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Twenty- Seventh Meeting of the Council of Bureaux on the
Regional Third Party Motor Vehicle Insurance Scheme

Addis Ababa, Ethiopia
23-25 October 2013

**REPORT OF THE TWENTY SEVENTH MEETING OF THE COUNCIL OF
BUREAUX OF THE REGIONAL THIRD PARTY MOTOR VEHICLE INSURANCE
(YELLOW CARD) SCHEME**

I. INTRODUCTION

1. The Twenty-Seventh Meeting of the Council of Bureaux of the Regional Third Party Motor Vehicle Insurance (Yellow Card) Scheme was held from 23rd to 25th October 2013, in Addis Ababa, Ethiopia, at the New AU Conference Centre.

II. ATTENDANCE, OPENING OF THE MEETING, ADOPTION OF THE AGENDA AND ORGANISATION OF WORK

Attendance

2. The meeting was attended by delegates from the National Bureaux of Burundi, Djibouti, DR Congo, Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. Also in attendance were representatives from the COMESA Coordinating Ministries of Kenya and Ethiopia, ZEP-RE (PTA Reinsurance Company), Insurance Supervisory Authorities of Djibouti, Kenya and Tanzania, Association of Kenya Insurers (AKI), Insurance College of Kenya, Motor Vehicle Accident (MVA) Funds of Botswana and Namibia, the Road Transport and Safety Agency (RTSA) of Zambia, and participants from the Insurance Industry of Ethiopia. The list of participants is attached as Annex I to this report.

Opening of the Meeting (*Agenda item 1*)

3. The Meeting was opened by, Mr. Admasu Nebebe: Director of United Nations and Regional Integration at the Ministry of Finance and Economic Development of the Federal Democratic Republic of Ethiopia. In his Statement Mr. Nebebe, welcomed all delegates to Addis Ababa and wished them a pleasant stay. He also urged the delegates to spare time and meet the people of Ethiopia who were well known for their hospitality and friendliness in order to strengthen their ties with them.

4. The Director expressed satisfaction that the Yellow Card Scheme had been widely accepted by Ethiopia motorists and had greatly contributed to the facilitation of cross-border movement of vehicles, goods and persons within the region. He commended the Ethiopian Insurance Corporation and its members for successfully managing the Yellow Card Scheme in the country. Mr. Nebebe pointed out the importance of the Scheme to intra-COMESA transit traffic and its impact on intra-COMESA trade and tourism as indicated by its wide use with thirteen Member States implementing the scheme. Finally, he advised that the achievements of the Scheme need to be translated into opportunities by expanding the scheme to member and non-member countries including South Sudan and Somalia.

5. Earlier, Mr. Berhane Giday, Chief Programme Officer of the Yellow Card and RCTG Programmes at the COMESA Secretariat made the opening remarks on behalf of the Secretary General of COMESA. Mr. Giday welcomed all delegates to the 27th Meeting of the Council of Bureaux. He informed the Meeting that COMESA, EAC and SADC under the tripartite arrangement had agreed on the Harmonization of the Regional Third Party Motor Vehicle Insurance systems and the Fuel Levy System and had also developed a Memorandum of Understanding for signing by the two regional blocks. He expressed confidence that the SADC Member States that were not yet members of the Yellow Card Scheme would soon join the Scheme and become members of the Council of Bureaux.

6. He highlighted the key issues that were to be considered by the meeting and urged the Council of Bureaux to come up with decisions that would enhance the efficiency of the operations of the scheme.

7. In conclusion, he thanked the Ethiopia Insurance Corporation, the National Bureau of Ethiopia and the Insurance industry in general for hosting the 27th Meeting of the Council Bureaux.

Vote of Thanks

8. Mrs. Dorothy Chapeyama, the President of the Insurance Association of Malawi, gave a vote of thanks on behalf of all the delegates. She expressed gratitude to COMESA for making the Yellow

Card Scheme a credible system as evidenced by the growth in its utilization. She thanked the National Bureau of Ethiopia for hosting the meeting and for the hospitality extended to all the delegates. In her closing remarks, she wished that all the delegates would work to contribute to the success of the meeting.

Election of the Bureau (*Agenda item 2*)

9. The meeting elected the following Bureaux for a tenure of one year:

Chairperson	: Ethiopia
Vice Chairperson	: Zimbabwe
Rapporteur	: Burundi

Adoption of the Agenda and Organisation of Work (*Agenda item 3*)

