

## President Kagame Reiterates Support for COMESA Integration

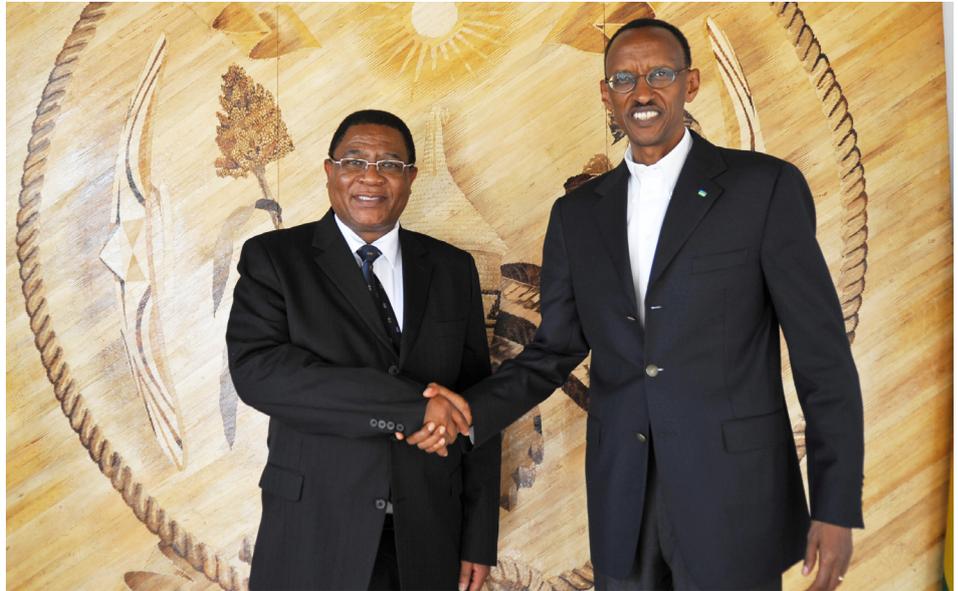
Rwandan President Paul Kagame, has reiterated his support for the COMESA integration agenda, adding that integration is not an option but a must for development. The President said these on 29 June 2010, when he received the COMESA delegation at his office in Rugwiro Village, Kigali, Rwanda.

The COMESA delegation was led by Mr Sindiso Ngwenya, COMESA Secretary General and included Mr Stephen Karangizi, Assistant Secretary General (Programmes). Also present was the Rwandan Minister of Trade, Hon. Monique Nsanzabaganwa whose Ministry coordinates COMESA activities in Rwanda.

President Kagame expressed his happiness at the progress made by the COMESA-EAC-SADC Tripartite framework activities including the planned grand Free Trade Area. "The good thing is that everyone understands that the tripartite is the way to go but the devil is in the details. The important thing is that you have the political will and I believe this political will and blessings will always be there," the President emphasised.

President Kagame, reiterated the importance of working together by saying "the more we work together, the easier to find investment, and what we need is to move ahead". The president added that Rwanda has done a lot in the field of ICT. "We are interested not only in what we can do here but also in what we can share with others in EAC and COMESA" said President Kagame.

President Kagame promised to mobilize support not only in the COMESA region but also on the international arena. "You have our support. It is in our interest". The president concluded by emphasizing the need to be ambitious in project implementation. "We shall work with you and the wider COMESA... we have to be ambitious.. any time you



*President Kagame (right) with the Secretary General of the Common Market for Eastern and Southern Africa (COMESA), Sindiso Ngwenya*

should feel free to see where I can support" the President assured the COMESA Secretary General.

Earlier on, the COMESA Secretary General briefed the President on the progress made in different COMESA Programmes. Mr Ngwenya focused on integration programmes, which are a prerequisite to the contribution of the realisation of the African Economic Community under the auspices of the African Union.

Mr Ngwenya briefed President Kagame on the progress in the implementation of the COMESA, EAC and SADC Tripartite Free Trade Area (FTA) and ultimately a single Custom Union that will define the economic and political geography of the region.

Mr Ngwenya also informed President Kagame that pursuant to the decision of the Aid for Trade Infrastructure Conference that was held in Lusaka in April 2009, preparations are at an advanced stage to hold an Aid for Trade Infrastructure Conference in October this year in Nairobi, Kenya, for the northern and central corridors. The regional projects to be submitted to bilateral and multilateral donors are derived from the

regional transport and communications strategy and priority investment plan that has been developed by COMESA as the lead Organisation in collaboration with the EAC, IGAD and IOC.

Mr Ngwenya thanked President Kagame on the leadership provided in the support of the CNS/ATM Project "the Secretariat is most grateful for the leadership that your Government is providing with respect to the implementation of the Regional CNS/ATM Project which was endorsed by the COMESA Heads of States and Government Summit in Nairobi, Kenya, in 2007 on the basis of Kalisimbi Project. With the grant financing from the African Development Bank to be concluded soon, the stage is now set for the implementation of the project starting with the following cluster of countries that have indicated readiness: Burundi, Uganda, DR Congo, Kenya, Zambia, Malawi, Rwanda and Zimbabwe. "As we prepare for the Summit, I crave your indulgence, Your Excellency, through your good offices to facilitate the participation of these countries at the highest level" Mr Ngwenya said.

