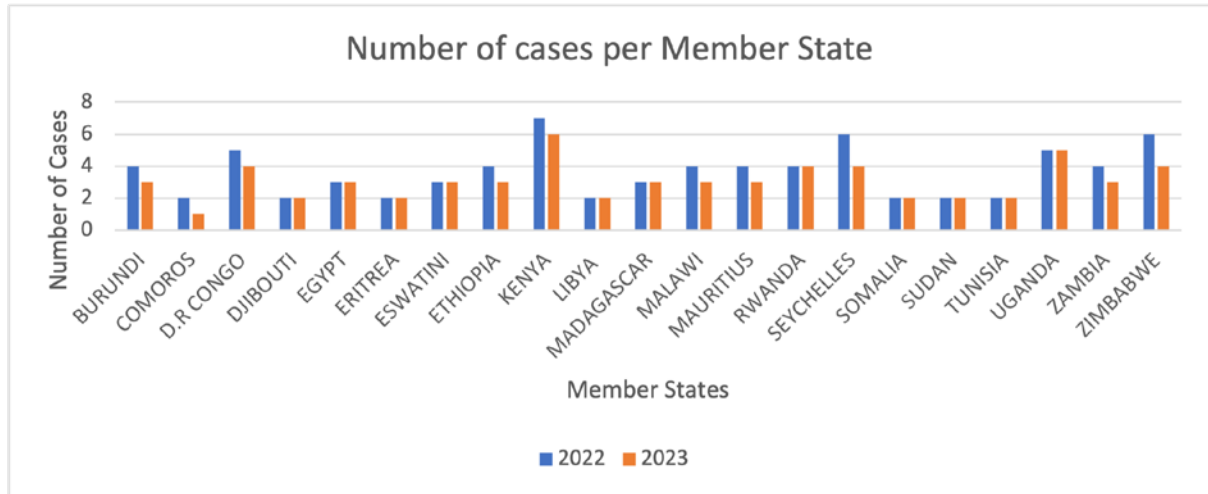


Figure 30 shows that most restrictive business practice cases handled by the Commission occurred in Kenya, followed by Uganda. Seychelles, Rwanda, DR Congo and Zimbabwe were also affected by a relatively high number of cases, while Comoros was least affected.

As a key highlight, the Commission concluded and subsequently finished a CAF and beIN violation of Article 16 of the Regulations. The Commission raised the following concerns:

- The lack of an open tender process for the award of the pay-TV broadcasting rights to CAF competitions resulted in the prevention, restriction and/or distortion of competition in the common market;
- Considering that CAF competitions took place annually or bi-annually, the duration of the exclusive beIN agreements were disproportionately long and increased the likelihood of market foreclosure; and
- The scope of media rights under the beIN agreements, coupled with the lack of an open tender process and the duration of the agreements, was excessive and therefore likely to have resulted in significant prevention and distortion of competition in the relevant markets.

The Commission gave CAF and beIN a fine of US\$ 300,000 each for breaching Article 16(1) of the Regulations. The parties made a number of commitments to address the concerns of the Commission, including to cease all media rights awarded to beIN under the Agreements and concerning its operations in the Common Market on 31 December 2024. Furthermore, CAF shall award all future exclusive media rights for CAF competitions happening in the common market based on an open, transparent and non-discriminatory tender process using objective criteria.

#### Bilateral cooperation with Member States

As part of its functions, the Commission cooperates with Member States National Competition Authorities (NCAs) in competition and consumer protection law enforcement, mainly by concluding Memorandum of Understandings



(MoUs) with Member State NCAs. These MoU's focus amongst others on the exchange of information, joint sensitization and advocacy programs, and most importantly, enforcement cooperation.

As of 31 December 2023, the Commission has MoUs in place with 16 Member States. Further to signing the MoUs, the Commission develops implementation frameworks to facilitate their smooth implementation. Key milestones in 2023 included the signing of MOUs with the Libya Council of Competition and Antitrust, the Zimbabwe Consumer Protection Commission, African Civil Aviation Commission (AFCAC) and the United Nations Economic and Social Commission for Western Asia (UN-ESCWA).

#### 1.4. Enhance consumer protection in the common market

##### Investigation of consumer complaints

In 2023, the Commission investigated eight consumer cases, down from 20 in 2022. These eight cases spanned across different economic sectors including manufacturing, pharmaceuticals, transport and ICT.

Figure 31: Number of consumer cases per Member State

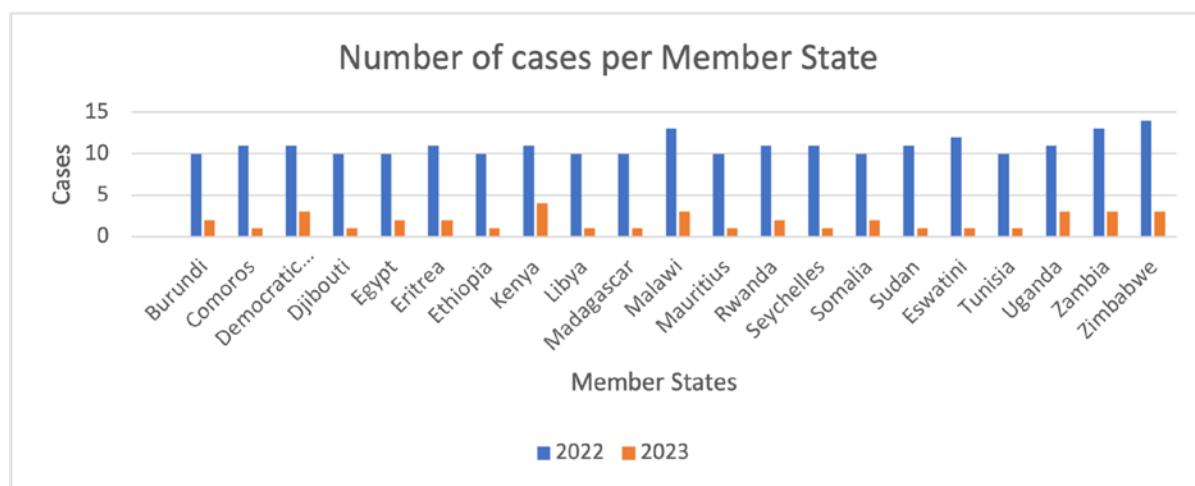


Figure 31 shows that in 2023, four consumer cases concerned c Kenya, followed by three in DR Congo, Malawi, Uganda, Zambia and Zimbabwe respectively. This is a shift from 2022 when the majority of cases occurred in Zimbabwe, Malawi and Zambia.

As a major highlight, the Commission resolved two cases involving Ethiopian Airlines. In case of the first, Sudanese passengers were compensated for damaged and lost checked-in properties and in case of the second, the airline took steps to compensate business class passengers who were denied access to the business lounge at Kamuzu Airport in Lilongwe-Malawi. After engaging the airline, the Commission was satisfied with the steps taken and closed the cases. For the purpose of safeguarding consumers from unsafe products, the Commission also issued consumer alerts on Ndola Hydrated Lime and Naturcold Cough Syrup.

#### 1.5. Strengthening research

In 2023, the Commission conducted studies on agriculture markets and took part in the ACF study on AfCFTA mergers and dominance thresholds.

**Market observatory:** In 2023, the Commission partnered with the University of Johannesburg's Centre for Competition, Regulation and Economic Development ("CCRED") to undertake Phase II of the market observatory, a study focused on fertilizer and vegetable oil markets. Results highlight that African countries continue to be net food importers while having potential for significantly greater agricultural production. Food in African cities is expensive, with prices on average 30% higher than in other developing regions of the world. Global shocks have contributed to

rising food prices including in fertilizer and vegetable oil markets. Study findings also show that non-tariff barriers and government policies distort markets and push up food prices across the East and Southern African (ESA) region, an effect that is further exacerbated by the effects of climate change.

A few players dominate fertilizer and vegetable oil markets and enjoy huge profit margins at the expense of farmers, who earn little for their produce due to a lack of storage facilities despite being critical for improved food systems. High input prices, especially for fertilizer, compromise government subsidy programs. As a result, the poor are most adversely affected by high food prices. To address these challenges, the study recommends greater collaboration on agricultural markets between regional, national and international competition, advocacy to foster policy change, continuous market and price monitoring, merger reviews using a value chain approach and post-merger reviews.

## **1.6. Strategic objective: Strengthening enforcement**

### **Enhance the legal framework and promote compliance**

During 2023, the Commission reviewed its financial rules, procurement rules and the rules on board appointment procedures, which were approved by the 44<sup>th</sup> Meeting of COMESA Council of Ministers in November 2023.

### **Enhance capacity to enforce the COMESA Competition Regulations by case officers at national competition and consumer agencies**

In 2023, the Commission provided technical assistance and capacity building to Member States to support their national competition authorities. The assistance focused on developing appropriate instruments for the effective operation of national competition authorities and the implementation of national competition legislation. In this respect, the Commission supported Burundi, Djibouti, Ethiopia, Madagascar, Malawi, Mauritius, Uganda, Rwanda and Zambia.

## **1.7. Strategic objective: Advocacy and strategic collaboration**

### **Enhancing the visibility of the commission**

The Commission carried out advocacy and sensitization activities in the form of international cooperation, outreach, and networking. To achieve this objective, the following activities took place in 2023:

- COMESA Annual Press Conference;
- World Competition and Consumer Rights Days Commemorations with Member States;
- Attendance and participation in trade fairs in Egypt and Zimbabwe;
- Business reporters workshop;
- Commemoration of the Commission's 10-year anniversary;
- Training lawyers on merger notifications under COMESA Regulations;
- Facilitating and holding COMESA Consumer Protection Committee meetings;
- Funding, attending and participating in the Consumers International Global Congress, which took place in Africa for the first time; and
- Engaging in corporate social responsibility through tree planting and donations to tropical cyclone Freddy by the Commission and its staff.

