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ANNUAL INSTITUTIONAL REPORT

2015





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Table of Contents

Chairperson's Note 2015	3
Board of Directors 2015 - 2016	5
1. Background	7
1.1 Our Objectives	7
2. Achievements- Strategic Highlights	8
2.1 Business Policy Advocacy	8
2.2 Business Support Services	13
2.3. Membership Development	13
2.4. Institutional Development	14
3. Looking Ahead – 2016- 2017.	15
3.1 Business Advocacy Pillar	15
3.2 Business Support Services and Membership Development Pillar	17
3.3 Member Services Pillar	19
3.4 Institutional Development Pillar	20
4. Financial Summary Report	22
6. Financial Statements	23

Chairperson's Note 2015



On behalf of the CBC Board, it is my great privilege and pleasure to present to you the 2015 Annual Report and Financial Statement of the COMESA Business Council (CBC).

This has been a very important year for CBC, one in which we have gone to great lengths to ensure the inclusive participation of the private sector with regional integration agenda. This has been done through the engagement of strategic partnerships to develop tailor-made solutions to respond to our members' needs and promote a competitive industrial outfit for the region.

The growth of COMESA's global trade by 6% from US\$ 290 billion in 2013 to US\$ 307 billion in 2014 indeed showcases the deepening role of regional private sector in economic growth, poverty alleviation and regional integration.

TOWARDS POLICY INCLUSION

In 2015, we have been consistent with CBC's strategic objective of strengthening the voice and development of the private sector as part of the regional integration agenda by providing direct access to the high level COMESA policy makers and platforms for business advocacy. Such platforms are central to engaging the policy makers on barriers that hinder businesses in the region. Private sector growth has faced a number of impediments including; policy, infrastructure, anti-competitive business practices; key amongst them illicit trade.

The convening of the 10th COMESA Business Dialogue in March 2015 under the theme of 'Taking Action on Illicit Trade-

An industrial Competitiveness Agenda' on the margins of the 18th COMESA Heads of State Summit from the 25th -26th March 2015, in Addis Ababa, Ethiopia was an initial but key advocacy step. Public private dialogue and collaboration is necessary to combat illicit trade and promote industrial development in the COMESA region. COMESA Business Council is committed to spearheading such efforts and going forward in working towards a regional framework and Protocol on combating illicit trade.

Beyond illicit trade, throughout the year we have had some monumental engagements in terms of business and policy advocacy. On trade facilitation, we convened the inaugural COMESA Transporters and Logistics Services Dialogue in September 2015, under the theme, "Towards improved trade facilitation and reducing the cost of doing Business in the Transport and logistics services industries". Businesses and the public sector engaged on key constraints faced by industry when moving their goods along the transport corridors and proposed key solutions to ensure reduction of costs in doing business across the region.

Ladies and Gentlemen,

I cannot over emphasize the importance of private sector inclusion in the policy processes to ensure a conducive business environment for the private sector. CBC has also presented various advocacy positions to technical committees of the policy makers; calling for the development of the COMESA Business Visa to facilitate the easier movement of business persons.

Furthermore, we have also presented various position papers on Rules of Origins and the Movement of Business Persons at the Tripartite Free Trade Area negotiations. To this end, in 2015 I can say with confidence that we have represented the private sector well and ensured their inclusive inputs in the policy making process.

BOOSTING SME COMPETITIVENESS

In March 2015, CBC signed an agreement with the Investment Climate Facility (ICF) named, the CBC Local Sourcing for Partnerships Project. The Project is in partnership with ICF, USAID- IPAA and the private sector. The project is focused on building the capacity of SMEs to integrate into supply chains of larger businesses in the region. This project is directly in line with CBC's interests in pursuing SME competitiveness as the core to industrial sustainability in the region. The sustainability of SMEs and the private sector lies in their ability to competitively participate in national, regional and global supply and value chains. An initial awareness workshop was carried out in Uganda as part of the soft launch of the project in November 2014.

The first phase of the project is to kick-start in Zambia, with the first training in December, 2015. Other projects that are underway are; the Enterprise Intelligence database, supply chain mapping and the development of the Local Sourcing Recognition Certificate.

In addition, the Local Sourcing for Partnerships Project has seen four Project staff joining the CBC, strengthening the institutional capacity of the institution.

LOOKING AHEAD

Indeed the year 2016 promises to be a very fulfilling year with the increased focus on SMEs competitiveness as we fully implement the Local Sourcing for Partnerships Project. The Training will see 480 SME agro food suppliers being trained on standards and food management systems, in 6 countries by September 2016.

As we build on the foundations already laid in the previous years, in terms of business and policy advocacy various ongoing activities include; the development of the 'Made In COMESA label', the COMESA Business Visa and further strengthening the inclusive participation of the private sector under the Tripartite Free Trade Area negotiations.

The 1st COMESA Annual Trade fair and the 2nd Tourism Forum will be held in 2016, with key interests in promoting trade promotion in core sectors in the region. The CBC will also launch core business sector clusters in goods- agro-industry, and services- communications and professional services.

CBC will also be undertaking Public Private Dialogues and National Business Seminars in five countries. The objective of the above is to strengthen the platforms for Public Private Dialogue and advocacy at national level through supporting public –private engagement on the implementation of COMESA regional instruments and protocols.

I am confident that through these and other activities, working together we can continue raising the flag of the institution and the private sector in the region.

INSTITUTIONAL STRENGTHENING

Under the leadership of the current Board and Management, CBC has expanded the secretariat from four staff to eight staff members. Three of the staff are paid through private sector membership. The CBC operations have also increased substantially as a result of new memberships and funding portfolios. The CBC also has a significant number of consulting firms and services under their portfolio- focusing on the approach of outsourcing services to meet the requirements of the institution's project operations.

As CBC we have also grown our financing portfolio to over +1Million US Dollars in public and private funding to support the CBC operations in the region.

I would like to thank my fellow Board Directors, the General Assembly, Business Community and the Secretariat for their hard work and unequivocal support towards the growth of the institution. I would like to especially thank the COMESA Secretariat, our partners United States Agency for International Development- USAID, Investment Climate Facility- ICF, African Development Bank- AfDB and our partners and members in the private sector for the continued support and ownership of the CBC. Our success is pivoted on the strength of our membership, partnership and collaborative efforts with various stakeholders. As we continue to recognize that we are in charge and ultimately responsible for our own growth, let us strengthen the inclusion of our members in this Agenda. With your continued support, we look forward to the fulfillment of our strategic goals in 2016.

I thank you all.



Dr. Amany Asfour
CBC Chairperson
November, 2015.

BOARD OF DIRECTORS 2014-2016



CBC Board Chairperson - Egypt, Dr. Amany Asfour Egyptian Business Women Association (EBWA)

Dr. Amany Asfour holds various high level portfolios in African business platforms. She is the President and founder of Egyptian Business Women Association (EBWA), and President of the Business and Professional Women-Egypt (BPW -Egypt), African Alliance for Women Empowerment (AFRAWE), Chair of Federation of Business Women Associations of COMESA(FEMCOM), Chair of Human Resources, Science and Technology Cluster-African Union ECOSOCC (Economic Social and Cultural Council). She has a passion for women entrepreneurship and empowerment and has participated in various international and regional structures for this cause. Dr. Asfour is a renowned businesswoman, the owner of medical supplies company in Egypt.