10. The meeting adopted the following Agenda:

- i. Opening of the Meeting
- ii. Election of Officers
- iii. Adoption of the Agenda and Organisation of Work
- iv. Report of the Outgoing Chairperson on the Operations of the Yellow Card Scheme
- v. Country Reports by National Bureaux on the Operations of the Yellow Card Scheme in their countries
- vi. Report of the Thirty fourth Meeting of the Technical Management Committee (TMC) on the Yellow Card Reinsurance Pool
- vii. Report of the Thirty Fifth Meeting of the Technical Management Committee (TMC) on the Yellow Card Reinsurance Pool
- viii. Annual Report and Accounts of the Yellow Card Reinsurance Pool for the year ended 31st December, 2012
- ix. Reinsurance Pool Financial Highlights as at 30th September, 2013
- x. Study report on the issues of low limits of third party personal injuries on the compulsory motor vehicle insurance of some member states party to the Yellow Card Scheme and other related issues.
- xi. Progress report on the implementation of the Yellow Card Management System (YC-MIS) in the Northern and Horn Corridor member states and its rollout in the North- South corridor countries.
- xii. Progress report on the printing and circulation of the new security enhanced Yellow Card books.
- xiii. Report of the 7th Meeting of the Council of RCTG on the Regional Customs Transit Guarantee (RCTG –CARNET) Scheme
- xiv. External Auditors' Report on the Accounts of the Council of Bureaux as at 30th June 2013 (closed session)
- xv. Report on Administrative Matters(closed session)

- xvi. Proposed Budget and Annual Work Programme for the Year 2013/14
(Closed session)
 - xvii. Date and Venue of Next Meeting
 - xviii. Any Other Business
 - xix. Adoption of the Report and Closure of the meeting
11. The meeting agreed on the following working hours:

Wednesday, 23rd October, 2013

09.00 hours - 13.00 hours - Morning
14.30 hours – 17.00 hours - Afternoon

Thursday, 24th October, 2013

08.30 hours - 14.00 hours - Morning
14.00 hours – Free afternoon for delegates

Friday, 25th October, 2013

Free morning for delegates
17.00 – 1800 hours – Adoption of the Report and Closure of the Meeting

III. ACCOUNT OF PROCEEDINGS

Report of the Outgoing Chairperson on the Operations of the Yellow Card Scheme
(*Agenda item 2*)

12. Mr. Charles Madziva, the Outgoing Chairperson of the Council of Bureaux presented report No: CS/YCRCTG/CB/XXVII/2: Report of the Outgoing Chairperson on the Operations of the Yellow Card Scheme for the period 1st July 2012 to 30th June 2013. The report presented provided an overview of the activities carried out during the period under review and developments on the operations of the Yellow Card Scheme for the year. The meeting was informed that the report was a summary of activities carried out but detailed reports would be presented by individual National Bureaux on the operations of the Scheme in their respective countries. The highlights of the presentation were as follows:

Status of the Yellow Card Production

13. The meeting was informed that about 147,851 Yellow Cards were issued and a Gross Premium Income of US\$ 6,862,751.56 was recorded during the period under review compared to 130,920 Yellow Cards issued and an annual premium of US\$6.2 million registered in the preceding period. The meeting was further informed that the figure would have been higher, considering that some National Bureaux had not submitted complete reports. Annex II of this report provides a summary of the Cards issued and the premium realized for the period from 1st July 2012 to 30th June 2013

14. Regarding the submission of Yellow Card summaries to both the Pool Managers and the Yellow Card Secretariat, the meeting was informed that there had been improvement in the submission of reports by some National Bureaux and that debited premium cessions were being settled upon National Bureaux receiving the debit notes from the Pool Managers. The meeting urged National Bureaux to compel their member insurance companies to submit their monthly returns with accompanying settlement cheques as stipulated in the Yellow Card Manual.

Status of Yellow Card Claims Activities

15. On Yellow Card claims activities, the meeting was informed that 312 claims were reported, 147 paid and 186 were reported as outstanding. The meeting was further informed that some National Bureaux had not submitted their claims statistics. A summary of the claims for the period under review is shown in Annex III to this report.

Claims reconciliations with the Pool Managers

16. The meeting was informed that the Pool Managers carried out reconciliation exercises on long outstanding claims and unmatched receipts with the National Bureaux of Rwanda and Uganda in April and September 2013 respectively. The meeting noted with appreciation that the reconciliation exercise between the National Bureau of Rwanda and the Pool Managers was successful and that the two parties had established and agreed on the outstanding claims that needed settlement and that the Pool Managers had since paid a total of US\$135,289.31 to Rwanda; while the National Bureau of Rwanda paid US\$109,322 to the Pool Managers in claims reimbursement.

Progress on implementation of activities

17. The Council of Bureaux was informed that despite the Secretariat experiencing severe manpower shortage, progress had been made in carrying out the annual activities and separate reports on the implementation of various activities would be presented under separate agenda items.

Yellow Card forgery

18. The Council of Bureaux was informed that the Secretariat had made a follow up with the Tanzania Insurance Regulatory Authority (TIRA) on the measures taken to address the issue of Yellow Card forgery emanating from Tanzania and noted that a Workshop was convened by the Surface and Marine Transport Regulatory Authority (SUMTRA) and the traffic police during which sensitization activities were carried out by the National Bureau of Tanzania and the Tanzania Insurance Regulatory Authority (TIRA).

COMESA/SADC Harmonization of the Third Party Motor Vehicle Insurance Systems

19. On the COMESA Yellow Card/MVA system harmonization, the Council of Bureau noted with appreciation that a Workshop for Legal and Technical Experts was held in Johannesburg, South Africa in April 2013 during which an agreement was reached on the form and content of the proposed legal instrument for harmonization.