## **1.8. Strategic collaboration**

In 2023, the Commission participated in the following strategic events:

- Africa Heads of Competition Authority Dialogue, February 2023;
- Africa -EU week, February 2023;
- Bowmans 11th African Competition Law Conference, 23-24 February 2023;
- ABA Antitrust Spring meeting, March 2023;
- Law Association of Zambia Conference (LAZ), April 2024;
- International Consumer Protection Enforcement Network (ICPEN), May 2023;
- Meeting to discuss the African Dialogue on Consumer Protection, June 2023;
- 4th Arab Competition Forum, May 2023;
- Eurasian Economic Forum, July 2023;
- UNCTAD Intergovernmental Group of Experts Meeting, July 2023;
- Meeting of Regional Competition Authorities, July 2023;
- CARICOM Competition Authority Webinar on Consumer Protection, June 2023;
- African Union-Southern African Regional Office (AU-SARO), September 2023;
- 17th Annual Conference on Competition Law, Economics and Policy Conference by the Competition Commission of South Africa, September 2023;
- International Competition Network Annual General Conference, October 2023;
- Southern African Development Community (SADC) Meeting on Consumer Protection;
- African Competition Forum Annual Conference, October 2023;
- Participation in the 3rd Intra-African Trade Fair, November 2023;
- Joint COMESA and COMESA Institutions and the COMESA Competition, June 2023;
- COMESA Summit and COMESA Business Forum, June 2023;
- COMESA 5th Digital Financial Inclusion Public-Private Dialogue, July 2023;
- COMESA CEO Retreat, April 2023; and
- COMESA 27th Meeting of Legal Affairs and 44th Intergovernmental Committee meeting, November 2023.



## COMESA COURT OF JUSTICE (CCJ)

The Court of Justice of the Common Market for Eastern and Southern Africa (COMESA Court of Justice or the Court), was established in 1994 under Article 7 of the COMESA Treaty as one of the organs of COMESA. The Court's primary function is to uphold the rule of law through the interpretation and application of the COMESA Treaty.

The Court is composed of two Divisions: The appellate division with five judges and the first instance division with seven judges. Its day-to-day operations are coordinated by a court registry headed by a registrar. The Court sits on an ad hoc basis and pursuant to Rule 4(1) of the Rules of Procedure (2016), it may hold its court sessions in any Member State.

In 2023, the Court held and concluded four cases. It continued to build the capacity building of judges and members of staff by facilitating their attendance and participation in training, workshops, and conferences and organized a public seminar.

The year 2023 marked the third year of the Court's 2021 - 2025 Medium-Term Strategic Plan (MTSP). In 2023, several activities were undertaken towards achieving the objectives outlined in the MTSP, as summarised below together with any implementation challenges identified.

### Dispensation of justice

Dispensation of justice remains the core function of the Court. In 2023, the Court heard and finalized the following matters:

- Application No.1 of 2022 arising from Appeal No.2 of 2022 being Agiliss Ltd v the Republic of Mauritius and 3 others;
- Appeal No.2 of 2022 arising from Reference No.1 of 2019 being Agiliss Ltd v the Republic of Mauritius and 4 Others; and
- Arb. Cause No.1 of 2023.

## **Institutional strengthening**

In 2023, the Court made remarkable strides in institutional strengthening by finalizing the recruitment of an internal auditor. The 44<sup>th</sup> COMESA Council of Ministers also adopted revised terms and conditions of service for judges and the updated human resource and organisational structure for the organization. The new organisational structure will enable the Court to achieve its deliverables under current and future strategies. Previously, the achievement of the Court's strategic objectives had been hampered by a lean staff component.

The Court is in the process of filling two critical positions: manager of human resources and administration, and general services and procurement officer. Other positions in the new structure will be filled gradually subject to budgetary allocations.

In 2023, the Court continued building the capacity of judges and staff to promote judicial best practices and improve service delivery. The Court participated in several conferences and workshops, including

- The Tralac annual conference;
- The 10 year anniversary conference of the CCC;
- The Pan African Lawyers Union annual conference;
- The 7th CI Arb Kenya international arbitration conference;
- The East Africa international arbitration conference;
- The African arbitration association annual conference;
- The 28th East Africa Law Society annual conference; and
- Seminar for African Regional Courts at the Court of Justice of the European Union.

In 2022, the Court adopted a new SMART performance management system to further perform its role as a service-oriented body. In 2023, a training needs analysis including psychometric tests was carried out and staff received training on the new system. The Court prepared performance contracts for 2023 and carried out mid-year and annual performance appraisals.

As part of efforts to enhance accountability and transparency in procurement, management at the Court received training on the CCJ procurement rules 2022 and on the procurement procedures manual. In 2023, the Court also completed the review of the CCJ staff rules and regulations, and of the draft executive management rules. Both were submitted to the Legislative Drafting Sub Committee in 2024.

## **Operations of the Court**

In 2023, operations of the Court continued to be adversely affected by the situation at its seat in Khartoum, Sudan. The Court's request to temporarily move registry operations from Khartoum, Sudan to Lusaka, Zambia was granted at the 26<sup>th</sup> Meeting of the Ministers of Justice and Attorneys General. In 2024, registry operations were successfully relocated to Lusaka, Zambia. The move offered great relief, especially for staff who had been working under extremely challenging conditions since 2019.

## **Visibility of the Court**

The Court enhanced its visibility by participating in the 28<sup>th</sup> East African Law Society Annual Conference held in Bujumbura, Burundi in November 2023. This event provided the Court with broad exposure among legal practitioners from the East African region and beyond. The Court also expanded its social media presence by actively posting updates on its activities on X (formerly Twitter), Facebook, YouTube, LinkedIn and its official website.

## **Information and Communication Technology**

The Court continued to harness technology to increase the efficiency of its operations and to enhance access to justice. Various initiatives were undertaken including:

- Continued use of the COMESA Court Digital Evidence Management System (CCDMES);
- Migration of the SunSystem and its website from the physical server to a cloud virtual server;

- Subscribed to Westlaw, an electronic legal resources portal, and joined MyLoft Resources Portal through the COMESA Secretariat; and
- Adopted the use of QR Codes for its publications and business cards to reduce paper waste.

**Challenges**

Due to challenges experienced at the Seat of the Court in Khartoum, some activities could not be implemented in 2023. For similar reasons, the Court is not able to verify the status of its assets at Seat. The issue of the lean staff component will be resolved once budget has been allocated for recruitment of all positions in the approved organisational structure. Delay or non-remittance of budgetary contributions by some Member States continued to adversely affect the Court's service delivery.



## COMESA FEDERATION OF NATIONAL ASSOCIATIONS OF WOMEN IN BUSINESS (COMFWB)

The COMESA Federation of National Associations of Women in Business (COMFWB) is a COMESA institution which promotes women in Business interventions in the COMESA region.

COMFWB is implementing its Medium-Term Strategic Plan, covering the period 2021-2025. The aim of this strategic plan is to provide guidance to the management to help it focus its effort on the priorities of the National Chapters and ensure that it is aligned with COMESA priorities.

The strategic goals of COMFWB include: To Strengthen the Institutional Capacity of COMFWB; To Strengthen the Resource Mobilization Capacity of COMFWB; To Strengthen Development Programs for Women in Business; and to Enhance the Advocacy, Public Image, and Branding of COMFWB.

During the reporting period, the institution accomplished the following under the approved 2023 workplan:

### 1.1 SP Intervention 1: Necessary conditions & capacities for effective operations

#### 1.1.1 Board meetings

COMFWB convened two board meetings during the reporting period. These meetings were held on 31st January 2023 and 26th April 2023. The Board reviewed the progress made in the implementation of the AGM decision of 2022, audit findings and implementation of 2023 work plan and Budget.

#### 1.1.2 Annual General Assembly

COMFWB held its General Assembly (GA) from 27-28 April 2023 in Lusaka, Zambia. The GA was attended by delegates from 19 COMESA member States. The GA provided policy direction in the implementation of the COMFWB program and made resolutions on the management of COMFWB.

The GA agreed on the need for some articles in legal instruments such as the charter and the staff rules of COMFWB to be reviewed and strengthened.

Furthermore, a virtual extra ordinary General Assembly was held on 18th August 2023 which approved that COMFWB should with immediate effect fill the vacant position of Executive Director.

### **1.1.3 COMFWB Monthly Meetings**

COMFWB has convened virtual monthly information sessions which were attended by representatives of the COMFWB Chapters. The information sessions have covered the implementation of export readiness projects and partnerships with renew capital, a Canadian company implementing a program on enhancing the participation of SMEs in the African Continental Free Trade Area (AfCFTA).

### **1.1.4 Strengthening capacities of COMFWB National Chapters**

#### **Office support**

COMFWB has supported the Malawi Chapter by provision of laptop and furniture. Furthermore, the COMFWB Madagascar Chapter, Burundi Chapter and Zambia Chapter have been supported with office equipment (laptops).

In 2023, the Government of Madagascar was engaged to provide office space to the national COMFWB Chapter. Subsequently, the Government has requested for the specifications for the office space which COMFWB has since submitted.

#### **Website development and publications**

The content of information on the website has been updated. COMFWB has also published the RECAMP magazine and COMFWB quarterly magazine and continues to generate content for the COMESA e-newsletter.

#### **Strengthening of the financial systems**

- COMFWB has installed the sun system and is in the process of operationalizing the system and the members of staff have been trained on how to use the sun system; and
- The COMESA Secretariat undertook the internal audit of the RECAMP project and COMFWB Secretariat and external audit of COMFWB and BIAWE project.