CBC Board 1st Vice-Chairperson-Ethiopia, Mr. Solomon Afework; Ethiopian Chamber of Commerce and Sectoral Associations

Mr. Solomon, current President, has been a member of the Board of Directors of the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) since 2002 ultimately progressing to become the President in 2014. Mr. Solomon had served at various public and private institutions for almost six years before he started his own private business. He is engaged in various economic sectors such as education, health and agriculture. He is the owner of Joint Vision Development Studies College, Charite Health Center, and Solomon Crop Agricultural Farm. He also serves in various other Boards and platforms in Ethiopia.



CBC Board 2nd Vice-Chairperson Rwanda, Rwanda Private Sector Federation: Mr. Benjamin Gasamagera

Benjamin Gasamagera, the chairperson of the Rwanda Private Sector Federation (RPSF) is a renowned business man. He is the owner of Safari Center a transport and logistics firm operational since 1998. His educational background is in Computers Science and International Transportation; having studied in China and Switzerland. He has worked in many companies including Printonics China Ltd, Danzas Ltd, an International Suisse Freight and Forwarding company, where he worked as Chief Operations Manager working in various countries including Belgium, Switzerland, Germany, the UK, and Morocco. He is also a member of various Boards including Fina Bank and Rwanda Revenue Authority.



CBC Board Member -Mauritius, Mauritius Chamber of Commerce and Industry; Mr. Ganesh Ramalingum

Mr. Ganesh Ramalingum, the President of the Mauritius Chamber of Commerce and Industry (MCCI) is the Executive Chairman of Data Communications Limited (DCL). Also being the MCCI Board Representative for the ICT group through the Outsourcing and Telecommunications Association of Mauritius. His educational background is in mathematics, statistics with various professional qualifications in Computers science, having worked in various management capacities in the ICT industry.



CBC Board Member-Kenya, Kenya Association of Manufacturers; Mr. Pradeep Paunrana

Mr. Pradeep Paunrana is the managing director of ARM Cement, one of the largest cement manufacturers in East Africa with operations in four countries and distributes its products in Uganda, Tanzania, Rwanda, Ethiopia, Malawi, Madagascar and South Africa. Mr. Paunrana joined the company in 1984 and is largely credited for transforming a small, family run producer of agricultural lime into a major, publicly listed cement company. In 2010, Paunrana was awarded the Africa Business Leader of Innovation by the Africa Investor Group. Mr. Paunrana plays an active role in several policy and advocacy institutions, and has chaired and participated in government task forces in the energy, environment and agriculture sectors and other Boards.



CBC Board Member-Zambia, Metal Fabricators of Zambia -General Cable

Mrs. Roseta Mwape-Chabala has been Managing Director of Metal Fabricators of Zambia since her appointment in March 2013. Prior to this appointment Roseta was the CEO of Zambia Association of Manufacturers from 2009 to 2013. Roseta has a MSc. in International Trade Policy and Trade Law.

Roseta has served on various Boards and committees both at National and Regional Level. She is the current President of Zambia Association of Manufacturers; Vice Chairperson of National Council for Construction Board and is a member of the following Boards - Zambia Development Agency; COMESA Business Council; American Chamber of Commerce; Business Regulation Authority Agency and Consumer And Unit Trusts (CUTs Zambia).



CBC Board Member- Sudan, Sudan Trade Point; Ms. Amna Mohamed Ibrahim El Nour.

Ms Amna is the Director General of the Sudan Trade Point. She is also the Chairperson of the Committee on Trade and Investment – Council of Arab Economic Unity - Arab League. Ms Amna’s works on various public platforms that facilitate Trade Facilitation & enhancing the Partnership between the public and private sector in Sudan including the Authentication Authority and as Member of Advisory board cabinet. Ms Amna sits on various Boards in Sudan and has professional background in Economics.



Eritrea Mr. Menghis Samuel, Chairman, Eritrean Chamber of Commerce



CBC Honorary Board Member; Immediate Past Chairman of CBC Board, Malawi- Malawi Confederation of Chambers of Commerce and Industry;

Mr. Newton Kambala is the new President of the Malawi Confederation of Chambers of Commerce and Industry(MCCCI). Mr. Kambala is an Engineer and the owner of a multi-million dollar construction company in Malawi; Mkaka Construction company. Mr. Kampala is a renowned businessman with investments extending to Zambia, Angola and Mozambique. He has served as Director/Board member for a number of Companies in Malawi and Outside Malawi and is currently the Board Chairman of National Construction Industry Council (NCIC) Board. Mr. Kampala replaces Mr. Matthews Chikankheni who was Honorary Chair; the past President of MCCCI.

1.0 Background

COMESA Business Council is a business member organization, and a private sector institution of the Common Market of Eastern and Southern Africa (COMESA). Established in 2005, under the Treaty of the Common Market for Eastern and Southern Africa (COMESA) - Chapter Twenty Three and Twenty Four, the CBC is defined as a consultative committee for the business community at the policy organs level. The CBC began its operations as a Secretariat in 2010, with the objectives structured on key focus areas of;

Private sector representation through facilitation of business interests from apex and sectoral business association membership to all levels of policy formulation and decision making in the region, and

Private sector development in growth sectors that contribute to the overall competitiveness of businesses in regional and global markets

CBC is the recognized regional apex body of the Private Sector and Business Community in the COMESA region. It is constitutionally managed by 9 Board of Directors, who are Presidents of National Apex Business Associations in COMESA Member States.

Our Objectives

The objectives of CBC are as follows;

- Enforce strategic advocacy platforms for the private sector in at least 70% of the priority sectors within COMESA region ;
- Ensure effective representation of private sector interests in COMESA decision making processes in at least 3 priority sectors per year ;
- Provide timely and strategic business services to regional and international stakeholders on the business environment in the region;
- To ensure 90% of private sector inclusiveness in the regional integration agenda;
- CBC is a fully membership led and driven Institution by 2016.

CBC brings together a diverse group of businesses from the region, within a more common platform to influence the regional agenda on the regulatory and practical approaches on creating a more flexible business environment. It seeks to respond to the diversity of challenges and opportunities that come with a large market such as COMESA, through our unique business model that is anchored on the pillars of Business and Policy advocacy, Business Intelligence and Development Services and Membership development. Through this, it has a more inclusive, membership driven, participatory approach towards harmonizing the agendas of business and articulating them to the highest positions of decision making in the region.

Its implementation mechanism is through seven key workgroups; namely;

- SM-Enterprises And SM-Industries;
- Agro business and Industry- Manufacturers Work Group;
- Tourism;
- Financial Services;
- Transporters and Logistics services;
- Trade Facilitation And Non-Tariff Barriers'; (Cross Cutting);
- Coalition of Services Industries.

The above workgroups feed into Board technical committees, which are tasked to ensure that the membership interests and inputs at policy level are extensively covered. There are;

- Advocacy And Communication Committee
- Trade& Industry- NTB& Trade Facilitation Committee
- Trade In Services Committee
- Tripartite FTA Committee

2.0 Achievements- Strategic Highlights



The 10th COMESA Business Dialogue, March 2015

The year 2015 has seen a turnaround in CBC's agendas in positioning the core services pillars that directly respond to the needs of industry both in goods and services. This year has seen the establishment of one core services industry workgroup and the conjoint efforts of the public and private sector on developing a regional industrial perspective on setting up a dedicated regional platform for services industries. Secondly, the CBC has initiated a regional effort on curbing illicit trade through the development on a regional anti-illicit trade framework that focuses on a model protocol, enforcement actions from a consumer and business point of view.