Decision

20. The Council of Bureaux adopted the Memorandum of Understanding (MoU) on harmonization, attached as Annex IV.

Implementation of the Yellow Card Scheme in South Sudan

21. Regarding the implementation of the Yellow Card Scheme in South Sudan, the Council of Bureaux was informed that COMESA Secretariat was still consulting the Government Authorities on their country joining the Yellow Card Scheme.

22. In the discussions that ensued, the representative of the National Bureau of DR Congo expressed thanks to the Council of Bureaux, the Pool Managers and the Secretariat for the settlement of the Sange/Uvira claim case.

Country Reports by National Bureaux on the operations of the Yellow Card Scheme (Agenda item 5)

23. Pursuant to the decision of the 19th Meeting of the Council of Bureaux, held from 29-30 August, 2005, in Harare, Zimbabwe, the Coordinators of the National Bureaux presented their reports on the operations of the Yellow Card Scheme in their respective countries for the period July 2012 to June 2013. The highlights of activities carried out during the period under review and issues observed, proposals and recommendations made by the National Bureaux were as follows:

The National Bureau of Burundi

24. The National Bureau reported as follows:

- a) Issued 12,599 cards and collected US\$158,622 premium income;
- b) Had 48 claims reported;
- c) Settled 48 Claims amounting to US\$157,088;
- d) Paid their budget contribution to the Yellow Card Secretariat in full;
- e) Pointed out the following challenges:
 - i) Lack of confirmation of validity of Yellow Cards by issuing Bureaux;
 - ii) Delayed reimbursement by the Pool Managers on claims settled by the National Bureau of behalf of other Bureaux and urged the Pool Managers to promptly settle the outstanding amounts; and
 - iii) Delayed refund on paid up capacity subscription by the Pool Managers.

The National Bureau of Djibouti

25. The National Bureau reported as follows:

- a) Issued 913 cards and collected US\$221,716 premium income;
- b) Had 168 claims reported;
- c) Settled Claims amounting to US\$326,933 in the period under review;
- d) Had an outstanding claim quantum of US\$2,906,347;
- e) Pointed out having carried out the following activities:
 - i) Collaboration with the National Bureau of Ethiopia has continued and the National Bureau mounted a mission to Ethiopia in June 2013 which helped in resolving most of the issues which were in dispute; and
 - ii) The working relationship with the Reinsurance pool has been good and the National Bureau reported having received US\$57 262 from the Reinsurance Pool.
- f) The National Bureau reported having faced the challenge of late reimbursement on claims settled which was causing some liquidity problems when compared to the premiums generated and claims quantum that were being paid out.

26. In the discussion that followed, the representative of the National Bureau of Rwanda expressed concern on the delays in getting confirmation of validity of Yellow Cards on which claims is lodged and urged the Council of Bureaux to come up with course of action to be followed when the issuing National Bureau fails to respond within a reasonable time.

The National Bureau of D R Congo

27. The National Bureau reported as follows:

- a) issued 6,449 Yellow Cards and collected a total premium income of US\$389,832.05
- b) 2 claims were reported amounting to US\$3,000 and 55 were settled amounting to US\$363,921 and 2 were reported outstanding with a total reserve of US\$28,500;
- c) Has nine Yellow Card issuance outlets in the border areas namely:
 - i) Kasumbalesa;
 - ii) Uvira;
 - iii) Goma;
 - iv) Mahagi;
 - v) Butembo;
 - vi) Bunia;
 - vii) Beni;
 - viii) Aru, and
 - ix) Bukavu
- d) Did not conduct any Stakeholders' Sensitization Workshops during the year due to lack of financial resource;
- e) Thanked the Reinsurance Pool, Secretariat and the COMESA Yellow Card membership for the prompt settlement of the Uvira/SangeClaim.

28. The National Bureau recommended as follows:

- a) Issuing National Bureaux should reimburse the National Bureau of DR Congo all the claims settled on their behalf as soon as possible ; and
- b) The Pool Managers should do their utmost to reimburse the National Bureau of DR Congo all the claims settled on behalf of issuing Bureaux, below and above the US\$15,000 franchise limits.

29. In the discussion that followed, the delegate of the National Bureau of Zambia informed the meeting that it had mounted a mission to Kasumbalesa, Katanga Region and held a meeting with the National Bureau of DR Congo to resolve the outstanding claims issues. However, it was observed that the claims cases handled on behalf of the National Bureau had no supporting documents that would enable them process and settle the claims.

30. The meeting advised the National Bureaux of Zambia and DR Congo to continue with the bilateral discussions by involving the Secretariat to resolve their issues.

The National Bureau of Eritrea

31. The Council of Bureau noted that there were no any activities carried out by the National Bureau of Eritrea with regards to the Yellow Card operations in their country.

The National Bureau of Ethiopia

32. The National Bureau reported as follows:

- a) Has a membership of seventeen (17) insurance companies;
- b) Issued 20,933 cards and recorded a premium income of US\$970,890;
- c) Attributed the low sales on Yellow Cards and generated premium income to the late submission of monthly Yellow Card returns by some member Insurance companies

and indicated the total premium collected during the period under review was over \$1.5million

- d) 13 claims were reported with a claim quantum of US\$150,703; 2 amounting to US\$2,595 were settled and 11 were outstanding amounting to US\$ 148,108.

