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Stephen Karangizi

## Ministers of Justice Adopt Investment Agreement for COMESA Common Investment Area

**M**inisters of Justice and Attorney Generals from the COMESA region met in Nairobi Kenya on 10th May 2007 to consider among other issues the draft Investment Agreement for the COMESA Common Investment Area. The Ministers and Attorney Generals who were responsible for the drafting of the COMESA Treaty in 1993 adopted the Investment Agreement and have sent it to higher organs for adoption.

“The COMESA Investment Agreement provides a framework for intra-COMESA investors and is expected to boost already available opportunities for cross border investment,” Director of Legal at the COMESA Secretariat Mr Stephen Karangizi told e-comesa.

The Ministers of Justice were also glad to receive the progress report made by the COMESA Court of Justice in carrying out its judicial functions. The Ministers agreed on the need to strengthen the court through the availability of adequate facilities for its operation.

The meeting also received a draft legal text for the COMESA framework on Trade in Services. They however deferred its adoption to allow for the relevant experts to complete consultations on the policy issues.

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# Kenya Permsec Nalo

## Calls for speed operationalisation of the COMESA Fund



*Amb. Nagla El-Husseiny Assistant Secretary General (Administration & Finance) and Mrs Victoria Mwewa Director of Administration presents reports to the committee*

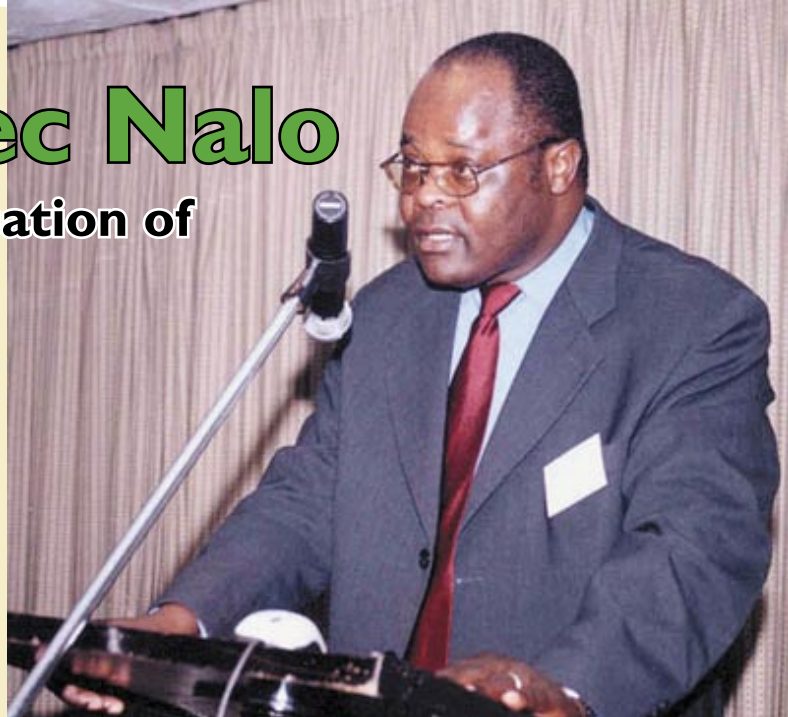
The Permanent Secretary at the Kenya Ministry of Trade and Industry Mr David Nalo has called upon the Member States to act quickly and make the COMESA Fund operational.

“I have noted that this meeting will be considering a brief on the COMESA Fund and Assessment of Member States towards the Fund. This is one critical facility for our region as it will assure us better and efficient access to funds both for infrastructural development and for assisting member states to absorb the transitory negative impact of implementing regional trade policies,” Mr Nalo said.

He used the occasion to underscore the importance of making the COMESA Fund operational in order to access the Euro 78 million which is committed by EU under the EDF9 for financing the Special (Adjustment) Facility. He reiterated that the operationalisation of the Fund is also crucial for the mobilization and subsequent channeling of funds under the Aid for Trade. “It is therefore important that we find ways and means of fast tracking the payment of member contributions to the base fund, to take advantage of this opportunity,” he added.

