



Voice of the Private Sector in the Region

BUILDING REGIONAL GOING GLOBAL

Regional Business Advocacy Agenda 2023

Improving Competitiveness
and Deepening the Participation of Private Sector
in Regional, Continental and Global Trade.

09 JANUARY 2023





COMESA MEMBER STATES

Burundi; Comoros; Democratic Republic of Congo; Djibouti; Egypt; Eritrea; Eswatini; Ethiopia; Kenya; Libya; Madagascar; Malawi; Mauritius; Rwanda; Seychelles; Somalia; Sudan; Tunisia; Uganda; Zambia; Zimbabwe.

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Abstract

In alignment with its mandate of creating an enabling environment for the private sector to take full advantage of the common market, advocacy is the core of success of the CBC strategic plan. The main instrument for carrying out advocacy is the Regional Business Advocacy Agenda.

The 2023 Regional Business Advocacy Agenda was developed based on recommendations and issues advanced by CBC Workgroups. The agenda aims at improving the competitiveness and deepening the participation of the private sector in regional, continental, and global trade. Some of the focus areas include improving market access and border management, trade facilitation, enhancing participation of the private sector in regional integration, as well as continental and international trade agreements.

The agenda will guide CBC advocacy efforts throughout 2023.

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List of Abbreviations

Abbreviation Meaning

ACI	Airport Council International
AfCFTA	Africa Continental Free Trade Area
AGRA	Alliance for a Green Revolution in Africa
ALLPI	Africa Leather and Leather Products Institute
AOAC	Association of Official Agricultural Chemists
AMSP	African Medical Supplies Platform
ARSO	African Organization for Standardization
ACTESA	Alliance for Commodity Trade in Eastern and Southern Africa
ATIA	Africa Trade Insurance Agency
CBC	COMESA Business Council
CET	Common External Tariff
CFTA	Continental Free Trade Area
CHF	COMESA Health Framework
COMESA	Common Market of Eastern and Southern Africa
COMFWB	COMESA Federation of Women in Business
COMSHIP	COMESA Seed Harmonization Implementation Plan
COVID	Coronavirus Disease
CMA	COMESA Medicine Agency
CRIA	COMESA Regional Investment Agency
CTN	Common Tariff Nomenclature
CCC	COMESA Competition Commission
CCH	COMESA Clearing House
CMI	COMESA Monetary Institute
CMR	Customs Management Regulations
EAC	East African Community
EAPP	East African Power Pool
FDI	Foreign Direct Investment
FSSC	Complete Food Safety Management System Certification Scheme
GIEWS	Global Information and Early Warning System
GMP	Good Manufacturing Practice
HACCP	Hazard Analysis Critical Control Points
HIPC	Heavily Indebted Poor Countries
IAPRI	Indaba Agricultural Policy Research Institute
IITA	International Institute of Tropical Agriculture
ICT	Information, Communication and Technology
IPR	Intellectual Property Rights
ISO	International Organization for Standardization

FAO	Food and Agricultural Organization
FDI	Foreign Direct Investments
FTA	Free Trade Area
GDP	Gross Domestic Products
IPR	Intellectual Property Rights
ISO	International Standards Organisation
KEBS	Kenya Bureau of Standards
MSMEs	Micro, Small and Medium Enterprises
MT	Metric Ton
NEMA	National Environment Management Authority
NTBs	Non-Tariff Barriers
NTMs	Non-Tariff Measures
NMC	National Monitoring Committee
OECD	Organisation for Economic Co-operation and Development
OIML	International Organization of Legal Metrology
PACA	Partnership for Aflatoxin Control in Africa
PTA	Preferential Trade Area
PMPA	Pharmaceutical Manufacturing Plan for Africa
PPPs	Public Private Partnerships
RAERESA)	Regional Association of Energy Regulators in Eastern and Southern Africa
R&D	Research and Development
RECs	Regional Economic Communities
RoO	Rules of Origin
TDB	Trade and Development Bank
TBT	Technical Barriers to Trade
SADC	Southern Africa Development Community
SACU	Southern Africa Customs Union
SDGs	Sustainable Development Goals
SME	Small and Medium Enterprises
SOPs	Standard Operating Procedures
SPS	Sanitary and phytosanitary measures
SQAM	Standards, Quality Assurance and Metrology
STI	Science Technology and Innovation
UNAIDS	United Nations Program on HIV/AIDS
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
QMS	Quality management system
WHO	World Health Organization

Foreword

The COMESA Business Council (CBC) is a business member organisation that brings together a diverse group of enterprises, companies, and business associations in the region to inform and influence the policy directions that positively impact the private sector and business community in COMESA Member States. CBC has played a leading role in advocacy in COMESA.



Besides being active in COMESA policy organ meetings, CBC has developed and advocated for various positions through its technical workgroups and public-private sector dialogues. Issues relating to the pharmaceutical, manufacturing, and agro-industry sectors, have been lobbied for at the highest levels of policymaking in COMESA to influence an enabling business environment. There is, nonetheless, a need to amplify our actions at various levels, including globally, with a range of stakeholders to defend and promote the interests of the COMESA business community.

CBC carries out its advocacy work through its Regional Business Advocacy Agenda. The agenda has been developed and spearheaded by CBC Workgroups, which meet regularly to deliberate on sector specific issues, advance and make recommendations. These recommendations formed the basis for the development of the CBC's Regional Business Advocacy Agenda and will guide advocacy efforts throughout 2023. The agenda focuses on improving the competitiveness and deepening the participation of the private sector in regional, continental, and global trade. It is expected to facilitate the creation of an enabling environment for the private sector to take full advantage of the common market.

Teddy Soobramanien

Chief Executive Officer
COMESA Business Council (CBC)

Executive Summary

The COMESA Business Council (CBC) is a business member organisation that brings together a diverse group of enterprises, companies, and business associations in the COMESA region to inform and influence the policy directions that impact on the private sector and business community in COMESA. It is the recognised regional apex body of the private sector and business community among the 21 COMESA member states. The Council represents private sector interests at the highest levels of decision-making.

It was set up to represent and advocate on behalf of the business community and interest groups at the COMESA Council or policy organ level. A key driving force behind the establishment of the CBC was the desire to better integrate the private sector into the regional integration agenda through collaborations, linkages amongst the business associations and companies, and harmonising efforts towards common goals that are pertinent to the competitiveness of industry.

The vision of CBC is “Building regional, going global” based on the 2018-2022 Strategic Plan, which has been updated to the 2023-2025 Strategic Plan. The mission is: “To be the leading private sector organisation in Africa that promotes competitive and interconnected industries to actively participate in regional and global markets, through advocacy, business facilitation, and enterprise development”.

While CBC is ideally supposed to have 21 national focal points spread out across the COMESA member states, there are currently less than 21 national focal points. CBC and the national focal points work together to enhance regional integration, and cooperate in the areas of trade promotion, and industry and private sector development. They are channels for the dissemination of information, as well as avenues for mobilisation of stakeholders within the COMESA region.

The main instrument for carrying out advocacy is the Regional Business Advocacy Agenda, which was developed based on the outputs of the CBC workgroups. The workgroups held regular meetings to deliberate and agree upon priority issues, and make recommendations that eventually formed the CBC’s Regional Business Advocacy Agenda.

Business policy and advocacy plays a central role at CBC, in its quest to achieve a conducive business environment that promotes competitiveness within the COMESA region. CBC’s Policy Advocacy Agenda 2023 focuses on improving competitiveness and deepening the participation of the private sector in regional, continental and global trade.

“ Business policy and advocacy plays a central role at CBC, in its quest to achieve a conducive business environment that promotes competitiveness within the COMESA region.

The foundation of the Regional Business Advocacy Agenda is based on four pillars namely: Enhance the competitiveness of the private sector; improve market access; improve border management and trade facilitation; and enhance the participation of the private sector in regional integration, continental and international trade agreements.

The competitiveness pillar addresses infrastructural bottlenecks that create constraints on the supply side, and educational infrastructure that support skills development. The market access pillar, focuses on addressing issues related to NTBs, policy, legal and regulatory requirements, and export strategy. The border management and trade facilitation pillar enhances cross border trade, promotes regional value chains, and encourages regional integration. Lastly, the pillar on enhancing participation of private sector in the regional, continental and global integration focuses on building the capacity of the private sector to participate in trade at regional, continental and global levels.

Lack of harmony in product standards, stringent sanitary and phytosanitary measures, persistent NTBs, illicit trade, delays in the ratification of the process, low digital financial inclusion, inadequate productive capacity and inadequate regional value chain were identified by the Regional Business Advocacy Agenda as the major constraints of private sector development.

The CBC Regional Business Advocacy Agenda is driven by sectoral workgroups. The current composition of the workgroup includes: Manufacturing workgroup; Tobacco workgroup; Pharmaceutical and Health care services workgroup; Agriculture (Seed and Horticulture) workgroup; Digital Financial Services workgroup; and Duty Free Retail Services workgroup. The workgroups assist in advocacy campaigns in the interest of CBC members.

All the issues identified in the CBC Regional Business Advocacy Agenda will be advocated for using different strategies, including: ensuring that strategic advocacy platforms for the private sector handle at least 70 percent of the priority sectors within COMESA region; ensuring effective representation of private sector interests in COMESA decision making processes for at least three priority sectors per year; providing timely and strategic business services to regional stakeholders on the business environment in the region; ensuring 90 percent of private sector inclusivity in the regional integration agenda; and that the CBC is a fully membership led and driven institution by 2024.

The following are some of the key policy recommendations to be pursued by the CBC:

- (a) Development of a framework for implementation of product standards within COMESA region;
- (b) Capacity building on Sanitary and phytosanitary (SPS) measures, and improving the SPS regime to facilitate cross border trade;
- (c) Facilitating the resolution and removal of Non-Tariff Barriers (NTBs) imposed by Member States;
- (d) Designation of CBC as a regional focal point for private sector in COMESA region for purposes of negotiating on NTBs;
- (e) Setting up coordination and co-operation mechanisms in the enforcement of legislation on illicit trade;
- (f) Development of a regional track and trace system for products in COMESA region affected by illicit trade;
- (g) Fast tracking of the ratification process of the Tripartite Free Trade Area Agreement (EAC, SADC and COMESA);
- (h) Establishment of regional medicine agency in COMESA region;
- (i) Undertaking assessment of pharmaceutical industry in COMESA region;

- (j) Development of regional strategy for the pharmaceutical industry in COMESA region;
- (a) Implementation of the recommendations of the policy framework on digital retail payment platform for Micro, Small and Medium Enterprises (MSMES) in COMESA region;
- (b) Development of Regional Digital Retail Payments Platform for MSMES in COMESA region
- (c) Capacity building of stakeholders in the digital payment space;
- (d) Facilitation of domestication of adopted COMESA's policies and frameworks related to industrialisation;
- (e) Increasing the manufacturing base and product diversification, by promoting key priority sectors and strengthening value addition and value chains;
- (f) Promotion of regional value chains in COMESA for strategic industrial sectors;
- (g) Improving legal, regulatory, and institutional frameworks to attain a friendly business environment for ease of doing business;
- (h) Revision of the policy, legal and institutional frameworks to promote private investment in the regional value chains;
- (i) Capacity building of the private sector on a regular basis to articulate their issues effectively ;
- (j) Creation of awareness of the existing opportunities in the various trade agreements, to enable the private sector to explore them;
- (k) Designation of an officer at the national focal points to handle CBC related activities;
- (l) Strengthening of CBC relationship with the French and Arabic speaking COMESA member states;
- (m) Organisation of joint activities/programmes for both CBC and national focal points.

1. Introduction

1.1 COMESA

The Common Market for Eastern and Southern Africa (COMESA) is a regional economic community of 21 member states that came together to promote regional integration through trade and development of natural and human resources for the mutual benefit of all people in the region. It is one of the eight Regional Economic Communities (RECs) recognised by the African Union. Currently, COMESA is at the Free Trade Area (FTA) stage which joins 15 other Member States, with five countries yet to attain the same.

COMESA has a population of about 560 million and GDP of US\$768 billion. It is the largest regional economic community in Africa. According to Trade Map, the value of COMESA's total exports to the world increased by 36% from US\$ 102 billion in 2020 to US\$ 139 billion in 2021. Similarly, the value of COMESA's global imports increased by 13% from US\$ 180 billion in 2020 to US\$203 billion 2021. The trade deficit was about US\$ 64 billion in 2021. However, the value of intra-COMESA total exports declined by 1% from US\$ 9.7 billion in 2020 to US\$ 9.6 billion in 2021.

The objectives of COMESA as articulated in the COMESA Treaty are:

- (a) To attain sustainable growth and development of the Member States;
- (b) To promote joint development in all fields of economic activity and the joint adoption of macroeconomic policies and programmes;
- (c) To co-operate in the creation of an enabling environment for foreign, cross border, and domestic investment;
- (d) To co-operate in the promotion of peace, security, and stability among the Member States;
- (e) To co-operate in strengthening the relations between the Common Market and the rest of the world; and
- (f) To contribute towards the establishment, progress, and realisation of the objectives of the African Economic Community.

The COMESA decision making structure includes:

1. COMESA Policy Organs

- (a) The Authority of Heads of State and Government.
- (b) The Council of Ministers.
- (c) Intergovernmental Committee.
- (d) Committee of Governors of Central Banks.
- (e) The Technical Committees.
- (f) The Secretariat.
- (g) Consultative Committee.