33. The National Bureau faced the following challenges:

- a) Low and late submission of returns by some member Insurance Companies leading to the decrease of yellow card returns during the reporting period;
- b) Reluctance by some member insurance companies to reimburse some payments including reimbursement of debit notes raised by the pool manager;
- c) Lengthy process of foreign currency remittances; and
- d) Low level of awareness by stakeholders on the need and operation of the Yellow Card Scheme.

34. The National Bureau of Ethiopia proposed that the COMESA Secretariat should conduct a Sensitization Workshop to familiarize stakeholders on the operations of the Yellow Card Scheme.

The National Bureau of Kenya

35. The National Bureau reported as follows:

- a) Has a membership of 35 insurance companies, issued 22,933 Yellow Cards and collected a total premium income of US\$762,913.7. It also reported that the actual number of card issues and premium collected was much high than what was submitted.
- b) 15 claims (with an estimated quantum of US\$26,012) were reported, 10 (amounting to US\$141,116) were paid and 23 (with a total estimated quantum of US\$70,289) were outstanding as at 30th June 2013;
- c) Organized and conducted a training for member Insurance companies on the operations of the revised Yellow Card Management Information System (YC-MIS);
- d) Conducted a market sensitization Workshop for member Insurance companies, Traffic Police and Transporters in Nairobi and Western Kenya; and
- e) Communicated to the member Insurance companies on the implementation date (1st November 2013) of the new security enhanced Yellow Card books.

36. The National Bureau raised the challenge of late claims reimbursement by the National Bureau of Tanzania and requested them to provide an updated statement on the progress made in settling the claims paid by Kenya.

37. In addition to the report submitted by the National Bureau of Kenya, Ms. Joyce Achola Ogundo, Director of Internal Trade, in the Ministry of East African Affairs, Commerce and Tourism of the Republic of Kenya, assured the meeting of the Kenyan Government commitment to the Yellow Cards scheme and other COMESA programmes. Furthermore, Mr. Ben Kajwang, Director / CEO of the College of Insurance of Kenya informed the meeting of the various courses being offered at the College and expressed interest to closely work with the Insurance companies that are member of the Yellow Card scheme.

The National Bureau of Malawi

38. The National Bureau reported as follows:

- a) Has a membership of 7 insurance companies;
- b) Issued 523 Yellow Cards and collected a premium income of US\$45,922.51;
- c) Had 5 claims reported; 1 paid and 7 were outstanding;
- d) Intends to organize and hold Stakeholders' Sensitization Workshops;
- e) The following were the challenges faced:
 - i) Failure in getting Yellow Card validity confirmation from other National Bureaux especially Zambia and Tanzania; and

- ii) The issue of fake Yellow Cards being presented by clients.

39. In the discussion that ensued, the meeting underscored that the contact details of new officers assigned to handle Yellow Card activities at the National Bureaux should be circulated to all members.

40. The representative of the National Bureau of Tanzania requested members to send scanned copies of the Yellow Cards in question when requesting for verification of validity in order to ensure prompt response.

The National Bureau of Rwanda

41. The National Bureau reported as follows:

- a) Had issued 6,945 Yellow Cards and generated a premium income of US\$143,069.85;
- b) Had 135 claims reported; 10 paid and 88 were outstanding as at 31st July
- c) 2013;
- d) No promotional activities were conducted;
- e) In advanced stages in the preparation of Stakeholders' Sensitization Workshop on the operation of the Yellow Card Scheme to be held in early November 2013.

42. The National Bureau faced the following challenges:

- a) Delays in confirmation of validity of Yellow Cards by some National Bureaux resulting in delays in processing and settlement of claims;
- b) Issue of forged Yellow Cards originating from Tanzania and Uganda;
- c) Delays in claims reimbursement of Inter- Bureaux claims by the Reinsurance Pool; and
- d) Delays in paying budget contributions by some member Insurance companies.

The National Bureau of Sudan

43. The National Bureau did not submit their country report.

The National Bureau of Tanzania

44. The National Bureau reported as follows:

- a) Has a membership of 21 Insurance companies; issued 16,423 Yellow Cards and collected a total premium income of US\$1,095,411.11;
- b) Had 2 claims reported in the period under review with a total claim quantum of US\$7,439.25;
- c) Activities carried out & planned were as follows;
 - i) Processed the long outstanding Excess of Loss (XOL) premiums due to the Pool;
 - ii) Reduced the unallocated amount on the Pool's books on account of the National Bureau of Tanzania by US\$20,000;
 - iii) Now honoring Pool debit notes upon receiving them;
 - iv) Still conducting surprise visits and checks in different points and planning to conduct a big exercise at Tunduma and Kasumulu border posts;
 - v) Held a Workshop on the RCTG Scheme in Dar Es Salaam and the COMESA Yellow Card National Bureau of Tanzania was designated as the National Surety; and
 - vi) Planning to organize and hold a Stakeholders' Sensitization Workshop on the Yellow Card Scheme before end of 2013.

