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**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**

**THE STATE OF INTEGRATION OF THE COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**

22ND COMESA SUMMIT OF THE HEADS OF STATE & GOVERNMENTS

BY

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*Theme : Economic Integration for a thriving COMESA, Anchored on Green Investment,
Value Addition and Tourism*

1.0: INTRODUCTION

1. This report highlights developments and status of the regional integration process in COMESA since the 21st Summit held in November 2021, Cairo, Egypt. The report covers key achievements, challenges & constraints and proposed way forward.
2. Within the period, the COVID-19 pandemic dealt a considerable blow to economies in the region. Food insecurity increased, export revenues shrank, tourism sectors collapsed, while healthcare & social protection requirements ballooned, even as the pandemic eased. In addition, the conflict in Europe exacerbated budgetary pressures on prices of food, fuel and fertilizer with increase in debt burdens.
3. However, COMESA continued implementation of various programmes under the 2021 -2025 Medium Term Strategic Plan whose key pillars include:- Market Integration, Physical Integration/Connectivity, Productive Integration and Gender and Social Integration

2.0: KEY ACHIEVEMENTS

2.1: MARKET INTEGRATION PILLAR

2.1.1: Trade liberalization

4. Membership to COMESA Free Trade Area has remained at 16, with the remaining Member States – DRC, Eritrea, Ethiopia, Kingdom of Eswatini and Somalia at different stages of full liberalization.

2.1.2: Intra-COMESA Trade

Your Excellencies

5. There was significant increase in COMESA's trade globally and within the region above pre-pandemic levels. The value of COMESA's total exports to the world significantly increased by 56% from US\$ 100 billion in 2020 to US\$ 156 billion in 2021. The sectors that contributed to this increase were manufactures, fuels, ores and metals and food.
6. The value of Intra-COMESA total exports increased by 28% from US\$ 10 billion in 2020 to US\$ 13 billion in 2021. Some of the key exports include **palm oil, cement,**

copper ores and concentrates, sesame seeds, beet/cane sugar in solid form, live animals, refined petroleum oils, sweet potatoes and roots and tubers.

7. Among the exporting countries in the COMESA region, the largest contributors to this increase were **Egypt, DR Congo, Tunisia, Seychelles, Uganda, Zimbabwe, Kenya and Zambia**, which registered a combined increase of 41% in exported manufactured products in 2021 compared to 2020.
8. Previous studies have indicated that COMESA region has potential to increase intra-regional trade by about US\$ 100 billion.

2.1.3: COMESA Trade Facilitation Instruments

9. With support from European Union, World Bank, African Development Bank, Afrexim Bank, UNCTAD, WCO, among others, COMESA continues to strengthen implementation of several trade facilitation instruments to overcome barriers and accelerate intra-regional trade and investments.

10. These include, among others:-

- a. Automation and **Digitization of Custom procedures & clearance, Electronic cargo tracking system, Electronic Certificate of Origin, National Single Windows**, Coordinated customs border management and upgrades;
- b. Implementation of **Online NTB Platform**, Elimination of NTBs, strengthening institutional framework and capacity building;
- c. Established of **Regional Trade Information Portal (TIP)**;
- d. Alignment of Harmonised Common Tariff Nomenclature to 2022 version to ensure uniform classification of goods;
- e. The **Simplified Trade Regime (STR)** to support the small-scale cross border traders.
- f. Support implementation of the WTO Trade Facilitation in Member States

2.1.4: Liberalization of Trade in Services

11. Liberalization of services is critical as they are either inputs into production or facilitate transactions and movements of goods across the region. Some of the activities include:-

- a. Supporting Trade in services liberalization & negotiations in 6 priority areas:-
Business, Financial, transport, communications, Tourism construction & energy services
- b. Several regional and national capacity building workshops undertaken in collaboration with partners such as World Bank, WTO, WTI and Afrexim Bank.

