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COMESA

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IT IS HEREBY NOTIFIED that the COMESA Council of Ministers at its Third Meeting held on 7 and 8 April, 1997, issued the following Legal and General Notices:

I. LEGAL NOTICES

(a) Trade and Customs

1. Council directed member States to:

- (a) continue to take measures to liberalize intra-COMESA trade by eliminating all the remaining trade control barriers to intra-COMESA trade;
- (b) continue to liberalize visa requirements for travel so as to allow COMESA travellers to obtain visas at ports of entry in accordance with the COMESA Protocol on Relaxation and Eventual Elimination of Visa Requirements among COMESA member States;
- (c) expand and improve cold storage and handling facilities at airports and seaports; and
- (d) update the situation of non-tariff barriers in each country and advise the Secretariat of the latest situation.

2. Council directed that:

- (a) TINET national focal points efficiently perform their tasks at national level and further support is required from their parent organization in the member States regarding staffing, logistical support and overall management;
- (b) the TINET Central Unit at COMESA Secretariat to ensure continuous interaction with TINET partners and end users so as to provide for an up-to-date and relevant flow of information among the business communities to promote intra-COMESA trade;
- (c) national TINET focal points to introduce modern information technology (such as e-mail, internet, etc.) to increase efficiency of the network in terms of data collection and exchange of information. These information systems should be linked to the TINET Central Unit at the COMESA Secretariat which is already on e-mail and internet;
- (d) each member State to provide, at national level, the necessary resources for the operation, management and sustainability of TINET so as to ensure continuity of TINET information services for the benefit of the business community, after the end of the Project; and
- (e) the Secretariat to mobilize additional resources to enable more buyers and sellers meeting to be held including specialized and general trade fairs.

3. Council directed that the COMESA Customs Declaration Document be introduced in all the member States by 1st July, 19987. A specimen COMESA-CD is at Annex 1. Council noted that Namibia was using a document that was similar to the COMESA Customs Document and that they will compare their documents with the COMESA-CD

4. Council directed the Secretariat to report progress that was being made under the Cross Border Initiative programme for those member States that are members of CBI.

5. Council decided that all the member States should adopt the COMESA Common Statistical Rules and Regulations, which are attached as Annex II.

(b) Industry

6. Council decided that:

- (a) the COMESA Industrial strategy document should take into account, *inter-alia*, the programme of the OAU, ECA, IDDA II, the Cairo Agenda and African Economic Community; the linkage of small-scale industries to large scale industries; the need for adequate investment in science and technology; participation of all stakeholders, especially ESABO, in the promotion and implementation of the strategy; and the establishment of common facilities and growth centres;
- (b) the Secretariat should circulate the strategy to all the member States, including all stakeholders for comments; and
- (c) the Secretariat should present the integrated strategy to the next Committee on Industry.

7. Council decided that the Secretariat should:

- (a) establish a data bank on the iron and steel industry within the framework of existing TINET;
- (b) facilitate the establishment of COMESA Metallurgical Industry Association (COMESAMIA) and other mechanisms or for a for co-ordination and exchange of experiences, knowledge and information;
- (c) organize and implement mutual plant visits and personnel exchange and co-ordinate the formation of a consultancy body using available experts in the region;
- (e) undertake all necessary steps to utilize the existing facility at the Institute of Mining Research (IMR) at the University of Zimbabwe; and
- (f) undertake a demand/supply survey on raw materials required by the iron and steel sector.

8. Council directed that each member State establish a Consultative Committee comprising representatives from the government and the private sector, to consider the COMESA industrial strategy and make appropriate inputs which should be taken into account by the Secretariat when producing the final strategy document.

9. Council directed that governments should:

- (a) consider preferential tariff rates for utilities for the iron and steel industry to enhance its development and competitiveness;
- (b) promote and support the development of secondary downstream industries that continuously consume iron and steel products as raw materials with emphasis on machine tools implements and hand tools;
- (c) vigorously support and promote research and development, co-ordination and training in the sub-sector; and
- (d) encourage steel scrap movements within COMESA region to enable countries experiencing scrap shortages to import from countries with surplus scrap.