In addition to the above organs, there is also COMESA's Court of Justice. The Court adjudicates and arbitrates on, among other matters, unfair trade practices, interpretation of Treaty (Protocols and other legislative Acts) and ensures that Member States uniformly implement and comply with decisions that have been agreed on.

2. COMESA Institutions

COMESA's institutions have been an integral component of its success narrative. The institutions are needs-based and respond to very specific niches in the region. In addition to providing expertise in specific areas, the institutions are involved in skills development and extensive market research, which allows them to link evidence to their decision-making processes.

COMESA has established the following institutions to support the integration programme:

- (a) COMESA Clearing House (CCH) The Clearing House facilitates the settlement of trade and services payments amongst Member States.
- (b) COMESA Monetary Institute (CMI) - The institute focuses on the implementation of the COMESA Multilateral Fiscal Surveillance Framework.
- (c) Trade and Development Bank (TDB) – The Bank provides financial and technical assistance and promotes social and economic development and trade among Member States.
- (d) Africa Trade Insurance Agency (ATIA) - It provides political risk cover to companies, investors, and lenders interested in doing business in Africa.
- (e) COMESA Competition Commission (CCC) - the commission ensures fair competition and transparency among economic operators in the region by harmonising existing national competition policies to avoid contradictions and provide a consistent regional economic environment.
- (f) PTA Reinsurance Company It is tasked with the responsibility of promoting trade, development and integration in the insurance and re-insurance sector.
- (g) COMESA Regional Investment Agency (CRIA) – The Agency undertakes activities in investment promotion, facilitation and advocacy.
- (h) Africa Leather and Leather Products Institute (ALLPI) – The Institute supports activities towards strengthening of the leather value chain across the continent in a seamless and cost-effective manner.
- (i) COMESA Federation of Women in Business (COMFWB) - The federation develops women entrepreneurship in the COMESA region through programmes that promote, encourage and serve the needs of women and their businesses, collaboration with relevant partners.

3. COMESA Specialised Agencies

The specialised agencies are:

- (a) COMESA Business Council (CBC)
- (b) Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)
- (c) Regional Association of Energy Regulators in Eastern and Southern Africa (RAERESA)
- (d) East African Power Pool (EAPP)

1.2 COMESA Business Council Structure and Mandate

The COMESA Business Council (CBC) is a business member organisation that brings together a diverse group of enterprises, companies, and Business Associations in the region to inform and influence the policy directions that impact private sector and business community in COMESA. It is the recognised regional apex body of the private sector and business community among the 21 COMESA Member States. It represents the interests of the private sector at the highest levels of decision-making.

CBC was established in 2010 under Article 7 of the COMESA Treaty, as one of the eight organs of COMESA to provide the main link in the dialogue between private sector and other interest groups and organs of the Common Market. It was set up to represent and advocate on behalf of the business community and other interest groups at the COMESA Council or policy organ level. The key driving force for the establishment of the CBC was the desire to better integrate the private sector into the regional integration agenda through collaboration, linkages amongst the business associations and companies, and harmonization of efforts towards common goals pertinent to industry competitiveness.

The mission of CBC was initially: 'To promote collective engagement of the COMESA private sector for effective regional integration, competitiveness, trade and investment'. However, the mission was later revised to: "To be the leading private sector organisation in Africa, that promotes competitive and interconnected industries to actively participate in regional and global markets through advocacy, business facilitation and enterprise development". Its vision is: "Building regional, going global", based on the 2018-2022 strategic plan, which is has been updated to the 2023-2025 Strategic Plan.

CBC is managed by nine members of the Board of Directors who are Presidents of their respective National Apex Business Associations in the COMESA Member States. It is designed to focus on key areas of private sector representation through the facilitation of business interests from both apex and sectorial business association membership, to all levels of policy formulation and decision making in the region, and private sector development and growth sectors that contribute to the overall competitiveness of businesses in the regional and global markets.

CBC's mandates include:

- (a) Ensuring that the interests of the business community and other interest groups in the Common Market are taken into consideration by the organs of the Common Market;
- (b) Monitoring the implementation of the provisions of Chapter 23 (Development of Private Sector) and 24 of the Treaty (Women in Development and Business) and make recommendations to the Intergovernmental Committee;
- (c) Consulting and receiving reports from other interest groups;
- (d) Taking part in the meetings of the Technical Committees and making recommendations to the Intergovernmental Committee, as stipulated by COMESA Treaty Articles 7 and 18.

1.3 Rationale for CBC Agenda 2023

Advocacy is core to the success of CBC's 2018-2022 strategy and beyond, in its efforts to create an enabling environment, which the private sector can take full advantage of in the Common Market. The main instrument for carrying out advocacy is the "Regional Business Advocacy Agenda", which was developed and spearheaded by CBC workgroups. The workgroups hold regular meetings, to deliberate and agree upon priority issues, and make recommendations that eventually form the CBC's Regional Business Advocacy Agenda. These issues are prioritised by the workgroups and guide advocacy efforts throughout the year.

Some of the key challenges affecting CBC advocacy include:

- (a) Weak advocacy at the national levels because of low credibility, capability, or capacity by national associations to influence their national governments. This in turn affects the CBC's ability to influence the reform of policies and regulations;
- (b) Commitment and political will to adopt and implement regulatory and policy decisions by the policy organ at national level;
- (c) Alignment of the policy advocacy agenda across all COMESA Member States. There are huge differences with regard to the geography, economic levels, political status, private sector and civil society engagement, and business culture development, thus presenting challenges to reach consensus on a cross-cutting advocacy agenda.

Due to these challenges, the CBC desires to contextualise, as well as develop a structured measurable approach in the advocacy efforts, hence the development of the 2023 business advocacy agenda.

2. CBC Regional Business Advocacy Agenda – Key Pillars

Business policy and advocacy plays a central role as a key strategic instrument for CBC, since it advocates for an environment that improves business competitiveness in COMESA. CBC's Policy Advocacy Agenda 2023 focuses on improving competitiveness and deepening the participation of the private sector in regional, continental, and global trade.

The key pillars include:

- (a) Enhancing the competitiveness of the private sector;
- (b) Improving market access;
- (c) Improving border management and trade facilitation;
- (d) Enhancing participation of the private sector in regional integration, continental and international trade agreements.

Box 1: CBC Successful Advocacy

Business policy and advocacy plays a central role as a key strategic instrument for CBC, since it advocates for an environment that improves business competitiveness in COMESA. CBC's Policy Advocacy Agenda 2023 focuses on improving competitiveness and deepening the participation of the private sector in regional, continental, and global trade.

The key pillars include:

- (a) Enhancing the competitiveness of the private sector;
- (b) Improving market access;
- (c) Improving border management and trade facilitation;
- (d) Enhancing participation of the private sector in regional integration, continental and international trade agreements.

2.1 Enhance Competitiveness of the Private Sector

Competitiveness of the private sector is central to the ability of business to benefit from the potential in the COMESA markets, as member countries seek to increase productivity, lower cost of production, attain economies of scale and attract foreign investment.

Competitiveness can be defined in different ways, including:

- (a) The set of institutions, policies and factors that determine the level of productivity of a country (The World Economic Forum, 2015)
- (b) "A nation's competitiveness is the degree to which it can, under free and fair market conditions, produce goods and services that meet the test of international markets, while simultaneously expanding the real incomes of its citizens. Competitiveness at the national level is based on superior productivity performance and the economy's ability to shift output to high productivity activities which in turn can generate high levels of real wages. Competitiveness is associated with rising standards of living, expanding employment opportunities, and the ability of a nation to maintain its international obligations. It is not just a measure of the nation's ability to sell abroad, and to maintain a trade equilibrium¹"
- (c) The degree to which, under open market conditions, a country can produce goods and services that meet the test of foreign competition, while simultaneously maintaining and expanding domestic real income. (The Organisation of Economic Cooperation and Development [OECD] Programme on Technology and the Economy, 1992).
- (d) "An economy is competitive if its population can enjoy high and rising standards of living and high employment on a sustainable basis. More precisely, the level of economic activity should not cause an unsustainable external balance of the economy, nor should it compromise the welfare of future generations²."

In summary, competitiveness is the capacity to sustain growth through either increasing productivity or expanding employment. A competitive private sector is one in which companies improve performance by increasing productivity through managerial and technological innovations to offer better quality or lower priced goods and services, thereby expanding demand for their products. This includes addressing the cost and ease of doing business.

2.1.1 Overview of Regional Factors of Competitiveness

Table 1: Key Factors of Regional Competitiveness

Infrastructure & Accessibility	Human Resources	Productive Environment
Basic Infrastructure <ul style="list-style-type: none"> • road • rail • air Technological Infrastructure <ul style="list-style-type: none"> • ICT • telecoms • internet Knowledge infrastructure <ul style="list-style-type: none"> • educational facilities 	Labour force characteristics <ul style="list-style-type: none"> • productivity and flexibility Management skills <ul style="list-style-type: none"> • internationalised • levels of professionalism • levels of efficiency High skilled workforce <ul style="list-style-type: none"> • scientists and engineers • symbolic analysts 	Entrepreneurial Culture <ul style="list-style-type: none"> • low barriers to entry • risk taking culture Sectoral Concentrations <ul style="list-style-type: none"> • balance / dependency • employment concentration • high value-added activities Internationalisation <ul style="list-style-type: none"> • exports/global sales • investment • business culture • nature of Foreign Direct Investments (FDI)

¹ The Report of the President's Commission on Competitiveness (1984)

² European Competitiveness Report (2000)

Infrastructure & Accessibility	Human Resources	Productive Environment
Quality of Place <ul style="list-style-type: none"> • housing • natural surroundings • cultural amenities • safety Farm infrastructure	High participation rates in post school education <ul style="list-style-type: none"> • tertiary education • vocational training Educational infrastructure	Innovation <ul style="list-style-type: none"> • patents • Research and Development (R&D) levels • research institutes and universities • linkages between companies and research Governance and institutional capacity Capital availability Specialization Nature of competition

COMESA must take urgent action to address stagnating levels of competitiveness. Its aim is to create the anticipated 450 million jobs for youth within the continent in the next 20 years. Policy reforms should be directed at improving the quality of institutions, infrastructure, skills, and adoption of new technology.

Policy Recommendations on Competitiveness Improvement

The recommendations to improve competitiveness include:

- (a) Addressing infrastructural bottlenecks within COMESA;
- (b) Developing regional educational infrastructure to support skills development through:
 - i. Improvement of labour productivity and skills through technical skills transfer and training,
 - ii. Promotion of innovation through regional Intellectual Property Rights (IPR) regime, and
 - iii. Improved linkages between business and academia.
- (c) Promotion of entrepreneurship by addressing supply-side constraints and weak productive capacities;
- (d) Improving legal, regulatory, and institutional frameworks for the ease of doing business through:
 - i. Elimination of trade barriers by improving trade facilitation
 - ii. Enhancing opportunities for intra-African trade through trade information networks
 - iii. Elimination of illicit trade in COMESA region
- (e) Development and growth of priority regional sectors through investment attraction and facilitation;
- (f) Addressing the financial needs of traders and economic operators through improved trade finance; and
- (g) Reducing cost of production.

2.2 Improve Market Access

Since its establishment, a key aspiration of the COMESA region has been the free movement of goods, services, and people across nations. The focus of the market integration objective under the COMESA Medium Term Plan (2021-2025) was to establish a seamless flow of goods, services, capital, and people, including the right to establish businesses and reside within the COMESA region. It also aims at facilitating trade and lower the cost of cross-border trade towards attaining a vibrant trading bloc with shared prosperity.

Exports were dominated by primary commodities, which accounted for approximately 67% of the total trade in the period 2016-2019. Most of the region's total exports (91.5% of the total exports or US\$65.7 billion) were traded outside the region, leaving only 8.5% of the total intra-COMESA exports. The trade in services was relatively smaller than trade in goods during the review period, accounting for 21-24% of total (goods and services) trade.

COMESA presents an opportunity for member countries to enhance their economic and social relations through increasing intra-regional trade. One of the major indicators of progress in regional integration is the level and growth of intra-regional trade based on improved market access. Despite the growth of intra-COMESA exports from US\$ 1.5 billion in 2000 to US\$ 10.9 billion in 2019, intra COMESA trade remains low at an average of 7%. Similarly, COMESA's trade with the rest of Africa stands at 9.3% of the total trade within the region.

Trade barriers are prevalent in the COMESA region, including: restrictive trade practices in clearing imports and exports; low use of the more business-friendly COMESA Rules of Origin; and some restrictiveness in the application of Standards and Sanitary and Phyto-Sanitary measures. In addition, trade information asymmetries and gaps, persistent transit traffic issues, restrictions on free movement of people and other factor inputs, and weak capturing and utilisation of selected harmonised statistics also affect trade.

The agricultural sector is key to the COMESA region. The development of this sector is vital for food security, economic and rural development in the region. It is the main economic sector in most COMESA member countries, contributing largely to the Gross Domestic Product (GDP) and foreign exchange earnings.