## **1 SP Intervention 2: Resource mobilization**

### **2.1 Mobilization of Resources and engagement of Development Partners**

- Concept notes are under development on women empowerment through business incubator or Growth accelerators and expansion of the partnership with WFP on Women in Climate smart agriculture production and trade;
- COMFWB has engaged AGRA on implementing a program on agriculture trade initiative focusing creating jobs for women and youths in agriculture;
- COMFWB has also engaged Triple Jump a Dutch company that is supporting business incubators. The discussions are still underway; and
- Discussions are underway with Cowater International on supporting an intervention on AfCFTA in Zambia, Mozambique and DRC.



## **2 SP Intervention 3: Strengthening COMFWB Women in Business**

### **2.1 COMFWB Development Programs**

#### **2.1.1 Promoting Cassava Projects**

COMFWB has supported the Cassava project in Zambia through procurement of water storage and construction of a perimeter wall to enhance security at the factory.

COMFWB has procured a cassava value addition equipment for the COMFWB Chapter in Rwanda and trained the project staff on production of high value cassava products.

Furthermore, COMFWB has procured a vegetable drier for the Seychelles Chapter for enhancing vegetable production.

#### **2.1.2 Business Incubation Initiative Programs**

##### **BIAWE AUDA-NEPAD Spanish Fund**

###### **Kenya**

AUDA-NEPAD -Spanish Fund released € 70,000 for the procurement of Sanitary Pad Equipment for the Kenya pilot project. COMESA Secretariat working with COMFWB and KIRDI undertook the procurement process of the equipment, raw materials, quality control kit and accessories that includes fitting and commissioning.

The contract was awarded to AGNOS Technology Consulting, based in Rwanda. The consulting company has provided training to KIRDI, and the equipment has been shipped to Kenya. The Government of Kenya has provided a waiver on the duty to be paid on the machine. In addition, the Trade and development Bank (TDB) engaged the COMFWB Kenya Chapter and implemented the credit guarantee Scheme for incubatees.

###### **Eswatini**

COMFWB held a consultative meeting with SEDCO and TDB on the operationalization of the Credit guarantee Scheme. The abattoir is now operational, and the incubator is now supplying dressed chickens to the pick and pay support market outlets in Eswatini.

###### **Burundi**

COMFWB and TDB have engaged WISE and the COMFWB Burundi Chapter on the implementation of the Credit Guarantee Scheme. A consultative meeting was held in Burundi between COMFWB the representatives of incubation facility, AFAB and WISE to address the challenges in the implementation of the project.

##### **BIAWE AUDA-NEPAD Spanish Fund launch of Phase 2**

COMFWB launched Phase 2 of the Business Incubators for African Women Entrepreneurs (BIAWE 2) on 17<sup>th</sup> July 2023 at KIRDI headquarters in Nairobi Kenya. This follows the successful implementation of BIAWE Phase 1 with the purpose of addressing some of the challenges faced by women in small and medium-scale enterprises.

The event was graced by the Principal Secretary (PS) for the State Department of Industry, Dr. Juma Mukwana. He noted that the 40 women enterprises that benefitted from the BIAWE Project will continue to thrive and mature into sustainable and large enterprises and will, in turn, contribute to creating jobs and contributing to local, regional, and global development agendas such as the Bottom-Up Economic Transformation Agenda (BETA), Kenya Vision 2030, African Union Agenda 2063, and United Nations Sustainable Development Goal.

Her Excellency, Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA also participated in the event. She addressed the challenges faced by women entrepreneurs, including lack of business planning, marketing, and

management skills, as well as limited access to business development and financial services due to cultural biases. She stressed the need to bridge these gaps and create an enabling environment for women entrepreneurs to thrive.

The AUDA-NEPAD Chief Executive Officer (CEO) Mrs. Nardos Bekele Thomas expressed her commitment to empower women entrepreneurs and acknowledged that sustainable development can only be achieved with the full participation and inclusion of women.

The BIAWE 2 project builds upon the success of its predecessor, BIAWE 1, and aims to empower women entrepreneurs in Africa by providing them with the necessary support and resources for business incubation.

### **Climate Smart Agriculture project for Eswatini**

COMFWB, Centre for Financial Inclusion (CFI) and World Food programme (WFP) entered into a tripartite partnership.

The program aims to create more productive, resilient, profitable and sustainable legume and vegetable farming systems that overcome food insecurity and help reverse soil fertility decline, particularly in the context of climate risk and change. The program is helping farmers to increase their production and withstand the risks of climate variability and drought. The Tripartite programme envisaged to reach 300 smallholder farmers in the three regions over the period of implementation.

During the reporting period, the programme managed to reach out a cumulative of 339 farmers. The project trained the farmers on business management and development as well as on Climate Smart Agriculture. Furthermore, the demonstrations plots, have been very key in dissemination of information as well as stimulate farmers to observe, experience, experiment with, and adapt new and innovative ideas, practices, improved seed varieties and technologies that can improve their production, quality of the produce as well as the sustainability of farming within the farmer groups.

## **Sustainable Incubation projects**

### **Textiles incubator**

COMFWB has continued to support Kasolanthu creatives in Malawi which aims to build skills and business capacity for women, youth and inclusively men in the creative sector. COMFWB supported the procurement of textile equipment, website development to promote their products and procurement of lap top computers. The project currently benefiting over 500 women and youth through the textile incubator.

COMFWB has been monitoring the progress made in the implementation of this business incubator.

### **Oil Seed Value Chain**

COMFWB supported Home Industries based in Karonga Malawi to procure machinery for manufacturing sunflower cooking oil. The project has reached over 2800 out growers. COMFWB procured Mechanical Oil extractor and Oil Filtering Machines and a Bottling machine and provided entrepreneurship training in partnership with GIZ.

COMFWB has provided a loan to home industries to support its operations. COMFWB has undertaken the monitoring of this institution.

### **Collaboration with WIPO on intellectual Property rights**

COMFWB partnered with the organization of the African Women in Processing, the African Union and World Intellectual Property Organization in hosting a training on 15-17 May 2023 in Kigali.



The main objective of the Conference was to raise awareness of African Women entrepreneurs in the field of agriculture on IP, and empower participants with tailor-made IP knowledge, tools and resources they need for their business to thrive. Participants were provided with a platform to network with other women entrepreneurs in agribusiness, to discuss and share experiences on the best practices and common challenges; interact with and learn from IP experts and express their IP related needs.

## Trade facilitation

### 4th Annual Regional COMFWB Trade Fair and Business Conference

The 4th Annual Regional COMFWB Trade Fair and Business Conference was held in Cairo, Egypt on 8th-10th October 2023. The event supported the promotion of women-owned businesses in the circular and green economy under AfCFTA.

The event was attended by representatives from 10 COMESA member States. The meeting agreed on the importance of advocating for promotion of gender responsive and inclusive policies to support women and youth entrepreneurs to accelerate trade development in Africa.

Mrs. Kanayo Awani, Executive Vice President, Intra African Trade Bank, Afreximbank delivered keynote remarks at the Business conference highlighting the fact that economic empowerment and entrepreneurship promotion for women and youth, along with support for MSMEs, are pivotal elements of 2063 Development Agenda and the SDGs.

*“Gender equality is not just a matter of human rights; it is also smart economics. The female economy is the world’s largest emerging market, with the potential to add \$12 trillion to global GDP by 2025. Women represent a significant portion of Africa’s workforce, and when they are empowered economically, the entire continent benefits.”*

Speaking also at the 4th COMESA Federation of Women in Business the Principal Regional Advisor for Regional Integration and Trade Division at the Economic Commission for Africa (ECA), Brendah Phiri-Mundia, said women and youth, have revolutionized entrepreneurship in Africa and they are better positioned to boost trade through the African Continental Free Trade Area (AfCFTA).

The full implementation of the free trade area will increase the value of intra-Africa trade to US\$ 195 billion by 2045 compared to US\$ 113 billion recorded in 2020 which is the baseline.

Women have made an undeniable impact in the entrepreneurial landscape with research indicating that Africa alone has more entrepreneurs than other regions for both females and males. Sub-Saharan Africa has the highest rate of female entrepreneurs globally with approximately 26% of female adults involved in entrepreneurial activity.

Recognizing the potential of women and the youth in business development, COMFWB partnered with ECA and Afrexim Bank in hosting the event.

### **Exhibition Intra-African African Trade Fair (IATF)**

As a major and dynamic player in the field of women's entrepreneurship in Africa, COMFWB took advantage of this important international event to mark its presence in the region through facilitating the participation of 13 delegates at the just ended Inter African Trade Fair (IATF). The participation of COMFWB was made possible through some support of the Common Market for Eastern and Southern Africa (COMESA) Secretariat through its Regional Enterprise Competitiveness and Access to Markets Program (RECAMP) funded by the EU and GIZ supported MIERAll program.

The delegates supported by COMFWB were export ready and have participated in Market access and export readiness trainings with a view of providing an opportunity to strengthen their capacity to forge business to business linkages. IATF provided an opportunity to exhibit their goods and benefit from Buyer-seller meetings, participate inside events organized by different partners such as GIZ and UNECA.

The acting CEO of COMFWB participated as a panelist at an event organized by UNECA and AU SARO, on leveraging Digital Technologies to enhance Market access for Women-owned export companies in the horticulture value chain. An event focused on interrogating the major market access impediments faced by women-owned export companies in the horticulture value chain.

For women, the horticulture sector offers lower entry requirements in terms of market opportunities both regional and international market. However, there are several challenges faced by industry in accessing markets both in terms of sanitary and phytosanitary import conditions that are regulated by importing countries and adherence to market standards.