At the same meeting, the delegates heard how the COMESA Secretariat has continued to receive good support from Member States and cooperating partners in terms of contributions to the budget.

Mr Mwencha praised Member States for their continued budgetary support to their Secretariat. In 2006, most member States paid their contributions and cleared arrears. A total of COM \$7, 788, 069



*David Nalo Permanent Secretary Kenya Ministry of Trade and Industry*

representing 103 percent of the 2006 budget was received by the Secretariat

“With regard to extra budgetary funding, allow me to thank our cooperating partners for the trust and support they continue to extend to COMESA by providing a sum of Euro 7, 969, 887 to the budget of the Secretariat in 2006,” Mr Mwencha added.

The EU Contribution Agreement resources have become a major funding source for COMESA programmes as they represent over COM\$10 million were also mobilized in form of project funding from the ADFB, DfID, USAID, EU and others. COMESA and developing new cooperation with among others India and China.

These resources have been an agent for positive change in governance, procurement practices, financial management and monitoring and evaluation.

“We shall continue to strengthen our capacity to utilize extra budgetary resources in accordance with value for money principles of economy, efficiency and effectiveness,” Mwencha pointed out.

The Administration and Budgetary Matters Committee received reports covering the 2005 Audited Financial Statements and were expected to handle many other administrative and budgetary issues.

The committee also discussed human resource matters they unanimously agree that whereas geographical distribution has to be taken into account, quality and professionalism is paramount.

# MEDIA

## Key to Improve bad Perceptions of Africa and enhance Trade - Mwencha



*COMESA Secretary General Erastus Mwencha*

COMESA Secretary General Mr Erastus Mwencha and Permanent Secretary in the Kenya Ministry of Trade and Industry Mr David Nalo hosted members of the Kenyan and International Media based in Nairobi, Kenya on Thursday 10th May on an interactive luncheon to discuss the upcoming COMESA meetings. The discussions took place at the Grand Regence Hotel, Nairobi.

The meeting opened with the participants observing a Minute's silence in memory of the 114 passengers that perished in Cameroon following a Kenya Airways plane crash.

"We join the people of Kenya in mourning the lost lives and in praying for the bereaved families. Kenya Airways is a premier carrier in our region. It has worked closely with COMESA and is one of the airlines utilizing the COMESA Air Transport Liberalization Scheme being implemented under the Yamoussoukro Declaration of the African Union," Mr Mwencha said.

The media meeting was as a result of the importance COMESA gives to the role of the media in the promotion of the Regional and Continental integration agenda. Mr Mwencha and Mr Nalo discussed the issue of trade in COMESA and in Africa which they said is unfortunately associated with perceptions adding that the major peddler of ill-conceived perceptions about Africa is the media. They challenged the media to play a role

in the correction of the often exaggerated negative perception.

"As a regular consumer of your services I have some questions that only you can help answer. How can we best deal with perceptions? Perceptions have invaded our lives so much to the extent that they seem to take an upper hand in influencing investment decisions. Perceptions have a real cost. In fact that is partly why we established the African Trade Insurance Agency (ATI) to mitigate against the high cost of investment and trade associated with perceptions. The major peddler of ill conceived perceptions about Africa is the media. There is this belief that 'Good news is not news,' Mr Mwencha said.

He added "Regional Integration is topical and widely discussed in many fora. So, is the media's attention on this topic? It is important because it is seen as an effective tool to challenges of globalization which affect all of us and touch even the remote village and individuals far removed from the metropolitan centres,".

The Secretary General took time to give background of COMESA saying that the Treaty establishing the Preferential Trade Area (PTA) provided a roadmap for its transformation into a Common Market for Eastern and Southern Africa (COMESA) via the route of a Free Trade Area (FTA) and a Customs Union (CU). The treaty also envisioned the Eastern and Southern Africa as a building bloc to the African Union.

COMESA and its predecessor have faithfully lived to this spirit, having successfully operated the PTA from 1984 to 2000. A Free Trade Area (FTA) is now under operation and plans to launch a Customs Union by December 2008, thus positioning itself to fulfill the founding fathers' vision as enshrined in the Lagos Plan of Action, the Abuja Treaty of the Africa Economic Community 1991, and the Constitutive Act of the African union of September 9, 1999.