2.1.5: Promotion of Movement of Persons, labour and services

12. Restrictions on movement of persons across the region hinders intra-regional trade in goods and services, hence realization of the benefits of integration.

13. COMESA continues to support easing of movements through the following programmes and activities:-

- a. Development of COMESA Regional Migration **Database and Annual Report;**
- b. Development of a Revised Strategy and Action Plan for COMESA Migration Task Forces on Implementing COMESA Protocols on Free Movement of Persons and Related Capacity Building.
- c. Capacity Building and Provision of Technical Assistance to COMESA Member States in the **Collection, Analysis and Production of Reliable Labour Migration Statistics.**

2.1.6: Supporting Africa's Continental Integration

14. COMESA directly continues to support implementation Africa's continental integration through participation in the RECs Coordination Committee chaired by the AfCFTA Secretariat and participation in on-going negotiations. Indeed, some of our institutions have expanded beyond the region and are offering services at continental level, while programmes like the **One-Stop Border Points, the Simplified Trade Regime and Electronic Cargo System and Customs Bond Guarantee Carnet** and more recently the COMESA Virtual master's degree Programme in Regional Integration are all being scaled up beyond the COMESA region.

15. In addition, COMESA plays an active role in the Tripartite FTA as a building bloc

to continental integration. The Tripartite aims at fostering **market integration, infrastructure and industrial development** to overcome trade and development challenges and enhance regional and Continental integration;

16. Several Tripartite instruments have been adopted in the AfCFTA framework, including the **Rules of Origin, Tariff liberalization offers and the Online NTB reporting and monitoring system**. The Tripartite Transport Model laws recently adopted by the 5th Tripartite Council of Ministers are other instruments earmarked for scaling up at the continental level to enhance transit trade and connectivity.

17. So far a total of 26 signatures and 11 ratifications have been received, while 3 more ratifications are required for the Agree to come into force. It is important to urge all those Member States that are yet to ratify to do so without further delay and applaud those who are championing the finalisation of this process.

2.1.7: Capacity Building, Research and Policy Analysis

18. The objective is to strengthen evidenced-based trade and economic integration policy formulation and increase the pool of Regional Experts in the region.

19. This has continued through implementation of the **Virtual COMESA Master's Degree Programme in Regional Integration** being implemented at Kenyatta University and the University of Mauritius, the **COMESA Annual Research Forums** and the **Innovations Programme**.

2.1.8: Promotion of Good governance, Peace and Security

20. The objective is to strengthen democratic governance, inclusivity and promote peace and stability.

21. COMESA undertook Election Observer missions during elections in various Member States, Facilitating implementation of transitional governments in collaboration with AU, IGAD, EAC and International Agencies.

22. In addition, it undertakes Research and information sharing through Early Warning reports; Implementation of the COMESA Maritime Security (MASE) Programme and supporting strengthening National anti-money laundering laws and regulations.

2.2: PHYSICAL INTEGRATION/ CONNECTIVITY

23. **Your Excellencies**, activities under the Physical integration pillar are meant to In efforts to contribute to addressing supply side constraints related to infrastructure in the sectors of Transport, Energy and ICT in the COMESA region.

2.2.1: Transport development

24. The main activities under transport are supporting Harmonization and domestication of regional Transport policies; Liberalization of Air Transport, with a focus on aspects of the Yamoussoukro Declaration (YD); Implementation of Tripartite Transport and Transit Facilitation instruments to improve corridor efficiency.

2.2.2: Energy development

25. With regard energy, progress has been made in the establishment of regional power pool and domestication of Energy Policy and regulatory frameworks as well as facilitation of access and power trading.

2.2.3: ICT Development

26. Under the ICT sector, key activities included studies under the Programme on 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).

2.3: PRODUCTIVE INTEGRATION

27. **Your Excellencies**, COMESA has continued to support enhancement of productivity, food security, value addition and green investments in order to promote competitiveness and diversification.