**Partnered with the Tunisia COMFWB Chapter in the MEDAFRICA AGRO EXPO** COMFWB partnered with the Tunisia national chapter in the organisation of the First Agro business MEDAFRICA 2023. The first AGROBUSINESS MEDAFRICA 2023 exhibition constituted a physical platform between economic operators in the agri-food sector, Tunisians for the development of a win-win partnership to enhance food self-sufficiency.

COMFWB Supported the participations of some women entrepreneurs at the MEDAFRICA 2023. The local Tunisian companies in the Agri business sector exhibited their products and services.

## **RECAMP Program Implementation**

### **Facilitation of Technical Advisory Services**

COMFWB Under the RECAMP program has developed training materials on Product branding, labeling, and packaging, Export management, Logistics & supply chain management, E-commerce in SMEs, financial literacy and access to credit.

COMFWB trained 140 women entrepreneurs in Burundi, Eritrea, Rwanda, Seychelles, Uganda, Tunisia and Zambia on Internationalization of their businesses in the horticulture, agro-processing and leather and leather products value



chains. The 5-days high level training focused on trade readiness and covered the following topics:

- Marketing of goods and services;
- Branding, Labelling and Packaging;
- Export management;
- Logistics and supply chain management; and
- E- commerce.

#### **SP Intervention 4: Advocacy, Public Awareness and Branding**

##### **Advocacy: Attracting investors to women and youth MSMEs**

COMFWB participated International Women's Day was held in Malawi.

COMFWB also participated and exhibited at the following events:

- The COMESA Heads of States and business forum held in Lusaka. The COMFWB Secretariat and some entrepreneurs under the COMFWB Chapter in Lusaka exhibited during this event;
- The Indian Ocean SAFE trade fair held in Madagascar. The COMFWB Secretariat and some entrepreneurs under the COMFWB Chapter from Comoros, Mauritius, Seychelles exhibited during this event;
- COMFWB participated in the AU Day organised by the African Union Southern Africa Regional Office. COMFWB Secretariat and the COMFWB National Chapter members in Malawi exhibited at this event; and
- COMFWB participated at the CCC 10<sup>th</sup> anniversary. This event enabled COMFWB Secretariat and COMFWB Malawi Chapter members participate in an exhibition.

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

### Background

The establishment of the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) was in response to the 2003 Maputo Declaration by the African Union (AU) which required the need for coordinated and comprehensive public and private investments in the agricultural sector commonly known as Comprehensive Africa Agricultural Development Program (CAADP). The CAADP is an AU Africa-wide initiative to have National Agricultural sector support increased to 10% of the total national budget. This was meant to ensure practical implementation of CAADP as well as contributing to the attainment of the then Millennium Development Goal (MDG) number 1 which seeks to eradicate extreme poverty and hunger by 2030. ACTESA's commodity focus includes cereals and pulses; oil seeds; horticultural crops; roots and tubers; tree crops; forestry products; livestock and agricultural inputs. ACTESA provides an answer to the region's agricultural challenges including market access related constraints, low productivity, technological and policy related constraints. ACTESA's role in this 10-year strategy is to reverse these constraints.

Challenges of staple food production and trade in the 21 COMESA Member States include:

- Low agricultural productivity with uncoordinated and weak markets;
- Weak policy environment;
- Weak farmer-based apex organizations and limited access to post-harvest handling technologies and facilities;
- Information lack symmetry/lack of equivalence across the value chains linked to inconsistent quality requirements/harmonisation; and
- Government-imposed import/export bans and prohibitive transport costs.

ACTESA has being key in the last one year in the private sector led agro-inputs regional development in seeds, horticulture, bioprotectants and fertilizer, applying a regional cluster market approach in its implementing of staple food programmes, implementation of the African Union (AU) Comprehensive Africa Agricultural Development Programme (CAADP) priority areas of market access, food, and nutritional security.

- ACTESA shall continue working with other development partners in making staple food trade operational in the COMESA region in these two pillars of the ACTESA Regional Strategic Plan 2021-2031:
  - Increasing agricultural productivity of staple crops in the COMESA region through harmonised seeds, fertilizer, biotechnology, biopesticides policies, etc
  - Support small-scale farmers access to national, regional, and international markets through development of regional food balance, harmonisation of warehouse receipt system, fertilizer standards, bioprotectants, staple food grades and standards, agricultural commodity exchanges, etc;
- Through its staple food programmes, ACTESA in 2024 will continue to seek achievement of 5-10% growth per year in inter-regional agricultural trade by 2031 through concerted efforts targeting agricultural productivity and market access for the major staples in the region, namely maize, beans, soyabeans, wheat, bananas, cassava, rice, livestock, fisheries, dairy and horticultural products; and
- Productivity increases would be driven by implementation of previous and new programs that will assist the region to double fertilizer and improved seed utilisation while increasing area under small-scale driven drip irrigation from current levels of 5-9 % to above 30 % by 2031.

## ACTESA Programmes Status

### COMESA EAC Horticulture Accelerator (CEHA) Funding of US\$ 5.6 Million Mobilised

An agreement was made on 20<sup>th</sup> July, 2023 of US\$ 5 million with Bill and Melinda Gates Foundation (BMGF) for the implementation of the COMESA EAC Horticulture Accelerator (CEHA). CEHA complimentary funding of GBP 500,000 is being secured from Foreign Commonwealth Development Office (FCDO) for the period 1<sup>st</sup> December, 2023 to 30<sup>th</sup> June, 2025 and hence total funding on CEHA of US\$ 5.6 Million has been mobilised. The vision of CEHA is that by 2031, climate-smart horticulture value chains will become a significant driver of income growth, inclusive job-creation, and improved nutrition throughout Eastern and Southern Africa. CEHA will facilitate the modernization of regional horticulture value chains across East Africa, leveraging the comparative advantage, infrastructure, and technology in each country by:

- Co-ordinating investments that are primarily private sector-led into production, processing clusters in support of the EAC, COMESA, and individual country horticulture strategies;
- Facilitating policy and standards improvements to stimulate trade, market access for multiple regional fruit and vegetable value chains across the region; and
- Facilitating access to both working capital and capex finance, as well as to technical assistance, for processors, farmers, and other agribusinesses across the value chain to accelerate growth.

ACTESA Secretariat is looking forward to the transformation of the horticultural industry in our region currently at US\$ 4 billion to be tripled in the next 10 years through interventions of CEHA.

### ACTESA Staple Food Program Development

a) On increased agricultural productivity in the COMESA Region, ACTESA have developed the COMESA Fertilizer Regional Programme (COMFREP) in close collaboration African Fertilizer Agri-business Partnership (AFAP) and the COMESA Bioprotectants Harmonisation Programme (COMBIHAP) in close collaboration with International Institute for Tropical Agriculture (IITA) for possible funding by ACTESA Alliance, Development Partners in 2024. On moving COMESA Biosafety and Biotechnology Implementation Plan (COMBIP) forward in close collaboration with International Service for Acquisition of Agri-biotech Applications (Africa Center) / USDA on agreed upon initial activities of COMBIP namely:

- supporting establishment of the COMESA Panel of Experts (PoE); development of Standard Operating Procedures (SoPs) for the Regional Biosafety Risk Assessment Mechanism;
- Establishing database for risk assessors and GMO risk-assessment subcommittee (GRASCOM);
- Creation of a database of new breeding innovations such as genome editing applications serve as a reference resource and repository for policymakers and key stakeholders.

### Signed MoU on 22nd March, 2024 with International Service For Acquisition Of Agri-Biotech Applications Afri-Center (ISAAA-AFRI-CENTRE) for the initial activities of COMBIP.

b) Under the EU-supported Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) on COMESA Seed Harmonisation Implementation Plan (COMSHIP) activities, detailed COMESA Seed Information System (COMSIS) was developed in readiness for collection of data and analysis in 2024. In addition, the COMESA Seed Harmonisation Implementation Plan (COMSHIP) Standard Operating Procedures (SOPS) were developed for 12 COMESA Staple crops, namely Irish potatoes, rice, common bean, pearl millet, sorghum, groundnut, soybean, wheat, sunflower, cotton and cassava for utilisation by seed companies and the COMESA National Seed Authorities. The COMSHIP supported by EU-RECAMP

(US\$ 408,046) and African Agricultural Technology Foundation (AATF) (US\$ 203,965) is focusing on increasing regional seed trade from the current 350,000MT to 1.2 million MT by 2031.



## COMESA CLEARING HOUSE

The objective of the COMESA Clearing House (CCH) is to facilitate the settlement of trade and services payments amongst Member States. The Clearing House introduced the Regional Payment and Settlement System – REPSS - which allows Member States to transfer funds more easily within COMESA. The facility is built on open standards and is also accessible to Non-Member States. REPSS is run by the COMESA Clearing House, headquartered in Harare, Zimbabwe.

REPSS is a Multilateral Netting System with End-of-Day Settlement in a single currency (US\$ or Euro), with the system allowing for settlement in a multicurrency environment (US\$, Euro or any other specified currency). The main aim of the system is to stimulate economic growth through an increase in intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform. Local banks access the payment system through their respective Central Banks. Any participating bank is, therefore, able to make payments to, and receive payments from, any other participating bank. The linkages through Central Banks avoid the complex payment chains that may sometimes occur in correspondent bank arrangements. The system operates through member countries Central Banks.

