

'High Energy Prices, Volatile Global Financing Systems, Climate Change Doing Harm to COMESA Economies' – **Zambian President**

Zambia's President His Excellency Dr Levy Mwanawasa says the escalating energy prices, climate change and volatile global financing systems are threatening the sustenance of the region's economic growth. President Mwanawasa added that the unrelenting price of fossil fuels, whose price is hovering at almost \$100 a barrel, is a source of worry for oil importing countries. "Rise in oil prices have the potential of reversing the economic gains that the region has enjoyed to date. I urge the Council to expedite the completion of the region's common programmes on industrialization and value addition," Dr Mwanawasa said in a speech read on his behalf by Vice President Mr Rupiah Banda at the official opening of the 24th COMESA Council of Ministers meeting in Lusaka on 27th November 2007.

He said the destructive effect on the economies has to a certain extent been mitigated by the high commodity prices thanks to the demand by China and India. It is however uncertain that these high commodity prices will be sustained in view of planned increases in production that will be coming on stream a couple of years from now. Regarding energy security, the President was happy to note that Ministers of Infrastructure, energy, transport and communications at



Zambian Vice-President Rupiah Banda pose for a photo with COMESA Council of Ministers and Head of Delegations

their recent meeting agreed that a holistic programme be developed for both renewable and non-renewable energy.

He urged the region to invest in the production of bio fuels and put up legislation that will facilitate investment in bio fuels production by the private sector. He also welcomed agriculture programme by COMESA which seek to address land and water management, improve technology and increase investment so as to increase food security. He further urged COMESA Ministers of Finance and Central Bank Governors to hasten the process of finding ways and means of deepening co-operation in financial matters.

President Mwanawasa welcomed the continued harmonization of policies and programmes among COMESA, the East Africa Community (EAC) and the Southern African Development Community (SADC).

“ This process is long overdue, taking into account that these three RECs are building blocks to the African Economic Community. It is therefore my expectation that the COMESA/EAC/SADC Tripartite summit will come up with decisions to enable us create a single market in Eastern and Southern Africa and ultimately in Africa as a whole,” he said.

Editors Note: e-COMESA

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Mwencha Announces Departure

COMESA Secretary General Mr Erastus Mwencha (in picture) has announced that his tenure of office at the Secretariat will come to an end in June 2008. Mr Mwencha has been Secretary General of COMESA from June 1998. He joined the then PTA the predecessor to COMESA in 1983 from the Kenyan Civil service. "when I came here 24 years ago as young expert I thought I had come to serve the PTA for a period of two years, little did I know I would stay for 25 years"

Mr Mwencha made this announcement at the 24th Meeting of the COMESA Council of Ministers held in Lusaka Zambia.

"As I stand before you today, I am very conscious that this might be my last public function as Secretary General of COMESA. My tour of duty comes to an end in June 2008. I thank Council for the opportunity given to me to serve in the capacity of Secretary General," Mr Mwencha said as the delegates gave him a round of applause.

"I leave feeling being part of Zambia. I leave with fond memories but I will not quit the regional integration agenda, I will continue to pursue it as long as God gives me breath," He added after having lived in Zambia for close to 25 years.

At the same function, the outgoing Secretary General paid tribute to the many cooperating partners who continue to support COMESA's regional integration agenda.

During his tenure, Mr Mwencha is credited for helping COMESA have a solid financial base which is crucial for the implementation of the various programmes on regional integration. Through market integration, COMESA has produced Africa's largest trading arrangement with a thirteen member Free Trade Area that will soon become

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a Customs Union. Intra-COMESA trade continues with its robust growth trend now and is projected to reach US\$7.5 billion in 2007. Agricultural products such as tea, tobacco, sugar, rice, coffee, cotton and wheat top the trade tables.

Manufactured products are also star performers in intra-COMESA trade. Cement jumped from the 20th position in 2004 to number 2 in 2006 and processed tuna fish recorded a phenomenal leap from the 2115th position to the 18th in the same period.