(c) Transport and Communications

10. Council directed COMESA member States to sign and ratify the OAU African Maritime Charter, as soon as possible, in order to enable effective participation of shippers and ship-owners in the maritime transport industry within and outside the COMESA region.

11. Council decided that member States should:

- (a) implement harmonized Third Party Motor Liability Insurance Laws and Regulations concerning the mixed system of compensation that combines the basic no fault with tort liability. In practice, the mixed system shall take into account a compulsory limited liability up to a certain level determined by each member State, and if the victim wanted more or higher compensation, he or she could seek compensation through courts;
- (b) take out compulsory third party insurance for all government vehicles; and
- (c) introduce as soon as possible compulsory seat belt legislation (Tanzania, Zambia and Zimbabwe have already implemented Council decision on this account).

12. Council directed those member States that had not established Multi-Disciplinary Working Groups (MWGs) in the Transport and Communications sector to do so as soon as possible

13. Council directed that:
- (a) all the member States should implement the COMESA vehicle dimensions and maximum length of 22 metres due to the existing road geometry which is determined by the mountainous terrain. Until the reconstruction and re-alignment of the roads were done, the permissible maximum vehicle length for Ethiopia would be 10 metres.
14. Council directed that:
- (a) Angola, Burundi, Eritrea, Kenya, Mozambique, Rwanda, Sudan, Swaziland, Tanzania and Zaire should ratify the Regional Customs Bond Agreement in order that transit truckers can move across member States faster. Council noted Namibia could ratify the agreement after completion of the study on the Regional Customs Bon Agreement; and
 - (b) Road Customs Transit Declaration (RCTD), Transit Plates and Regional Bond Guarantee Scheme be implemented.
15. Council directed all the member States, which had not put into force the COMESA Carrier system to do so urgently in order to allow COMESA country registered trucks to do business in all the member States by using a carrier license issued in the country of residence.
16. Council directed that member States that had not implemented the COMESA programmes on the Harmonized Road Transit Charges; COMESA Carriers License; COMESA Transit Plates; COMESA Over-load Control including the Over-load Certificate; Multi-disciplinary Working Groups (MWGs); Maximum Vehicle Dimensions; the COMESA Yellow Card; COMESA Immigration Counters; and the High Frequency Cross-border Land Mobile Radio Communications System (HFX). This excludes Namibia pending her conclusion of the review of the relevant legislation.
17. Council directed member States to:
- (a) liberalize air transport policies in relation to air cargo operations within the region. This would enable co-loading on both North and South bound legs;
 - (b) review taxation policies especially on aviation fuel, and align them with the principles of reciprocal exemption and non-discrimination, in conformity with the international Civil Airlines Organizations' ICAO's policies on taxation in the field of international air transport; and
 - (c) consider abolishing "royalty payments" because they were undesirable and counter-productive as they increased the cost of air services.
18. Council directed the Secretariat to:
- (a) submit project proposals for Phase II of the ACIS project to the EU and other co-operating partners;
 - (b) explore the feasibility of networking the Advance Cargo Information System (ACIS) with other COMESA information systems in all the member States through either the existing telecommunications facilities or through satellite based systems; and

- (c) prepare a rolling stock inter-change agreement and a single invoicing system for Zambia Railways and TAZARA.

19. Council directed that:

- (a) member States which had not yet submitted their priority five-year programmes in Transport and Communications development should do so before 31st July, 1997;
- (b) member States which had partially submitted their programmes should forward the remaining programmes to the Secretariat; and
- (c) the Secretariat should compile and consolidate the priority programmes for circulation to the member States.

(d) Monetary and Financial Co-operation

20. Council decided that the COMESA Dollar be equivalent to one US Dollar and should replace the current Unit of Account (UAPTA).

21. Council also decided that the Clearing House was still useful in the promotion of intra-regional trade through the use of national currencies with only net balances being settled in foreign exchange.