### Progress on Implementation

a) *There were nine Central Banks that are live on REPSS, namely:*

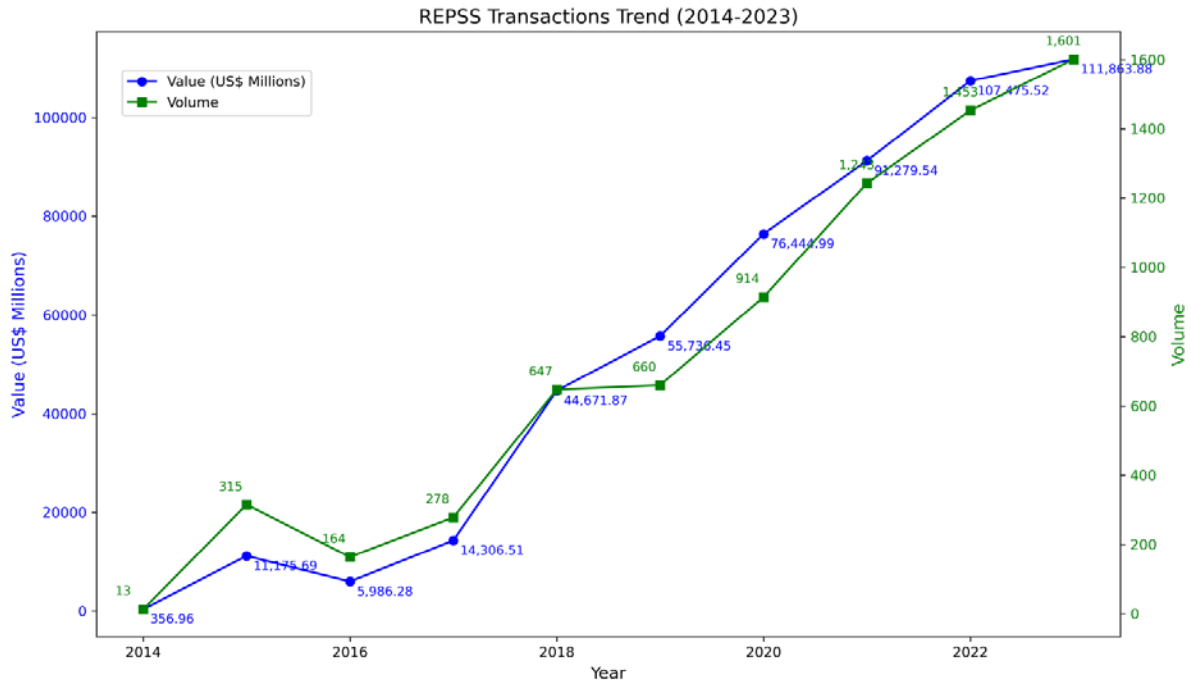
*Table 20: The COMESA Clearance Progress in 2023.*

Central Bank	Status
DRC	Receive
Egypt	Send/ receive
Eswatini	Receive
Kenya	Send/receive
Malawi	Receive
Mauritius	Send/receive
Rwanda	Receive
Uganda	Send/receive
Zambia	Receive

*Central Banks of Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Libya, Madagascar, Sudan, Seychelles, Tunisia, and Zimbabwe are yet to join REPSS.*

b) *The growth in value and number of transactions processed has been gradual.*

**Figure 32: REPSS Transactions Trend**




- To date, the lowest value of a transaction is US\$ 23, and the highest single transaction is US\$ 4,999,900;
- Payments are for i) services, such as consultancy, school fees, upkeep and transportation; and ii) goods, such as coal, fuel and wheat.

The near totality of transactions carried out so far on REPSS have been without Letters of Credit. Based on an estimated amount of US\$ 110 million transacted in the last year and at an average cost of 5% of the value of these transactions which would have gone through Letters of Credit, the importers have already saved an estimated amount of over US\$ 5.5 Million by channeling their payments through REPSS.

### Initiatives

For the reporting period, the COMESA Clearing House continued with the following initiatives:

- Cooperation with the Trade and Development Bank (TDB) for a Trade Finance facility for traders whose transactions are settled through REPSS. The COMESA Committee of Governors of Central Banks, at its 26th Meeting held in Cairo, Egypt on 24th November 2022 approved the TDB Trade Finance Facility to be made available to local commercial banks from REPSS participating Member States, through their respective Central Banks. This would be rolled out to Central Banks live on REPSS on the basis of expression of interests by those Central Banks and following bilateral discussions between the concerned Central Banks and TDB and CCH. A joint mission was carried (CCH & TDB) to Burundi and following the discussions, a review of the proposed arrangements was recommended;
- Participation in the COMESA Business Council's Digital Financial Inclusion Project, particularly with regards to the setting up of a Regional Digital Retail Payments Platform;
- Active involvement in the African Union's initiative on Digital Payment Systems Platform and the



Afreximbank Pan-African Payment and Settlement System (PAPPS) under the Continental Free Trade Area (AfCFTA);

- Participation in the Association of African Central Banks (AACB) program on the current regional payment system infrastructures and initiatives on the continent; and
- The clearing house continues to play an important role in promoting intra-COMESA trade through REPSS in support of COMESA's overall objective of achieving regional integration.

## TRADE AND DEVELOPMENT BANK

The Eastern and Southern African Trade and Development Bank (TDB), a key multilateral development finance group, continued its strong performance in 2023 amidst complex global and regional challenges. Established under the PTA Treaty, TDB has expanded its operations through various subsidiaries and strategic business units, including TDB Asset Management, the Trade and Development Fund (TDF) and several specialized funds.

Despite geopolitical tensions and macroeconomic difficulties such as high inflation and high interest rates, TDB Group's total assets surpassed US\$ 10 billion, with equity growing by 13% to US\$ 2.2 billion and net annual profits increasing by 11% to US\$ 230 million. TDB's gross loan portfolio expanded by 10% to US\$ 7.1 billion, while non-performing loans remained low at 3.59%, showcasing a solid performance and strong credit ratings from GCR, Moody's and Fitch.

Throughout 2023, TDB continued to attract new capital, maintain shareholder commitment and expand into green and sustainable finance by increasing class B and new class C green+ investments. Total shareholder capital and reserves reached US\$ 2.21 billion by year-end, reflecting a 13% annual increase.

TDB places a strong emphasis on sustainability, guided by a comprehensive Environmental, Social and Governance (ESG) Framework and specific development outcomes aligned with the SDGs and African development agendas. TDB supports critical sectors in Member States through its diverse financing solutions, including trade finance to mitigate supply chain disruptions and long-term project financing of renewable energy, infrastructure, and manufacturing. The latter grew by 8% in 2023.

TDB's subsidiaries such as TDB Asset Management and funds such as ESATAL and the TDB Captive Insurance Company contributed to advancing the Group's impact. These entities demonstrated growth and effectiveness in promoting trade, providing risk insurance and supporting SMEs and green projects.

In 2023, TDB raised over US\$ 2.3 billion through various funding channels despite higher borrowing costs. The bank's excellence and commitment to sustainable development earned it multiple prestigious awards, recognizing its innovative trade finance solutions and leadership in sustainable project financing in Africa.



Annex

# COMESA SECRETARIAT FINANCIAL STATEMENTS

Audited Financial Statements  
for the year ended 31 December 2023

## COMESA - Secretariat

### *Secretary General's Report for the year ended 31 December 2023*

#### **Introduction**

- 1 I have the pleasure of submitting this report to the Council of Ministers for the financial year 2023, together with the audited financial statements of COMESA Secretariat for the year ended 31 December 2023. This submission is in accordance with Article 169(4) of the COMESA Treaty.
- 2 These financial statements incorporate resources provided by Member States and other income generated by the COMESA Secretariat.
- 3 The report of the COMESA Board of External Auditors (COBEA) and their opinion on the financial statements are submitted in accordance with the provisions of the COBEA Charter. COBEA is appointed by the Council of Ministers in accordance with the provisions of their Charter.

#### **Strategic Context**

- 4 The financial statements provide an overview of the finances obtained from Member States and other sources of the Secretariat for the financial year 2023. This includes information on the financial position of the Secretariat, how the budget has been implemented, as well as the financial commitments and obligations that the Secretariat has undertaken. COMESA's work is guided by plans that have three (3) time horizons i.e., the long-term vision expressed in the founding COMESA Treaty, a medium-term horizon – usually five (5) years expressed in the Medium-Term Strategic Plan (MTSP) and an annual planning cycle. Medium term strategic plans provide a framework with which detailed annual work programmes and budgets are developed. They also form the basis for in-depth multi-year plans for specific sectors. The MTSP is aligned with continental and global such as the African Unions Agenda 2063 and the United Nations Agenda 2030 on Sustainable Development Goals.
- 5 The year 2023 was the third implementation period for COMESA's 2021-2025 Medium Term Strategic Plan (MTSP). The MTSP provided COMESA with a roadmap for pursuing and achieving the economic integration goals of the region over the medium term. The Strategy's overall goal is aligned to the long-term goals of COMESA, which are enshrined in the COMESA Treaty. As such, the aim of the strategy is to contribute towards the creation of a fully integrated and internationally competitive regional economic community. The MTSP is based on the following strategic pillars:
  - Market integration;
  - Physical integration/connectivity
  - Productive integration;
  - Gender and social integration; and
  - Effective secretariat

#### **Oversight over operations of the COMESA Secretariat**

- 6 COMESA has eight organs with decision making powers as established by the COMESA Treaty as follows:
  - i) The Authority of Heads of State and Government is the preeminent Policy maker of the Common Market.
  - ii) The Council of Ministers: The second highest Policy Organ of COMESA charged with ensuring a well-functioning Common Market in accordance with the provisions of the COMESA Treaty.