"Such outstanding performance by these wholly manufactured products is good for industrial development, value addition, employment creation and economic security of the region," Mr Mwencha noted.

As regional integration in COMESA matures, the organization has continued to strengthen links with other Regional Economic Communities (RECs) such that programmes like the COMESA Yellow Card Third Party Motor Vehicle Insurance Scheme, one-stop border posts, carriers' licence are spreading into non-COMESA countries. When fully implemented, the Regional Customs Transit Guarantee, popularly known as COMESA Carnet will release for investment about US\$1 billion that is currently tied up as collateral for customs bond with the banks. The COMESA specialized institutions namely African Trade Insurance (ATI),



ZEP-RE, Clearing House and Leather and Leather Products Institutions (LLPI) are continental in design and are presently operation beyond COMESA boundaries.

In the area of infrastructure, the COMESA Fund which recently received an initial support of 78 Million Euros contribution from the European Union is expected to help address the challenge in infrastructure in the region. In agriculture, the Comprehensive African Agricultural Development Programme (CAADP) agenda with support from DFID, SIDA and USAID has made headway in trying to set the base for the region to reduce hunger.

On the Economic Partnership Agreement (EPAs), Mr Mwencha added that the recently concluded interim agreement between the EU and the Eastern and Southern Africa (ESA) region provides flexibility in implementation and will ensure that exports from ESA can continue entering the EU market duty free and quota free from January 1, 2008 with the WTO waiver ends.

Zimbabwe Ratifies COMESA Fund Protocol

THE House of Assembly in Zimbabwe has ratified the protocol relating to the Fund for Co-operation, Compensation and Development of the Common Market for Eastern and Southern Africa (COMESA Fund) signed in Addis Ababa, Ethiopia, on May 23, 2002.

Deputy Minister of Industry and International Trade Phineas Chihota on Tuesday 20th November 2007 said the coming into force of the protocol was conditional upon its ratification by the parties in accordance with their respective constitutional procedures. The protocol provides for the establishment of a special

fund composed of the Base Fund and the General Fund. Member states that ratify the protocol would constitute the membership of the Base Fund while the co-operating partners admitted by the Committee of the Fund would constitute the membership of the General Fund.

The Fund will provide grants or loans for financing research and development activities and feasibility studies promoting regional integration. It will also provide means of facilitating the sustained mobilisation of internal and external financial resources for member states.

U.S Commends COMESA Region for Economic Growth

THE United States Government Special Representative to COMESA Her Excellency Carmen Martinez (in picture) has commended the 19 governments of the Common Market for Eastern and Southern Africa (COMESA) for recording significant economic growth in recent years.

"I applaud your governments on the economic growth that your economies have experienced in recent years, which in many cases is at historic highs. On average, inflation is in the single-digits, private capital flows are increasing and direct investment is up. The statistics show that the continent's natural endowments, combined with effective leadership, can culminate in greater regional prosperity.



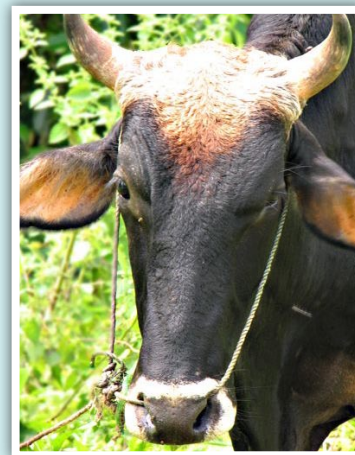
This remarkable performance now calls for increased competitiveness in global markets," Ambassador Martinez told the 24th COMESA Council of Ministers Meeting in Lusaka on 26th November 2007. She pointed out that trade is a powerful anti-poverty tool which spurs economic growth, increases opportunity and creates new and better paying jobs. In recognition of this, the United States has tried to lead by example in promoting trade with developing countries through the African Growth and Opportunity Act (AGOA).

