

COMESA and EU sign a Euro 20 million Agro Input Project

The Common Market for Eastern and Southern Africa (COMESA) and the European Union have signed a Euro 20 million contribution agreement to support the COMESA agro inputs project known as COMRAP.

This will contribute to improving rural household food security and livelihoods in the COMESA region. More specifically, over the next two years, the project will improve smallholders' access to agricultural inputs and will improve the regional legal frameworks so as to increase agricultural productivity. The project will alleviate the constraints faced by smallholder farmers who want to access seeds, fertilisers and financing in order to increase the volume of their staple crop production.

The project finds its origins in the decisions taken by the COMESA Council of Ministers in 2008 to facilitate regional seed trade and provide farmers with more crop and a variety of options at lower prices. It will be implemented by the newly-created Agricultural Commodity Trade in Eastern and Southern Africa (ACTESA), a COMESA mechanism to support and



Mr Ngwenya, on his immediate left, is the EU Head of Delegation in Zambia Dr Derek Fee. Standing is Mr Brian Chigawa Director or Legal and Institutional Affairs at COMESA Secretariat and seated next to Mr Chigawa is ACTESA CEO Dr Cris Muyunda

coordinate agricultural markets and food security activities at regional level.

COMRAP is funded through the EU Food Facility, a specific EU instrument operating over a 3-year period from 2009-2011 with a global budget of Euro1 billion. The Facility enables developing countries and regions facing financial constraints, to respond rapidly to problems caused by soaring food prices.

COMESA Secretary General Mr. Sindiso Ngwenya described COMRAP as key in contributing to the improvement of rural food security and livelihoods in the COMESA region through

improving access to finance, fertilisers and seed.

"COMRAP assists COMESA in meeting key objectives of the COMESA Treaty particularly those under Chapter 18 which clearly state that COMESA is responsible for harmonising policies, stabilising agricultural commodity prices, coordination in bulk purchases of inputs and ensuring adequate supply and availability of food commodities," Mr Ngwenya revealed.

The Head of EU Delegation in Zambia, Dr Derek Fee, who is also accredited to COMESA, said "As you all know, the developing world has been particularly hit by the soaring food prices,

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ACTESA Holds 3rd Stakeholders Meeting in Lusaka

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Hon. Peter Daka and Mr. Sindiso Ngwenya

The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) held its 3rd stakeholders meeting in Lusaka on 11 May 2010. The meeting was attended by high level delegates from the donor community, Member States, governments, private sector and experts in agriculture. Zambian Minister of Agriculture and Cooperatives, Honourable Peter Daka, officially opened the meeting. COMESA Secretary General Mr. Sindiso Ngwenya, ACTESA Chief Executive Officer Dr. Cris Muyunda and ACTESA Chairman Mr. Phillip Kiriro attended the meeting. Honourable Daka urged ACTESA to produce an appropriate trade and marketing agenda that will motivate producers to become sustainable and reliable producers for the huge regional market.

“We all know that countries in the COMESA region are one of the biggest producers of staple crops such as cassava and bananas in the world. Yet large quantities of these staple crops have no access to markets. The overall picture

is that over the years, we have not been able to systematically commercialise staple crop sub-sectors” Minister Daka added.

COMESA Secretary General Mr. Sindiso Ngwenya advised ACTESA to take advantage of the COMESA, EAC and SADC Tripartite arrangement of the three regional economic bodies including the COMESA Customs Union to penetrate across borders and push forward their programmes. Agriculture is the main engine of economic growth for the region and stands out as a priority sector to contribute to regional food security.

“COMESA has mandated ACTESA to address the issues that would make smallholders competitive in national and regional markets, address policy issues by dialoguing and influencing policy changes that promote trade of food staples in the region and indeed to build the capacity of smallholder farmers to such levels that they become commercialised,” Ngwenya added.

ACTESA CEO Dr Cris Muyunda appealed to the stakeholders to truly deepen collaboration and partnership with the private sector, fully empower and work with women and youth and to focus on high impact value chains, policy discussions and programme implementation.

“The private sector is key in providing sustainable investments in provision of services such as inputs supply, commodity storage, transport facilities, finance and market information. It is imperative that women are adequately supported in their endeavours to increase access to finance. We will continue to work with various research and analytical institutions to continuously review, update and inform ACTESA activities,” Dr. Muyunda pledged.

He revealed that ACTESA has a broad mandate covering eight commodity areas namely cereals/pulses, oilseeds, roots/tubers, livestock, fisheries, tree crops, horticulture, forest products and agro inputs.

ACTESA was launched on 24 September 2008 by Ministers of Agriculture from the COMESA region. In 2009, ACTESA was established as a specialised agency of COMESA to integrate small farmers into national, regional and international markets. In March this year, ACTESA signed an Agreement with COMESA to ensure that the agency quickly moves forward to implement key regional initiatives that will accelerate value addition, increase agricultural trade and help to raise incomes of COMESA’s agricultural producers.

News from the COMESA COURT OF JUSTICE

On 6 May 2010, the First Instance Division of the COMESA Court of Justice delivered judgment in **Reference No. 1 of 2009** between **INTELSOMAC** (Applicant) and **RWANDA CIVIL AVIATION AUTHORITY** (Respondent).

The Applicant is a private Ugandan company, whereas the Respondent is a Parastatal organisation of the Government of Rwanda, responsible for the control and governance of matters relating to civil aviation in Rwanda.