Policy Recommendations on Improving Market Access

The recommendations on improving market access include:

- (a) Implementation of the region's industrialisation strategy to improve trade complementarity among Member States. This is to be achieved through structural transformation and enhancement of value addition;
- (b) Harmonisation of policies across Member States, especially the macro-economic and legal and regulatory policies, to catalyse trade within the region;
- (c) Tariff liberalisation and elimination of restrictive or discriminative non-tariff measures in COMESA;
- (d) Development of cross-border infrastructure, including roads and rail with unique financing models to catalyse the development of trade infrastructure;
- (e) Development of trade finance with commercial models to support value chain financing at reasonable costs with targeted support to female entrepreneurs and youth-owned enterprises;
- (f) Development of one-stop border posts to facilitate and enhance trade across COMESA borders for seamless connectivity and speed of cross border trade with development of digital trade corridors;
- (g) Collaboration with other COMESA Institutions (CMI, CCH, Competition Authority, RIA, ATI, TDB) in ensuring macroeconomic and financial stability, fair trading, and increased investments;
- (h) Enhancement of communication and information sharing among the Member States on trade and customs regulatory measures, procedures, and best practices with support for the implementation of regional programmes on trade and customs matters;
- (i) Enhancement of co-operation and collaboration with the private sector, such as Chamber of Commerce Associations and Clearing and Forwarding Agents Associations in the region, to support implementation of the programmes on trade and customs matters;

- (j) Building the capacity of the SMEs to comply with regulatory trade requirements;
- (k) Addressing the differences in regulatory requirements including registration procedures and inspection of drugs in COMESA region;
- (l) Review of the stringent SPS Measures imposed by Member States and harmonisation of more product standards within COMESA;
- (m) Resolving and removal of NTBs imposed by Member States.

To promote market access of agricultural products to deal with regional food security issues, the COMESA member states should:

- (a) Open the region for free flow of agricultural produce by removing all barriers, and ensure that commodities move from surplus areas to deficit areas in the region primarily driven by demand and market forces;
- (b) Introduce and institute harmonised policies, systems, regulations, and procedures across the region to create a conducive, transparent, and facilitative environment, for conducting regional agricultural trade with forward and backward linkages for the farmer to the market across the region.

2.3 Improve Border Management and Trade Facilitation

The COMESA Treaty provides for the creation of a fully integrated, internationally competitive regional community within which goods, services, capital, and labour are free to move across borders. The key objective of COMESA's integration agenda is the establishment of an environment that provides seamless flow of goods, services, capital, and people. Special focus is on trade facilitation through transport facilitation, and the simplification and harmonisation of documents and procedures.

The informal cross-border trade in the COMESA region has also been identified as a vibrant micro-entrepreneurial sector with significant potential to help alleviate poverty, contribute to food security and serve as an empowerment tool for women and youth, if managed efficiently. Small-scale cross-border trade, which accounts for 30%=40 % of the total informal trade, is significant in the COMESA region. Besides the women and youth, this trade provides incomes and a livelihoods to many people, as they move essential products from areas of surplus to areas of deficit.

The approach should shift in the region's border management to focus more on facilitation, as opposed to control, and ease the free movement of persons. This will facilitate regional trade and lead to higher levels of integration and economic development. COMESA has taken the initiative to harness ICTs as tools of assisting trade facilitation processes through e-commerce, e-logistics, and the creation of digital information and networking platforms. ICTs are premised on empowering traders to participate in cross-border trade and investments.

Policy Recommendations on Border Management and Trade Facilitation

The recommendations on border management and trade facilitation include:

- (a) Upgrading and developing a user-friendly trade facilitation portal that offers increased visibility to Member States;
- (b) Provide adequate trade infrastructure at the borders;
- (c) Digitising trade instruments to support the effective implementation of COMESA trade facilitation programmes, through operationalising the COMESA Digital FTA, thus the E-Trade, E-Logistics, and E-Legislation;

- (d) Encourage formalisation of informal traders through the creation of trade information desks, simplification of trade regulations and procedures, and improving infrastructure.
- (e) Facilitation of the establishment of one-stop border posts for corridor performance improvement;
- (f) Undertaking capacity building to improve skills and productivity levels of corridor staff;
- (g) Establishment of digital payment platforms to facilitate cross-border trade.

Box 2: Services Offered by CBC.

Examples of services offered by CBC geared towards business facilitation include:

- Business continuity advisory services on industry led agendas including accessing markets, private to private partnerships, facilitating business agreements amongst SMEs and corporates.
- Conducting proactive market surveys on three agendas per year to inform business climate decisions for investment and ventures.
- Leading annual international trade missions to support global partnerships between Africa and international markets and hosting the annual COMESA International Trade Fair and sectoral buyer-seller events.
- Development of flagship business facilitation programs such as BizNet4 (an online platform hosted by CBC for business linkages and intelligence for companies, associations, and SMEs in the COMESA region, consisting of over 3000 listings of both companies and business professionals across COMESA) and Made-in-COMESA platform (a trade and market analysis tool for businesses and traders in the COMESA region).

2.4 Enhancing Participation of Private Sector in the Regional Intergration, Continental and International Trade Agreements

COMESA has made notable progress towards establishing a common and regional market. Co-operation and collaboration with private sector stakeholders necessitates putting into place efforts to improve the environment for private sector growth and development. This will involve enhancing co-operation and collaboration with the private sector, such as the East African Business Council, COMESA Business Council, Associations of Chambers of Commerce, Manufacturing Associations, Clearing and Forwarding Agents, and Cross-Border Traders, among other associations, to support implementation of the regional market integration programmes.

The private sector supports economic growth by creating jobs, increasing trade, providing goods and services and generating tax revenue to fund public services such as health and education. The private sector plays a big role in income generation, through employment and engaging communities via inclusive business models. If goods and services were to be produced locally or regionally, more jobs would be created, distributing incomes, and in the process enhancing the well-being of the citizens. COMESA also recognises the role of the private sector in inclusive and sustainable economic transformation under Articles 151, 152, 153 of the Treaty. These Articles encourage Member States to create an enabling environment for the private sector, and co-operation among chambers of commerce and other business organisations. Consequently, the CBC was created to support implementation of the instruments adopted regionally.

The private sector is a key stakeholder in the realisation of the COMESA's mandate, notably to facilitate investment, production, and trade. In order to overcome the regional growth challenges and exploit the existing opportunities, the public and private sectors within COMESA, supported by development partners, continue to enhance the participation of the private sector in regional and international trade agreements.

A key trade agreement for the COMESA region is the Africa Continental Free Trade Area (AfCFTA). The objective of AfCFTA is to deepen economic integration in Africa in-line with the continent's Pan-African vision of "an integrated, prosperous and peaceful Africa driven by its own citizens, representing a dynamic force in the international arena." The AfCFTA takes cognisance of the disparities that exist in the levels of development among state parties to provide flexible, special, and differential treatment and technical assistance to states with special needs.

The general objectives of the AfCFTA Agreement are:

- (a) To create a single continental market for goods and services with the free movement of persons and capital;
- (b) To expand intra-African trade (trade between African states) through better harmonisation and coordination of trade, implementation of trade facilitation measures and cooperation in infrastructure;
- (c) To enhance competitiveness at industry and enterprise level by exploiting opportunities for economies of scale, continental market access and an efficient allocation of resources;
- (d) To promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of member states;
- (e) To promote industrial development through diversification and regional value chain development, agricultural development, and food security; and
- (f) To resolve the challenges of multiple and overlapping memberships, and expedite the regional and continental integration processes.

Africa is home to thirty (30) Regional Trade Agreements (RTAs). The United Nations Economic Commission for Africa (UNECA) estimates that at least 47 out of the 54 African countries are members of one Regional Economic Community (REC). These arrangements are cumbersome to implement because the rules associated with a particular REC are unique. Therefore, by belonging to several RECs simultaneously, compliance requirements are duplicated and complicated. Further, different sets of RoO are met by the same product in different countries of origin and markets. Overlapping memberships also hinder the harmonisation and enforcement of standards.

However, as indicated in the AfCFTA Agreement, the aim of resolving the challenges of multiple and overlapping memberships supersede the goal of preserving the RECs and their acquis. It remains unclear how the implementation of the agreement will address the multiplicity of RECs given the language, which seems to prefer preservation of the RECs. This raises an important question on how members of RECs and other AfCFTA parties will implement the provisions in the agreement. There is also a need to appreciate the fact that RECs are not homogeneous entities. They were established independent of each other, and differ in both structure and activity.

Policy Recommendations on Trade Agreements

The policy recommendations on trade agreements include:

- (a) Building the capacity of the private sector to articulate issues on a regular basis;
- (b) Creating awareness of the existing opportunities in the various trade agreements to enable the private sector explore these opportunities;
- (c) Encouraging sharing of information on market opportunities through different forums and trade missions;
- (d) Fast-tracking the ratification of the Tripartite Agreement (EAC, SADC and COMESA);
- (e) Promoting the productive capacity of producers/industries in COMESA;
- (f) Promoting the regional value chains for strategic industrial sectors in COMESA;
- (g) Enhancing access to affordable trade finance for businesses in the region, through organisations such as PTA Reinsurance Company and the Trade and Development Bank.

Box 3: AfCFTA Issues

CBC carried out a study on the AfCFTA and from the perspective of the business community, some of the key issues included:

- It is cardinal that there is clarity on the mandates of RECs and their compatibility with the AfCFTA. Furthermore, there is need for an assessment of the areas of divergence and convergence of the AfCFTA and other RECs.
- There is a need to assess if the AfCFTA resolves issues around Africa's multiple trade regimes, and if not, to investigate what would constitute appropriate policy options to resolve issues of persisting multiple trade regimes in the continent.
- Develop the appropriate policy options to build and manage an interface between the AfCFTA and RECs

3. CBC Regional Business Advocacy Agenda – Issues Dimension

3.1 Product Standards

Agriculture and agro-processing present an opportunity for the transformation and growth of manufacturing industries, particularly with the growing importance of regional and global supply chains. However, food safety, and sanitary and phytosanitary standards present both an opportunity and a threat depending on their management for industry, thus contributing to NTBs. Manufacturers in the COMESA region have been facing challenges accessing certain markets due to lack of harmonisation of food standards and regulations. These barriers increase the cost of products and doing business in the region. There is therefore need to strengthen measures towards the harmonisation of food standards and regulations in the COMESA trading bloc. Differences in food standards and regulations deter regional trade and hinder the development of regional markets.

Some notable challenges on product standards include: limited regional harmonisation of food laws/standards; inadequate institutional capacities for testing and regulation; and limited SPS coordination efforts. These translate to high costs due to multiple regulations and compliance requirements for businesses. Harmonised regulations and testing will reduce the cost of compliance and diminish disputes and NTBs related to standards among countries. This will help minimise the destruction of food or products by authorities.

The COMESA SPS program has focused on creating a harmonised risk-based regulatory environment through the SPS regulations, green pass, and the establishment of regional reference laboratories. The value chain approaches have been adopted to facilitate conformity assessments for selected value chains. However, there is still need for increased harmonisation efforts, common approaches to risk assessments, conformity assessment across several products, among other measures, since the private sector still experiences many challenges in terms of standards and quality compliance. All these challenges increase the response times with additional costs to the company, consequently impacting on the prices of finished products. Multiple and excessive market access requirements ultimately result in export diversion.

3.1.1 Product Standards

While product standards have been harmonised regionally in COMESA, only a few have been adopted nationally, thus limiting their effectiveness. From the experiences of the firms in the food and beverages sector, this has a negative effect on trade in the COMESA region as firms face barriers in accessing markets.

The research carried out by CBC on some of the companies in COMESA, revealed that the standards

that are implemented in the region are based on Codex standards, which are often not appropriate to some national circumstances. This is despite the existence of regional standards, which were created and harmonised by African Organization for Standardization (ARSO). The undesired effect of this scenario is that firms are hindered from accessing markets because of the differences in food and beverage standards, implemented by member states. It is also apparent that some countries experience difficulties in adapting Codex standards and harmonising them with the regional standards, towards meeting national needs due to lack of technical expertise.

In addition to the failure by most countries to domesticate regional food and beverage standards, the interviews established that most food inspection services in COMESA are underfunded, while the food inspectors are poorly trained and paid, and tasked with additional functions over their core functions. This often leads to costly delays in processing inspections.

The research also revealed concern from the private sector that while COMESA has published several harmonised standards mainly on agricultural and food products, most of the standards that are harmonised by COMESA are in relation to specification and compositional requirements of various products. Only a few of the standards cover testing, sampling methods, and labelling. As such, the impact of these standards, being vertical (prescribing specific composition requirements for products) and sectoral (confining themselves to particular types of products, such as milk or maize), is limited.

Other challenges that were mentioned include the outdated nature of food legislation in most countries, and inadequate, fragmented, and scattered statutes and codes, which create an inevitable confusion among food control enforcement agents, producers, and distributors. It was also stated that with the exception of a few countries, the bodies mandated to formulate and enforce standards are neither well established nor actively engaged in the development of national standards.

Furthermore, it was indicated that the COMESA region lacks infrastructure to facilitate the structured and regular acquisition and dissemination of relevant food safety standards information to the public. There are a few ongoing educational programmes for government food control officials, food industry officials, and consumers. However, the trainings that exist are sporadic, unfocused, and not based on actual, and/or possible food safety problems.

From the foregoing analysis of the key issues that arose from interviews with selected stakeholders in the COMESA food and beverages value chain, the most prominent challenge relates to lack of domestication of regional standards by Member States, which restricts market access by exporters of food and beverage products. In most cases, the countries within the region implement Codex standards despite the existence of harmonised regional standards.