"The level of U.S.-COMESA trade has increased considerably in recent years totaling nearly 25 billion dollars in 2006. Over 90 percent of the U.S. imports from COMESA entered the U.S. duty-free in 2006 either under AGOA, the Generalised System of Preferences (GSP) or through the zero-rate Most Favoured Nation access,"

Through the African Growth and Opportunity Act (AGOA), the United States is supporting COMESA's objectives by providing incentives for greater regional

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COMESA MOVES TO STRENGTHEN ITS LIVESTOCK SECTOR:



COMESA has the highest livestock population on the continent, with Ethiopia, Sudan and Kenya boasting well over 100 million herds of cattle. The region has great potential to significantly increase its trade and investment levels in the meat, milk, hides, skins and leather sub-sectors and substantially improve the well being of its citizens. In this regard, under the Comprehensive Africa Agricultural Programme (CAADP), working with USAID, COMESA has established a robust livestock/pastoralism unit at the Secretariat. Highly experienced officers have been engaged to work with communities, non governmental organizations, traders and the public sector to ensure the development of appropriate policies and programmes for the sector. Through the Regional Enhanced Livelihoods and Pastoralism Programme (RELPA), experts in water management, livestock policy and livestock marketing constitute the core team that will ensure that all the CAADP compacts being prepared in COMESA have fully considered the best ways to add value to the livestock sector.

The newly established livestock/pastoralism sector at the Secretariat will collaborate with the Leather and Leather Products Institute (LLPI), Tufts University and other Regional Programmes and Institutions to ensure improved livelihoods for the region's pastoral communities. Some of the major areas of focus already underway include increased investment in the meat processing sector through abattoir establishment, disease control and increased investment in port export facilities. It is expected that by the time the Ministers of Agriculture in COMESA meet in the Seychelles in March 2008, significant milestones should have been achieved in these key areas and modalities agreed for bringing in additional partners to expand the livestock development programme even further.

COMESA Pays **tribute** DR Chanthunya



Mr and Mrs Chantunya receiving a farewell present from COMESA Staff and Institutions

COMESA Secretary General Mr Erastus Mwencha has on behalf of the region and Secretariat bid farewell to the Director of Trade, Customs and Monetary Harmonisation Dr Charles Chanthunya. Dr Chanthunya leaves the Secretariat after having worked there for close to 25 years.

Mr Mwencha described Dr Chanthunya as a committed and dedicated worker who expressed his opinion freely.

“Dr Chanthunya and my self joined the then PTA some 24 years ago as young men, since then, he has worked with commitment, dedication and he is a man who expresses his opinion. But he is also intellectually competent. We express appreciation for

your work. The Free Trade Area (FTA) was one of the projects under his leadership,” Mr Mwencha added in bidding farewell to Dr Chanthunya who will return back to his country of origin Malawi.

Two days before the COMESA intergovernmental committee had equally paid tribute to Dr Chantunya and praised him for contribution for his commitment to regional integration.

Most colleagues senior and junior at COMESA will always remember Dr Chantunya as a man who was always in jovial mood even when the going seemed tough, spoke his mind no matter how controversial who also lightly always hinted that headed the most important divisions “ you all know that two third our work is trade , and third of this report is about trade” he would put to colleagues, with a naughty laughter when asked to cut short his contribution during internal debates and discussions.

Dr Chantunya retires to Blantyre Malawi his home city where he has established a University “e-comesa” team adds its best wishes and tribute.

India Reaffirms Support to COMESA, as it prepares for India Africa Forum

The Government of India through its High Commissioner to Zambia who is also a Special representative to COMESA has reaffirmed its support to the Common Market for Eastern and Southern Africa (COMESA). His Excellency Mr R Wallang is also India's Special Representative to COMESA. High Commissioner Wallang told the gathering of the 24th COMESA Council of Ministers meeting in Lusaka on 27th February 2007 that his government has continued to support the regional integration agenda under COMESA through the Indian Technical and Economic Cooperation (ITEC). On COMESA's request, India has agreed to provide experts under its ITEC programme of assistance to the COMESA Secretariat in the fields of Industrial Development, Pharmaceuticals, Energy and Information and Communication

Technology (ICT). COMESA has also requested for India's assistance in undertaking a comprehensive survey of the energy sector in the region.