The facts of the case are that the parties entered into a contract of service on 2 October 2007, in which the Applicant undertook to provide financial consultancy to the Respondent, which included installation of a Financial Management Software and technical support services.

The agreement provided that any dispute relating to the contract shall be settled by arbitration in accordance with the laws of Rwanda.

On 10 October 2007 the Respondent paid the Applicant a down payment of the total contract amount, leaving a balance. At the end of submission of the report, in addition to the balance in the contractual amount, the Applicant charged the Respondent an amount of money, which it said was for extra work performed. The Respondent refused to pay the amount on two grounds. First, that the extra work was not approved and was part of the exercise of duty. Second, that there were errors in the work done by the Applicant, which needed to be rectified before due payment was made.

On 12 July 2008, the Applicant's lawyers in Uganda instructed a firm

of advocates in Rwanda to recover the payment, later withdrew the mandate and instructed another firm which issued demand notice to the Respondent on 27 August 2008. By 17 February, 2009, the Applicant engaged yet another firm of lawyers in Kigali, which also issued a demand notice to the Respondent, and threatened to forward the matter to an arbitration court if they did not clear the debt. There was no evidence of an action having been instituted in the Courts in Rwanda.

The Applicant filed the Reference in the COMESA Court of Justice on 22 May 2009, arguing that the refusal to pay the amount claimed constituted breach of the contract entered into by the parties and that it was an act of the Government of Rwanda, which is a Member State under the COMESA Treaty. The Respondent raised defense by way of preliminary objection to the admissibility of the case for lack of jurisdiction on the part of the Court, contending that the Applicant did not comply with the mandatory requirements of Rule 26 of the Treaty, which requires the prior exhaustion of local remedies in the Member State before bringing the matter to the Court.

In deciding the case, the Court held that the decision of the Respondent was not submitted to arbitration as required by the agreement between the parties. The Court further held that there was no clear evidence to prove how the Applicant pursued local remedies or how it was obstructed from accessing the local remedies.

The Court found that it has no jurisdiction to hear the Reference and it was declared inadmissible for failure of the Applicant to exhaust local remedies before filing the Reference in terms of Article 26 of the Treaty.

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with often devastating effects in terms of household food security. I very much hope that this EU support will contribute to alleviating the impact of the soaring food prices, and that the benefits of the project will be substantial for the smallholder farmers in the region."

Specifically COMRAP will increase access to structured financial services by farmers, reduce interest rates and increase the volume of loans to smallholders. It will promote weather indexed insurance to assist farmers to hedge against droughts and reduce the bank risk perception of the agricultural sector. The programme will reach over 700 bank executives and front office staff, as well as over 100 insurance officers.

COMRAP will establish a network of about 6,000 certified agro dealers in COMESA's landlocked countries where the costs of inputs are highest; it will ensure that three million smallholder farmers have an improved and sustainable access to agro-inputs and services in the COMESA region, particularly in the eight landlocked countries. COMRAP will harmonise and improve seed trade regulations throughout the COMESA region and will support seed multiplication activities by farmer organizations in the region. COMRAP will be fully integrated into the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) in 2011.

Nigerian Defence Force learn about the COMESA Peace and Security Programme

Twenty-two military personnel from the Nigerian Defense Force visited the COMESA Secretariat on 12 May 2010 as part of their educational tour to Zambia through the Zambia Defense Military College based in Lusaka.

The army officers were led by General Commodore Chinmweuba. COMESA Secretariat, through the Division of Legal and Institutional affairs, made presentations to the group on the 'Overview of COMESA' and on 'COMESA Peace and Security Programme'. The Division of Trade, Customs and Monetary Affairs presented on the COMESA Trade Regime. Additionally a presentation



The delegation from the Nigerian Defence Force with Mr Ngwenya and staff at COMESA Secretariat

on the COMESA Investment Promotion and Private Sector Development was made.

Secretary General Ngwenya

welcomed the military personnel to the Secretariat. The meeting held a minute of silence in remembrance of the late Nigerian President H.E Umaru Yar'Adua.

COMESA Secretariat Mourns



Mr Ngwenya led staff in laying wreaths at Mrs Malumani's grave in Lusaka.

The COMESA Secretariat put to rest one of its longest serving members of staff on Friday 14th May 2010. Mrs Jorine Malumani – Bilingual Administrative Assistant, in the REFORM Project in the Investment Promotion and Private Sector Development Division passed away on Wednesday 12th May around 7:00 hours.

COMESA Secretary General Mr Sindiso Ngwenya described Mrs Malumani as quiet and hardworking. Mrs Malumani

joined the then PTA on 2nd May 1985 and she has been with the organisation ever since. She was influential in the French Language Center which is based at the Secretariat and conducts French classes for members of staff. "Her loss is extremely deep and shocking," Mr Ngwenya said at the burial of Mrs Malumani.

Mrs Malumani contributed a great deal towards the opening of the center and she was President of the Franco-Comesa Club. May Her Soul Rest in Peace.

ACTESA Signs MoU with African seed Body

ACTESA has signed a Memorandum of Understanding with the African Seed Trade Association (AFSTA) to facilitate the provision of quality seed to farmers in the region.

AFTSA is based in Kenya. It is a non-profit seed industry organisation representing the national seed trade associations and member seed companies and enterprises of the COMESA region.

ACTESA CEO Dr Cris Muyunda revealed that his organisation will work with the private sector in providing sustainable investments in the provision of services such as input supply, commodity storage, transport facilities, finance, processing facilities, quarantine activities as well as market information.