According to the Treaty establishing COMESA, specifically Article 113³, Member States undertake to:

- (a) Apply uniform rules and procedures for the formulation of their national standards;
- (b) Adopt African regional standards, and where these are unavailable, adopt suitable international standards for products traded in the common market;
- (c) Coordinate their views regarding the selection, recognition, adaptation, and application of regional and international standards in so far as the needs of the common market are concerned, and constantly endeavour to improve the standardisation of goods and services within the common market; and
- (d) Apply the principle of reference to standards in their national regulations, to facilitate the harmonisation of their technical regulations.

3 See <https://www.comesa.int/wp-content/uploads/2020/07/Comesa-Treaty.pdf>

Key Recommendations

Key recommendations on product standards include:

- (a) Developing of a framework to facilitate implementation of product standards within the COMESA region;
- (b) Enhancing provision of technical support to standards bodies across COMESA member countries;
- (c) Increasing supportive funding mechanisms for national standards bodies in the region;
- (d) Enhancing the scope of harmonised standards to cover testing, sampling methods, and labelling.

3.1.2 Private sector challenges relating to food standards.

3.1.2.1 Standards Harmonisation: Compliance, Testing or Equivalence

- (a) Non-alignment with CODEX standards: Standards requirements are not aligned with Codex in certain instances, thereby creating an additional requirement for manufacturers. An example is on date marking whereby, the inclusion of the “manufacturing date” is optional in Codex, while it is mandatory in other COMESA countries, thus creating a barrier for products that are labelled according to Codex, with only the expiry date marking. Expiry or sale-by date is the critical marking for quality and safety. For instance, the East African standards for the export of pasta to Zimbabwe differ from the Codex standards. Additional requirements for nutritional and chemical tests are not performed by most local and international laboratories.
- (b) No mutual recognition: Local test certificates are not recognised throughout the region. There are often requirements for re-testing of products in the receiving markets, for most of the COMESA countries. There is no mutual recognition of the certification marks. For instance, Kenya requires mandatory product certification by Kenya Bureau of Standards (KEBS), which includes Good Manufacturing Practice (GMP) inspection of production facility required and annual certification. This also implies specific stock for Kenya, different from stocks of packaging materials for other clients within the COMESA region, with additional artwork and printing costs. All these increase the cost of certification, and of the products.

3.1.2.2 Net Weight Regulation Variations

Variations in net weight regulations: Country-specific regulations are not aligned with regional and international standards or the International Organization of Legal Metrology (OIML), which sets the international standards relating to net weight for pre-packaged goods. For example, Zimbabwe has a net weight regulation (SI 56 of 1989) that has a limited range of prescribed weights that cut across all pre-packed categories (Grams allowed: 50, 75, 100, 125, 150, 200, 250, 300, 375 and 750; Kilograms allowed: 1, 2, 5, 10, 15, 20, 25 and 50). These differences between countries have resulted in trade barriers for pre-packaged goods that do not fall within the prescribed weights.

3.1.2.3 Variations Pertaining to Industrial Plastics Packaging Regulations

There is no harmonised regulation on labelling or environmental sustainability regulation of industrial packaging. There is a need to adopt harmonised disposal or recycling marks or logos to reduce the cost of packaging and of the products. For example, Kenya’s National Environment Management Authority (NEMA), requires that all plastic materials used for packaging should have a statement “Take Me Back

to the Store for Recycling”, while Rwanda and some other countries do not allow polythene packaging. COMESA countries should agree on environmental sustainability marks and packaging to ensure a more harmonised approach.

3.1.2.4 Laboratory Testing

- (a) Cost of certification: The cost of certification is prohibitive for SMEs and most businesses. The dual certification requirements make it even more costly for SMEs that wish to supply or trade across their borders.
- (b) Accreditation of local laboratories: Most COMESA laboratories have limited accredited testing parameters, e.g. specific tests for nutritional parameters cannot be performed locally.
- (c) Some local laboratories sub-contract other international laboratories in the EU or Dubai, which is time consuming and costly.

3.1.2.5 Market Access Regulations Measures such as Approval Processes, Net Weight Requirements, Labelling, and Others

Companies have cited the lengthy, complex, expensive end-product registration requirements and numerous document requirements when exporting products into COMESA markets, even after attaining CODEX certification. For example, Ethiopia has 15 requirements including a free sales certificate certified by the Ethiopian Embassy, which is not available in all countries. Rwanda’s regulations on food registration requirements/guidelines include GMP inspection of production facility, GMP inspection plus fees for product registration per product, and annual retention fee per product. Kenya, Uganda, and Burundi have a mandatory Pre-Export Verification of Conformity for imported products, which includes GMP inspection of production facility, and payment of certification fees. For Kenya, the KEBS mark referred to earlier applies.

3.2 Sanitary and Phyto-sanitary (SPS) measures

Article 132 of the COMESA Treaty provides for co-operation in the export of agricultural commodities. According to the treaty, Member States agree to harmonise their policies and regulations relating to SPS measures without impeding the export of crops, plants, seeds, livestock, livestock products, fish and fish-products. The SPS sub-committee was established in 2007 by the 23rd Council of Ministers as a Technical Committee on Agriculture. For effective coordination of SPS matters at regional level, the 29th Council of Ministers requested the Secretariat to set up and make functional an SPS unit. Subsequently the Council of Ministers directed the Secretariat to enhance programmes aimed at mutual recognition of standards and SPS measures, as well as to expedite the harmonisation process as stipulated in the COMESA SPS regulations. One of the barriers to intra-regional trade are the SPS measures .

Reasons why SPS issues restrict intra-regional include:

- (a) Lack of a harmonised approach to SPS increases transaction and trading costs, and is a disincentive to trade;
- (b) Lack of information making countries to adopt justifiable but often unnecessary measures;
- (c) Uneven SPS capacity amongst countries, with those having weaker SPS capacity finding it more difficult to trade with countries where the SPS capacity is stronger. This also works to the advantage of developed nations where regulations are enforced.

Key Recommendations

COMESA region should adopt or align key trade-facilitation standards and regulations with international standards, and harmonise standards across the region to facilitate movement of the related products within the trading bloc.

Key recommendations on SPS include:

- (a) Developing and adopting harmonised COMESA food standards: Focus should be on the horizontal regulations rather than vertical standards to foster innovation;
- (b) Building regional regulations based on international standards and best practices from other regional harmonised standards;
- (c) Adopting a system of mutual recognition of quality assurance and certification systems amongst the Member States;
- (d) Aligning the regional standards to the CODEX standards, which should be adopted by all Member States without the need for any additional legislation. Specific standards to be considered include the following:
 - i) Labelling standards: Member States to align labelling standards with CODEX International standards. Specifically, this covers the issue of date marking, where requirements should be aligned with Codex Stan section 4.7.1 (viii) where the marking of "Date of Manufacture" is optional as it has no food safety and quality implications.
 - ii) Net weight regulations: Member States to adopt OMIL standard on net weight regulations.
 - iii) Environmental packaging regulations: Member States to harmonise standards and labelling regulations on industrial packaging. Specifically, harmonise messages and markings or labelling of the packaging materials to address the cost of developing packaging for each market.
- (e) Reducing the cost of certifications through the bureaus of standards to support SMEs compliance with minimum standards of food safety and quality management systems by providing customised and affordable certifications;
- (f) Strengthening laboratory capacity:
 - i. Member States are urged to invest in building capacity and centres of excellence for reference labs, and adopt the latest international test methods based on Association of Official Agricultural Chemists (AOAC) and International Standards Organisation (ISO) standards.
 - ii. Member States are urged to increase utilisation of regional reference laboratories with branches in different countries to avoid double tests on products and increase the utilisation of laboratories that have been set up.
- (g) Facilitating market access via evaluation and approval of food operators, not through end-product testing and registration. The operator should be registered based on evaluation of their food safety and quality management systems, including ISO 22,000, FSSC 22000, HACCP, GMP, QMS 9001;
- (h) Implementation of a harmonised risk-based process registration standard, which is a regulation or guideline developed and adopted by Member States to ensure effective consumer protection, and trade facilitation;
 - i) Utilisation of market surveillance, sampling, and testing to monitor and ensure safety and quality is sustained as per set standards. Imported products should be evaluated and approved based on credible food safety and quality management systems certifications. Either compliance of their production facilities or registration as a market supplier should be the basis of their approval.

Box 4: SPS Programs in COMESA

SOME SPS PROGRAMS IN COMESA

Monitoring, surveillance, diagnostic and emergency response systems established for priority SPS risks

- (a) Aflatoxin is a priority SPS risk in the region, and the capacity to diagnose and test for it is the basis for managing the risk. One way to manage aflatoxins is using a biological control agent, and COMESA has been supporting this work within the Partnership for Aflatoxin Control in Africa (PACA) and in collaboration with the International Institute of Tropical Agriculture (IITA) and others. Fruit fly is another priority risk that affects both production and market access for most COMESA Member States. COMESA has therefore been seeking ways to address the problem, including through establishing surveillance systems. Towards the end of 2015 COMESA co-convened a regional consultation based on which a regional strategy for fruit fly management is being developed.
- (b) Improved decision-making using accurate and up to date SPS information. Information exchange is an important role for a regional organization. It is something that Member States frequently demand, and the 2011-2015 strategy included setting up a COMESA SPS portal. A web-based Food and Agricultural Marketing Information System (FAMIS) was created with IITA, which included a pillar on SPS. However, the system has not been maintained or used. The alternative information system supporting decision making that has been successful is the Tripartite Non-Tariff Barriers (NTB) Reporting, Monitoring and Eliminating Mechanism that provides the opportunity for all stakeholders, especially private sector, to report incidents of what they consider to be unjustified non-tariff impediments to trade within the tripartite countries.

3.3 NTBs in the COMESA region

Non-Tariff Barriers (NTBs) are trade restrictions that result from prohibitions, conditions, or specific market requirements that make importation or exportation of products difficult and/or costly. NTBs also include unjustified and/or improper application of Non-Tariff Measures (NTMs) such as sanitary and phytosanitary (SPS) measures and other Technical Barriers to Trade (TBT). NTBs arise from different measures taken by governments and authorities in the form of government laws, regulations, policies, conditions, restrictions or specific requirements, and private sector business practices, or prohibitions that protect the domestic industries from foreign competition.

The COMESA NTB regulations are a set of rules and procedures that provide a mechanism for the identification, categorization, and elimination of NTBs within the COMESA region. The regulations establish institutional structures (National Focal Points and National Monitoring Committees) for monitoring and resolution of NTBs by Member States, general categorization of NTBs in COMESA and reporting and monitoring tools.

The COMESA Treaty, in Article 49, requires that each of the Member States undertakes to remove, immediately upon the entry into force of the Treaty, all the existing non-tariff barriers to import of goods originating from other Member States into that Member State and thereafter refrain from imposing any further restrictions or prohibitions. Further, the Council adopted the COMESA Regulations on NTBs whose objectives were to provide for a mechanism for the identification, categorization, and elimination of non-tariff barriers within the COMESA region.

According to the COMESA Secretariat, at least 82% of the reported Non-Tariff Barriers in the COMESA region are those imposed on imports and exports of goods and services and are largely operational by design with these types of NTBs easy to identify and monitor. From an analytical perspective, the relatively high rate of resolution of NTB cases in COMESA, which is over 95%, does not necessarily imply that the mechanisms established to eliminate NTBs are effective. Rather it shows that mechanisms in

place capture more of the operational as opposed to the behind-the-border types of NTBs. The behind-the-border measures are mainly imposed internally and include domestic legislations covering health, technical, product, labor, environmental standards, internal taxes or charges, and domestic subsidies.

In 2021 COMESA established the Non-Tariff Barriers Regional Forum comprising National Monitoring Committees and NTBs Focal Points. This new structure is aimed at further strengthening the Trade and Customs Committee and Trade and Trade Facilitation Sub-Committee as part of the institutional structures for the elimination of NTBs at the regional level. Although all member States have established NTBs Focal Points, several countries are yet to formalize and operationalize their National Monitoring Committees. These are considered critical to the implementation of the regulations and elimination of NTBs, even most important is sharing experiences and developing capacities to identify, categorize and report them as they occur.

Key recommendations

The key recommendations to address the challenge of non-tariff barriers in COMESA includes the following:

- (a) Carry out comprehensive awareness activities in the Member States through the NMC to popularize the provisions of the NTB regulations;
- (b) Hold quarterly meetings of the NMC's to update the NTB Matrix to provide a tool for monitoring the resolution of NTBs within agreed time frames;
- (c) Synchronize the institutional arrangements between the national and regional structures; with NTB focal points and NMC's having quarterly engagements;
- (d) Provide technical and financial support for development of procedures for the implementation of the NTB Regulations to ensure sustainability of NTB elimination programs;
- (e) Resolve long-outstanding NTB's through escalation to the COMESA Heads of States for resolution;
- (f) Review and strengthen the legal frameworks on NTB's within COMESA and develop National Strategies on elimination of NTB's in Member States;
- (g) Capacity Building for member states on the COMESA Regulation for Elimination of NTB's on tools for reporting, monitoring, and addressing NTB's;
- (h) Designate CBC as the regional focal point for private sector in COMESA region for purpose of NTBs;
- (i) CBC to participate in all regional NTBs meetings for resolution of the same.