2.3.1: Agriculture Production and Food Security

28. COMESA continues to support implementation of Comprehensive Africa Agriculture Development Programme (CAADP). Some of the activities include: Enhancing Regional Agricultural Commodity Trade to enhance trade; Developed Digital Regional Food Balance Sheet Platform to enhance food data system; Implementation of the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP) to enhance competitiveness and

value addition in selected products.

2.3.2: Industrial development and Value Addition

29. Activities are generally guided by the 2017 – 2026 COMESA Industrial Strategy and Action Plan. These include: -

- a. Promotion of Regional Local Content Policy Framework e.g. implementation Zambia – Zimbabwe industrial strategy;
- b. Promotion of **Agro-processing, Energy, Textile and Garments, Leather and Leather Products, Mineral Beneficiation, Pharmaceuticals, Chemicals and Agro-Chemicals, Light Engineering, and the Blue Economy;**
- c. Institutional support for the **development of the pharmaceutical industry** through strengthened capacities of the region's pharmaceutical regulatory bodies, quality control and management systems,
- d. Promotion of collaboration between COMESA Secretariat and other organizations including **Africa-CDC, Global Fund, WHO, UNICEF, UNFPA**, and others in strengthening the region's health system.
- e. Harmonization of **Standards/Metrology infrastructure** and strengthening the **COMESA Reference Laboratory System and Conformity Assessment.**
- f. Implementation of the **Green Pass Scheme** to facilitate cross-border trade and overcome SPS/TBT challenges for small scale traders.

2.4: GENDER AND ECONOMIC INTEGRATION

30. **Your Excellencies**, COMESA recognises that gender equality, empowerment of women and youth and social justice are key to achieve the objectives of the integration agenda.

31. Key activities included:-

- a. Sensitization of the **one-stop digital platform** for women entrepreneurs to strengthen their access to business services and markets.
- b. Promotion of **youth involvement** in integration matters, regional development, and democratic governance.
- c. The establishment of the Multi Sectoral Committee on health and COMESA Health Desk to strengthen public Health and medical issues interventions.

3.0: KEY CHALLENGES AND CONSTRAINTS

32. Despite the progress, some of the key challenges and constraints facing effective implementation of our programmes and activities are as follows:-

- a. **Slow domestication** and delayed implementation of agreed commitments and Protocols;
- b. Proliferation of **Non-Tariff Barriers** to Trade;
- c. **Low levels of value addition** and investments in clean technologies and climate change adaptability;
- d. Slow **harmonization** and **weak coordination of multiple integration** arrangements;
- e. **Restrictions/hinderances to free movement of persons, labour and services**;
- f. **Technical and Financial constraints.**

4.0: MOVING FORWARD

33. **Your Excellencies**, Moving forward, we call upon Member States to consider the following:-

- a. Hasten ratification and domestication of the agreed regional integration tools and instruments to realize the full benefits of integration;
- b. Encourage private sector to play a more active role in the integration process.
- c. Promote higher productivity, value addition and diversification of production and markets.
- d. Raise levels of awareness and sensitisation on regional integration;
- e. Liberalize services sectors as a priority in order to enhance productivity, spur growth and complement the gains made in tariff liberalization;
- f. Support establishment of regional value chains and investments in green technologies and climate change adaptability
- g. Escalate efforts towards free movement of persons, labour and services;
- h. Support implementation of the Tripartite FTA in order to facilitate implementation of Continental Integration;
- i. Honour commitment for timely payment of annual contributions to implement regional integration agenda;

5.0: CONCLUSION

34. In conclusion, the 22nd Summit theme ***“Economic Integration for a thriving COMESA, Anchored on Green Investment, Value Addition and Tourism”*** echoes the aspirations of the AU’s Agenda 2063;

35. To achieve desired intra-regional trade and sustainable economic development, we must eradicate barriers to trade, free movement of people, strengthen connectivity, add value to our products and invest in clean technologies;

36. This however requires strong collaboration with all stakeholders - policy makers, private sector, development partners and most importantly, political goodwill.