e-COMESA newsletter

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Tripartite Group Leadership Changes Hands

COMESA hands over to SADC

After two and half years at the helm, COMESA handed over the stewardship of the Tripartite group of Regional Economic Communities (RECs) to the Southern Africa Development Community (SADC) with effect from Tuesday 22 April 2020.

The Tripartite brings together three RECs, including the East African Community into a cooperative framework on the implementation of the Tripartite Free Trade Area Agreement (TFTA) that was launched in 2015.

The changeover was conducted by teleconference, during the 31st Meeting of the Tripartite Task Force (TTF) made up of the Chief Executives of the three RECs. COMESA has chaired the TTF since November 2017.

Outgoing chair and Secretary General Ms. Chileshe Kapwepwe (COMESA), the EAC SG Mr. Libérat Mfumukeko and Deputy Executive Secretary of SADC in charge of Regional Integration, Dr Thembinkosi Mhlongo attended.

In her handing over statement, Ms Kapwepwe outlined key accomplishments that the Tripartite group has achieved in its three pillars: Market Integration, Infrastructure Development and Industrial Development. COMESA leads in the first pillar, while EAC and SADC takes the lead in the other two respectively.

Under market integration, 22 countries out of 28 have now signed the TFTA Agreement, while eight have signed and ratified. The eight include Egypt, Kenya, South Africa, Rwanda, Uganda, Burundi, Botswana and Namibia. Only four remain to reach the 14 States threshold to operationalize the Agreement. Comoros, Eswatini, Malawi, Sudan, Zambia and Zimbabwe are at advanced stages of ratification.

"As I hand over to SADC, the ratification of TFTA Agreement especially with Zambia, Zimbabwe, Comoros, Tanzania, Sudan, Eswatini and Malawi is one of the activities that will need active follow-up," COMESA SG said.

With regards to addressing Non-Tariff Barriers, the SG said 25 Member/Partner States have established focal points and National Monitoring Committees who are currently utilizing the Tripartite NTBs online monitoring, reporting and elimination mechanism.

"Over this period, the Tripartite NTBs Short Messaging (SMS) reporting tool was developed and rolled out. The tool is presently installed in four member/partner states namely: Comoros, Malawi, Zambia and Zimbabwe. Roll out to the rest of the Member/Partner States will be necessary as will be sensitization and monitoring to promote use of the tool by all stakeholders," Ms Kapwepwe noted in her report.

Other accomplishments listed include the adoption by Tripartite Sectoral Ministerial Committee of the

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Agreement on Movement of Businesspeople and is presently awaiting signing and ratification by Member/Partner States.
Further, Sanitary and Phytosanitary and Technical Barriers to Trade (SPS/TBT) risk profiling and risk assessment were completed for 10 Member/ Partner States. Additionally, tools to assess SPS/ TBT costs and the cost measures documented for selected commodities and trade routes were developed.

The EAC and Southern African Customs Unions (SACU) finalized their bilateral Tariff Offer negotiations on products that are subject to immediate liberalization. EAC and Egypt have also concluded their negotiations, while those between SACU and Egypt, are also nearing completion.

Under the Infrastructure Pillar, Kenya, Egypt, Eswatini, Ethiopia, Rwanda and Zimbabwe signed the commitment on operationalization of the Single African Air Transport Market under the Yamoussoukro Declaration on liberalization of Access to Air Transport Markets in Africa. Further, several transport corridor development projects, including the establishment of One Stop Border Posts, construction, expansion, rehabilitation and upgrading of several roads and associated works were completed.

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In his remarks, Dr Mhlongo, who represented the SADC Executive Secretary, noted that his organization was taking over the stewardship of the group at a time of crisis caused by COIVD-19 pandemic.

"We may have to re-look at the tripartite implementation plans and prioritize what can be done in the prevailing environment that we are all in," he said. He noted, that the implementation of activities under the industrialization pillar has been slowed down by resource constraints.
EAC SG Mr. Mfumukeko appreciated the achievements under COMESA leadership and expressed confidence of further progress under SADC.

Common Investment Area Agreement
Awareness Campaign Planned to Push for its Ratification

The COMESA Secretariat intends to mount a public awareness campaign on the benefits of the regional Common Investment Area Agreement in an effort to encourage countries to ratify and domesticate the regional document.

The COMESA Common Investment Area (CCIA) agreement is a promotional tool meant to guide Member States in harmonizing best practices in investment and facilitating private sector development. Among the major programmes envisaged is granting national treatment equally to COMESA investors and citizens of all Member States.

Since its adoption, in 2017, no Member State has ratified or domesticated the CCIA.

"The instrument will ensure the investment and investor's protection and encourage Member States to carry out reforms and liberalization by opening economic sectors for growth to all investors, particularly the ones originating from the region," says Mr Joseph Mpunga, Senior Investment Officer at COMESA Secretariat.

The CCIA was adopted by the COMESA Authority during the 2007 Summit held in Nairobi, Kenya. In the years that followed, the CCIA went through reviews to take into consideration the emerging issues in international investment regimes and specific standards regarding investor protection.
It also covers the rights and obligations of investors and those of the host countries.
Mr Mpunga said: "We plan to conduct the public awareness campaign in the region so that we can sensitize the stakeholders on the importance of this document and the need for its ratification." He said adding that the campaigns will be conducted in conformity with the health guidelines in the face of COVID-19 pandemic.