3.4 Illicit trade in COMESA

According to WHO, illicit trade is defined as any practice or conduct prohibited by law, which relates to the production, shipment, receipt, possession, distribution, sale or purchase including any practice or conduct intended to facilitate such activity. Illicit trade is a menace within the COMESA region, although respective Member States have adopted various measures to combat it both at national and regional level. However, more strategic and concerted efforts are required to combat the vice. The challenge of accessing reliable up-to-date data on illicit trade has hindered efforts by some Member States to fully appreciate the nature of the trade, and develop effective means to resolve illegal trade menace. Illicit trade is more of great concern in countries that have a manufacturing base, and less of a concern in countries that are net importers. There is also no framework to guide the public and private sector on how to curb illicit trade in COMESA, while regional cooperation on the matter is weak. Based on the current situation, some gaps need to be filled.

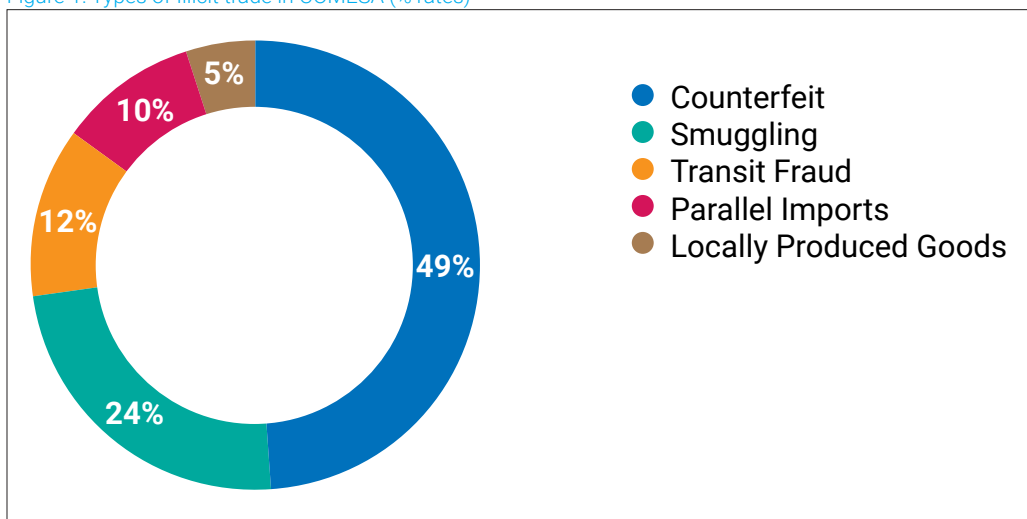
Illicit trade seriously undermines the concept of a free and open marketplace, which is fundamental to improving competitiveness, increasing investments, generating jobs, and ultimately contributing to the economic growth of the COMESA Member States.

Some of the adverse effects of illicit trade include: revenue losses, unfair competition, health risks, and huge financial losses for companies, industries, and governments, among others. There is consensus amongst the business community in the COMESA region that some Member States are trying their best to combat illicit trade. However, there is no regionally coordinated mechanism to combat illicit trade, which has resulted in a fragmented approach, making it difficult to prosecute illicit trade cases effectively.

Institutions tasked to combat illicit trade across Member States have failed to collaborate and combine their efforts despite discharging similar mandates. Further, challenges with accessing up-to-date and reliable data on illicit trade persist, thereby making it nearly impossible to measure the extent of illicit trade and come up with ways of resolving the problem. Lack of coordinated regional mechanisms to combat illicit trade makes it possible for countries without anti-illicit trade laws to serve as entry points and conduits of the vice in the whole region.

In 2015, the CBC undertook a study on combatting illicit trade in the COMESA region. The study revealed dire state of the vice. The most prevalent form was trade in counterfeit goods as shown in Figure 1.

Figure 1: Types of Illicit trade in COMESA (% rates)



Source: Adapted from COMESA Business Council, 2015

Just like the rest of Africa, COMESA Member States are faced with various challenges, including company shutdowns due to the trade in cheap substandard products that are detrimental to the local industries. There is a proliferation of prevalence of counterfeits and imports of sub-standard products in the COMESA region, which poses high risks in terms of revenue losses to the local industry due to unfair competition. It also is also hazardous to human health and safety, leads to loss of government revenue and trade and investment competitiveness, and stifles creativity and innovation.

The most affected sector is the manufacturing sector. Manufacturing in the COMESA region is primarily centred along the following: food and beverages, tobacco, wood, paper, refined petroleum and coke, cement, rubber and plastics, glass and other non-metallic metals, and basic metals. Resource-based manufacturers deal with textiles and apparel, leather, publishing and printing, fabricated metal products and furniture, while the low-level manufacturing handles chemicals, machinery and equipment, office machinery, electrical machinery, communication equipment (including, radio, TV), motor vehicles, medical, precision, and optical instruments.

The absence of a common regional legal and policy framework on anti-illicit trade leaves a vacuum that is being exploited by illicit traders within the region, buffered by widespread poverty resulting in low purchasing power. The 2015 CBC study observed that Member States are at different levels of

addressing the challenges of illicit trade, and most of the efforts in fighting illicit trade were concentrated at national level with no coordinated efforts at regional level. The study recommended several measures, including the development of a policy framework on anti-illicit trade for COMESA region. As a follow up, CBC commissioned another study on the development of the Policy Framework on Anti-Illicit Trade for COMESA region focusing on Ethiopia, Kenya, Mauritius, Uganda, and Zambia.

The study noted that most of the COMESA Members States have legislations for combating illicit trade with some Member States such as Kenya having a specialised agency for fighting illicit trade (Anti-Counterfeit Authority). Differences in excise regimes and product standards among the Member States pose a serious challenge. In addition, the study raised a number of concerns in the fight against illicit trade, including: capacity issues, weak collaboration/coordination at both national and regional levels, lack of clear track and trace system for both locally manufactured goods and imported ones, very low fine for the offenders that are not punitive enough to deter the vice, lack of harmonised regimes to address illicit trade, existing legislation not utilised to fight against illicit trade, porous borders, inadequate enforcement of IPRs, weak capacity to prosecute cases on illicit trade; and low consumer awareness of illicit trade.

It was further noted that most Member States were using different agencies to enforce illicit trade laws, including: Bureau of Standards, Task Forces, IPR Institutions, National Police, Revenue Authorities, Weight and Measures Departments, Departments of Agriculture, Seeds (Plant Health) Inspectorate, Department of Public Prosecution, and Consumer Protection institutions.

The key elements of the policy framework at the regional level include effective sanctions, use of ancillary legislation, improving national legal framework, developing a regional legal framework, mechanism for coordination and cooperation at national and regional levels, improving screening of imports, enforcement of IPRs laws, harmonisation of excise regimes, development of database, sharing of information, and educational campaigns.

Key Recommendations

The study proposes several measures to facilitate the development of the policy framework on anti-illicit trade for COMESA region:

- (a) Establishing technical subcommittee on illicit trade under COMESA to be reporting to Committee on Trade and Customs;
- (b) Adoption of a harmonised approach to the fight against illicit trade, including a legal framework on illicit trade, excise regimes, product standards, and IPR;
- (c) Setting up coordination and cooperation mechanism in enforcement of legislation on the cross border illicit trade activities;
- (d) Establishing a regional information sharing mechanism and regional database;
- (e) Adoption, ratification, and implementation of international treaties, such as the protocol to eliminate illicit trade in tobacco products;
- (f) Development of a regional track and trace system for products in COMESA region affected by illicit trade;
- (g) Review of national legislation to enhance the current sanctions to make them punitive and deterrent to the offenders. These will ensure that illicit trade offences attract both criminal and civil sanctions that are enforced not only to the manufacturers and importers, but also the distributors and retailers.
- (h) Adoption of ancillary legislation by Member States;
- (i) Capacity building on illicit trade among the law enforcement agents and private sector players;
- (j) Adoption of multi-agencies approach, including the private sector, in the fight against illicit trade;
- (k) Organisation of educational campaigns to create more awareness among the consumers.

3.5 Ratification of the Tripartite Agreement (EAC, SADC and COMESA)

The Tripartite Free Trade Area Agreement was signed in 2015, and brings together COMESA, East African Community (EAC) and the Southern African Development Community (SADC). The COMESA, EAC and SADC Member and Partner States represent 53% of the African Union membership, constituting over US\$1.4 trillion Gross Domestic Product (GDP). This is roughly 60% of the African continental GDP, and a combined estimated population of 800 million, making the TFTA an important building block for the implementation of the AfCFTA. To date, 22 of the 29 Tripartite Member States have signed the TFTA Agreement. It will come into force once ratified by 14 Member States. So far, only 11 countries have ratified it (Egypt, Eswatini, Kenya, South Africa, Rwanda, Burundi, Uganda, Botswana, Namibia, Zambia, and Zimbabwe). As of January 2023, three more ratifications were required to enforce the tripartite agreement.

The Agreement is based on a developmental integration approach built on three pillars, namely: market integration, infrastructure development, and industrial development. It is acclaimed for its well-established, tested, and successful modalities for the negotiation processes with clear structures, rules and guidelines. For instance, the AfCFTA negotiations, drew a lot of lessons from the tripartite process in terms of the modalities and instruments for negotiating trade in goods, including the principles, texts, annexes, and general architecture.

Additionally, the Tripartite FTA provides a framework for addressing multiplicity of membership to various RECs, which poses a challenge in regional integration. The Southern Africa Customs Union (SACU) and EAC Customs Unions have exchanged tariff offers that average 90% of their tariff books to be liberalised immediately. Most Tripartite Members/Partner States have carried over the level of tariff liberalisation in their respective RECs to the tripartite. Additionally, the agreement has a fully functional online NTBs reporting, monitoring, and NTBs resolving system ready for integration into the AfCFTA framework.

Under its infrastructure development pillar, several transit and transport facilitation instruments have been developed and are already operational within the tripartite region. With regard to the industrial pillar, plans are underway for the development of tripartite agro-processing value chain, and the establishment of trade logistics hubs. This is aimed at removing fragmentation by promoting regionally integrated industries and supply chains. As of July 2022, TFTA's tariff liberalisation coverage was at 100%, and considered general, specific and security exemptions provided for under the existing RECs/ regional and multilateral agreements. Over 90% of the TFTA list of RoO have been agreed upon, except the textiles and automobiles sectors, while the mechanism for managing the transition has already been established.

Key Recommendations

The key recommendation on the Tripartite Free Trade Area is to advocate for faster ratification of the Tripartite Free Trade Area Agreement by the countries.

3.6 Digital Financial Inclusion of MSMEs in COMESA

According to the experts, MSMEs contribute an estimated 50% to 70% of the GDP in COMESA, and account for 50% to 60% of the employment opportunities in the region. The key drivers of financial inclusion in the region have been mobile money and agent banking, currently reaching millions of previously unbanked individuals, households and SMEs offering affordable, instant, reliable services on payments, savings, credit, and insurance services, among others.

CBC is implementing a digital financial inclusion program that supports the design, development and deployment of an integrated low-cost, interoperable and fraud resistant regional digital financial services infrastructure, which serves MSMEs. The program mainly focuses on women and youth, and the customers they transact with at the bottom of the financial pyramid. This was first developed from a regulatory focus approach to the business model, and finally to the actual technical establishment and operationalisation. It is expected that the program will streamline cash-based MSMEs into digital markets that enjoy affordable, interoperable, transparent, and real-time financial transactions. This could result in increased volumes of cross border transactions, financial inclusion, increase visibility of African products within regional markets, and the participation of MSMEs in regional trade, directly responding to the intra- trade deficit in the region.

The project was carried out in the phases below:

Phase 1: A business case report, which proposed many recommendations including development of model policy for regional digital retail payment scheme for MSMEs in COMESA region, development of digital retail payments platform for MSMEs in COMESA and development of capacity building programme for MSMEs was produced. The business case report guided the process of developing the business model on implementation and operations of the regional digital retail payment scheme for MSMEs.

Phase 2: CBC developed the model policy framework for regional digital retail payments platform and designed a business model on implementation and operation of regional digital retail payment scheme for MSMEs in COMESA region. The business model was developed using Level One design principles addressing the needs of low-income cross border traders.

Phase 3: CBC intends to develop a digital retail payments platform for MSMEs for COMESA region and build capacity of MSMEs and stakeholders to utilise and operate the platform. In order to develop the payment platform, there is a need to undertake an assessment to understand the status of national payment infrastructure in pilot countries and the regional payment infrastructure in terms of technical, functional, legal and regulatory and institutional requirements. Based on this assessment, business requirements shall be determined for the development of the COMESA digital retail payments platform for MSMEs. The final assessment report is expected to include regional digital payment platform design model in terms of architecture, role of digital financial service providers, legal and regulatory framework, and functional requirements following level one design principles.

Key Recommendations

The key recommendations include:

- (a) Implementation of the recommendations of the policy framework on digital retail payment platform for MSMEs in COMESA region;
- (b) Development of regional digital retail payments platform for MSMEs in COMESA region;
- (c) Capacity building of stakeholders in the digital payment space.

3.7 Promotion of the Productive Capacity of Producers/Industries in COMESA

Industrialisation generates employment and educational opportunities, encourages advancement and innovation, and the better utilisation of resources. All these benefits make industrial development valuable to a population, and the national and regional economies. In this respect, industrial development has been placed at the core of COMESA's developmental integration agenda under Article 99 of the Treaty, with the Member States acknowledging that it is central to the diversification of their economies.