- iii) The Inter- Governmental Committee
- iv) The COMESA Court of Justice: the premier judicial organ of COMESA and
- v) The Committee of Governors of Central Banks empowered under the Treaty to monitor and ensure a well-functioning Monetary and Financial Cooperation regional System.
- vi) The Technical Committees
- vii) The Secretariat.
- viii) the Consultative Committees which make recommendations to the Council of Ministers which in turn makes recommendations to the Authority.

**7** Composed of Ministers from the Coordinating Ministries of all the Member States the Council has the mandate of providing policy guidance on issues of regional integration and in that regard, Council has consistently made decisions that have assisted in providing policy certainty to both the Member States and the Secretariat.

**8** In keeping with the principles of good corporate governance, the Council of Ministers provides oversight over the operations of the COMESA Secretariat by giving direction to the COMESA Secretariat through among other activities:

- i) Approval of COMESA Secretariat's annual budget and annual financial statements.
- ii) Enacting and amending of Staff Rules and Regulations and Financial Regulations of the COMESA Secretariat; Review technical reports on the implementation of policy, rules and regulations by the COMESA Secretariat; and
- iii) Appointing external auditors and receiving reports of the external auditors.

**9** In between meetings of the Council of Ministers, the Bureau of Council attends to urgent financial and human resource matters as well as other emerging issues, within the framework of the Treaty and as provided within specific Council decisions, policies, rules and regulations. Bureau of the Council comprising of Chairman, Vice-Chairman and Rapporteur thus oversee the functioning of the Secretariat in between meetings of the Council of Ministers. For 2023, the following Member States constituted the Bureau:

Chairperson-----Zambia  
 Vice Chairperson----- Burundi  
 Rapporteur-----Egypt

**10** Administrative and Budgetary Committee and its subcommittee and Intergovernmental Committee undertakes technical work and provides relevant advisory to the Council of Ministers.

**11 Operations**

This report presents programmes implemented and activities undertaken by COMESA in 2023, capturing key achievements and challenges encountered. Notwithstanding the challenges experienced in the period under review globally and regionally, which amongst others included disruption in global supply chains, exchange rate pressures, and increase in oil and food prices, guided by the 2021-2025 Medium Term Strategic Plan (MTSP) with its Member States and development partners. In the period under review, COMESA made progress in the key pillars of market integration, physical integration/connectivity integration, productive integration, and gender and social integration which are critical to the integration agenda and contribution towards the achievement of sustainable and social progress in the Member States.

## 12 Market Integration

### Intra-COMESA Trade

Global COMESA Trade increased for both exports and imports with a similar percentage increase of around 14.7% from 2021 to 2022<sup>1</sup>, indicating a notable recovery in trade activity during that period. While the percentage increase in total trade volume in 2022 for COMESA countries and Africa was approximately 17.45%. The significant increase in total trade volume in 2022 highlights the potential for further economic integration and collaboration within the region and across the continent.

The volume of intra-COMESA exports witnessed a notable increase, from USD 13 billion in 2021 to US\$ 14.1 billion in 2022, bolstered by trade facilitation measures and the implementation of regional trade agreements. Meanwhile, there was a percentage increase in intra-COMESA imports in 2022 at approximately 27.16%. This indicates an important growth in trade activity among COMESA member states during that period.

There was a significant increase in intra-COMESA trade in 2022, marked by notable increases in both export and import values compared to 2021. Egypt emerged as the top exporter within COMESA, with its trade value increasing from USD 2,838.0 million in 2021 to USD 3,400.8 million in 2022, and its share rising from 22.2% to 24.1%. Zambia and Kenya also demonstrated their growing importance as exporters, with Zambia's export value increasing from USD 1,576.9 million to USD 2,181.1 million and Kenya's export value rising from USD 2,083.3 million to USD 2,128.4 million. On the importing side, Libya led the way with its import value increasing from USD 1,673.2 million to USD 2,163.5 million, reflecting its demand for goods and services from other COMESA countries, likely driven by post-conflict reconstruction and economic development efforts. The overall upward trend in trade values and shares underscores the positive momentum of intra-COMESA trade, propelled by trade facilitation measures and regional integration initiatives. This highlights the increasing interconnectedness and economic cooperation among COMESA member states, laying a foundation for sustained growth and prosperity within the region.

## 13 Physical integration/ Connectivity


The Secretariat has been actively engaged in the implementation of the European Union (EU) funded program, the Enhancement of Governance and Enabling Environment in the ICT sector,

(EGEE-ICT) across Eastern Africa, Southern Africa, and the Indian Ocean region (EA-SA-IO). This program, with a budget of 8 million Euros, is aimed at bolstering governance and creating an enabling environment in the ICT sector. By focusing on the effective review and/or development of regional policy and regulatory frameworks in a harmonized manner, the program seeks to foster competition, improve access to cost-effective and secure ICT services, and ultimately drive socio-economic development. Under this initiative, significant milestones have been achieved, including the completion of stakeholder mapping and baseline surveys, studies on e-commerce and technical analysis for regional ICT associations operations, as well as assessments on roaming and interconnections, and fiber optical infrastructure. Furthermore, support has been provided for peer exchange visits, policy and regulatory framework development, and technical assistance to regional ICT associations.

Progress was also evident in ongoing initiatives such as the development of policies and regulations to enhance private sector participation in ICT infrastructure development, studies on authorization, universal access, and e-waste management, and efforts towards promoting e-commerce, data protection, and Public Key Infrastructure (PKI). The impact of these efforts will be realized once the frameworks developed are adopted and implemented at the Member State level, paving the way for a more robust and inclusive digital ecosystem that drives innovation, fosters economic growth, and enhances the overall well-being of the region.

While progress has been made, challenges persist, including low investments in the power sector and limited





electricity access. Efforts to promote private sector involvement through the development of PPP guidelines and ongoing technical assistance in energy policy and regulatory frameworks remain ongoing. However, with continued support from executive leadership, availability of funds, and collaboration across units and divisions, COMESA is poised to drive significant advancements in energy infrastructure and access, ultimately contributing to regional socio-economic development.

COMESA prioritized infrastructure development projects aimed at enhancing physical connectivity within the region, including road and rail networks. Under the EU-funded Tripartite Transit Transport Facilitation Programme (TTTTFP), critical progress was achieved with the development of the Multilateral Cross Border Road Transport Agreement (MCBRTA) and Vehicle Load Management (VLM) Strategy. Additionally, five supporting model laws were formulated, contributing to standardized and harmonized road transport management across the Tripartite region (COMESA, EAC, and SADC). The successful piloting of the Corridor Trip Monitoring System (CTMS) aimed to mitigate movement restrictions imposed by the COVID-19 pandemic. These initiatives, approved by the Tripartite Council, have begun to be domesticated by some Member States into their national laws.

## **14 Productive Integration Pillar**

### **Agriculture**

Under the Agriculture Programmes, COMESA has made significant strides in fostering agricultural development, food security, and resilience across member states. Key achievements include the development and dissemination of regional guidelines for Warehouse Receipt Systems (WRS) and Strategic Food Grain Reserves, aiming to address post-harvest losses, enhance market linkages, and improve food security. Additionally, collaboration with various entities has supported the implementation of the CAADP Malabo and the development of digital platforms like the Regional Food Balance Sheet (RFBS), providing valuable data for informed policy and business decisions.

### **Livestock, fisheries & blue economy**

Under the Livestock, Fisheries & Blue Economy program, the COMESA Secretariat has demonstrated significant achievements in enhancing regional competitiveness, market access, and sustainable development across the livestock and fisheries sectors. Through collaborative initiatives such as the Regional Enterprise Competitiveness and Access to Markets Program (RECAMP), supported by the European Union, and the Livestock II-Africa project, various activities have been undertaken to bolster livestock value chains, expand regional trade, and strengthen regulatory frameworks.

In the livestock sector, efforts have focused on capacity development, business-to-business linkages, and the development of harmonized grading and classification manuals, contributing to increased production and trade in livestock and poultry products within the region. Furthermore, initiatives to control and eradicate transboundary animal diseases (TADs) have been undertaken in partnership with regional and global organizations, resulting in improved animal health and access to export markets.

Similarly, in the fisheries sector, collaborative projects such as the Fish-GOV II program with AU-IBAR and the ECOFISH program have yielded tangible results. Training programs, experience-sharing visits, and the development of blue economy strategies have contributed to the sustainable development of fisheries and aquaculture. The establishment of regional women chapters and support for fish processing and trading facilities have also empowered women and facilitated trade in fisheries products.

## **15. Industry & private sector development**

The Industry & Private Sector Development Programmes have made significant strides in creating an enabling

environment for industrial growth, enhancing competitiveness, and facilitating market access for member states. Through various initiatives, collaborations, and capacity-building efforts, the program has demonstrated a commitment to fostering economic development and regional integration.

Key achievements include the adoption of frameworks for the establishment and management of Special Economic Zones and Industrial Parks, as well as the implementation strategy for the Local Content Framework. These frameworks aim to create conducive environments for the industry sector, with member states being supported in domesticating these frameworks to align with their national priorities.

Additionally, the COMESA Regional Pharmaceutical Sector Development (CTRPSD) Project stands as a testament to the program's focus on priority sectors outlined in the COMESA Industrialisation Policy and Strategy.

Furthermore, initiatives such as the Joint Industrialisation Programme between Zambia and Zimbabwe and the facilitation of local sourcing partnerships underscore the program's commitment to enhancing industrial cooperation and regional value chain development.

In terms of market access and competitiveness, notable achievements include the implementation of projects under the RECAP Technical Assistance Facility (TAF) in nine member states, capacity-building initiatives for SMEs in market analysis and access, and the facilitation of regional dialogues to address market access and value chain development challenges. Additionally, the development of traceability systems for skin and hides and support for SMEs to participate in trade fairs and business forums contribute to promoting business engagement and market expansion.