Thirdly, the business support and membership services pillar has put together a project directly responding to the needs of growth enterprises in respect to upgrading their operational systems to better suit the requirements of potential buying partners in the region. The same project will provide an open business intelligence platform to allow selection and partnership of legitimate distributing and supplier companies from within the region. This initiative is part of the COMESA agenda to promote intra-regional trade and ensure that the private sector benefits from the trade facilitation solutions provided for them to rise into the global markets.

Highlights of the above among other CBC successes are highlighted below within the core service delivery

pillars of Business Policy Advocacy, Business Support Services and Membership Development.

2.1 Business Policy Advocacy

CBC's objective is to strategically influence national and regional policies in order to promote a better business environment in the COMESA region. This is done through:

- Encouraging national business organizations to collaborate and identify key obstacles to business growth;
- Setting priorities on the legislative and regulatory instruments that can stimulate investment and business growth;
- Preparing evidence-based position papers;
- Mobilizing political will and actions within the region to initiate and implement policy and institutional reforms so as to create an enabling environment for competition and investment.

2.1.1 Adoption of A Regional Framework On Curbing Illicit Trade in the COMESA Region

In January 2015, the CBC carried out a study on the Development of an Anti -Illicit Trade Regulatory framework in the COMESA region. The study presented key areas for recommendations by the Council of Ministers, which focused on the following;

Achievements- Strategic Highlights

- Anti-illicit trade Protocol; Member states are requested to develop a regional Anti-illicit trade law that provides a uniform, effective, consistent and business friendly legal framework that aims at eliminating all forms of illicit trade, and provides tools for preventing illicit activities through national and regional public-private measures and cooperation.
- The establishment of National and Regional Anti-illicit trade units; Member states are called upon to adopt the proposal to establish a regional Anti-illicit trade unit in COMESA, to facilitate the implementation of the Regional Framework on anti-illicit trade, and to ensure the development of the Protocol.

Member states are further requested to establish and to strengthen national anti-illicit trade units to effectively monitor and ensure enforcement actions against illicit trade activities.

- Made In COMESA Label ; Member states are requested to work with the COMESA Secretariat and COMESA Business Council, on the development of the “Made in COMESA” label which should be presented to the sectoral policy organs within a timeline of six months. The label is a brand that will be developed with the objective of supporting country origin products to become more competitive across the region, and promoting consumer confidence.

2.1.2 Development of the COMESA Business Visa

There are a number of limitations imposed on the free movement of business person in the COMESA region. The COMESA Policy organs endorsed the decision for the development of the COMESA Business Visa as an interim measure towards the development of the COMESA passport. CBC continued to work with the COMESA Secretariat towards the development of the COMESA Business Visa to facilitate the movement of Business persons in the COMESA region.

CBC through the COMESA Legal and Immigration Affairs Division has advocated to the Chief of Immigrations on this matter, and has further mobilized funds to commission a study on the development of the “COMESA Business Visa scheme. A consultant has already been recruited. The demo instrument and supporting project report will be tabled before the Council of Ministers for adoption in 2016.

2.1.3 Strengthening of the National Business Dialogues

CBC has a mandate to promote Promoting National Business Agendas, i.e. encouraging national business organizations to collaborate and identify legislative or regulatory measures that hamper investment and business growth. Thereafter, communicate and engage the policy makers on the issues raised. In this regard, CBC held a Business seminar in Zimbabwe, Zambia and Egypt on the above agenda. In Zambia the Regional Business Dialogue; was held as part of the Zambia Manufacturers Week in partnership with the Zambia Association of Manufacturers. The objective of the Business Dialogue was to provide a platform that promotes synergies and partnerships between local and regional manufacturers across Africa thereby advancing trade in the COMESA region and also provide a platform for advocacy and public private engagement on some of the key business impediments when trading in Zambia and the COMESA region. The meeting also provided a platform to launch the Local Sourcing for Partnerships Project for Zambia.

The outcomes of the events were;

- Increased awareness of COMESA FTA and benefits of trading at a regional level;
- Platform for advocacy developed;
- Common Recommendations of the private sector adopted;
- No of business linkages, partnerships made and increased CBC membership.

2.1.4 Establishment of the Coalition of Services Industries in COMESA- Towards strengthened engagement of Services in the Regional Integration Agenda.

- a) CBC has launched an annual publication known as , “ Services In COMESA - An Industry Perspective” Towards the development of the COMESA Regional Services Industries Group which focuses on services snapshots in the 19 COMESA countries and industry positions in Financial services, communication services, transport and tourism services. The publication is a joint effort between the International Trade Centre-ITC, USAID and CBC and will be launched in December, during the Services Investment Forum, 2015.

- b) Secondly COMESA signed a Memorandum of Understanding with MICROSOFT4Africa with the CBC as implementing partner, to review key private sector led initiatives that would boost the capacity of the communications services industry and SMEs in the region. This initiative will see the formation of the CBC Communications Services Workgroup in 2016.
- c) The CBC Transporters Workgroup was also formed in September, 2015, with the objective of inputting the positions of transporters and logistics services industries to the technical committees and policy organs on Infrastructure, energy and ICT as they meet on an annual basis. The Workgroup is jointly chaired by Zambia Truckers Association and Uganda Transporters Alliance.

2.1.5 Public- Private Dialogues;

CBC carries out dialogues involving all relevant stakeholders to promote exchange of opinions between government officials and business representative bodies on specific issues. Such dialogues are structured and planned to occur periodically in order to maintain a dynamic consultation process on specific industries or economic issues.

This year, two core dialogues were hosted by the CBC, namely-

- a) In March, 2015- The 10th COMESA Business Dialogue- 'Taking Action on Illicit Trade- An industrial Competitiveness Agenda'. The CBC partnered with the Ethiopian Chamber of Commerce and Sectoral Associations to convene the dialogue, on the margins of the 18th COMESA Heads of State Summit from the 25th -26th March 2015, in Addis Ababa, Ethiopia. The meeting recommendations formed part of the 10th CBF Business Declaration which was subsequently adopted by the 18th Heads of States Summit. Key amongst them included the Development of a Anti Illicit Trade Law/Protocol to curb illicit trade and the development of the "Made in COMESA" voluntary label to promote locally manufactured products.
- b) In September, 2015 - The 1st COMESA Transporters & Logistics Services Industries Regional Dialogue from the 17th-18th September, 2015 in Nairobi, Kenya. The Dialogue was held under the theme, "Towards improved trade facilitation and reducing the cost of doing Business in the Transport and logistics services industries".
- The Dialogue focused on harmonizing common positions of the businesses in the Transporters and Logistics industry, through core discussions on pertinent issues that are directly and indirectly contributing to the high costs of business along the transport corridors. The key recommendations of the Dialogue formed part of the industry positions to be tabled through various policy organs for adoption. A position paper has also been printed for use of the private sector to national and regional public- private stakeholders. Some of the key recommendations are as follows;
- i. On Investment in Rail-Road and Maritime infrastructure development. Member states are requested to use a balanced approach in allocating investment to both road and railway transport and to explore inclusive innovative financing mechanisms to mobilize funds for rail-road-maritime, infrastructure and inland waterways; for instance through levies among other models.
 - ii. On a Regional Tracking system. Member States are requested to adopt and implement the COMESA Virtual Trade Facilitation System; which provides a regional mechanism to cater with a number of key challenges on data management, strengthens risk management systems and leads to reduction of time and processes through a One Stop Shop system.
 - iii. On the Accelerated Implementation of Regional Customs Bond Guarantee System. Member states are requested move towards the full implementation of the Regional Customs Transit Guarantee System across the region as key to reducing costs for business with an agreement to allow the phasing out of national transit bonds.
 - iv. On delays due to physical verification and risk management systems. Member states are requested to adopt use of technology to improve risk management systems and to explore of non-intrusive methods of inspection, to essentially allow that products remain intact upon delivery to the buyers or consumers.