Member States have adopted the COMESA industrial strategy and action plan, which focus on nine key priority areas: Agro-processing, Energy, Textile and Garments, Leather and Leather Products, Mineral Beneficiation, Pharmaceuticals, Chemicals and Agro-Chemicals, Light Engineering, and the Blue Economy. These focus areas have been identified as having the greatest impact on the sustainable and inclusive economic growth to attain structural transformation of the COMESA Member States' economies. The COMESA industrialisation strategy and action plan is also underpinned by national industrialisation policies and strategies, and draws lessons from the best regional and international practices for developing a vibrant and sustainable industrial sector, which will ensure equitable benefits to all the citizens of COMESA Member States. The strategy is also informed by two models of industrialisation, thus: the natural resources-led model, the human resources-led model; or a combination of the two depending on the country's particularity.

Among the strategies to be employed by COMESA to promote industrialisation include:

- (a) Establishing an enabling legal, regulatory, and institutional business environment: Improvement of legal, regulatory and institutional frameworks would facilitate ease of doing business and attract FDI towards successful industrialisation of Member States;
- (b) Infrastructure development: There is need for efficient and reliable transport, energy, water, and ICT as enablers, playing a central role in lowering the cost of doing business, and contributing to industrial competitiveness in the Member States;
- (c) Access to finance: Provision of adequate and affordable finance options and technical resources to the manufacturing sector, would spark off industrialisation at national and regional levels leading to job creation, and inclusive and sustainable industrialisation;
- (d) Establishing standardisation, quality assurance and quality management systems: One of the major challenges that industries face regarding accessing markets for their manufactured products, is poor adherence to systematic and internationally acceptable quality standards. Despite the tremendous progress made over the past few years, particularly in the areas of harmonisation of standards, some major challenges that hinder smooth trade, including the trade barriers in the COMESA FTA still exist;
- (e) Establishment of Industrial Parks (Special Economic Zones, Multi Facility Economic Zones, and Industrial Clusters): One of the instruments for successful industrialisation, as seen in Asia, has been the development of Industrial Parks. The main motivation for creation of these parks is to attract FDI. Enterprises located in Industrial Parks become competitive due to the liberal policies related to taxation, trading, quotas, and customs and labour regulations within the parks. With proper management and incentives, Industrial Parks can be an important tool for industrialisation;
- (f) Linking Science, Technology and Innovation (STI) to Industrial Development: In most countries, industrialisation and technological change are considered two different elements in the development process. This has led to a dual narrative on industrial development and STI policies. STI/Innovation policies should be considered as an integral complement to industrial policies/national industrial development strategies. Achieving sustainable industrialisation calls for the close coordination of both frameworks;
- (g) Promoting the use of diaspora resources: Diaspora funding is gaining importance in development for both financial investments and technical expertise. To promote diaspora involvement in the industrialisation drive, there is a need to harness the knowledge, finance and entrepreneurial capacity of the diaspora towards enhancing investments in the industrial or related supporting sectors;
- (h) Promoting local content and local sourcing: The negative trade balance that the region records compared to the rest of the world means the region could benefit from import substitution initiatives, especially for raw materials needed by industries for successful industrialisation.

Key Recommendations

Key recommendations to address the challenges above include:

- (a) Facilitation of the domestication of the adopted COMESA policies and frameworks related to industrialisation;
- (b) Promotion of key priority sectors and strengthening value addition and value chains at both national and regional levels, to attain economic transformation and employment creation;
- (c) Strengthening national and regional human and institutional capacities to enhance competitiveness of the industrial sector;
- (d) Development of efficient and reliable transport, energy, water and ICT as enablers, playing a central role in lowering the cost of doing business and contributing to industrial competitiveness in the Member States;
- (e) Provision of access to affordable finance to promote and enhance MSMEs/MSMIs industrial growth in the Member States;
- (f) Promoting and supporting business development, incubation and growth for youth and women;
- (g) Creating and strengthening the region's capacity for innovation and effective application of science and technology in industrialisation;
- (h) Developing, implementing, and adopting functional acceptable quality infrastructure to fully meet WTO agreements and international best practices;
- (i) Encouraging co-operation between Member States to combat illicit trade and counterfeiting;
- (j) Continued facilitation of technical standards on produced goods and services;
- (k) Strengthening regional and national human and institutional capacities and promoting STI;
- (l) Developing COMESA framework on private sector led circular economy /clean industrialisation promoting investment in green technologies to ensure environmental preservation.

3.8 Promotion of Regional Value Chains in COMESA.

Globalisation of markets has changed the way industry operates. The modern method of manufacturing involves assembly of component parts manufactured by specialist manufacturers. For example, a manufacturer of a motor vehicle or aircraft used to build all the component parts and then outsource a few specialist parts such as tyres and electrical components and engines, in the case of aircraft manufacturers. A modern vehicle manufacturer now outsources almost all components, and manufactures and assembles the vehicle from the component parts. The value chain approach maps out the firms that operate within an industry, from: input suppliers to market buyers; the support markets that provide technical, business, and financial services to the industry; and the business environment in which the industry operates. In the large economic blocs, such as the European Union, most of the trade taking place within the economic bloc is trade between firms, in intermediate goods. In the case of COMESA, a big percentage of the trade within the COMESA FTA is in finished goods, implying that regional value chains are rare.

The COMESA Industrial Policy (2015-2030) seeks to promote both regional and global value chains and, in so doing, will promote industrialisation through strong regional linkages to promote regional economic transformation and create employment opportunities. The Policy has identified COMESA's natural comparative advantages for development of regional value chains, based on natural resources endowment, and potential for development of value chains. The sectors that have been prioritised include: agro-processing, energy, textiles and garments, leather and leather products, mineral beneficiation (up-stream and down-stream), pharmaceuticals, chemicals (including fertilizers), light engineering products, and the Blue Economy. The plan is to transform these comparative advantages into sustainable competitive gains.

Key Recommendations

The following are key strategies to promote regional value chains:

- (a) Member States to improve legal, regulatory, and institutional frameworks for a friendly business climate to facilitate ease of doing business;
- (b) Addressing the gaps in production and trade especially for strategic sectors that contribute the region/continent's export earnings, and sectors with significant unexploited production and trade potential;
- (c) Reviewing policy, legal and institutional frameworks to promote private investment in regional value chains;
- (d) Promoting regional and local supply chains due to trade and supply disruptions brought by COVID 19 pandemic and Russia-Ukraine war;
- (e) Creating an enabling environment for profitable and secure private investment in coordinated regional sectoral input and region value chains.

4. CBC Regional Business Advocacy Agenda–Sectoral dimension

Towards enhancing the business policy and advocacy pillar, several national and regional public private sector dialogues were convened to increase collaboration in addressing the challenges faced by businesses across COMESA Member States.

Sectoral positions were developed for the following workgroups:

- (a) Manufacturing workgroup;
- (b) Tobacco workgroup;
- (c) Pharmaceutical and Health Care Services workgroup;
- (d) Agriculture (Seed and Horticulture) workgroup;
- (e) Digital Financial Services workgroup;
- (f) Duty Free Retail Services workgroup.

These are the active CBC workgroups although plans are underway to strengthen and rationalise these workgroups, in order to enhance their effectiveness of policy advocacy in the COMESA region. The exercise will also involve re-categorising, enhancing the reporting structure, and reviewing the current leadership of the workgroups.

4.1 Manufacturing Workgroup

Manufacturing expansion in COMESA presents great opportunities for sustained growth, employment, and poverty reduction. It provides the advantage of the strong backward and forward linkages, and spill-over effects associated with its activities. AfCFTA is offering significant opportunities for export market expansion by unlocking manufacturing potential. However, the export and import of manufacturing products in COMESA has declined in recent years. Export of manufactured products accounted for 35% of COMESA's total exports in 2019 with imports accounting for 59%. Intra COMESA manufacture export registered an 8% growth in terms of value increasing from US\$ 4.3 billion in 2018 to US\$ 4.7 billion in 2019.

The manufacturing workgroup provides oversight for the sector to ensure continuous growth and development. It brings together the manufacturers associations and companies within COMESA under

a common platform to increase the participation of the industry players in the national and regional competitiveness agenda, for the manufacturing sector in the COMESA region.

The workgroup aims at:

- (a) Developing and presenting the positions of the industry in COMESA policy organs' meetings and other platforms
- (b) Providing input into the various COMESA manufacturing sector meetings

The following key priority recommendations were discussed and agreed on:

- (a) Harmonising standards on labelling due to the differences on labelling among the members;
- (b) Organising for bilateral business linkage/partnership as a way of promoting intra-COMESA trade;
- (c) Developing a regional framework to facilitate implementation of product standards being commissioned by ARSO;
- (d) Establishing a framework for pre-market approval with guidelines using the international best practices, which can be adopted by all COMESA Member States;
- (e) Sensitising the business community on AfCFTA in general, its benefits, and the opportunities it offers;
- (f) Building productive capacity for the state parties to supply the continental market, including for SME enterprises;
- (g) Introducing initiatives aimed at promoting industrialisation and diversification across the continent, through the creation of regional and continental value chains, to increase local production and trade in goods produced within Africa;
- (h) Carrying out an assessment to determine the impact of exclusion lists and whether it is restrictive to trade;
- (i) Developing simplified trade regime at continental level to allow movement of goods based on low value of consignment to support small cross border traders, especially women and youth;
- (j) Developing a mutual recognition framework or its equivalent for existing product standards in order to facilitate intra Africa Trade.

4.2 Tobacco Workgroup

Tobacco production and manufacturing represents an important economic activity in several COMESA Member States. The Tobacco Workgroup has continuously advocated for the need to have a balanced regulatory framework for the tobacco industry, highlighting the contribution of tobacco to the economies of several of the COMESA Member States in terms of livelihoods, GDP, and trade.

The following key priority recommendations were discussed and agreed on:

- (a) Development of an Anti-Illicit Trade Regulatory Framework to enhance exchange of information, law enforcement cooperation, legal and technical assistance in the fight against illicit trade at national and regional level;
- (b) Reviewing or strengthening the national regulatory frameworks on illicit trade, and adoption of multi-agency approach in the fight against illicit tobacco trade;
- (c) Development and/or strengthening border monitoring, surveillance and information systems;
- (d) Establishment of mechanisms for the private sector to exchange information and intelligence with law enforcement and industry regulators, permitting information exchange without imposing any undue obligations;

- (e) Dissemination of information about the risks associated with the illicit tobacco trade and its convergence with other forms of illicit trade and organised crime activities, motivating support for enforcement activities;
- (f) Establishing programmes and platforms that increase awareness on the effects of illicit trade on economies, society, consumer health, and environment across the Member States;
- (g) Development of compliance improvement programmes between government agencies and the private sector;
- (h) Establishment of information sharing platforms among various enforcement agencies, such as customs, bureaus of standards, police, and port authorities to reduce illicit transactions;
- (i) Digitisation of records where key information, such as IP rights, contact details, authorised shippers and more, can be easily accessed by enforcement officers;
- (j) Establishment of effective monitoring systems for supply chain actors and collecting data on tax liability of tobacco products within country borders;
- (k) Development of regional track and trace system by Member States for products in COMESA region affected by illicit trade;
- (l) Ratification and implementation of international treaty by Member States, such as Protocols to Eliminate Illicit Trade in Tobacco Products.

4.3 Pharmaceutical and Health Care Services Workgroup

COMESA has welcomed the launch of the African Medical Supplies Platform (AMSP) as an invaluable one-stop shop that will ensure access to safe and affordable, quality medicines in Africa. Launched in June 2022, the digital platform serves as a consolidated online marketplace to facilitate the provision of COVID-19-related medical products by addressing supply chain issues, such as shortages, delays in distributing supplies, accessibility and affordability. The development of the COMESA Health Framework 2016 – 2030 (CHF) involved mainly the review of secondary data from various regional, continental and international policy frameworks that Member States have committed to. In addition, the process involved consultations with stakeholders, including experts from Member States, African Union Commission, WHO Regional Office, UNAIDS, UNFPA, UNESCO, and UN Women.

Although it is possible to provide efficient and effective health services, even in the absence of domestic capacity to manufacture common medicines and medical supplies, production of the same within the COMESA region would potentially improve access to quality healthcare by all. Some Member States lack the basic ability to manufacture essential drugs and supplies, largely due to scientific and technological inadequacies. This challenge is compounded by lack of capacity to take advantage of international health-related agreements and conventions, which incorporate provisions for domestic production of medicines and medical supplies.

There are several prototypes for manufacturing medicines, medical supplies and equipment, which may be adopted under pertinent patent arrangements. A Pharmaceutical Manufacturing Plan for Africa (PMPA) was developed to promote their adoption. Realisation of the PMPA will, however, depend on several factors, key among which is the willingness of African countries to cooperatively create enabling policy, legal and regulatory environments for partnerships (especially PPPs). COMESA Member States can, within the context of its COMESA Industrialization Policy: 2015-2030, take national and regional initiatives to establish capacity for production of medicines, medical supplies and equipment, especially through Public Private Partnerships (PPPs).