- d) Further the National Bureau reported that the increased number of Yellow Card sales were as a result of fleet owners directly buying their Yellow Card Insurance covers from registered member Insurance companies upon sensitized of availability of counterfeit Yellow Cards.

The National Bureau of Uganda

45. The National Bureau reported as follows:

- a) Has a membership of 19 member insurance companies;
- b) Issued 19,000 Yellow Cards and collected a premium income of US\$ 1,160,095;
- c) Had 44 claims reported; 27 paid and 88 were outstanding;
- d) Activities conducted were as follows:
 - i) Held a training workshop for member insurance companies on the operation of the Yellow Card Management Information System (YC-MIS); and
 - ii) Engaged the Regulatory Authority and the Police on issues of Police handling of COMESA Yellow Card claims.
- e) Reported the following challenges faced:
 - i. Late submission of returns and payment of Pool Share by Some Primary insurance companies;
 - ii. Some member insurance companies with branches at border points still indulge in premium under cutting;
 - iii. Some primary insurance companies at times delay in providing Yellow Card validity confirmation;
 - iv. Still finding challenges on the operation and function of the Yellow Card Management Information Systems (YC-MIS);
 - v. Delay in submission of claim support documents by claimants;
 - vi. Police's continued of handling COMESA Yellow Card claims despite agreeing that all Yellow Card claim to be handled under the Yellow Card arrangement;
 - vii. Delayed response on Yellow Card verification by some Bureaux;
 - viii. Delayed claims reimbursements for claims handled by the National Bureau of Uganda, currently the total outstanding reimbursement stands at \$490,988.76;
 - ix. High number of Yellow Card claims;
 - x. Reported cases of forged Yellow Cards; and
 - xi. Lack of knowledge on the operation of the Yellow card Scheme by some motorists.
- f) The National Bureau plans to carry out the following activities:
 - (i) Extensively sensitization of stakeholders on the operation of the Yellow Card Scheme;
 - (ii) Continue to work with the Police Department on compliance; and
 - (iii) Display the premium rates at strategic location at Border posts.
- g) The National Bureau made the following recommendations:
 - (i) Issuing Bureaux should accelerate the process of confirmation of cover and authorization of settlement for the handling Bureaux to effectively, adequately and timely handle the claims;
 - (ii) Issuing Bureaux / Pool Managers should promptly reimburse handling Bureaux on all claims settled; and
 - (iii) The Secretariat to assist in resolving the challenges on Yellow Card Management Information System so that it becomes fully functional at the earliest possible time.

The National Bureau of Zambia

46. The National Bureau reported as follows:

- a) Has a membership of 15 insurance companies;
- b) Issued 28,460 Yellow Cards and collected a premium income of US\$ 806,546;
- c) Had 33 claims reported; 4 settled and 29 were outstanding;
- d) Carried out Stakeholders' Sensitization activities in the following towns:
 - i. Nakonde border post;
 - ii. Ndola;
 - iii. Kitwe;
 - iv. Chingola;
 - v. Kasumbalesa border post; and
 - vi. Livingstone
- e) The National Bureau reported the following challenges:
 - i. Late submission of returns by member insurance companies; and
 - ii. Fake Yellow Cards being issued to Zambian importers of second hand vehicles through Tanzania.

The National Bureau of Zimbabwe

47. The National Bureau reported as follows:

- a) Have 23 member insurers who transact motor insurance business;
- b) Issued 12, 970 Yellow Cards and collected premium of USD1,100,437.64
- c) 12 claims were reported; 3 settled and had 3 claims outstanding;
- d) Organized and conducted a stakeholders' workshop for transporters and plans to hold another by November 2013. Also plan to organize a members training course scheduled for October 2013;
- e) Submitted monthly returns and up to date with premium cession to the Pool;
- f) Reported facing difficulties in obtaining information on claims being handled by other Bureaux on Yellow Cards issued by Zimbabwe; and
- g) The National Bureau recommended that their order of new Yellow Card books should be delivered urgently if they are to be introduced on the 1st November 2013.

Reports of the Thirty-Fourth and Thirty-Fifth Meetings of the Technical Management Committee (TMC) on the Yellow Card Reinsurance Pool (Agenda item 6 & 7)

48. The COMESA Secretariat presented document No CS/YCRCTG/CB/XXVI/6 and CS/YCRCTG/CB/XXVI/7-Reports of the 34th and the 35th Meetings of the Technical Management Committee (TMC) of the Yellow Card Reinsurance Pool. The Meeting was informed that the 34th and 35th Meetings of TMC were held from 25th to 26th April 2013, in Kigali, Rwanda and 29th to 30th August 2013, in Siavonga, Zambia respectively. The Secretariat highlighted the progress made on the operations of the Reinsurance Pool and various activities carried out in accordance with the decisions of the Council of Bureaux as follows:

a) Capacity Subscription

49. Regarding the Capacity Subscription to the Yellow Card Reinsurance Pool, the Council of Bureaux noted that the position had not changed since the last Council of Bureaux Meeting as the National Bureaux of Malawi and Sudan, who had outstanding amounts had not paid.