Achievements- Strategic Highlights



- v. On Private Sector Coordination through the CBC Transport Logistics Workgroup and representation at the policy organ level. Member states are requested to recognize the formation of the CBC Transport Logistics workgroup as a sectoral committee of businesses who will provide key services on harmonization of industry positions to the policy organs, information intelligence, businesses and partnerships across the COMESA region.
- vi. On Port Efficiency and Cargo handling. Member states are requested to adopt 24/7 working systems at the ports, ensuring collaboration across ports, and adopt a regional standardized approach to port management. This includes working with the COMESA Secretariat to develop indicators on port collaboration to allow member states to monitor port performance, so as to move towards improved standardized, quality port management.
- vii. On building the capacity of freight forwarders. Member states are requested to work with the private sector to build on human capital through training service providers to improve business model operations and build process requirements for increased efficiency.
- viii. On tackling uncompetitive Business Practices. Member states are requested to assist the private sector to ensure improved business practices through sound Service Level Agreements between manufacturers and transport and logistics services providers.



2.1.6 Private Sector Participation at the Tripartite FTA Negotiations

CBC has participated in the Tripartite Free Trade area negotiations on key issues such as Rules of Origins, Trade Remedies and the Movement of Business Persons. This has resulted in an inclusion of the inputs of the private sector on policy formulation processes. There are also ongoing consultancy studies on Tripartite positions on Rules of Origin and the Movement of Business persons. The CBC has also commissioned expertise to develop the Tripartite Private sector website. The Private sector consultative meeting on the Rules of Origin is set to be launched in the last week of January, 2015.

2.1.7 Direct advocacy

- i. At the Sixth Meeting of the COMESA Chief of Immigration and Ministers Responsible for Immigration, June 2015.

CBC presented position paper at the Progress report on Development of the COMESA Business Visa Scheme as part of facilitating the movement of business persons in the region.

CBC noted the various challenges and limitations imposed on the movement of business persons to include procedures and administrative bottlenecks, inconsistent fees and taxes. CBC reinforced the decision taken by the COMESA Council of Ministers in 2012 on the development of the COMESA Business Visa as an interim step towards the development of the COMESA passport and full implementation of free movement of labour and capital.

COMESA Business Council highlighted the various regional and international practices on the movement of business person including the EU, ECOWAS, NAFTA, APEC Business Card, SADC Uni -Visa and the EAC passport. Further highlighted that the COMESA Business Council have developed the Terms of References and will be undertaking a study for the development of the instrument, after which it will be presented for validation at the next meeting of the Chiefs and Council of Ministers.

The meeting noted the following;

- The role and importance of SMEs and small scale traders in trade and in the economies of the COMESA member states. There were questions regarding the proposal by the COMESA Business Council that focuses on a specific category of business persons. In discussion the CBC and the COMESA Secretariat highlighted that the COMESA Simplified regime focusses on facilitating the small scale traders and there is need to avoid a regime that will take away from their gains; and
- The need to distinguish between investors, traders and business persons as essential in the development of appropriate frameworks. The COMESA Secretariat highlighted the provisions for investment are already catered for under the COMESA Common Investment Area Agreement and the provisions on the Movement

of Business persons is specifically focused on the movement of business persons.

Adopted Recommendations; Member States to support the COMESA Business Council in the development of the COMESA Business Visa

- ii. Thirty First Meeting of the Trade and Customs Committee, September 2015

CBC presented its key positions and institutional report for 2015 at the 31st Trade and Customs Committee. The presentation focused on the 10th COMESA Business Dialogue', and, participation in various technical workgroups under the Tripartite Free Trade Area negotiations. It also touched on other strategic initiatives being implemented by the CBC including the CBC Local Sourcing Project to promote local sourcing from SMEs; and the development of the COMESA Business Visa. Some of the key recommendations are below:

1. The meeting made the following recommendations:
 - a. On Illicit Trade. Member States are requested to develop a regional Anti-illicit trade law to curb illicit trade. This should be cemented by establishment of national and regional anti-illicit trade units, strengthening enforcement mechanisms and developing public private collaborative measures to curb illicit trade;
 - b. On Made in COMESA label, Member States are requested to work with the COMESA Secretariat and COMESA Business Council, on the development of the "Made in COMESA" label to promote originating products to become more known across the region and promoting consumer confidence in regional products;
 - c. The made-in-COMESA label initiative is technical and should be discussed by rules of origin experts and national standards bodies, and in this regard, consultations involving all public and private sector stakeholders should continue;
 - d. On COMESA Business Visa Scheme, Member states are requested to work with the COMESA Secretariat and COMESA Business Council to develop the COMESA Business Visa Scheme to be validated at a regional public- private dialogue. The dialogue should have an all-inclusive consultation of stakeholders , to review the applicability and regulations needed for the instrument to be put in

Achievements- Strategic Highlights

- place, for final consideration by the policy organs at their meeting in 2016;
- e. On Supporting SMEs to integrate into supply chains of competitive markets, Member States are requested to set up dedicated Quality Management and Control bodies that can provide free or subsidised cost on certification process compliance for SMEs;
 - f. On Tripartite Free Trade Area, Member States are requested to continue ensuring the inclusive participation of the private sector in the Tripartite FTA Negotiations.
 - g. The Secretariat and CBC should prepare technical papers on made-in-COMESA label, illicit trade, and other key issues affecting the private sector, and organize a public-private sector dialogue to chart an appropriate way forward and make actionable recommendations including a log frame for consideration by the policy organs at their meeting in 2016;
 - h. Member states to support the organization of the COMESA International Trade Fair to be held in 2016 as a response to a dedicated platform to promote partnerships and trade linkages amongst businesses in the region.

2.1.8 Tripartite FTA Negotiations

CBC has participated in the Tripartite Free Trade area negotiations on key issues such as Rules of Origins, Trade Remedies and the Movement of Business Persons. This has resulted in an inclusion of the inputs of the private sector on policy formulation processes.

2.2 Business Support Services

CBC's focuses on the development and promotion of a viable and dynamic private sector through promoting the development of strong businesses. The main objective of this project is develop a program that specifically focuses on two strategic orientations; namely- i) An Enabling environment and ii) Enabling business. The major areas of the services provided will be in three categories- Market Research services, Business Networking opportunities, Capacity building in Business development and Management.

2.2.1 Business Linkages

- Updated CBC online directory and developed a search platform- over 1000 listings both companies and business professionals across COMESA.

- Revamped CBC Website- presented to the Board and AGM in March, currently in operational.
- Facilitated 12 linkages between Turkish Business Community and Zambia- 7 companies registered to date.
- CBC facilitated business linkages meetings for the Alliance Forum Foundation (AFF) working with Japanese corporates that seek to enter into joint ventures or are exploring investment opportunities into Zambia. 1 company has registered.
- Corporate Council on Africa (CCA)- In May 2015 CBC raised awareness to the Corporate Council on Africa trade mission to Zambia which had 10 businesses from the US and provided them a platform for business linkages and joint ventures.