The following key priority recommendations were discussed and agreed on:

- (a) The establishment of COMESA Medicine Agency (CMA) to improve regulation of medicines, medical products, and technologies. This will also improve on access to quality, safe and efficacious medical products in the region;
- (b) A meeting of drugs authorities be convened to discuss the proposal for establishment of COMESA Medicine Agency, and harmonisation of procedures for registration and inspection of drugs in COMESA region;
- (c) Undertaking a study to assess the pharmaceutical industry in the COMESA region, and propose measures to address varying procedures for registration and inspection;
- (d) Promotion of the concept of contract manufacturing of pharmaceutical products among the Member States;
- (e) Establishment of schemes by Member States to facilitate local manufacturers to import all their inputs duty free or source their inputs tax free;
- (f) Setting up special economic zones for pharmaceutical manufacturers to accord them tax holidays;
- (g) Extension of preferential treatment for goods originating from other COMESA Member States in tenders, taking into consideration price issues;
- (h) investment in the development of regional centres of excellence, focusing on the pharmaceutical industry, and encourage national governments to do the same;
- (i) Provision of more attractive incentives to pharmaceutical industry and healthcare services providers to attract more investments in the sector including investing in new technology;
- (j) Development of regional strategy for pharmaceutical industry in COMESA region.

4.4 Agriculture (Seeds and Horticulture) Workgroup

The Alliance for a Green Revolution in Africa (AGRA), working with COMESA's specialised seed agency (ACTESA), have developed regional seed Standard Operating Procedures (SOPs) to improve regional seed trade in staple food crops. This is in addition to the audit checklist mechanism for maize trade. These are provided for under the COMESA Seed Harmonisation Implementation Plan (COMSHIP). The initiative is part of the implementation of the AGRA-COMESA cooperation framework titled "Improved Regional Seed Trade in COMESA region". It is aimed at improving regional seed trade in maize, rice, soya beans and rice to catalyse and sustain an inclusive agricultural transformation.

Most countries in the COMESA region have recorded an above average yield in the production of staple foods for the 2019/2020 farming season. The feat is expected to reduce hunger among the 560 million people. This data on staple food production has been collected from selected member countries under the COMESA Seed Harmonisation Implementation Plan (COMSHIP) in collaboration with the Indaba Agricultural Policy Research Institute (IAPRI) in Zambia, and FAO's Global Information and Early Warning System (GIEWS). Zambia produced 3.4 million metric tons (MT) of maize, representing 69% more than the 2018/19 season which was slightly above 2 million MT. In addition, the country recorded 20,000 MT of sorghum, 35,000 MT of rice, 45,000 MT of millet, 50,000 MT of sunflower and 300,000 MT of soya beans, among others.

In Burundi, the 2019 aggregate cereal production was about 326 000 MT, similar to the 2018 output and about 10 percent above the average of the previous five years. The 2019 cereal production in Egypt is forecast at 22 million MT, about the same as in 2018, but about 6% below average due to decline in rice production. According to the data, Eswatini harvested an estimated 95, 000 tonnes of maize in May 2019, which was 16% below the previous year's high level, but still 10% above the five-year average. In Ethiopia, the prospects of 2019 harvesting of main "Meher" season crops were generally favourable.

In the western key producing areas of Benishangul Gumuz, western Amhara and western Oromiya, the June – September 2019 “Kiremt” rainfall was up to 30% above average, with a positive impact on yields. In Madagascar, paddy yields were forecast to be below average in 2020 in the paddy producing districts in Anosy and Ihorombe, because of erratic rainfall and seasonal totals, which had been below average, hindering crop development.

In the COMESA Member States, agriculture remains a key strategic sector for livelihood support, income generation, export revenue, trade, and economic growth. Furthermore, it has strong linkages and spill-over effects with manufacturing, tourism and other productive sectors in the economy, becoming a greater contributor to regional integration. The growing population in Africa translates into a higher demand for food and an opportunity for the evolution of the agriculture sector. Trade in agriculture is often limited by lack of information and market access challenges that impede the development of regional agro-value chains and cross border partnerships.

So far only eight COMESA Member States have adopted harmonised seed regulations, which are creating a challenge in cross-border trade.

Key Recommendations

It was agreed that more COMESA Member States should be encouraged to adopt the harmonised seed regulations.

4.5 Digital Financial Services Workgroup

According to the World Bank, financial inclusion is the access to and use of formal financial services, which is an important factor for economic development since it enhances equitable access to finance and economic opportunities. Based on the most recent data from the World Bank (2018), the COMESA region has experienced a faster pace of financial inclusion, surpassing the Sub-Saharan Africa average. The number of financially included people in COMESA has more than doubled in the past decade, from 23% in 2011 to 32% in 2014, and further to 48% in 2017. Some of the measures that enhanced financial inclusion during the COVID-19 pandemic in the COMESA Member States include the introduction of cash transfers to the poor through mobile money cash transfers, encouraging cashless payment, and scrapping transaction fees between banks and Telcos for values of less than or equal to US\$10 .

MSMEs contribute an estimated 50% to 70% GDP in COMESA, and account for 50% to 60% of the employment opportunities in the region. The key drivers of financial inclusion in the region have been mobile money and agent banking, now reaching millions of previously unbanked individuals, households, and SMEs offering affordable, instant, reliable services on payments, savings, credit and insurance services, among others.

The following key priority recommendations were discussed and agreed on:

- (a) The Model Policy Framework on Digital Retail Payment for MSMEs in COMESA region;
- (b) Business Model on operation and implementation of the regional digital retail payment scheme for MSMEs in COMESA region;
- (c) Member States to domesticate the model policy, with the view of appreciating each countries issues and challenges in the implementation of the COMESA-wide retail digital payment system;
- (d) Member States to consider building the capacity of stakeholders in the digital payment space especially MSMEs in COMESA region.

4.6 Duty Free Retail Services Workgroup

Travel retail, consisting of airports, borders, ports, and diplomatic shops, remains largely untapped in Africa. Commercial revenues can play a vital role in the transformation of Africa's airports and border markets. Duty Free is a secure supply chain whose retailers are trusted partners of customs authorities worldwide. Africa nations rely heavily on the aeronautical income than any other region. This has become a major issue because airport charges alone cannot cover the capital costs for infrastructure development. Commercial revenues can play a vital role in the transformation of African airports and border markets. According to a study conducted by Airport Council International (ACI), 41% of global airport revenues come from commercial sources. Most airport authorities in Africa charge high fees and taxes, which increases the cost of flights and travel within the region. Undoubtedly so, the commercial side of the airport business can offer the much-needed revenues and cushion against losses. Sources of income, such as retail concessions can contribute significantly to the diversification from aeronautic revenues in an airport's income portfolios.

The following key priority recommendations were discussed and agreed on:

- (a) Setting up clear legislation in relation to the duty-free licences and procedures, to ensure the successful and highly operative travel retail channel systems at the airports and along the borders;
- (b) Supporting industry's adoption of technologies such as tracking and tracing system as some of the ways to counter illicit trade in the region, particularly with respect to tobacco industries;
- (c) Increasing stakeholder awareness on the role and potential of travel retail for African airports industry, in terms of revenue, employment, and supply chain partnerships. This includes learning from other countries on the gains and the opportunities within the industry;
- (d) Enhancing dialogue with industry and establishing public-private platforms for travel retail to increase industry engagement for the growth and sustainability of the industry. Furthermore, to address some of the regulatory and legislative requirements barriers and design specific incentives to enable the growth of the industry.

5. CBC Secretariat and National Focal Point

The COMESA Business Council is a member-based organisation, composed of business representative organisations, both nationally and regionally. It has mirrored COMESA Secretariat in establishing its 21 national focal points across the COMESA Member States. CBC has national focal points across 21 COMESA member States, who provide a good network or channel to facilitate the dissemination of information, as well as an avenue for the mobilisation of stakeholders within the COMESA region. These are recognised apex business/private sector associations in each COMESA Member States herein defined as the national focal point. However, this does not limit the national membership association to the CBC, from other sectoral industry associations in the said country, but provides for a central implementation partner for CBC activities within the Member States.

The national focal point must be a paid-up member of the CBC. The CBC signed a Memorandum of Understanding ("MOU") with national focal points to establish the principles, and the basis for increased co-operation between CBC and the national focal points to improve the business environment and promote trade and investment in COMESA. This is a framework of collaboration and support between the national associations and CBC as the regional institution promoting businesses and private sector growth.

CBC and NFP work together to enhance regional integration, and to co-operate in the areas of trade promotion, industry, and private sector development through the following:

- (a) Pursuing the development of common programmes to enable both parties to utilise the available resources effectively and efficiently, for concrete actions to achieve the objectives of their respective mandates;
- (b) Collaborating and supporting each other's programmes on areas of convergence within the respective countries;
- (c) Sharing of information on businesses, intelligence, trade and other relevant information useful to the businessmen in COMESA or regarding trade, industry, investment projects and general economic environment of the respective country;
- (d) Exploring additional actions and measures to reach the above-mentioned objectives, such as conferences, seminars, participation in trade fairs and exhibitions, and to support the participation of interested companies from COMESA and the respective country to such events.

This is an additional strength of CBC, which attracts partners to work together when they need the assistance to mobilise stakeholders. Several partners have teamed up with CBC on the basis of this strength, which assures them of success.

Key challenges facing this relationship between CBC and the national focal points include:

- (a) Some national focal points do not have specific officers designated to undertake CBC , leading to uncoordinated representation;
- (b) CBC does not have its own staff and offices in the 21 COMESA member states to undertake CBC related activities, rather it relies on the staff of the national focal points;
- (c) Although the CBC membership comprises of Anglophone, Francophone, and Arabic speaking countries, the staff speak only English in their day-to-day communication, thus presenting a communication challenge with French and Arabic speaking members. This affects how CBC reaches out effectively to these members;
- (d) Some of the national focal points are not paid-up members. This has led to inadequate financial resources, which negatively affects services to members.

The key proposals to strengthen relationship between CBC and national focal points:

- (a) All national focal points to designate one officer to handle CBC related activities;
- (b) CBC to organise for joint activities/programmes (e.g. conferences, seminars, trade mission, trade fairs and exhibitions) for both CBC and national focal points;
- (c) CBC Secretariat to build capacity on the other COMESA official languages e.g., French and Arabic.

6. Strategy for Advocating for Regional Business Advocacy Agenda 2023

Figure 2: Strategy for Advocating for Regional Business Advocacy Agenda



7. Conclusion

7.1 Conclusion

CBC Regional Business Advocacy Agenda 2023 is a key document that will guide CBC this year (2023) in its advocacy work. The agenda focuses on four (4) pillars namely: enhancing the competitiveness of the private sector; improving market access; improving border management and trade facilitation; and enhancing participation of the private sector in regional integration, continental and international trade agreements. Each of the pillars provide some of the key issues affecting the businesses and their corresponding recommendations.

The issues and recommendations in the agenda are spearheaded by the CBC workgroups. In addition to spearheading, the workgroups provide general oversight on the sector of the workgroup. In their day-to-day operations, the workgroups are guided by the five (5) strategies namely: ensuring strategic advocacy platforms for the private sector handle at least 70 % of the priority sectors within COMESA region; ensuring effective representation of private sector interests in COMESA decision making processes for at least three priority sectors are pursued per year; providing timely and strategic business services to regional stakeholders on the business environment in the region; ensuring 90% of private sector inclusiveness in the regional integration agenda; and ensuring that the CBC is a fully membership led and driven institution.

7.2 Recommendations

7.2.1 Key Pillars of the Agenda and the Respective Issues

1. Improve Competitiveness

- a) Address infrastructural bottlenecks within COMESA
- b) Develop regional educational infrastructure to support skills
- c) Promote entrepreneurship by addressing supply-side constraints and weak productive capacities
- d) Improve legal, regulatory, and institutional frameworks for the ease of doing business
- e) Development and growth of priority regional sectors through investment attraction and facilitation
- f) Addressing financial needs of traders and economic operators through improved trade finance

2. Market Access

- (a) Member States to implement the regions industrialisation strategy, which is aimed at improving trade complementarity among Member States.
- (b) Harmonisation of policies across Member States, especially the macro-economic and legal and regulatory environment to ensure that economic growth catalyses trade within the region.
- (c) Tariff liberalisation for remaining Member States that are yet to be liberalised, accompanied by elimination of restrictive or discriminative non-tariff measures in COMESA.
- (d) Develop cross border infrastructure including roads and rail with unique financing models to catalyse development of trade infrastructure in COMESA region.
- (e) Development of trade finance with commercial models to support value chain financing at reasonable costs with targeted support to female entrepreneurs and youth owned enterprises.
- (f) Development of one-stop border posts to facilitate and enhance trade across COMESA borders to facilitate seamless connectivity, and fast cross-border trade with development of digital trade corridors.
- (g) Collaboration with other COMESA institutions (CMI, CCH, Competition Authority, RIA, ATI, TDB) towards ensuring macroeconomic and financial stability, fair trading, and increased investments.
- (h) Enhance communication and information sharing on trade and customs regulatory measures, procedures, and best practices among the Member States with support for the implementation of regional programmes on trade and customs matters.
- (i) Enhance co-operation and collaboration with the private sector, such as Chamber of Commerce Associations and Clearing and Forwarding Agents Associations in the region to support implementation of the programmes on trade and customs matters.
- (j) Build capacity of the SMEs to comply with regulatory trade requirements.
- (k) Address the differences in regulatory requirements including registration procedures and inspection of drugs in COMESA region.
- (l) Review the stringent SPS measures imposed by Member States and pursue harmonisation of more products standards within COMESA.
- (m) Resolve and remove NTBs imposed by Member States.