50. In the discussion that followed, the representative of the National Bureau of Malawi pointed out that the unpleasant situation of the National Bureau of Malawi being mentioned in each and every report as a failed bureau in meeting its obligations to the Yellow Card Scheme. She explained that the

Bureau was not able to meet its obligations because the income generated from the sale of Yellow Cards was low to meet its obligations and requested the meeting to consider writing-off the accumulated budget contribution arrears to the Council of Bureaux.

51. In response to the request made by Malawi, the Secretariat informed the meeting that according to the decision of the Council of Bureaux, requests for write-off of budget contribution would only be considered when the National Bureau is fully out of operations due to circumstance beyond its control.

Decision

52. After some discussion on the request made by the representative of the National Bureau Malawi, the Council of Bureaux decided that:

- a) The Secretariat should mount a mission to Malawi to engage all the concerned stakeholders including the Government and come up with a proposal to address the issues; and
- b) The Secretariat should come up with proposed measures to address the issues of National Bureaux who have failed to meet their obligations.

Decision

53. The Council of Bureaux further endorsed the 34th and 35th Meetings of the TMC recommendation that the National Bureaux of Malawi and Sudan should pay their capacity subscriptions to the Reinsurance Pool without further delays.

b) Progress report on the settlement of the long outstanding Claims reimbursement

54. The Council of Bureaux noted that the National Bureaux of Rwanda, Uganda and Burundi were still finding difficulties to get reimbursements from issuing Bureaux and the Pool Managers. The Council of Bureaux also noted that the main cause of the delays in effecting reimbursement by the Pool Managers was due to lack of proper claim supporting documentations and more that in some cases claim supporting documents were in handling Bureaux's local languages.

55. The Council of Bureaux also noted that the Pool Managers had mounted a mission to Uganda from 18th to 20th August 2013 to carry out a reconciliation exercise. The Council of Bureaux further noted that Pool Managers had evaluated various available documents but had faced challenges in retrieving documents pertaining to the earlier years.

56. In the discussion that ensued on the issue of the Pool Managers report on its mission to the National Bureau of Uganda to carry out reconciliation exercise, the representative of the National Bureau of Uganda underscored the importance of presenting a report which reflected the positions of the two concerned parties in order to enable the TMC to have a fair assessment of the issues and regarded the report presented by the Pool Managers to the 35th TMC on the reconciliation as unilateral and one sided.

57. The representative of the National Bureau of Zimbabwe reiterated the recommendation of the 35th Meeting of the TMC that the Secretariat with the assistance of Pool Manager should conduct a training for the National Bureaux on the operations of the Yellow Card scheme and the Reinsurance Pool.

Decisions

58. The Council of Bureaux endorsed the 34th and 35th Meetings of the TMC recommendations as follows:

- a) In order to ensure smooth inter Bureaux claims reimbursement:

- i) The handling Bureaux should provide quarterly claim reimbursement statements to the issuing Bureaux attaching all the necessary claims supporting documents and copying the Secretariat for ease of reference in case of an intervention being required;
 - ii) All claims reimbursement schedules through the Pool's clearing house facility should be provided to the Pool Managers enclosing all the necessary claim supporting documents and authorization from the issuing Bureaux; and
 - iii) The Secretariat to re-circulate the Yellow Card Claims handling procedures to all the National Bureaux to ensure strict adherence by all Bureaux on Yellow Card claims processing;
- b) National Bureaux should adhere to the operation manual on claims handling, processing, making payments and reimbursement;
 - c) National Bureaux should emulate the experience of the National Bureaux of Djibouti and Ethiopia in resolving their claim issues through bilateral meetings; and
 - d) The Pool Managers should organize training on the operations of the Yellow Card scheme for National Bureaux officers involved in the day to day activities of the Yellow Card Scheme.

c) National Stakeholders' Sensitization Workshops

59. The Council of Bureaux noted that the National Bureau of Zambia had reported having carried out Sensitization Workshops in Kitwe, Ndola, Chingola, Livingstone and Nakonde. The Council of Bureaux also noted that the National Bureau of Zimbabwe had also conducted sensitization workshops and were planning to organize more.

60. The Council Bureaux further noted that the 35th TMC had expressed concern on the few number of National Bureaux implementing the Council of Bureaux decisions and emphasized on the importance of conducting Workshops for stakeholders and Primary Insurance companies with a view to popularize and familiarize members on the operations of the Yellow Card Scheme.

Decisions

61. The Council of Bureaux endorsed the 34th and 35th Meeting of the TMC recommendations that the National Bureaux should organize national stakeholders' workshops for Law Enforcement Agencies such as Traffic Police, Customs Officials, Transporters, Clearing Agents, Insurance Brokers and Primary Insurance companies on the operation of the Yellow Card Scheme before 31st October 2013.

d) Printing and circulation of security enhanced Yellow Card books

62. The Council of Bureaux noted that the National Bureaux were requested to carry out stock count of their Yellow Card books and provide orders for the printing of new security enhanced books in readiness for the phasing out of the current security compromised Yellow Cards. The Council of Bureaux also noted that ten (10) National Bureaux, namely; DR Congo, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe had made orders for the printing of the new security enhanced Yellow Card books.