22. Council decided that COMESA Secretariat should:

- (a) visit the entire member Central Banks with a view to acquainting them and their commercial banks, including the business community, with changes introduced in the Clearing House;
- (b) hold a regional seminar in Mauritius in July, 1997 on the changes introduced in the Clearing House;
- (c) undertake a study on the implications of the direct participation of commercial banks in the Clearing House. While the COMESA Secretariat and the Bank of Zambia would identify an external consultant to be funded by extra-budgetary resources, the Reserve Banks of Malawi and Zimbabwe as well as the Bank of Uganda would assist by providing relevant experts to participate in the study;
- (d) undertake a comprehensive study on the transformation of the Clearing House into a specialized monetary Agency of COMESA, and the COMESA Secretariat was requested to undertake the study with external assistance as soon as possible. The study would to a large extent determine the future role of the Clearing House; and
- (e) adhere to the schedule of activities of the Clearing House for the period March to November, 1997.

(e) Agriculture

23. Regarding Forestry Investment, Council directed that:

- (a) member States should promote investment in the expansion of the existing forestry processing plants, establishment of processing capacity for new and improved products, improvement of infrastructure and supporting services; and
- (b) member States should promote joint ventures as a means of attracting investment, transfer of technology and expertise.

(f) Legal and Institutional Matters

24. Council decided that since the setting up of a temporary Registry had budgetary implications, the budgetary matters should be further discussed by the Ministerial Task Force and be considered by the next Council of Ministers to be held in November, 1997 after consideration by a meeting of the Ministers of Justice and Attorneys-General scheduled to be held in October, 1997.

25. Council further decided that the Ministerial Task Force as supported by the Committee of Senior Legal Experts should be convened within three months from 11th April, 1997 to discuss all the issues relating to the establishment of the Court. The Terms of Reference of the Task Force should include the recommendations of the meeting of the Ministers of Justice and Attorneys-General of Nairobi, Kenya held from 3rd – 4th October, 1994, and recommendations of the First Meeting of the Committee on Legal Affairs held from 9th – 10th December, 1996 in Lusaka, Zambia.

26. Council decided that as the Staff Rules and Regulations (1996 Edition) were a modification of the 1992 Edition incorporating the decisions of the Second Council of Ministers meeting of 18th April, 1996. The 1996 Edition should apply until the restructuring and re-organization programme is completed and a new a set of COMESA Rules and Regulations in produced.

(g) Implementation of Treaty Provisions and Policy Decisions

27. Council directed that:

- (a) member States should submit an update on the status of implementation of policy organs decisions as soon as possible, preferably not later than 30th May, 1997;
- (b) member States should take the necessary measures to clear the backlog of decisions that have not been implemented; and
- (c) the Secretariat should prepare a detailed report on the status of implementation of policy organs decisions for circulation to member States and submit it through the Intergovernmental Committee to the Council of Ministers meeting scheduled for November, 1997.

28. Council directed the Secretariat to continue consultations with the member States and devise the best ways of ensuring that the member States implemented decisions of Policy Organs timely and effectively.

(h) Green Paper on ACP-EU Future Relations beyond the Year 2000

29. Council decided that the COMESA Secretariat be mandated to prepare a position paper on the future ACP-EU relationship with reference to the Green Paper on behalf of the member States. The member States shall, therefore, prepare position papers at national levels for submission to the Secretariat. The Secretariat would analyze and synthesize responses received from the member States and prepare a COMESA position which would be submitted to the ACP Secretariat as an input of COMESA to the formulation of the ACP position by August, 1997, prior to the ACP Summit scheduled to be held in Gabon in November, 1997.

(i) Administrative and Budgetary Matters

30. Council decided that clear terms of reference should be prepared and fixed consultancy fees should be determined by the Secretariat in consultation with the COMESA High Commissioners/Ambassadors accredited to Zambia. Those terms of reference should take into account the work already done by the Secretariat on the strengths, weaknesses, opportunities and threat to COMESA. The terms of reference should also take into consideration all the decisions of Council on the issue.

31. Council also decided that the Secretariat in consultation with the COMESA High Commissioners/Ambassadors accredited to Zambia should prepare the terms of reference for the exercise within two weeks of the end of the Summit meeting. The terms of reference should then send prospective consultancy experts' CVs to the Secretariat within one month.

32. COMESA High Commissioners/Ambassadors accredited to Zambia will then select five management consultancy experts based on the CVs provided by all the member States to conduct the study, Council stressed the importance of the study and decided that it should be completed within three months following the end of the COMESA Summit.