3. Improve Border Management and Trade Facilitation

- (a) Digitalisation of trade instruments to support the effective implementation of the COMESA trade facilitation programs through operationalising the COMESA Digital FTA, via E-Trade, E-Logistics and E-Legislation.
- (b) Provide adequate trade infrastructure at the borders.

- (c) Encourage the use of a simplified trade regime for small-scale cross border traders by COMESA Member States.
- (d) Corridor performance improvement through facilitating the establishment of one-stop border posts
- (e) Undertake capacity building to improve the skills and productivity levels of corridor staff within the new working environment.
- (f) Regional digital payment platform for cross border trade should be established.

4. Enhance Participation of Private Sector in the Regional integration, Continental, and International Trade Agreements

- (a) Build the capacity of the private sector on a regular basis to articulate their issues.
- (b) Create awareness of the opportunities existing in the various trade agreements to enable the private sector to explore the opportunities.
- (c) Encourage sharing of information with private sector on market opportunities through different forums and trade missions.
- (d) Fast track the ratification of the Tripartite Agreement (EAC, SADC and COMESA).
- (e) Promote the productive capacity of producers/industries in COMESA.
- (f) Promote the regional value chains in COMESA for strategic industrial sectors.
- (g) Enhance access to affordable trade finance for businesses in the region through regional organisations, such as the PTA Reinsurance Company and the Trade and Development Bank.

7.2.2 Key Issues of Concern to Members – Issue-Based Approach

5. Product Standards

- (a) Development of a framework to facilitate implementation of product standards within the COMESA region.
- (b) Enhanced provision of technical support to standards bodies across COMESA member countries.
- (c) Increased supportive funding mechanisms for national standards bodies in the region; and
- (d) Enhancing the scope of harmonised standards to cover testing, sampling methods, and labelling.

6. Sanitary and Phyto-sanitary (SPS) measures

- (a) Member States urged to develop and adopt harmonised COMESA food standards. Focus should be on the horizontal regulations rather than vertical standards to foster innovation.
- (b) The region should build its regulations based on international standards and best practices from other regional harmonised standards.
- (c) The COMESA region should adopt a system of mutual recognition of their quality assurance and certification systems amongst the Member States.
- (d) The regional standards should be aligned to the CODEX standards and should be accepted by all members without need for any additional legislation.
- (h) Member States urged to work with the Bureaus of Standards to support SMEs compliance with minimum standards of food safety and quality management systems by providing customised and affordable certifications.
- (i) Strengthening laboratory capacity:
- (i) Member States urged to invest in building capacity and centres of excellence for reference labs and adopt the latest international best methods based on AOAC and ISO standards.

- (ii) Member States urged to increase utilisation of regional reference laboratories, which have branches in different countries to avoid double testing of products and increase the utilisation of laboratories that have been set up.
- (j) Facilitate market access via evaluation and approval of food operators, not through end-product testing and registration. The operator should be registered based on evaluation of their food safety and quality management systems, including ISO 22,000, FSSC 22000, HACCP, GMP, QMS 9001.
- (k) A harmonised, risk-based process registration standard, regulation or guideline should be developed and adopted by Member States to ensure effective consumer protection, and trade facilitation.
- (l) Market surveillance and sampling and testing can be used to monitor and ensure safety and quality is sustained as per set standards. Imported products should be evaluated and approved based on credible food safety and quality management systems certifications. Compliance of their production facilities should be the basis of their approval or registration as a market supplier.

7. NTBs in the COMESA region

- (a) Comprehensive awareness activities in the Member States through the NMC to popularise the provisions of the NTB regulations
- (b) Quarterly meetings of the NMC's to update the NTB Matrix to provide a tool for monitoring the resolution of NTBs within agreed time frames
- (c) Synchronisation of the institutional arrangements between the national and regional structures; with NTB focal points and NMC's having quarterly engagements
- (d) Technical and financial support for development of procedures for the implementation of the NTB Regulations to ensure sustainability of NTB elimination programmes
- (e) Resolution of long-outstanding NTBs through escalation to the COMESA Heads of States for resolution
- (f) Review and strengthen the legal frameworks on NTB's within COMESA and develop national strategies on elimination of NTB's in Member States
- (g) Capacity building for member states on the COMESA regulation for elimination of NTB's on tools for reporting, monitoring, and addressing NTB's.
- (h) CBC should be designated regional focal point for private sector in COMESA region for purpose of NTBs
- (i) CBC to participate in all regional NTBs meetings and in the resolution of the same.

8. Illicit Trade in COMESA

- (a) Establish technical subcommittee on illicit trade under COMESA to be reporting to Committee on Trade and Customs.
- (b) Adopt harmonised approach to the fight against illicit trade, including in areas such as legal framework on illicit trade, excise regimes, product standards and IPR.
- (c) Set up coordination and cooperation mechanism in enforcement of legislation on illicit trade on the cross border illicit trade activities.
- (d) Establish regional information sharing mechanism and regional database.
- (e) Adopt, ratify, and implement International Treaty such as Protocol to eliminate illicit trade in Tobacco products.
- (f) Develop a regional track and trace system for products in COMESA region affected by illicit trade.
- (g) Review national legislation to enhance the current sanctions to make them punitive to the offenders.

- (h) Ensure that illicit trade offences attract both criminal and civil sanctions.
- (i) Ensure that sanctions are enforced not only to manufacturers and importers but also distributors and retailers.
- (j) Ensure that Member States make use of ancillary legislation.
- (k) Build capacity on illicit trade among the law enforcement agents and private sector players.
- (l) Adopt multi-agencies approach in the fight against illicit trade which should include private sector; and
- (m) Organise educational campaigns to create more awareness among the consumers.

9. Ratification of the Tripartite Agreement (EAC, SADC and COMESA)

CBC to advocate for faster ratification of the Tripartite Free Trade Area Agreement.

10. Digital financial inclusion of MSMEs in COMESA

- (a) Implementation of the recommendations of the policy framework on digital retail payment platform for MSMEs in COMESA region.
- (b) Development of Regional Digital Retail Payments Platform for MSMEs in COMESA region
- (c) Capacity building of stakeholders in the digital payment space

11. Promotion of the productive capacity of producers/industries in COMESA

- (a) Facilitation of domestication of adopted COMESA Policies and Frameworks related to industrialisation. Increasing the manufacturing base and product diversification by promoting key priority sectors and strengthening value addition and value chains at both national and regional levels as a way of economic transformation and employment creation.
- (b) Strengthening national and regional human and institutional capacities to enhance competitiveness of the industrial sector.
- (c) Development of efficient and reliable transport, energy, water and ICT as enablers playing a central role in lowering the cost of doing business and contributing to industrial competitiveness in the Member States.
- (d) Access for affordable finance to promote and enhance MSMEs/MSMIs industrial growth in the Member States, promoting and supporting business development, incubation and growth for youth and women.
- (e) Creating and strengthening the region's capacity for innovation and effective application of science and technology in industrialisation.
- (f) Encouraging co-operation between Member States to combat illicit trade and counterfeiting.
- (g) Continued facilitation of technical standards on produced goods and services.
- (h) Strengthening regional and national human and institutional capacities and promoting and supporting regional Science Technology and Innovation (STI).
- (i) Developing COMESA framework on private sector led circular economy /clean industrialization, and promoting investment in green technologies to ensure environmental preservation.

12. Promotion of Regional Value Chains in COMESA

- (a) Member States are urged to improve legal, regulatory, and institutional frameworks for a friendly business climate for the ease of doing business.
- (b) Countries should focus on addressing the gaps in production and trade especially for strategic sectors that contribute to the region/continent's export earnings and sectors with significant unexploited production and trade potential.

- (c) There is need to review policy, legal and institutional frameworks to promote private investment in regional value chains.
- (d) There is need to promote regional and local supply chains due to trade and supply disruptions brought by COVID 19 pandemic
- (e) Create an enabling environment for profitable and secure private investment in coordinated regional sectoral input and region value chains.

7.2.3 Key Sector Platforms – Sectoral Approach

13. Manufacturing Workgroup

- (a) Harmonise standards on labelling due to the existing differences on labelling among the members.
- (b) Organise for bilateral business linkage/partnership as a way of promoting intra-COMESA Trade.
- (c) Develop regional framework to facilitate implementation of product standard being commissioned by ARSO.
- (d) The need for develop framework for pre-market approval with guidelines using the international best practices which can be adopted by all COMESA Member States. The emphasis was placed on option of approved once and considered approved everywhere, i.e. no addition approval.
- (e) Sensitise the business community on AfCFTA in general, its benefits and opportunities it offers.
- (f) Build productive capacity for the state parties to supply the continental market including for SME enterprises.
- (g) Introduce initiatives aimed at promoting Industrialisation and diversification across the continent through the creation of regional and continental value chains to increase local production and trade in goods produced within Africa.
- (h) An assessment to be undertaken to determine the impact of exclusion lists and whether it is restrictive to trade.
- (i) Develop simplified trade regime at continental level, which will allow movement of goods based on low value of consignment to support small cross border traders, especially women and the youth.
- (j) Develop mutual recognition framework or its equivalent for existing product standards order to facilitate intra Africa Trade.

14. Tobacco Workgroup

- (a) Development of an Anti-Illicit Trade Regulatory Framework to enhance exchange of information, law enforcement cooperation, legal and technical assistance in the fight against illicit trade at national and regional level.
- (b) Development, review or strengthening of national regulatory framework on illicit trade and adoption of multi-agency approach on fight against illicit tobacco trade.
- (c) Development and/or strengthening of border monitoring, surveillance and information systems.
- (d) Development of mechanisms for the private sector to exchange information and intelligence with law enforcement and industry regulators, permitting information exchange without imposing any undue obligations.
- (e) Disseminating information about the risks associated with the illicit tobacco trade and its convergence with other forms of illicit trade and organised crime activities, motivating support for enforcement activities.
- (f) Establishing programmes and platforms that increase awareness on the effects of illicit trade on economies, society, consumer health, and environment of across Member States.
- (g) Development of compliance improvement programmes between Government agencies and the private sector.

- (h) Development of information sharing platforms among various enforcement agencies such as customs, bureaus of standards, police, and port authorities to reduce illicit transactions.
- (i) Digitisation of records where key information such as IP rights, contact details, authorised shippers and more, can be easily accessed by enforcement officers.
- (j) Establishment of effective monitoring systems for supply chain actors and collecting data on tax liability of tobacco products within country borders.
- (k) Development of regional track and trace system by member states for products in COMESA region affected by illicit trade.
- (l) Ratification and implementation of international treaty by Member States such as protocols to eliminate illicit trade in tobacco products.

15. Pharmaceutical and Health Care Services Workgroup

- (a) The establishment of COMESA Medicine Agency (CMA) to improve regulation of medicines, medical products and technologies. This will also improve on access to quality, safe and efficacious medical products in the region.
- (b) Undertaking a study to assess the pharmaceutical industry in COMESA regions and propose measures to address varying procedures for registration and inspection.
- (c) Promotion of concept of contract manufacturing of pharmaceutical products among the member states.
- (d) Establishment of schemes by member states to facilitate local manufacturers to import all their inputs duty free or source their inputs tax free.
- (e) Setting up special economic zones for pharmaceutical manufacturers and accord them tax holidays.
- (f) Extension of preferential treatment to goods originating from other COMESA countries in tenders taking into consideration price issues.
- (g) COMESA to invest in the development of regional centres of excellence, focusing on the pharmaceutical industry, and encourage national Governments to do the same.
- (h) Provision of more attractive incentives to pharmaceutical industry and healthcare services providers to attract more investment in the sector, including investing in new technology.
- (i) Development of regional strategy for pharmaceutical industry in COMESA region.

16. Agriculture (Seeds and Horticulture) Workgroup

COMESA to encourage more Member States to adopt the harmonised seed regulations.

17. Digital Financial Services Workgroup

- (a) The Model Policy Framework on Digital Retail Payment for MSMEs in COMESA region.
- (b) Business Model on operation and implementation of the regional digital retail payment scheme for MSMEs in COMESA region.
- (c) Member States to domesticate the model policy, with the view of appreciating each country's issues and challenges in the implementation of the COMESA-wide retail digital payment system.
- (d) Member States to consider building capacity of stakeholders in the digital payment space especially MSMEs in COMESA region.

18. Duty Free Retail Services Workgroup

- (a) Set up clear legislation in relation to the duty-free licences and procedures, in order to ensure successful and highly operative travel retail channel systems at the airports and along the borders.
- (b) Support industry's adoption of technologies such as tracking and tracing system as some of the ways to counter illicit trade in the region, particularly with respect to tobacco industries.
- (c) Increase stakeholder awareness on the role and potential of travel retail for African airports industry, in terms of revenue, employment, and supply chain partnerships. This includes learning from other countries on the gains and the opportunities within the industry.
- (d) Enhance dialogue with industry and establish public-private platforms for travel retail to increase industry engagement for the growth and sustainability of the industry. Furthermore, to address some of the regulatory and legislative requirements barriers and design specific incentives to enable the growth of the industry.

7.2.4 Relationship Between CBC Secretariat and National Focal Points

19. CBC and National Focal Point

- (a) All national focal points to designate one officer to handle CBC related activities.
- (b) CBC to strengthen its relationship with French and Arabic speaking COMESA member States.
- (c) CBC to organise for joint activities/programmes (e.g. conferences, seminars, trade mission, trade fairs and exhibitions) for both CBC and national focal points.
- (d) CBC Secretariat to build capacity on COMESA officials' languages e.g., French and Arabic.



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