# COMESA Infrastructure Fund to be Fully

## Operationalised and to be Chaired by Rwanda

Rwanda has taken over as the chair of the COMESA Fund from Mauritius. Rwanda's Minister of Finance and Economic Planning Hon. John Rwangombwa becomes the Chairman of the Fund. The elections that brought in Rwanda as chair, took place at the 5th COMESA Fund Ministerial Meeting held in Kigali, Rwanda, on 30th June, 2010.

ensure that we will come up with clear and viable projects that will enhance regional integration," the Minister said.

The fund already has a functional adjustment facility that addresses costs that may arise from implementing regional integration measures. The adjustment facility has taken off well and last year Rwanda and Burundi became the

the limited productive capacity of its individual Member states

"Identifying the key infrastructure projects that are required to deepen regional integration is also a priority," Rwangombwa said.

The Infrastructure window however has moved slightly slower. Speaking at the opening ceremony of the 5th Ministerial Meeting on the COMESA Fund the COMESA Secretary General, Mr. Sindiso Ngwenya emphasized the need to be clear on what the region wants the COMESA fund infrastructure window to look like. Hon Rwangombwa and Mr. Ngwenya in their speeches at the opening of the 5th Ministerial meeting on COMESA fund expressed optimism that the Infrastructure Fund will soon be fully operationalised.

"I know there have been many meetings on the improved operational guidelines of the COMESA adjustment facility as well on the establishment of the COMESA infrastructure fund, As we all know, these funds are key ingredients to deepening our regional economic integration and I have no doubt that by the end of this meeting we will have taken the required decisions to fully operationalise the COMESA Fund as required" Hon. Rwangombwa told the gathering.

Speaking at the same function, Mr. Ngwenya stated:

"It is heartening to at last report to you that we are making steady progress on the design and implementation of the COMESA Infrastructure Fund, although I would say that, in my opinion, we have taken far too long in getting this fund operational. This can be seen with the very fast progress we made in designing and establishing the Tripartite Trust Account. The Tripartite



*Ministers of Finance and COMESA Executives at the 5th COMESA Fund Ministerial meeting*

This was preceded by the 9th meeting of the Technical Committee of the COMESA Fund. The COMESA Fund with two different windows infrastructure and adjustment facility was established to facilitate integration, and mobilize resources for development projects in Member States. The COMESA Secretariat will work with the minister to come up with the chairman's work programme.

Speaking to the media, Hon Rwangombwa, said he intends to mobilize increase in membership of the Fund among Member States pointing out that not all the 19 COMESA Member States have joined.

"One of my priorities will be increasing membership, and to

first countries to benefit from the facility. They received Euro 10.3 Million and Euro 4.4 respectively, equivalent to 65% of the anticipated loss of revenue for June 2009- July 2010 as a result of the alignment of their tariff structures to those of the East African Community Common External Tariff within the Customs Union.

According to Hon Rwangombwa, this year the government of Rwanda will carry out an assessment of the revenue loss to claim the remaining 35 percent compensation from the Fund.

The fund also encompasses an infrastructure window intended to mobilize resources for the construction and maintenance of infrastructure and for addressing some of

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# East African Power Pool (EAPP) Gets a Boost

On 29 June 2010, USAID/East Africa announced the launch of the Powering Progress. This two year, US\$ 2.5 million initiative will provide capacity building and technical assistance to the East African Power Pool (EAPP), a specialized institution under COMESA, towards its goal of improving access to affordable, clean energy through regional electricity trade exchange.

The launch of the project took place at Laico Umubano Hotel, Kigali Rwanda.

Speaking at the function, the COMESA Secretary General Sindiso Ngwenya, pointed out that in Africa, and in the COMESA region in particular, energy is scarce and expensive despite the huge energy potential that the continent is endowed with, adding that the high energy cost has always been an

impediment to achieving competitiveness and pro-poor economic growth.

“As you are aware the installed capacity of electric power of the COMESA region is about 38000 megawatts of which about 73% is thermal and 26% is hydro. The effective generation is less than the installed capacity by more than 20% due to a combination of factors such as drought, lack of maintenance and rehabilitation” said Mr. Ngwenya.

“The percentage population that has access to electricity in most COMESA Member States, with the exception of Egypt (99%) and Mauritius (99%), varies between 8 to 12% for Uganda, Rwanda and Malawi; 15-25% for Ethiopia and Kenya; Zambia, Swaziland and Sudan are in the range of 20-35% and Zimbabwe 41%. This means that

a high percentage of population is waiting for power supply”.

Mr Ngwenya thanked USAID for supporting the powering pool project as this will enhance the provision of power in the region. Through the Powering Progress, USAID /East Africa will help increase EAPP’s capacity to exploit clean and renewable energy recourse, harmonise regional policies and regulations for improved cross border trade, increase private sector investment in electricity by addressing specific policy and regulatory barriers, and improve the technical and financial performance of EAPP member utilities.