### **Investment promotion**

The Investment and Foreign Direct Investment (FDI) initiatives within COMESA have made significant gains in fostering an environment conducive to investment, enhancing awareness, and improving the business climate across member states. Through targeted activities and collaborations with various entities, the program has demonstrated a commitment to promoting investment opportunities and streamlining regulatory frameworks.

Efforts to raise awareness on the COMESA Common Investment Area agreement have been undertaken in seven member states, facilitating alignment with regional investment policies. The implementation of an Investor Tracking System (ITS) and the profiling of over 350 investment opportunities across 17 member states have enhanced transparency and accessibility for potential investors.

Capacity-building initiatives, including training sessions for Investment Promotion Agencies (IPAs) and regional webinars on proactive aftercare programs, have equipped officials with the necessary skills to promote and facilitate investment projects effectively. Furthermore, the development and operationalization of the Investment Map provide valuable resources for member states and SMEs seeking investment opportunities.

In parallel, efforts to improve the business environment have included sensitization campaigns on the importance of domesticating the COMESA Common Investment Area and adopting regional guidelines for enhancing business and investment environments. Additionally, the review of the COMESA Double Taxation Avoidance Agreement model and the development of guidelines specifically tailored for Small and Medium Enterprises (SMEs) further contribute to creating a conducive environment for investment and entrepreneurship.

Collaborations with external entities such as the International Institute for Sustainable Development (IISD), the European Union (EU), UNCTAD, and the World Bank Group, along with cooperation with national Investment

Promotion Agencies, have been instrumental in providing technical support and financial assistance for program implementation.

Enablers such as cooperation with Member States' coordinating ministries and IPAs, as well as support from various divisions within the COMESA Secretariat, have facilitated the successful implementation of investment and FDI initiatives.

## **16 Gender and Social Integration**

COMESA has undertaken a comprehensive array of initiatives aimed at promoting gender equality, youth empowerment, and social development across the region. Through research studies, the COMESA delved into critical areas such as gender statistics, alcohol and drug abuse, pharmaceutical needs, and the impact of COVID-19 on gender, providing valuable insights for policymaking.

The implementation of COMESA initiatives on women and youth empowerment, including programs like 50MAWSP, SSCBTI, GLTFP, RECAMP, and the Youth Engagement Project (YEP), has been actively supported and promoted. Member states have been engaged to report on progress towards gender equality and empowerment, with consistent reporting from fourteen countries, demonstrating a commitment to accountability and transparency.

Operationalizing the COMESA Health Desk and promoting youth engagement and empowerment programs have been key priorities. Inter-generational dialogues, policy engagement, entrepreneurship training, and youth-led business formalization efforts have been instrumental in fostering youth participation and leadership development. Efforts to support women in business through digital platforms and trade fairs, as well as the development of policies addressing gender-based violence and violence against women in the workplace, underscore the commitment to creating an enabling environment for gender equality and social inclusion.

External collaboration with partners such as the Swiss Development Agency, EDF, AfDB, UN-Women, and FEMNET, as well as regional entities like ECOWAS, EAC, and the African Union, has provided crucial technical and financial support, amplifying the impact of COMESA's gender and social affairs initiatives.

Significant strides in strengthening statistical capacities and strategic partnerships within COMESA, spanning key areas such as trade, migration, agriculture, gender, and infrastructure were made. Despite challenges like data transmission delays and procurement issues, a concerted effort towards achieving policy-responsive and reliable statistics in alignment with COMESA's Medium-Term Strategic Plan 2021-2025 was reported in 2023.

## **Financial results**

- 17** The Secretariat recorded an operating surplus of **COM\$ 3,182,341** in 2023 (2022: **COM\$ 4,352,894**).
- 18** In the year 2023, the Secretariat recognised total income of **COM\$ 17,994,708** which is an increase of **10.12 %** from 2022 income of **COM\$ 16,340,876**.
- 19** Analysis of the income recognised in the year is presented in Table 1:

**Table 1: Funds available to the COMESA Secretariat towards implementation of COMESA programmes in the period 1 January to 31 December 2023 (in COM\$)**

	2023	2022	Change%
Member States Contributions	<b>15,488,560</b>	14,852,893	<b>4.28%</b>
Other income	<b>2,506,148</b>	1,487,983	<b>68.43%</b>
<b>Total income</b>	<b>17,994,708</b>	16,340,876	<b>10.12%</b>

**20** A total expenditure **COM\$12,687,562** is reported in 2023 against an amount of **COM\$ 12,358,377** in 2022, which represents an increase of **2.66 %**. Against the budget for the year, the Secretariat achieved a utilisation rate of 98.80 % (Budget: COM\$ 15,527,051; Actual: COM\$ 15,340,717 excluding, depreciation of COM\$ 796,448 on funds provided by Member States).

**21** Assets under the control of Secretariat have increased from **COM\$ 80,686,203** in 2022 to **COM\$ 81,558,731** in 2023, which represents an increase of **1.08%**. Included in these funds are outstanding amounts due on assessed annual contribution of **COM\$ 19,393,716** in 2023 (2022: **COM\$ 21,772,890**).

**22 Events after the reporting date**

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

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**Chileshe Mpundu Kapwepwe**

*Secretary General*

**Lusaka, Zambia**

## COMESA – Secretariat

### **Statement of responsibility in respect of the preparation of financial statements**

*for the year ended 31 December 2023*

In accordance with the COMESA financial rules and regulations, the Secretary General is responsible for the preparation of the COMESA – Secretariat financial statements that give a true and fair view, comprising the statement of financial position as at 31 December 2023, the statements of income and expenditure and other comprehensive income, changes in accumulated funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and the requirements of the COMESA Treaty and financial rules and regulations.

The Secretary General is also responsible for such internal control as she determines are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Secretary General has assessed the COMESA - Secretariat's ability to continue as a going concern and has no reason to believe the Secretariat will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework as described above.

### **Approval of the financial statements**

The financial statements of COMESA - Secretariat, as identified in the first paragraph, were approved by the Secretary General 9 August 2024 and are signed by:

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**Chileshe Mpundu Kapwepwe**

*Secretary General*

## REPORT OF THE COBEA ON THE AUDIT OF FINANCIAL STATEMENTS OF THE COMESA SECRETARIAT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023

### Opinion

We have audited the financial statements of the Common Market For Eastern and Southern Africa (COMESA) Secretariat set out on pages 9 to 60, which comprise the statement of financial position as at 31<sup>st</sup> December 2023, the statements of income and expenditure and other comprehensive income, changes in accumulated funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the COMESA Secretariat as at 31<sup>st</sup> December 2023 and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards, the requirements of the COMESA financial rules and regulations and the COMESA Financial Manual 2014.

### Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs) and International Standards on Auditing (ISA), as required in the COMESA Board of External Auditors Charter. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the COMESA Secretariat in accordance with the International Standards of Supreme Audit Institutions Code of ethics as promulgated by the International Organization of Supreme Audit Institutions (INTOSAI) and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant in performing audits of the financial statements in the COMESA Board of External Auditors Charter. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Edward Akol  
COBEA Chairperson  
Auditor General (Uganda)

Date: 9 August 2024

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RAKOTONDRAMIHAMINA Jean de Dieu  
COBEA Member  
Président de la Cour des Comptes de  
Madagascar  
(President of the Court of Accounts  
Madagascar)

Date: 9 August 2024

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Hatem Sellini  
COBEA Member  
Vice President of the Court of Accounts of  
the Republic of Tunisia

Date: 9 August 2024

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Thomas K.B. Makiwa  
COBEA Member  
Auditor General (Malawi)

Date: 9 August 2024

## COMESA – Secretariat

### Statement of Financial Position as at 31 December 2023

In COMESA Dollar

	2023	2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property and equipment	27,318,521	27,355,904
Investment in equity	3,061,309	2,917,958
Member states contributions receivable repayment plan	9,601,821	8,916,999
<b>Total: Non-current assets</b>	<b>39,981,651</b>	39,190,861
<b>Current Assets</b>		
Member states contributions receivable	9,791,895	12,855,891
Amounts due from other COMESA entities	514,326	361,266
Grant overheads receivable	1,537,930	671,964
Amounts due from other regional economic communities	197,759	310,364
Other receivables	996,547	946,733
Cash and cash equivalents	28,538,623	26,349,124
<b>Total: Current assets</b>	<b>41,577,080</b>	41,495,343
<b>Total: assets</b>	<b>81,558,731</b>	80,686,203
<b>Accumulated funds and liabilities</b>		
<b>Accumulated funds and reserves</b>		
Reserve fund	21,175,531	19,122,238
Staff loan revolving fund	136,997	131,609
Accumulated funds	35,375,824	37,480,356
Revaluation reserve	16,557,649	17,093,199
<b>Total: Accumulated funds and reserves</b>	<b>73,246,002</b>	73,827,403
<b>Non-current liabilities</b>		
Capital grants	606,306	459,395
Funds from closed grants	317,461	-
Deferred revenue	2,128,818	-
<b>Total: Non - current liabilities</b>	<b>3,052,585</b>	459,395
<b>Current liabilities</b>		

Trade payables	<b>683,552</b>	708,371
Member States Payable	-	521,690
Amounts due to COMESA entities	<b>134,712</b>	580,921
Trust Creditors	<b>2,945,793</b>	2,910,610
Post-employment benefit	<b>20,474</b>	3,203
Accruals and provisions	<b>1,475,613</b>	1,674,609
<b>Total: Current liabilities</b>	<b>5,260,144</b>	6,399,405
<b>Total: liabilities</b>	<b>8,312,728</b>	6,858,801
<b>Total: accumulated funds and liabilities</b>	<b>81,558,731</b>	80,686,203