"Our integration agenda is now destined to broaden to include Trade-in-Services which means that our agenda will deepen on social matters such as free movement of people. The potential

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in Trade-in-Services is estimated to account for about 50% of GDP. Opening up Trade-in-Services sector to regional operators will add huge benefits to the economies of COMESA. I am convinced that with this new area of intervention percentage share of intra-COMESA trade will top 25% very soon," Mwencha added.

He pointed out that the goal of COMESA is for Africa to shift from being an exporter of low-value products to processed or semi-processed products. The huge market comprising 400 million people and a GDP of US\$300 billion will be a bedrock for the region's industrialisation. "We are teaming up with the private sector and with UNIDO to move this agenda forward. Value addition in itself will contribute to diversification as it will lead to reducing dependency on exports of a few primary products

like sugar, copper, coffee or tea mostly in raw form or semi-processed," "We have put this issue at the core of Economic Partnership Agreements (EPAs) between Eastern and Southern Africa (ESA) and the European Union,"

The main expected output for the 2007 COMESA Summit is the Customs Union, Economic Partnership Agreement, Common African Agriculture Development Programme (CAADP), COMESA Common Investment Agreement (CCIA), Building African Union through Regional Economic Communities (RECs), Development of Infrastructure and the COMESA Fund.

Nairobi will be a hive of activity in the next two weeks as different COMESA meetings will be held under the theme 'Deepening Integration for Diversification and Value Addition.'

## COMESA Convenes international workshop on Supply Side Constraints for African Agriculture

Zambia will on 3rd to 5th June 2007 host an international workshop focusing on strengthening, widening markets and overcoming supply side constraints for African agriculture. The workshop, to be held at Lusaka's Taj Pamodzi hotel is initiated by the International Food and Agricultural Trade Policy Council in conjunction with COMESA and the Partnership to Cut Hunger and Poverty in Africa.

The meeting will emphasize two important key issues; the need for an increased capacity to engage in local, regional and global markets plus targeted efforts to address supply-side constraints that limit the benefits provided by new market opportunities.

The international workshop will bring together key stakeholders from the COMESA region, other parts of Africa and the world including international organizations. The participants will discuss key recommendations on trade policy options and negotiations.

They are also expected to define and prioritize supply constraints and improve coordination amongst themselves to meet shared goals. The discussion will in addition, focus on how best to implement the World Trade Organisation "Aid

for Trade" initiative and the Comprehensive Africa Agriculture Development Programme (CAADP)'s Pillar II which seeks to improve infrastructure and trade related capacities for market access.

Agriculture plays a crucial role in the COMESA region, accounting for more than 32 per cent of Gross Domestic Product. It also provides a livelihood to about 80 per cent of the region's labor force and accounts for 65 per cent of foreign exchange earnings.

Africa's agricultural sector is now rightly being recognized as critical for the promotion of food security, economic growth and poverty alleviation. This is demonstrated for instance by the commitment of African governments to improve the productivity of agriculture to attain an average annual production growth rate of six per cent as stated in the CAADP and by the World Bank's emphasis on the importance of agriculture for African poverty alleviation in its 2008 World Development Report.

"It is important that efforts which are underway to improve Africa's agricultural productivity and share of global agricultural and food trade are sustained so as to close the gap that exists between Africa and other regions of the world," a statement from the COMESA Secretariat read in part.

# Calendar of COMESA Summit

- *Intergovernmental Committee 14th - 16th May 2007*
- *Council of Ministers 17th - 19th May 2007*
- *Business Forum 18th -19th May 2007*
- *1st Ladies Round Table 22nd -23rd May 2007*
- *Twelfth Summit 22nd -23rd May 2007*
- *We shall also hold a Golf Tournament on 20th May 2007*

## Murphy's Laws

“ **If you perceive that there are four possible ways in which a procedure can go wrong, and circumvent these, then a fifth way, unprepared for, will promptly develop.** ”