Others who addressed the launch were Dr Candace Buzzard, Director USAID/East Africa and Mr Peter Kinuthia who represented the East African Community.

## COMESA Infrastructure Fund to be Fully Operationalised and to be Chaired by Rwanda

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tite Trust Account was conceived of in April 2009 and within one year the Fund has been established, we have over GBP37 million in the Account, the Investment Committee has met twice and we are preparing bankable projects. It is, therefore, possible to move quickly on the establishment of the COMESA Fund, but only if we are clear on what we want and what the structure of the fund should be”.

Mr Ngwenya expressed optimism that under the chairmanship of Rwanda, the fund shall be fully operationalised “Rwanda is an inspiration to many of us in their commitment to regional integration and this commitment would

seem to be prevalent in all sectors, from economic integration to the use of technology, especially ICT. I am sure that I speak for all of us in saying that we look forward to the guidance and direction Rwanda will be able to offer to the development and operationalisation of the COMESA Fund as chair”

Mr. Ngwenya underscored the need for the regional bloc to implement the infrastructure fund and support the adjustment facility.

“Effective structures need to be set up for the Infrastructure Fund. We now need to expand the support of the adjustment facility that will see increased support and more effective implementation of regional programmes at the na-

tional level,” he said.

Ngwenya pointed out that investors, including pension funds and sovereign funds, have shown interest in the Fund.

“It is clear that there is considerable interest shown by investors in African investment opportunities. We need to translate this goodwill into hard cash and to do this, we need to have a portfolio of bankable projects,” he said.

The COMESA Fund is currently worth 70 million Euros with the largest donor being the European Commission.



# COMESA Secretary General Visits Kenya

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**C**OMESA Secretary General Mr. Sindiso Ngwenya on 21 June 2010, paid a courtesy call on the Kenyan Minister of Trade Hon. Amos Kimunya, and his Permanent Secretary Mr. Abdulrazaq Adan Ali.

During their meeting, Mr. Ngwenya briefed the minister on the implementation of the Customs Union Road Map, operations of the Free Trade Area and the status of the implementation of the COMESA/EAC/SADC tripartite programme. Mr. Ngwenya also informed them about the COMESA Fund and Infrastructure Fund.

The secretary General hinted to the minister on the preparations for the October 2010 Infrastructure Conference to be hosted by Kenya in Nairobi and the preparations for the COMESA Policy Organs Meetings to be held in Swaziland, and the implementa-

tion of the Kenya National CAADP and Food Security Programme.

Mr. Ngwenya also called on Dr Belay Ejigu Begashaw, Director of the Millennium Development (MDG) Centre for East and Southern Africa which is a subsidiary of Columbia University working in collaboration with the United Nations Development Programme (UNDP) and Regional Economic Communities (RECs) in establishing Millennium Villages in Africa.

The COMESA Secretary General also held discussions with the PTA Bank President, Dr Michael Gondwe. Mr Ngwenya highlighted matters relating, inter alia, to capital increase, membership, the role of the private sector, development of viable financing schemes for women enterprises, and investment promotion.

In his busy schedule, Mr Ngwenya, also held a bilateral meeting

with the officials of the USAID/ East Africa in their regional office in Nairobi on 22 June 2010. The Secretary General was briefed by USAID on regional programmes being supported by the USAID/ East Africa at both regional and national levels.

During the visit the SG also held a strategic meeting with Mr. Larry Meserve, the USAID/EA Regional Director, and Dr Candace Buzzard, the Director of Regional Economic Growth and Integration. The Secretary General and his delegation also met the representatives of the various USAID programmes for a further brief on the strategies employed by the implementing partners in helping the USAID achieve its objectives, especially those aimed at regional integration and regional competitiveness.

## Hon. Karibata Invited to Share Rwanda's experience

**A**s part of his recent visit to Rwanda, the COMESA Secretary General Sindiso Ngwenya paid a courtesy call at the Ministry of Agriculture where he held a meeting with Rwandan Minister of Agriculture Hon. Agnes Karibata on several agriculture programmes.

During the meeting, Hon. Karibata pointed out that CAADP is a process that is not complicated and that some people simply have an unfounded phobia about it. The Secretary General requested her to share her country's experience in the upcoming Ministers of Agriculture meetings that she is scheduled to attend.

The Secretary General also requested her to share her experi-

ence with her colleagues on the Rwandan approach to fertilizer subsidies which has been tied to Rwanda Biometric Identity card, the subsidies collectable by the dealer are directly through the banking systems after the fertilizers have reached the user making the subsidy coupons impossible to forge and to transfer, at the same time meaning that a dealer cannot sell the subsidized fertilizer to undeserving person nor re-export it since the subsidy is given after supply and not before.

Also of interest is the artificial insemination programme where the farmer is able to access the veterinary assistance through computerized SMS systems, with the ministry capable of getting feed-

back on whether there has been any response given or whether the veterinary personnel has simply ignored the farmer. Other interesting experiences she was requested to share is the e-soko project that helps farmers access latest market information for particular commodities using mobile phones.

Rwanda was the first country to sign the CAADP Compact back in 2007, and last year started receiving money from cooperating partners in the support of CAADP.