These 2023 financial statements of COMESA Secretariat were approved by the Secretary General on 9 August 2024 and signed by:

**Chileshe Mpundu Kapwepwe**  
*Secretary General*

**Dr. Dev Haman**  
*Assistant Secretary General  
(Administration and Finance)*

**Auleria Olunga**  
*Director of Budget and Finance*



## COMESA – Secretariat

### Statement of Changes in Accumulated Funds

for the year ended 31 December 2023

In COMESA Dollar

	Note	2023	2022
<b>Income</b>			
Member States contributions	8(b)	12,511,626	12,502,893
Other Member States contributions	8(c)	2,976,933	2,350,000
Grant Overhead contributions	18(a)	1,494,853	707,032
Other income	18(b)	1,011,295	780,951
<b>Total income</b>		<b>17,994,708</b>	16,340,876
<b>Expenditure by function</b>			
Executive management		(1,536,705)	(1,296,245)
Human resources and administration		(2,769,225)	(2,678,037)
Budget and finance		(927,167)	(926,017)
Trade and customs		(738,189)	(682,417)
Infrastructure and logistics		(504,272)	(547,349)
Agriculture, environment, and natural resources		(489,099)	(619,327)
Legal and institutional affairs		(363,834)	(349,726)
Gender and social affairs		(364,208)	(544,309)
Information technology		(1,218,755)	(1,017,006)
Internal audit		(390,635)	(360,586)
Resource mobilisation and international cooperation		(229,863)	(222,009)
Strategic planning		(199,975)	(196,013)
Public relations		(340,923)	(376,795)
Resource centre		(155,576)	(163,109)
Estates unit		(367,408)	(373,143)
Brussels liaison office		(337,965)	(320,102)
Statistics unit		(50,691)	(8,244)
Governance, peace and security		(736,625)	(653,194)
COMAid		-	(76,220)
External audit framework		(170,000)	(195,000)
Depreciation on property and equipment	5	(796,448)	(753,529)
<b>Total expenditure: Member States funded</b>	19(a)	<b>(12,687,562)</b>	(12,358,377)
<b>Finance income</b>	20	<b>503,617</b>	315,990
<b>Finance costs</b>	21	<b>(3,349,603)</b>	(481,620)

	(2,945,986)	(165,631)											
	Reserve funds	Staff Loan Revolving Fund	Accumulated funds	Revaluation Reserve	Total								
<b>At 1 January 2022</b>	15,606,018	168,392	39,727,635	16,424,697	71,926,741								
Surplus for the year	-	-	4,352,894	-	4,352,894								
Revaluation Surplus	-	-	-	1,192,205	1,192,205								
Receipt into reserve fund	8,856,397	-	(8,856,397)	-	-								
Transfer from Reserve Fund	(5,340,177)	-	5,340,177	-	-								
Transfer from Revolving Fund	-	(125,313)	125,313	-	-								
Receipt/Transfer to Revolving Fund	-	88,530	(88,530)	-	-								
Assets Derecognition	-	-	(232,104)	-	(232,104)								
Withdrawals	-	-	(2,888,631)	-	(2,888,631)								
Amortisation2 of Revaluation Reserve	-	-	-	(523,702)	(523,702)								
<b>At 31 December 2022</b>	<b>19,122,237</b>	<b>131,609</b>	<b>37,480,357</b>	<b>17,093,199</b>	<b>73,827,403</b>								
At 01 January 2023	19,122,237	131,609	37,480,357	17,093,199	73,827,403								
Surplus for the year	-	-	3,182,341	-	3,182,341								
Transfer from Reserve Fund	(1,127,271)	-	1,127,271	-	-								
Receipt into Reserve Fund	6,410,745	-	(6,410,745)	-	-								
Withdrawals for regular budget	(2,976,933)	-	-	-	(2,976,933)								
Withdrawals for COMESA institutions	(253,248)	-	-	-	(253,248)								
Transfer from Revolving Fund	-	(120,732)	120,732	-	-								
Receipt into Revolving Fund	-	122,447	(122,447)	-	-								
Interest received	-	3,673	-	=	3,673								
Amortisation of capital grants	-	=	19,141	=	19,141								
Amortisation of revaluation reserve	=	=	-	(535,550)	(535,550)								
Prior year Adjustment	=	=	(20,825)	-	(20,825)								
<b>At 31 December 2023</b>	<b>21,175,531</b>	<b>136,977</b>	<b>35,375,824</b>	<b>16,557,649</b>	<b>73,246,002</b>								

## COMESA - Secretariat

### Statement of Cash Flows

for the year ended 31 December 2023

In COMESA Dollar

	2023	2022
<b>Surplus for the year</b>	<b>3,182,341</b>	4,352,894
<i>Adjustments for:</i>		
- Depreciation	<b>796,448</b>	753,529
- Non-cash movement in fixed Assets	<b>(534,534)</b>	(1,031,211)
- Dividend Income	<b>(35,162)</b>	(35,135)
- Interest income	<b>(503,617)</b>	(315,990)
- Non-cash movement in reserve funds	<b>(3,763,743)</b>	(2,452,233)
	<b>(858,267)</b>	1,271,855
<i>Changes in:</i>		
- Member states contributions receivables	<b>2,379,175</b>	3,369,545
- Investment in equity	<b>(143,351)</b>	(34,954)
- Amounts due from other COMESA entities	<b>(153,059)</b>	54,088
- Grants overheads receivable	<b>(865,966)</b>	(361,667)
- Amounts due from other regional economic communities	<b>112,605</b>	(6,879)
- Other receivables	<b>(49,814)</b>	(152,907)
- Capital grants	<b>146,910</b>	24,102
- Trade payables	<b>(24,819)</b>	395,821
- Member States payable	<b>(521,690)</b>	521,690
- Amounts due to other COMESA entities	<b>(446,209)</b>	232,266
- Trust creditors	<b>35,183</b>	14,296
- Funds from closed projects	<b>317,461</b>	-
- Post-employment benefits	<b>17,271</b>	2,441
- Deferred revenue	<b>2,128,818</b>	-
- Accruals and provisions	<b>(198,996)</b>	(215,538)
	<b>1,875,250</b>	5,114,160
- Interest received	<b>503,617</b>	315,990

<b>Net cash utilized in from operating activities</b>	<b>2,378,867</b>	5,430,150
<b>Cash flows from investing activities</b>		
Dividend received	<b>35,162</b>	35,135
Proceeds from disposal of equipment	<b>57,941</b>	-
Acquisition of property and equipment	<b>(282,472)</b>	(104,785)
<b>Net cashflows in investing activities</b>	<b>(189,369)</b>	(69,650)
	<b>2,189,499</b>	<b>5,360,500</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>26,349,124</b>	<b>20,988,625</b>
<b>Cash and cash equivalents at end of the year</b>	<b>28,538,623</b>	<b>26,349,124</b>

## COMESA – Secretariat

Notes to the financial statements  
for the year ended 31 December 2023

### Supporting information to the Statement of Financial Performance

In COMESA Dollar

#### Expenditure by Cost Centre – Year 2023

Expenditure	2023 Budget	2023 approved Budget Reallocation	2023 Revised Budget	2023 Actual	2023 Budget Utilisation	2022 Actual
Executive Management	2,011,683	(11,343)	2,000,340	(1,536,705)	77%	(1,296,245)
Human Resources and Administration	3,664,813	(67,975)	3,596,838	(2,769,225)	77%	(2,678,037)
Budget and Finance	1,161,000	34,650	1,195,550	(927,167)	78%	(926,017)
Trade and Customs	994,442	11,134	1,005,576	(738,189)	73%	(682,417)
Infrastructure and Logistics	678,362	(11,000)	667,362	(504,272)	76%	(547,349)
Agriculture, Environment and Natural Resources	798,196	(20,430)	777,766	(489,099)	63%	(619,327)
Legal and Institutional Affairs	531,361	(14,620)	516,741	(363,834)	70%	(349,726)
Gender and Social Affairs	490,499	5,000	495,499	(364,208)	74%	(544,309)
Information Technology	1,688,278	(42,134)	1,646,144	(1,218,755)	74%	(1,017,006)
Internal Audit	494,498	600	495,098	(390,635)	79%	(360,586)
Resource Mobilisation and International Cooperation	280,172	5,154	285,326	(229,863)	81%	(222,009)
Strategic Planning	234,369	(1,945)	232,424	(199,975)	86%	(196,013)
Corporate Communications	399,887	2,829	402,716	(340,923)	85%	(376,795)
Resource Centre	195,331	325	195,656	(155,576)	80%	(163,109)
Estates Unit	515,024	(530)	514,494	(367,408)	71%	(373,143)

Brussels Liaison Office	416,556	(2,165)	414,391	(337,965)	82%	(320,102)
Statistics unit	60,000	-	60,000	(50,691)	84%	(8,244)
Governance, Peace and Security	692,580	62,450	755,030	(736,625)	98%	(653,194)
COMAid unit	-	-	-	-	-	(76,220)
External Audit Framework	170,000	-	170,000	(170,000)	100%	(195,000)
Add: Depreciation on property and equipment	-	-	-	(796,448)		(753,529)
<b>Total Expenditure</b>	<b>15,477,051</b>	<b>(50,000)</b>	<b>15,427,051</b>	<b>(12,687,562)</b>	<b>82%</b>	<b>12,358,377</b>
Add: Finance Costs	100,000	-	100,000	(3,449,603)	-	(481,620)
Capita Budget	15,577,051	(50,000)	15,527,051	(16,137,175)	104%	(12,839,998)
Capita Budget	301,000	50,000	351,000			
Total Budget	15,878,051	-	15,878,051			





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