Decisions

63. The Council of Bureaux endorsed the 35th Meeting of the TMC recommendations as follows:

- a) The cut-off date for the introduction of the new Yellow Cards with enhanced Security features and the termination of use of the current cards shall be 1st December 2013;
- b) National Bureaux should start sensitizing their member Primary Insurance companies by 15th September 2013 on the cut-off date for phasing out the current cards and the introduction of the new cards and ensure that necessary preparations are made;
- c) With regard to disposing of the phased out Yellow Card books, the National Bureaux should:

- i) In consultation with member Insurance companies prepare a list of all unused Yellow Card books;
 - ii) Collect the unused Yellow Card books from their member Insurance companies and dispose them off; and
 - iii) Provide to the Secretariat and the Pool Managers the list of disposed off Yellow Card books.
- d) With regard to Yellow Card books printed incorrectly and delivered to National Bureaux:
- i. National Bureaux should advise the printer and the Secretariat of the incorrectly printed Yellow Cards and request for replacement ; and
 - ii. National Bureaux should dispose off the Yellow Card books incorrectly printed and advise the Secretariat and the Pool Managers accordingly.

e) Status of the outstanding cost of printing & delivery incurred by Secretariat on behalf of National Bureaux

64. The Council of Bureaux noted that the status on the outstanding debt for printing and delivery costs reimbursement had not changed despite having sent several reminders to the National Bureaux of Eritrea and Sudan that had outstanding balances.

Decisions

65. The Council of Bureaux endorsed the recommendations of the 35th Meeting of the TMC as follows:

- i) The outstanding printing and delivery cost amounting to US\$1,073.70 on account of the National Bureau of Eritrea be written off due to lack of Yellow Card sales; and
- ii) The National Bureau of Sudan should settle its outstanding balance of US\$3,200.77 as soon as possible and preferably before the 27th meeting of the Council of Bureaux.

f) Progress report of the Pool Managers on the operations of the Yellow Card Reinsurance Pool

66. The Council of Bureaux noted the highlights of the report of the Pool Managers on the operations of the Yellow Card Reinsurance Pool as follows:

a) Premium returns

67. The Council of Bureaux noted the increase in premium booked by the Pool as at 31st July 2013 of 4.6% on the Pool Manager's 30% share from US\$ 1,142,704 to US\$ 1,194,933. The Council of Bureaux also noted that despite the increase in premium booked, returns were not received from the National Bureaux of Eritrea, Malawi and Sudan.

b) Claims

68. With regard to claims intimations below US\$15,000, the Council of Bureaux noted that the sum owed to the Pool as at 31st July 2013 amounted to US\$338,828.

69. On the claims intimations above US\$15,000, the Council of Bureaux noted that the total claims reported amounted to US\$7,941,193.12 out of which US\$2,888,812.73 would be retained for the Pool's net account and US\$5,042,380.39 was recoverable from the Reinsurers.

c) Collection of Excess of Loss Premium

70. The Council of Bureaux noted that US\$128,768 was collected on account of Excess of Loss Premium from the National Bureaux of Kenya, Uganda and Ethiopia.

Decisions

71. The Council of Bureaux endorsed the 34th and 35th Meetings of the TMC recommendations as follows:

- i) The National Bureaux of Rwanda should translate all claim reports into one of the COMESA official languages, i.e. English or French in order to facilitate prompt settlement;
- ii) The Secretariat and the Pool Managers should come up with standard reporting template for the reports of the Pool Managers;
- iii) The National Bureaux should convert the claim amounts into US Dollar using the exchange rate applicable at the time of the settlement;
- iv) The National Bureaux should attach table of indices on injury claims in order to facilitate indexation by the Pool Managers; and
- v) The Pool Managers should submit a proposal on the diversification and enhancement of investment of Pool funds on high yield investment areas to the next meeting of the Council of Bureaux.

g) Pool Manager's Report and Financial statement Year ended 31st December 2012

72. The meeting noted that the 35th Meeting of the TMC considered the Auditors Report and Accounts for the year 2012 and the Management letter and agreed to recommend to the Council of Bureaux.

h) Progress report on the implementation of the measures to address the issues of Yellow Cards forgery in Tanzania

73. The Council of Bureaux noted that the Tanzania Insurance Regulatory Authority (TIRA) implemented some of the measures to address the issue of Yellow Card forgery in Tanzania. The Council of Bureaux further noted that the TIRA attended a Workshop organized by the Surface and Marine Transport Regulatory Authority (SUMATRA) and the Traffic Police Officials and presented a paper on the operations of the COMESA Yellow Card Scheme.

Decisions

74. The Council of Bureaux having noted the effort made by Tanzania Insurance Regulatory Authority together with its stakeholders endorsed the 35th Meeting of the TMC recommendations that the National Bureaux should:

- a) Implement the decisions of the Council of Bureaux to curb the issues of the Yellow Card forgery in Tanzania; and
- b) Provide their premium rates to the National Bureau of Tanzania in order to enable the Bureau to review its premium rates with a view to make them competitive.

i. Progress report on the rollout and implementation of the revised YC-MIS in the Northern and Horn Corridor countries

75. The meeting noted that a progress report on the rollout and implementation of the revised YC-MIS in the Northern and Horn Corridor countries was presented to the 35th TMC meeting.