High Commissioner Wallang revealed that India and COMESA are discussing a draft agreement for cooperation in Science and Technology which is expected to lead to enhanced science and technology exchanges. The Special Representative to COMESA also took time to highlight some of the major areas where Indian supports the COMESA region. This includes the growing business ties between the PTA Bank and the Exim Bank of India, with the later having provided substantial funds for lending to the private sector.

High Commissioner Wallang used the opportunity to announce that the

government of India is organizing an India-Africa Forum scheduled for early next year as the whole world has now come to view Africa has a continent of opportunities.

COMESA has also asked the government of India to consider providing technologies and expertise for low cost housing, assist member States with expertise in developing and exploiting marketing of their vast handicraft and artisanal products, possibilities of setting up fertilizer plants in COMESA countries, with buy back guarantees, enhancing rice and wheat cultivation and production in identified regions. Studies on irrigation facilitation are also in progress, and a joint working group has been proposed to look at how India can assist in the development of micro and small enterprises.

Uganda Signs Up for COMESA Customs Bond Guarantee

CARGO transporters and importers in Uganda stand to benefit from the Common Market for Eastern and Southern Africa Regional Customs Bond Guarantee pilot scheme.

The scheme is an instrument designed by COMESA to reduce transit costs that are associated with the current practice of nationally executed customs bond for transit traffic.

Mr Odica Nacklet, the Bonds officer at Inter-freight Uganda, a leading transport firm, said it costs \$3,000 to ferry a container from Uganda to the Kenyan coastal town of Mombasa.

However, under the COMESA Regional Customs Bond Guarantee (RCBG) the cost will be cut by about 25 per cent, a move that will benefit both the traders and consumers.

"We have been suffering the brunt of high levies but this will also reduce prices on imported goods," he said at

the signing ceremony in Kampala on November 13 2007

The ceremony was attended by representatives from the Uganda Revenue Authority, COMESA Secretariat, Insurance Players, Bank Managers and clearing and forwarding agents.

Under the previous nationally executed bond system, for goods crossing the customs territory of another country by road, the Customs authority in each state applies its national controls and procedures.

The Acting Commissioner for Internal Trade in the Ministry of Tourism, Trade and Industry in Uganda, Mr Raymond Agaba, said such measures cause huge expenses, delays, and interference with the regional transport and trade system.

He added that the more than \$1 billion belonging to importers,

clearing and forwarding agents secured as bank guarantees if released from the current system, would be put to more productive use.

According to a recent COMESA survey a 10 per cent increase in transport costs he said, leads to a reduction in trade by another 20 per cent.

COMESA Senior Insurance Expert Mr Berhane Giday, said a survey carried out in March last year showed that there were on average of 70 vehicles on any one day at a particular border post and it takes about one week for a vehicle to be cleared.

This is at a cost of a minimum demurrage charge of \$200 per day per truck but this will now change completely

"The government can now recover duties and taxes from the guarantors should the goods in transit be illegally disposed of for home consumption in the country of transit," Mr Giday added.

Rwanda Signs COMESA Customs Bond

The COMESA Customs Bond Guarantee Scheme is a customs transit regime designed to facilitate the movement of goods under Customs seals in the COMESA region. It also provides the required customs security and guarantee to the transit countries.

The signing was presided over by the Deputy Commissioner and Commissioner for Customs and Excise of Rwanda Revenue Authority Mr Eugene Torero at Hotel La Palace, Nyandungu.

Mr Torero revealed that COMESA Regional Customs Bond Agreement, is a component of the COMESA Protocol on Transit Trade and Transit Facilitation. As a result, it shall only be availed to carriers that use the COMESA Customs Document (COMESA-CD) which are issued with the COMESA carrier license.