2.2.2 Business Intelligence Services

Under the Local Sourcing for Partnerships Project, CBC has mobilized funding to develop an online business and market intelligence platform that will support services such as linkages, sourcing, business or trade flow analysis for regional and international companies looking for working partnerships within the region. The project is currently underway and is in partnership with Investment Climate Facility and Microsoft4Africa fund. The platform will be launched in 2nd quarter 2016.

2.3 Membership Development

2.3.1 Members

Following business membership meetings In Zimbabwe and Uganda two companies were recruited as corporate members of the CBC. CBC will carry out Business membership meetings as part of the National Public Private Dialogues in Egypt and Zambia between October and December, 2015. CBC has recruited 5 new corporate members as of October, 2015. CBC currently has 126 members of whom 57 are formally registered. To date 30 have paid.

2.3.2 Technical capacity building of industry-enterprises

CBC is implementing a Project with the support of Investment Climate Facility (ICF) and USAID; named, the CBC Local Sourcing for Partnerships (LSP) Project. The one year project is focused on building the capacity of SMEs to integrate into supply chains of larger businesses in the region. The CBC LSP Project

is focused on strengthening the inclusiveness of SMEs into value chains at firm and sectoral level in Africa.

The project is a pilot phase focusing on the selected countries namely, Ethiopia, Kenya, Malawi, Rwanda, Uganda, and Zambia. An initial training was already been carried out in Uganda as part of the launch in November 2014 and work is currently ongoing to carry out the next training. The 1st CBC LSP Steering Committee Meeting convened in August 2015 approved the Capacity Building Training Plan; which is the work plan for the Project. The LSP Project Management Team has already kick - started activities of the project.

Among the key achievements include:

1. MoUs have been signed with Serena Uganda Hotel, Protea Zambia Hotel, Protea Kampala Hotel, Taj Pamodzi Zambia hotel.
2. The Project Management Team comprising of a Project Manager, Communications Officer, Accountant and Procurement Officer has been recruited.
3. The first partner's meeting between ICF and CBC was conducted in from 13th to 14th October 2015 with the objective of planning the implementation of the Project and understanding the ICF project procedures.
4. The Project Implementation Plans, Monitoring Framework and Communications Strategy have been developed.
5. Quarter three progress report has been submitted



LSP Training Workshop, Malawi

6. The Supply Chain Mapping for Zambia has been conducted.
7. The recruitment of the Regional Trainer and the National Business Consultants is in progress.
8. Preparations for Zambia and Rwanda training are in progress.

The project training schedules will begin in Zambia from 2nd to 8th December and in Rwanda from 10th to 18th December 2015 respectively. Trainings in Kenya, Uganda, Ethiopia and Malawi shall be carried out in 2016.

2.4. Institutional Development

2.4.1 Secretariat operations

The year 2015 has seen an increase in staff base to 8 persons from the previous number of 4 persons. This meets the target as per the CBC Strategic Plan 2011-2014 and the Institutional Strengthening Implementation plan - 2011-2015.

The CBC is currently structuring resource mobilization approaches to maintain the staff base and to develop the CBC Strategic plan 2016- 2020.

2.4.2 Corporate Governance- 7th meeting of the CBC Board of Directors and the 5th meeting of the Annual General Assembly

The CBC held the 7th meeting of the CBC Board of Directors in March, 2015. The Board hosted the 5th meeting of the CBC Annual General Assembly, sponsored by the Ethiopian Chamber of Commerce and Industry. The meeting adopted the CBC budget for 2015 and adopted the Code of ethics and related documents for the CBC LSP Project. The members of the AGM also fed into the 10th COMESA Business Dialogue.

2.4.3 Development of CBC Communications Strategy

To date, the current CBC website has been recording over 12,000 hits on a monthly basis. The development of the new draft CBC Communications Strategy is in progress. It will inform how the current website can be improved based on its monthly performance per page, to cater for the information needs of all CBC's stakeholders. Pegged on the CBC strategic plan, the strategy will include an implementation plan to guide when proposed approaches will be actioned.

3. Looking Ahead – 2016- 2017



The CBC Business model approach is to implement three core services within established business cluster workgroups. The services are

- I. Business Advocacy Pillar;
- II. Business services Pillar;
- III. Membership development Pillar;

A cross-cutting foundation is the institutional strengthening of the Secretariat.

The Business cluster workgroups are;

- Small and Medium Enterprises (SME) and Industries Workgroup.
- Tourism Workgroup
- Financial Services Workgroup;
- NTB and Trade Facilitation Workgroup;
- Manufacturers' Workgroup.

The services driven workgroups will in the medium to long-term fall under the Technical Committee on Coalition of Services Industries, while the SME and Manufacturers' workgroup falls under the Technical Committee on Agri-business and Industry.

3.1 Business Advocacy Pillar

CBC strategic plan focuses on the promotion of a viable and dynamic private sector through promoting the development of strong business environment through policy intervention. To this end, CBC seeks to fulfill the following objectives;

- Enforce strategic advocacy platforms for the private sector in at least 70% of the priority sectors within COMESA region by 2015;
- Ensure effective representation of private sector interests in COMESA decision making processes in at least 3 priority sectors per year ;

In the areas of Business and Policy Advocacy, CBC positions itself as a data bank of evidence-based position papers, highlighting key obstacles and providing short-term recommendations on how to overcome them.

Secondly, CBC will initiate dialogues involving all relevant stakeholders to promote exchange of opinions between government officials and business representative bodies on specific issues. Such dialogues are structured and planned to occur periodically in order to maintain a dynamic consultation process on specific industries or economic issues. The Dialogues will be in the following sectors;

- o Manufacturers;
- o SM-Enterprises And SM-Industries;
- o Tourism;
- o Financial Services;
- o Trade Facilitation And NTBs; (Cross Cutting);

Thirdly, CBC will record policy interventions strategically initiated and implemented through and by the business community in close cooperation with policy makers at the national and regional level.

3.1.1 Focus Area One - Movement of Business Persons in the COMESA Region;

Intervention Areas;

- i. Public- Private Sector validation workshop on Proposals for Regional Visa Travel document for Business Persons; Facilitating the Movement of Business Persons in the COMESA Region
- ii. Implementation of the COMESA Business Visa Scheme

Implementing cluster; NTB and Trade Facilitation Workgroup.

According to the Business and Policy advocacy Pillar of COMESA Business Council, membership of the private sector is key to enhancing a more value added and driven agenda through the Institution. The importance of the developing framework for the Movement of Business Persons has been constantly echoed by private sector and supported by COMESA Policy organs; as necessary for trade and regional integration.

In December 2011 COMESA Business Council's report on Common Position on the Free movement of Business Persons and the Elimination of Visa requirements was validated and adopted. The key recommendation was a proposal towards the development of a common business visa or COMESA Business Visa which was subsequently adopted by the Council of Ministers in 2012 and who in 2013 further recommended the need for consulting best practice models of implementation to guide the initiative. As a result, CBC is working with the COMESA Secretariat; Department of Legal and Institutional Affairs to source fund support for the project.

Objectives:

- To establish a demo instrument known as the COMESA Business Visa, which will facilitate and expedite the movement of business persons in the COMESA region? This demo will be presented to the technical meetings and Policy organs for consideration and adoption.
- To develop an operational framework and infrastructure in pilot countries that will implement the demo visa. The operational schematics will be customized to the countries, but taking into consideration the best practices of international communities that implemented similar business facilitation instruments.