33. Council further decided that the role of the COMESA High Commissioners/Ambassadors accredited to Zambia should be defined under the programme on re-organization and restructuring of the Secretariat to be carried out in terms of Article 188(2) of the COMESA Treaty.

34. Council decided that Ethiopia, Kenya and Zambia constitute the 1997-1998 Contracts Committee.

35. Council decided that given the technical nature of the project, there was need to review work to date and its attributable cost. The Contracts Committee should, therefore, be convened to review the state of the project and determine the validity of pending claims against the project.

36. Council also decided that because of the escalating costs of construction, the purchase of an existing building was at the moment the more practical option. The Secretariat in consultation with the COMESA High Commissioners/Ambassadors accredited to Zambia and the host Government should search for an appropriate building in Lusaka for purchase.

37. Council further decided that the Secretariat in consultation with the COMESA High Commissioners/Ambassadors accredited to Zambia should be mandated to borrow from financial institutions if an appropriate building was identified. The building would be used as collateral for the loan.

38. Council approved the Financial Statements for the year ended 31st December, 1995.

39. With regard to the external audit of the organization, Council decided as follows:

- (a) the external audit of COMESA should be tendered every two years beginning with the 1996 audit and that the services of the external auditors should include regular checks on internal controls;
- (b) the successful firm should be appointed by the Secretariat in consultation with the COMESA High Commissioners/Ambassadors accredited to Zambia together with the host Co-ordinating Ministry

40. With regard to the staffing of the Budget and Finance Section, Council decided that, two General Service category Assistant Accountants (GS9) be recruited locally instead of the more expensive option of filling the Assistant Finance Officer post (P1). Council agreed to the proposal with a proviso that this should not be a precedent to substitute approved professional posts with General Service posts, as it would not ensure equitable distribution of posts among the member States.

41. Council decided that two General Service category Assistant Accountants (GS9 level) be recruited.

42. Council decided that the current formula for contributions to the COMESA Budget be maintained and applied for 5 years, that is 1995 to 1999 Budget years.

II GENERAL NOTICES

(a) Trade and Customs

43. Council recommended that on the basis of the common external tariff of 0%, 5% and 30% on the capital goods, raw materials, inter-mediate goods and final goods respectively, the Secretariat should undertake:

- (a) a study on alternative sources of revenue where revenue loss resulting from adopting the CET could arise;
- (b) a study on the modalities of administering the CET; and
- (a) a study on the categorization of goods into the proposed CET structure and submit it to the next meeting of the Trade and Customs Committee

44. Council agreed that the few member States that had not yet implemented ASYCUDA or EUROTRACE should do so as soon as funding is available.

45. Council recommended that a union for duty-free shops and export processing companies be established for the following purpose:

- (a) exchange export;
- (b) minimizing the purchase of goods from outside the region so that prices will be lower than to purchase company by company.

46. Regarding the status of elimination of non-tariff barriers, Council directed that the Secretariat should undertake a comprehensive study to identify remaining non-tariff barriers in the member States and catalogue any other obstacles, constraints or impediments to intra-COMESA trade and recommend measures to resolve them. Co-operating partners should be requested to assist with complementary funding for the study.

(b) Industry

Recommendations

47. Council agreed that member States should utilize the existing facilities at the Institute of Mining Research (IMR) at the University of Zimbabwe.

48. Council agreed that the PTA Bank should be requested to consider issuing bonds for financing national and multinational industrial enterprises.

49. With regard to the strategy and programmes to enhance co-operation in industrial development and market integration in the COMESA region with emphasis on the private sector development, Council recommended that the industrial strategy documents should be integrated into one single document.

50. Council agreed that the member States should fully participate and provide information on projects contained in the IDDA II programme and submit a report to OAU/AAI in 1997.

51. Council agreed that iron and steel plant operators/owners:

- (a) make their products to international standards, such as the ISO 9000 Series;
- (b) should form national and regional associations to facilitate exchange of knowledge, skills and experience among themselves and serve as a forum to influence government policies and laws on the industry;
- (c) should co-operate through joint venture arrangements in establishing new industries to produce and supply products such as DRI to the region; and
- (d) should share in the cost of technical assistance and consultancy services rendered through COMESA Secretariat.