He noted that the objective of customs bond guarantees is to ensure that the government is able to recover duties and taxes from the guarantors, should the goods in transit be illegally disposed of for home consumption in the country of transit.

Trade barriers

Under the current nationally executed bond system, when goods cross the customs territory of one or more states, in the course of goods in transit by road, the customs authority in each state applies national controls and procedures.

These frequently involve the inspection of the load at each national frontier and the imposition of national security requirements (guarantee, bond and cash deposit or both etc.) to cover the potential duty or taxes at risk while the goods are in transit through each territory. Such measures applied in

each country of transit therefore, cause considerable expense, delays, and interference with the regional transport and trade.

He said that to address these difficulties and also for the protection of revenues of each state through which goods are carried, member states agreed to introduce a regional customs bond guarantee scheme. "The COMESA bond provides, inter-alia, for all member states to implement transit and customs measures to remove trade and transport barriers in the region," he noted.

Single bond

For goods in transit across several countries within the COMESA region, only one bond will be issued and thus doing away with the current practice under which a bond is required to be issued for every country in which the

Rwanda Signs COMESA Customs Bond

goods are in transit.

Mr Torero revealed that the scheme will be able to work best in a situation where the tariffs are uniform within the COMESA region and Rwanda so as to enables members harmonise its tariff with those of other member states of COMESA. He however added that for the time being the consignee shall be expected to take a customs bond for a value based on the country with the highest tariff.

He also disclosed that transporters of merchandise will be issued with a COMESA Carnet; a document that indicates that a security of goods has been provided and is bound in book form of tear-out foils and counterfoils to present to each border post for customs officers to endorse up to the point of destination of the transited merchandise.

The deputy Commissioner for RRA also disclosed that RCTG will enables transit operators to execute guarantees for customs duties by providing adequate security to customs authorities though

COMESA member states that customs duties on the goods in transit will be paid, should the transit operation fail, for whatever reason, and thereby facilitate the trade and transport in the region.

He also added that the adoption of this trade and transport infrastructure will make the management and administration of the scheme much more easy and economical to manage.

“The RCTG scheme provides significant transport savings and contributes to trade and transport efficiency by eliminating the current practices of customs bond guarantee that have to be executed in each transit country,” Torero said, adding that the scheme will be of great importance in many ways, including quicker clearance of vehicles unlike currently where vehicles carrying goods are delayed at border crossings, among other reasons, to raise customs security/bonds at each and every border entry post and this will also increase the vehicle turn around time, reduction of administrative barriers and speeding of the carriage of goods thus lowering transit costs to at least 15

per cent to 25 per cent of the current estimated 50 per cent freight rate for a given corridor; a truck delayed at the border costs over \$200 daily.

Reduced costs

Other benefits to be realized from the scheme as the Commissioner for Customs and Excise at RRA says include reduction of the costs of raw materials and inputs for industries, reduces costs of imported goods, the release of colossal sums of money of Clearing and Forwarding Agents, which would be tied up as a guarantee and/or collateral in commercial banks and insurance companies will be channeled for other investments and further providing a simple and economical mechanism for sureties (financial institutions) to issue and manage customs bond and creating an opportunity to extend their cooperation. Torero added.

Mr Torero added that the scheme is envisaged to eliminate and streamline unnecessary bureaucratic procedures and requirements and facilitate the smooth flow of transit traffic among member states and furthering their physical cohesion.

Awareness and Sensitization workshop on the COMESA Public Procurement Reforms, 27 – 28 November, Seychelles

The role of the National Tender Boards (NTB) in the COMESA region of ensuring fairness and correct utilization of resources was underscored this week at the start of a two-day workshop aimed at sensitizing stakeholders on the COMESA Public Procurement Reform Framework.

When opening the workshop, the Principal Secretary for the Ministry of Finance of the Republic of Seychelles, Ahmed Afif, said that having an efficient procurement system is a true reflection of good governance within any country, and that President James Michel has on many occasions stressed the need

for promoting good governance which promotes accountability, transparency and rule of law.