Progress Made

Phase I was completed in 2015 as follows;

- Preparation of a Project Document on a Business Visa instrument customized to facilitating categories of business persons business persons in the COMESA region;
- In the Development of a Proposed Instrument, propose the agreed administration procedures and criteria for the establishment of the said proposal, within the channels of authority and approval at the national and regional level.

Agenda 2016- Phase II-

- Presentation of the above said in a stakeholder workshop for validation- Public- Private Dialogue on the movement of business persons in the COMESA region.
- Presentation of the Project and the tool with the final recommendations of the stakeholders' at the COMESA Council of Ministers meeting, and/ or COMESA Summit meetings.

Phase III-

The Implementation of the Project; these include operational schematics, frameworks, infrastructure development in selected pilot countries. This will be a Public- Private Project.

Expected outputs/ Outcomes

- Increased efficiency and reduced time costs through facilitation on the movement of business persons in the region.
- COMESA Business Visa supports a platform to promote Regional Integration

3.1.2 Focus Area Two: Promoting manufacturing competitiveness in the region: Development of the anti-illicit trade protocol

Intervention areas; to implement the decisions of the Manufacturing work group on curbing illicit trade in the region through;

- Development of the anti-illicit trade protocol
- Implementing cluster; Manufacturers Workgroup
- Development of the Made in COMESA brand/ label

In January 2015, the CBC commissioned a study, Promoting manufacturing competitiveness in COMESA: Towards the establishment of A Framework for combating Illicit Trade in COMESA. The findings and recommendations of this report, were presented to the 10th COMESA Business Dialogue, "Taking Action on Illicit Trade- An industrial competitiveness Agenda", held on 25-25 March, 2015. The Public Private Dialogue brought together over 150 policy drivers and industries from the COMESA region to review and adopt the recommendations presented as common positions of industry. The recommendations were further adopted by the Eighteenth Summit of the COMESA Heads of State, held on 30, March, 2015.

The study highlighted the adverse nature of illicit trade as

it is prevalent and severely affecting competitiveness of industries and needs to be tackled seriously and related effects addressed accordingly. Further, highlighting the complicated and severe effects of illicit trade as it negatively affects economic, social political aspects, as well as health and safety of consumers. The economic effects are severe in situations involving counterfeits that lead to trade deficits as a result of relying heavily on imported products rather than investing in industries. The adopted recommendations were;

- a) Adopting the COMESA Regulatory Framework on anti-illicit trade; which focuses on drafting the COMESA Anti-illicit Trade Protocol and the related implementing regulations.
- b) Establishing a regional COMESA Anti-illicit trade Unit, to facilitate the implementation of the proposed Regional Regulatory Framework on Illicit trade.
- c) Establish national anti-illicit trade units/agencies/ institutions to act as focal points in the respective COMESA Member States to ensure effective implementation of the regulatory framework on combating illicit trade.
- d) Strengthened cooperation and collaboration between legitimate industry players, intra-regional, international institutions to ensure information sharing, best use of combined intelligence and resources so as to enable taking proactive efforts to prevent illicit trade from the source rather than acting in a reactive manner.
- e) Development and implementation of the Made in COMESA label as a business facilitation tool for enterprises that seek to promote consumer confidence for their products across regional and global supply chains.

Following the above, follow up actions have been developed as follows;

ISSUE	ACTION	ACTIVITIES	TIMELINE
Illicit Trade	Development of the Anti-Illicit Trade Protocol	Development of Protocol-Study Validation workshop Adoption by Council	1 year- Dec 2015
	Anti-Illicit Trade Unit at COMESA	Institutional arrangements	
	Strengthening the Anti-Illicit trade units at national level	Institutional arrangements Capacity building workshop	
	Made In COMESA label		
	a) Development of the Made In COMESA label	a)Study b)Development of Instrument c)Validation workshop d)Institutional and infrastructural arrangements	12 months Jan - Dec 2016

Objectives;

- To develop the anti-illicit trade protocol
- To develop the Made in COMESA Label

Results /Outcomes

- An adopted regional anti-illicit trade protocol
- Made in COMESA label
- Promotion of COMESA products across regional and global markets

3.1.4. Focus Area Four; Strengthening the Private Sector

participation in Business and Trade Policy advocacy Intervention Areas; enabling the increased participation of the private sector in key areas directly impacting the cost of doing business in the region, namely;

- Business and Trade Policy Dialogue
- Trade and Market Intelligence for SME competitiveness
- Trade Facilitation;
- Sustainability of Business Advocacy in CBC

Objectives

- Increase the capacity of private sector to participate in the regional integration towards the FTA in 2017
- Reduce time and cost for exporting for SMEs in the COMESA region and improve their competitiveness in intra-regional trade and regional business partnerships
- Reduce cost of cross-border trade through removal of internal barriers in line with the COMESA FTA agenda

Results/ Outcomes

- Private sector Associations acquire skills in interpreting trade policy agendas, and in identifying and developing industry positions for advocacy to policy makers at national and regional level
- Business competitiveness and operations addressed and improved through public-private intervention.
- Private sector inclusiveness on policy interventions for trade facilitation improved.
- Strengthened CBC institutional mechanism and services for engaging regional business leaders in targeted Public-Private sector dialogue on corridor issues (e.g. changes in customs legislation, security procedures and information)

3.2 Business Support Services and Membership Development Pillar

CBC's Strategic plan focuses on the development and promotion of a viable and dynamic private sector through

promoting the development of strong businesses. The main objective of this project is develop a program that specifically focuses on two strategic orientations; namely- i) An Enabling environment and ii) Enabling business. The major areas of the services provided will be in three categories- Market Research services, Business Networking opportunities, Capacity building in Business development and Management.

3.2.1 Focus Area Five - Towards Technical Capacity Strengthening of SMEs in Competitiveness and Participation in Intra-Trade

Intervention Areas of the project are;

- Strengthening business intelligence and information management facilitation of SMEs in intra- trade;
- Increased productive and technical capacity in value added products and services;

Implementation Cluster: SME Workgroup, Manufacturers' Workgroup;

Following CBC's activities in 2014-2015, on the development of the Local Sourcing for Partnerships Project, a specific focus and interest of the members included recommendations and follow up actions for implementation within the SM-Enterprises and SM-Industries and the Manufacturers Work Group. This project is as a result of the membership needs of the CBC within the above said business cluster workgroups.

The CBC-SME Workgroup recommended the following matters should be addressed under the CBC agenda;

- SMEs should address their performance gaps and improve on efficiency in technology, standards and quality assurance and upgraded competitiveness products.
- Engage with larger Corporate on Transfer of management skills and knowledge from large Corporates to local SMEs.
- Spillovers of knowledge and management skills through mentorship or strategic partnerships.
- Enter into supply relationships with larger enterprises means a more stable, formal and demanding market for SMEs.
- Fostering of linkages between large businesses and Small and Medium Enterprises with a focus on growth enterprises, particularly for better export competitiveness and creation of effective integration into the supply and value chains of the leading industries in the region.

Objectives:

- To provide information that will facilitate regional and international business linkages for a number of SMEs

along key sectoral regional value and supply chains.

- To increase technical skills development and competitiveness of business enterprises in a number of SMEs in three years;
- To ensure SME inclusiveness in the regional industrialization process through strategic business advocacy in at least two key areas per year.
- Facilitating SME Stakeholders Platform & Public Private Dialogues for advocacy and Promotion of Business linkages in the region;
- Crosscutting; Promote inclusiveness of gender based enterprise development- women and youth.