52. Council further agreed that UNIDO be requested:

- (a) to assist COMESA member States in mobilizing resources from the private sector and donors through trust fund arrangements for implementation of the Metallurgical Technological Centre (MTC) project; and
- (b) to include in its five-year action programme assistance to COMESA in training of skilled personnel in the metallurgical and engineering industries. This should include fellowships, study tours and sponsorships to UNIDO meetings or seminars related to metallurgical and engineering industries.

53. Council adopted the following recommendations with regard to training workshops for Steel Plant Executive and Engineers:

- (a) the training workshops for Steel Plant Executives and Engineers should be continued at Ziscosteel and other steel plants in COMESA as well as overseas (e.g. in India), but the course contents should be tailor-made for different levels of personnel in the plants;
- (b) in-depth courses of longer duration focusing on specific topics such as maintenance management, financial management, etc. should

54. Council recommended that the COMESA Secretariat should closely liaise with the International Maritime Organization (IMO) on the implementation of IMO Conventions and programmes in the region.

55. Council recommended that:

- (a) the Secretariat should prepare a project document on the charting of Lake Tanganyika for submission to countries concerned for comments, and that documents should be submitted before the next Technical Committee on Lake Tanganyika;
- (b) Mpulungu port should repair, as soon as possible, its HF radio communications system to facilitate communication with other ports;
- (c) the communications frequencies of 8175 KHZ and 5415 KHZ be used on Lake Tanganyika;
- (d) a Regional Search and Rescue Centre should be established for Lake Tanganyika. The Secretariat should prepare a project document and mobilize funds for establishing the Centre; and
- (e) the Secretariat should prepare a project on the development of marine meteorological services on Lake Tanganyika for submission to donors;

56. Council recommended that:

- (a) the COMESA Telecommunications Section should provide permanent Secretariat service to the ARTC in view of the fact that the latter had no full time Secretariat. This would enhance co-ordination of telecommunications development in the COMESA region;
- (b) restructured ARTC should continue to be held annually;
- (c) the duration of ARTC should be limited to five (5) working days, with a one day Plenary Session being preceded by Committee of Experts meetings lasting four days; and
- (d) hosting of ARTC should continue to be on a rotational basis among Telecom operators and confirmation of the venue should be done a year in advance.

(d) Agriculture

Recommendations

57. Council recommended that stakeholders in the Vegetables Oils/Protein Systems Improvement Network (VOPSIN) should:

- (a) set up information network in each country;
- (b) establish a Regional Research Network to be funded from the stakeholders. Among others, this could be from a certain percentage of tax revenue generated from import duty on imported oilseeds raw materials;
- (c) a study be carried out by AGRF within the framework of the VOPSIN project on the oilseeds sub-sector focusing on:
 - (i) current trade in oil crops and vegetable oils;
 - (ii) tariff and non tariffs barriers;
 - (ii) World Trade Organization Agreement; and
 - (iv) European Union Agreement of 1994

58. Council recommended that the Secretariat should solicit from co-operating partners additional funding to continue with the VOPSIN project and hold a similar workshop for all to participate in order to enhance further re-forestation and expansion of industries.

(e) Legal and Institutional Matters

Recommendations

59. Council recommended that the programme on re-organization and restructuring, should consider the strengthen of the capacity of the Legal Division by increasing the number of established posts for the professionals and availing funds to the Division to enable it implement the work programme.

60. Council recommended that since one of the main objectives of COMESA, as provided for under Article 6 of the COMESA Treaty, was to contribute towards the establishment, progress and realization of the objectives of the African Economic Community, the Secretary-General was authorized to sign the Protocol on the Relations between the African Economic Community and the Regional Economic Communities

61. Council considered the status of Ratification of the COMESA Treaty and recommended that member States that had not yet ratified the Treaty should be urged to ratify it as soon as possible.

(f) EU/COMESA Co-operation under the Eighth European Development Fund (8th EDF)

62. Council agreed that the Secretariat should be managed to submit the projects to the European Union for funding under the 8th EDF. Council agreed that the project documents should be considered for endorsement.