The International Institute for Sustainable Development (IISD) and UNCTAD, worked with the Secretariat in the review, which was finally adopted by the Council of Ministers in November 2017.

The revised CCIA is aligned to the Pan African Investment Code championed by the African Union. This Framework will provide a platform for the investment chapter that is the integral part of the Continental Free Trade Area (ACFTA).

In addition, the framework has in its provisions dispute settlement mechanisms privileging national and regional conflicts resolution. The instrument comprises in total 45 articles and 4 schedules.

Upon implementation, the CCIA is expected to improve the overall ease of doing business environment in the region, cooperation in investment promotion among Member States through Double Taxation Avoidance Agreements and other investment agreements.

The COMESA Diary

Date	Meeting/Activity	Organized by	Venue
28 Apr 2020	Extra-Ordinary Meeting of the Trade and Customs Committee	COMESA	Teleconference
28 Apr 2020	Steering Committee Meeting of the Great Lakes Trade Facilitation Project	COMESA	Teleconference
12 May 2020	Extra-Ordinary Meeting of the Inter-Governmental Committee	COMESA	Teleconference
14 May 2020	Extra-Ordinary Meeting of the Council of Ministers	COMESA	Teleconference

Solidarity in the Time of COVID-19

Tripartite group sends solidarity message to its members

As the region grapples with the Coronavirus pandemic, whose net effect is stunted growth, loss of jobs and incomes, high disease burden and increased levels of poverty, the COMESA-EAC-SADC Tripartite Task Force (TTF) has expressed its solidarity with its 28 Member/Partner States.

In a statement signed by the immediate past Chair of the TTF, who is also COMESA Secretary General, Ms Chileshe Kapwepwe, the group urges the States to remain proactive and united in the fight against COVID-19, to minimize disruptions in livelihoods, businesses and transit trade.

The TTF which comprises of the Chief Executives of the three Regional Economic Communities (RECs) notes that the resultant border closures and lockdowns are causing significant reduction in intra-Tripartite trade. The small-scale traders who are the backbone of Tripartite economies as well as transport services, tourism, distribution chains are the most affected.

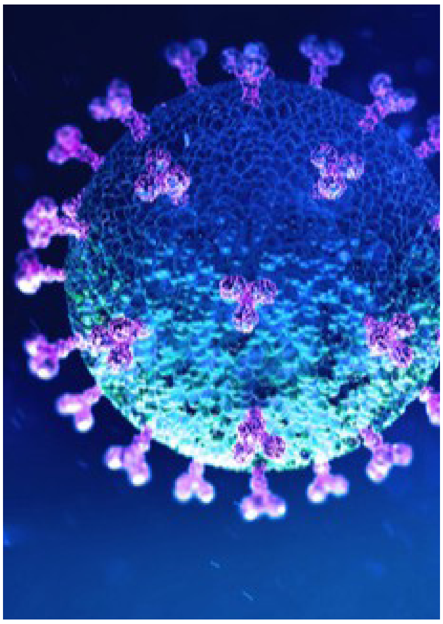
"We encourage the Tripartite Member/Partner States to conform to uniform standards and regional guidelines in order to minimize disruptions in the supply chain for essential goods, including food supplies across the Tripartite region," said the statement.

The statement was issued last week, during the 31st meeting of the TTF conducted through teleconference on April 22, 2020. In the statement, the TTF urged the States to facilitate the production and availability of medical goods, including pharmaceutical and equipment to enhance the response to the pandemic.
In addition, they encouraged the States to facilitate cross-border movement of essential goods and services while upholding health and safety requirements.

The statement cited some of the negative effects expected including threats to sustainable development in Tripartite Member States occasioned by diversion of scarce resources towards prevention of the spread and treatment of the disease as well as providing relief to vulnerable groups.

"These will lead to macro-economic impacts including reduced growth, fiscal stress and financial as well as the socio-economic impacts associated with loss of jobs, closure of learning institutions, restrictions of movements and social distancing," they said.

The TTF appreciated the policies and measures recommended by the World Health Organization,



the World Customs Organization and initiatives by the African Union Commission and other Development Partners to combat COVID-19 as well as the guidelines prepared by Tripartite Regional Economic Communities.

The CEOs pledged to continue sharing information and best practices amongst the Member States and facilitating coordination of responses to the Pandemic.

Sixty Merger Cases Assessed by COMESA Competition Commission

Sixty companies in the region submitted requests for mergers to the COMESA Competition Commission (CCC) last year. Notable among those considered was that of Uber and Careem ride hailing companies.

In that transaction, the parties undertook to create a specific division for research and development to enhance service delivery to the consumers. According to CCC Chief Executive Officer Mr George Lipimile, the parties undertook to enhance the security features of their services for the benefit of the consumers and to create more employment in the Common Market.

"On that basis, the Commission approved the merger," Mr Lipimile said.

Mergers and acquisitions are an important avenue of foreign direct investments (FDI) especially in current times when green field investments have been dwindling. Hence, the Commission ensures that the FDIs that come in form of mergers and acquisitions do not frustrate local and incumbent investments and that it benefits the Common Market and its inhabitants in general.

The CCC is an autonomous institution established in 2004 under Article 6 of the COMESA Competition Regulations. Its principal objectives are: to prevent anti-competitive conduct thereby encouraging competition and efficiency in business, resulting in a greater choice or consumers in price, quality and service; and to ensure the interests and welfare of consumers are adequately protected in their dealings with producers and sellers.

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