Results /Outcomes

- e-SME/Enterprise Intelligence database expanded to accommodate more countries ;
- 15 strategic SME business partnerships created per year through database.
- Increased efficiency for at least 200 SMEs in two year selected value chains as a result of technical and efficiency management trainings ;

3.2.2 Focus Area Six: Coalition of Services Industries in COMESA- Towards strengthened engagement of Services in the Regional Integration Agenda.

Intervention Areas;

- i. Strengthen/ develop and launch Sectoral coalitions;
- ii. Sectoral Services Regional Dialogue and Linkages Fair- "Towards strengthened engagement of Services in the Regional Integration Agenda "
- iii. Sustainability of the Coalitions of Services Industries Program.

CBC carried out a mapping needs assessment study of the services sector in the region, with a key focus on Tourism, Transport, Financial services- banking and insurance, ICT- telecommunications and Business Services. The objective of the study is to highlight the strong /demand driven sectors in each state and their respective contribution to their economies, existing gaps and the ideal solutions to their challenges within the framework of services provided by CBC, in terms of advocacy, business support services and technical capacity strengthening.

This study was funded by CBC membership, USAID and ITC and was launched during the Services Investment Forum, 2015. The second leg of the project focuses on the above intervention areas.

Objectives

- From the identified sectors as per the mapping study; have a focus on five key sectors (inclusive of ongoing work in the sectors already worked on) in the Service industry and work on developing the sectoral working groups at Regional level. The intention is that these fit into a Regional Coalition. The sectoral approach considers the differences and or complementarities between various sectors in the services industry whilst bringing them together.
- Convene a regional Private Sector Dialogue bringing key stakeholders from each dedicated identified services sector/s and the apex Services Associations to form a workgroup that will represent their interests at the regional level;

Expected Results;

- a) Functional service coalitions for the private sector at national and regional level is developed;
- b) Increased participation of the private sector in the national and regional competitiveness agenda for the Services industry in the COMESA region;
- c) Increased Number of positions drafted and tabled at Policy Organ Meetings in the services sector;
- d) Increased coordination amongst sectoral industrial players to increase business and trade promotion in the region;
- e) Increased membership in CBC in Services Industries;

3.3 Member Services Pillar

3.3.1 Focus Area Seven: Capacity Building in Business Membership development- strengthening advisory and information Services

The CBC strategic plan focuses on the development and promotion of a viable and dynamic private sector through promoting the development of strong businesses. This will ensure demand driven services for the CBC membership. The main objective of this project is develop a program that specifically focuses on two strategic orientations; namely- i) An Enabling environment and ii) Enabling business. The major areas of the services provided will be in three categories- Market Research services, Business Networking opportunities, Capacity building in Business development and Management.

Objectives;

On the Enabling environment;

- The general objective is to support the private sector to influence a suitable policy, legal and regulatory framework that provides an adequate infrastructure for increased cross border trade, trade competitiveness and business linkages and partnerships across the COMESA region.
- Specific objectives are; Gather and harmonize private sector constraints and input on trade policy matters; Ensure conveyance of private sector positions and issues in major policy areas; Improve SMEs access to finance, technology and infrastructure; Streamline regulatory and administrative measures affecting entrepreneurial activity; Stimulate actions to improve the overall business environment; Promote local and foreign investment; Promote public-private dialogue and partnership.

On the enabling business;

- The general objective is to strengthen the business sector performance by delivering programmes that will help SMEs to adopt sustainable production and business models to increase their competitiveness and sustainability and thus make them active players in regional and international value chains and markets.
- Specific objectives are; Raise enterprises awareness of market opportunities by improving access to information; Understand the various capacity constraints faced by businesses and propose strategies to boost technical capacities including; business incubator programmes ; Develop entrepreneurial skills of a certain percentage of SMEs per year; Implement various strategies to improve on product innovation and quality enhancement; Stimulate the understanding of regional and international market access conditions and regulations; Facilitate business matchmaking events; Promote good business partnerships; Enabling business to adequately respond to current issues like climate change, energy efficiency and Corporate Social Responsibility.

Activities;

- a) Market Research services; The activities in this program will focus on the creation of a trade information platform that provides intelligence to the private sector on priority products and sectors in the COMESA region with a specific focus on ;

- b) Business Intelligence services- this focuses on providing information on Trade flows and trends statistics, market structures and trading practices, trade laws and regulations, global market access and conditions, tariff and non-tariff measures, trade financing, trade and investment opportunities, potential trade partners.
- c) Business Networking Services; This program aims at building business linkages to increase the visibility of the trade and investment potential of the COMESA region in regional and global markets. The program will have a direct impact on enterprises who will gain greater exposure on markets and access to business opportunities. The specific focus will be on; Organization and or participation in trade fairs in the region and globally, facilitating business to business and matchmaking events between SMEs, organizing buyer sell meetings as well as connecting regional businesses to external potential markets.

3.4 Institutional Development Pillar Intervention Areas;

- i. To present the CBC strategic framework, actions and current approaches of building the organization's management structure and performance to its target audience; and to strengthen the ownership of the CBC management and Board.
- ii. To present and adopt the Annual Work-plan and budget of the CBC secretariat by its membership.
In pursuance of the MTSP's objectives, the CBC Secretariat must carry out various tasks that organizational and service-oriented. The immediate priority is to set up adequate conditions for its optimal functioning. In particular carry out organizational strengthening; the managerial and operational capabilities of the CBC structure, both internal (i.e. the Secretariat) and region-wide by building a strong membership base. This is done through a Bi-ennial Board strategic Retreat to review the performance of the institution.

The CBC Secretariat should be a small and flexible structure. The intention is not to build another supra-institution in the region but rather to create a "node" where all the existing private sector bodies from the region will converge to express their concern and work together towards appropriate collective solutions. This is done annually, through the CBC Annual General Meeting of the Assembly.

3.4.1 Focus Area Eight; towards strengthening of the CBC Secretariat Institutional framework and stakeholder ship

Objectives;

- To draft the CBC Strategy plan for the next five years- 2015- 2020;
- Ensure that the CBC Strategic Plan for 2015- 2020 is adopted by the Board, key results understood and that there is a clear understanding of the rules of engagement and corporate governance for the CBC management with its stakeholders- internal and external;
- To adopt the Annual budget and work-plan of the CBC and assess the performance of the CBC secretariat and Board.

Activities;

- Recruitment of an Institutional strengthening firm to support the development of the CBC Strategy agenda for the next five years;
- Hold one consultative meeting to validate the strategic plan;

- Hold two CBC Board meetings for its institutional assessment and adoption of CBC SP 2016- 2020
- One Annual General Meeting to be held in 2016 to assess performance of the CBC against Strategic plan adopted.

Expected Results;

- CBC Strategic Plan 2016- 2020 adopted by the CBC Board;
- CBC Work-plan, and performance review successfully adopted and owned by the CBC management;
- CBC SP- 2015- 2020 Adopted by the Annual General Assembly and incorporated into Institution's governing structure.