“Since its existence, the National Tender Board is playing an important role in ensuring that Government’s procurement system has the required standards and to ensure that Government acts fairly and utilizes resources correctly,” PS Afif said.

Mr Afif thanked the Common Market for Eastern and Southern Africa (COMESA) Secretariat for its assistance in coordinating the workshop which he said is another example of the strong relationship

that exists between Seychelles and COMESA.

“I am sure that technical assistance provided by the secretariat will be ongoing, whilst including other areas of trade,” he said, adding that his department estimates that 50-60 percent of the Government’s annual budget is spent on public procurement.

This underscores the importance of having a procurement system that is transparent and which promotes efficiency. Failure to do so would undermine the Government’s socio-economic programmes and cause the under utilization of public

ESA Ministers Make a declaration on EPAs

“Economic Partnership Agreement Negotiations between the Eastern and Southern Africa region (ESA) and the European Union (EU)

We, Ministers meeting at the Twenty Fourth meeting of the COMESA Council of Ministers in Lusaka, Zambia from 26-27 November, 2007 in reviewing the progress made in the process of negotiating the ESA- EPA with the EU agreed to make the following declaration:

Preamble

Whereas the objective of the Cotonou Partnership Agreement between ACP countries and EU is to conclude new WTO-compatible trading arrangements, progressively remove barriers to trade between them, enhance cooperation in all areas relevant to trade and development and build on the acquis as well as improve market access, Whereas establishing regional markets represents a key instrument for successfully implementing EPAs, and whereas regional integration represents an important basis for the social and economic development of ESA States, Recalling further that the objective of EPA should be to foster the gradual integration of ESA States into the world economy, Considering that ESA and EC have not been able to complete negotiations on a comprehensive EPA,

Recognise that:

EPA must be a development tool for the promotion of regional integration, ensure special and differential treatment and preserve and strengthen the gains of Cotonou, There is more time needed to conclude a comprehensive EPA with the EC, The European Commission has stated that, if agreements are not in place, tariffs will be imposed on many exports from non-LDC ESA States, starting on 1 January 2008, and that this would threaten the welfare and

livelihoods of millions of workers in ESA States,

The European Commission has acknowledged to adopt a two-step approach in order to avoid trade disruption for some ESA States and to continue negotiations beyond 31 December 2007 on comprehensive development-friendly EPAs.

Concerned that:

All agreements reached, whether interim arrangements or full EPAs, must ensure that no country is left worse off after the expiry of the negotiation deadline, The proposed interim agreement does not satisfactorily address the interests of ESA States, particularly on regional integration and development The process of regional integration for EPA regions must be an underlying principle of these agreements, and EPAs must be consistent with, and contribute to, the strengthening of ESA regional integration initiatives,

Noting that:

ESA countries have agreed to an interim agreement to avoid trade disruption as from 1 January 2008, That the interim agreement is a premise towards a full and comprehensive agreement that addresses the full interest of ESA States That the threshold for accession of LDCs in interim agreements to be adequately lowered to match their stage of development

Stress and underline:

That the European Commission should accord appropriate asymmetries in the agreements, in particular concerning the definition of substantially all trade; coverage of sensitive products; length of transition periods and pace of liberalization based on development benchmarks, safeguards and dispute settlement; That fro LDCs not party to the interim

arrangements, the Everything But Arms (EBA) initiative alone is not sufficient, and should be coupled with improved and simplified rules of origin

That the conclusion of the EPA with the European Commission could lead to the further erosion of trade preferences that ESA States currently enjoy; hence, the EU should take this into account and provide adequate support for adjustment, enhanced competitiveness and diversification in ESA States;

Declare as follows:

The EPA should support and complement the region's integration agenda and contribute to efforts for achieving convergence among the regional groupings. There should be a binding commitment from EC to provide required and additional resources to EDF for EPA implementation, supply side capacity, adjustment and other needs as per development matrix and commitments on MDGs EC should implement Article of 37.3 of Cotonou to provide assistance during the preparatory period for capacity building in the public and private sector, enhancing competitiveness, strengthening regional organisations, budgetary adjustment and fiscal reform, infrastructure upgrading Agree to foster unity and cohesion within ESA and promote harmonisation and co-ordination of the EPA negotiations under the umbrella of the African Union

Urge ESA member states to agree to work towards promoting ESA positions during the forthcoming preparatory Ministerial and Summit meetings between AU and EU with the support of a core team of ESA Ministers of Trade.

Done at Lusaka, Zambia

27 November 2007”

Awareness and Sensitization workshop on the COMESA Public Procurement Reforms, 27 – 28 November, Seychelles

resources.

“Improving and modernizing the Government’s procurement system will only serve to create an enabling environment for development. Additionally this will have a positive effect on the confidence towards the general economy. Like COMESA, other multilateral organizations such the World Bank and WTO are in the process of formulating rules and regulations to standardize government procurement systems,” he said.

The head of the COMESA delegation to the Workshop, Colas Ziki, said that the Heads of State and governments adopted the public procurement programme in 2001 in recognition of that procurement is critical for all the organization’s Member States because of its central role in the government’s effort to promote socio-economic development.

He pointed out that in December 2008, COMESA is expected to become a Customs Union where Member States’ economies will implement a Common External Tariff (CET).

“The objective of establishing a CET is to create a uniform but competitive tariff structure between Member States and the rest of the world which also takes into account multilateral trading arrangements under the World Trade Organization (WTO) framework including other bilateral trading arrangements such as the Economic Partnership Agreement with the European Union,” he said.

The Workshop was conducted in a mood of high optimism given Seychelles’s registered interest in participating in the COMESA Free

Trade Area. On the way forward the Workshop managed to pass the following key recommendations designed to align the national procurement systems to the COMESA Directive:

- that the government of Seychelles should undertake review of its procurement system and modernize it by enacting a law dedicated to public procurement in accordance with the COMESA Directive and other international best practice;
- in order to accelerate reforms, Seychelles should set up a National Steering Committee which involves different stakeholders to commence reforms. The work of the NSC should be complimented with Technical Assistance provided by COMESA Secretariat;
- that COMESA should assist the government in reforming its public procurement law by providing technical assistance;
- that COMESA should provide technical assistance in building capacity and skills enhancement at all levels involved in public procurement management functions.

In closing the mission, the COMESA team managed to secure a briefing session with the Honourable, Mr. Danny Faure Minister of Finance, where the issues stated above were again re-iterated but with more emphasis on the need for Seychelles to utilize technical assistance currently available under the Enhancing Procurement Reforms and Capacity Project.

U.S Commends COMESA Region for Economic Growth

production-sharing. For example, cotton grown in one AGOA country can be spun to thread in another, and woven into AGOA-eligible fabric and apparel in yet another, depending on the countries’ comparative advantages. This is already happening in Mauritius, which uses West African cotton in its apparel and in South Africa which uses Zambian cotton yarn in some of its AGOA apparel exports.

Ambassador Martinez encouraged the Council of Ministers to consider the importance of creating favourable and transparent business climates that attract investment in the region. She added that the Millennium Challenge Account (MCA) is an important U.S. government vehicle for delivering transformational economic growth as it distributes direct foreign assistance to nations that are committed to good governance and economic reforms.

She revealed that the U.S. Government will continue to work with COMESA Secretariat and its individual member States to promote regional stability and good governance to enhance food security and agricultural development and to address critical health and social developmental issues.

One of the core elements of the U.S.-COMESA partnership is technical assistance, including Aid for Trade as well as capacity building activities. Since 1998, over 50 development projects have been funded through USAID’s partnership with COMESA. The total U.S. trade capacity building assistance to COMESA countries exceeded \$369 million during the last three years.