CBC Calendar of Activities is accessible online. Visit- www.comesabusinesscouncil.org

Or

http://www.comesabusinesscouncil.org/comesabusinesscouncil/sites/default/files/CBC%20Calender%20of%20Activities%20_2016.pdf

4. Financial Summary Report



Background

It is the Responsibility of Management of the COMESA Business Council to prepare and present to the Board of Directors the Financial/Management Report that prudently shows the income and expenditure of the Council. The previous Report (2014) consisted of the annual and three year income statements, which was prepared and signed by the Director of Budget and Finance, COMESA Secretariat. The accounts Showed that CBC had generated over \$190,000.00 from 2010 to 2013. The Report also showed the trends of income growth per year. The Chief Executive Officer noted that the drop of figures in the account in 2013 resulted from fund reduction that was set to support income generation activities for the CBC in the latter part of the year. However, based on the results, a proposed budget of \$65,400.00 was considered by the Board which resulted into the extension of the contract for the Program Officer from June 2014 to June 2015 under the new salary of \$4,000.00 per month from the previous \$3,200.00. The Budget also proposed the hiring of a CBC Administrative Assistant to be paid under an Annual Contract of \$1,200.00 per month.

Principal Activities

The CBC is a business member based private sector institution of the Common Market for Eastern and Southern Africa. It was established to play the key role of a key platform for Policy advocacy, Business advisory & Capacity Building, Research & Information & Networking in the development and progress of the private sector in their respective economies in the COMESA Region.

In the opinion of the management, all the Council's activities fall within the same categorization. There have been no significant changes in the Council's business during the years.

Share Capital

The Council is a non-Profit making entity and it is solely an institution established under the Treaty of the Common Market for Eastern and Southern Africa (COMESA).

STATEMENT of Funds availability 2015

Fund Source	Incomes Received
CBC Account	121,950.94
USAID	482,669.00
TRIPARTITE	887,250.00
ICF	650,000.00
Others	5,889.14
TOTAL	2,147,759



5. Financial Statements

31 December 2014

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA
BUSINESS COUNCIL

CHIEF EXECUTIVE OFFICER'S REPORT

The establishment of COMESA Business Council (CBC) is mandated by the Treaty of the Common Market for Eastern and Southern Africa (COMESA), as a consultative committee for the business community at the policy organs level¹. CBC represents the Consultative Committee of the Business Community and other interested parties as authorized by the Treaty. The Council's Objectives are focused on private sector development, through apex and sectoral business association's facilitation of private sector participation in regional trade related policy dialogue. CBC is constitutionally managed by a Board of Directors from 9 of the COMESA Member States. CBC is a Business Member Organization recognized as the regional voice and apex body of the Business Community in COMESA. It is a private sector institution of the COMESA and a Policy Organ of the Secretariat. CBC is a private sector-driven entity wholly managed by the business community.

CBC was established in 2005, and became operational in 2010. In April, the CBC Coordinator was recruited to act as the caretaker of a project-led program within the COMESA Secretariat and turn it into a fully-fledged Secretariat operating with professional corporate governance structures and providing core demand driven services to its membership. During this period, the project has grown substantially to a Secretariat that has been operational for four years. The following result areas were achieved as per the Institution's strategic objectives;

- Established a secretariat for private sector interests formed with four strategic pillars focusing on Business - Policy Advocacy, Business Support Services, Membership Development and Institutional Development;
- CBC Governance and operational structure established with a particular focus on the establishment of a CBC Permanent Secretariat.

- Increased membership from 0- 48 associations and companies present in more than one country- including appropriate cooperation mechanism between CBC and its members;
- Fund mobilization to support various programs under the CBC;
- Increased staff base from one person to three persons in three years of whom two are paid from private sector resources.
- Grown the CBC private sector (exclusive of development partnership funds) balance sheet from 0 - 200,000+ US\$.

The growth and incubation process was supported through the COMESA program- the Programme for African Capacity to Trade- PACT II, a Canadian Government funded program, implemented by UN-International Trade Centre in three African Regional Economic Communities. Other partners supporting the CBC are USAID and International Lawyers and Economists Against Poverty- ILEAP.2



Chief Executive Officer
Ms. Sandra Uwera

Date: 11 May 2016

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The COMESA Financial Rules and Regulations require the Secretary General to prepare:

- an audited statement of financial position;
- an audited income and expenditure statement; and
- the statement of changes in the accumulated funds

In preparing the financial statements the Secretary General is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent; and
- follow International Financial Reporting Standards

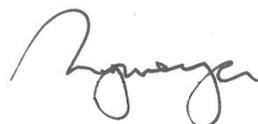
The Secretary General is responsible for ensuring that the COMESA Business Council keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Programme. The Secretary General is also responsible for safe guarding the assets of the institution and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Secretary General is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel

with an appropriate segregation of authority and duties. Nothing has come to the attention of the Secretary General to indicate that any material break down in the functioning of these controls, procedures and systems has occurred during the period under review.

In the opinion of the Secretary General the financial statements are drawn up so as to present fairly the financial activities of the Business Council for the year ended 31 December 2014 and its financial position as at the date and have been prepared in accordance with the International Financial Reporting Standards and the manner required by the COMESA Financial Rules and Regulations.

Signed on behalf of COMESA by:



Secretary General



Director Budget and Finance

Date: 11 May 2016



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF COMMON MARKET FOR SOUTHERN AND EASTERN AFRICA BUSINESS COUNCIL

Report on the financial statements

We have audited the accompanying financial statements of the COMESA Business Council (CBC) which comprises the statement of financial position as at 31 December 2014, the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Secretary General's responsibility for the financial statements

The Common Market for Eastern and Southern Africa ("COMESA") Secretary General is responsible for the preparation and fair presentation of these financial statements in accordance with International financial reporting standards Accounting Principles and for such internal control as the Secretary General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Secretary General, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Business Council as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and have been prepared in the manner required by the COMESA Financial Rules and Regulations.



Chartered Accountants



Wesley M. Beene (AUD/F000465)

Name of Partner signing on behalf of the Firm

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

BUSINESS COUNCIL

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Notes	USD	USD
Income			
Members contributions	5	41,744	45,638
Total income		41,744	45,638
Expenditure			
Staff costs		52,600	26,471
Travel expenses official		1,502	12,610
Administration and logistics		3,629	2,890
Audit fees		4,000	-
Total expenditure		61,731	41,971
(Deficit) / Surplus of income over expenditure for the year		(19,987)	3,667

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

BUSINESS COUNCIL

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Notes	USD	USD
Assets			
Current assets			
Account receivables	6	11,203	-
Cash and bank	7	104,704	131,894
Total current assets		115,907	131,894
Total assets		115,907	131,894
Funds and liabilities			
Funds			
Accumulated funds		111,907	131,894
Current liabilities			
Accounts payable	8	4,000	-
		4,000	-
Total funds and liabilities		115,907	131,894

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

BUSINESS COUNCIL

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated funds
	USD
Balance at 31 December 2012	
Surplus of income over expenditure for the year	3,667
Balance at 31 December 2013	131,894
Deficit of Income over expenditure for the year	(19,987)
Balance at 31 December 2014	111,907

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

BUSINESS COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	USD	USD
Cash flows from operating activities		
(Deficit)/surplus of income over expenditure for the year	(19,987)	3,667
Increase in account receivables	(11,203)	-
Increase/(decrease) in account payables	4,000	(250)
Net cash (used) in/generated from operating activities	(27,190)	3,417
Net (decrease)/increase in cash and cash equivalents	(27,190)	3,417
Cash and cash equivalents at beginning of the year	131,894	128,477
Cash and cash equivalents at the end of the year	104,704	131,894
Comprised of: Bank balances	104,704	131,894