Decisions

76. The Council of Bureaux endorsed the 35th Meeting of the TMC recommendations that National Bureaux should:

- a) Engage their members and resolve any issues on the implementation of the YC-MIS in September/ October 2013;
- b) Liaise with the Secretariat for any technical support required in the implementation of the system;
- c) Ensure that all their member Insurance Companies implement the YC-MIS with effect from 1st December 2013; and
- d) Cease supplying of Yellow Card books to Primary Insurance companies who would not have implemented the YC-MIS by 1st December 2013.

j) Progress Report on the Sange/Uvira Claim

77. The Council of Bureaux noted that the Pool Managers had transferred US\$400,000 as full and final payment to the handling Bureau (SONAS) for onward disbursement to the accident victims. The Council of Bureaux also noted that the handling Bureau (SONAS) organized a handover ceremony on 12th April, 2013 which was attended by high ranking Democratic Republic of Congo Government officials, SONAS, representatives of International media houses and a COMESA Secretariat team.

78. The Council of Bureaux further noted with appreciation that the National Bureau of DR Congo (SONAS), the Government of DR Congo and the accident victims and representative of the deceased were happy with the speedy processing of the claim by Secretariat and Pool Managers and disbursement of the funds had started and 300 beneficiaries had since been paid through a local bank in Uvira and comprehensive payment schedule would be provided to Secretariat and the Pool Managers once the payment exercise was concluded. The National Bureau of DR Congo thus expressed its profound gratitude to the Secretariat and the Pool Managers for the prompt settlement of the claim.

Annual Report and Accounts of the Yellow Card Reinsurance Pool for the Year ended 31st December 2012 (Agenda item 8)

79. The Pool Managers presented the Audited Annual Report and Accounts for the year ended 2012, in line with Article 6, item 4(d) of the Constitution of the COMESA Yellow Card Reinsurance Pool. In doing so, they gave the highlights of the Manager's Report and Financial Statement for the Year ended 31st December 2012.

80. In the discussion that followed the Council of Bureaux expressed concern on the provisions made for writing off bad debts on inter-Bureaux claim, limited investment instrument options and issue of declaring dividends and urged the Pool Managers to revisit the issues.

Decisions

81. With a view to address the concerns raised above, the Council of Bureaux decided that a Task Force composed of the Pool Managers, the Secretariat and the National Bureaux of Zimbabwe and Rwanda should review the issues raised and come up with recommendations to the next meeting of the TMC and that the meeting of the Task Team be funded from the Reinsurance Pool accounts.

82. The Council of Bureaux received the External Auditors Report: the Annual Report and Financial Statements for the Year ended 31st December 2012 and decided as follows:

- a) Approved the audited accounts in line with Article 6 item 4 (d) and (f) of the constitution of the COMESA Yellow Card Scheme; and
- b) Appointed the retiring External Auditors, Deloitte & Touche who expressed interest to continue in office for the next financial year at the fee of US\$5,500.

Reinsurance Pool Financial Highlights as at 30th September 2013 (Agenda item 9)

83. A representative of the Pool Managers presented a report on the Reinsurance Pool Financial Highlights as at 30th September 2013. In his presentation, he informed the meeting that the Pool recorded a gross premium income of US\$ 1,983,580 during the period ended 30th September 2013. The meeting noted the financial highlights as shown below:

	Sept 2013	Sept 2012
	US\$	US\$
Gross premium income	1,983,580	1,379,048
Reserve fund	5,555,752	4,969,711
Total assets	9,013,713	8,273,072
Capacity subscription	350,000	350,000
Short-term investments	6,129,921	5,507,761

84. The Pool Managers informed the Meeting that the National Bureaux of Ethiopia, Rwanda, Tanzania and Uganda made their payments of premium cessations to the Pool after the report had already been submitted to the Secretariat and commended the National Bureaux for their efforts.

Study Report on the issues of low limits of third party personal injuries on the compulsory motor vehicle Insurance of some Member States party to the Yellow Card Scheme and other related issues (Agenda item 10)

85. The COMESA Secretariat presented document No. CS/YCRCTG/CB/XXVII/10: Study Report on the issues of low limits of third party personal injuries on the compulsory motor vehicle Insurance of some Member States party to the Yellow Card Scheme and other related issues. The Council of Bureaux was informed that pursuant to the Council of Bureaux decisions and the Technical Management Committee recommendations, the Secretariat circulated the drafted Terms of Reference to all National Bureaux requesting them to assist in the identification of qualified consultants and provide profiles to Secretariat for evaluation and selection of a suitable and qualified Consultant to carry out the study and only four (4) profiles were received from the National Bureaux of Rwanda, Zambia and Zimbabwe.

86. The Council of Bureaux was also informed that in line with the COMESA policy on the hiring of Consultants, the received profiles were submitted to Administration Division of the Secretariat for evaluation, selection of suitable Consultant(s) and issuance of contract and gave the advice to instead seek for approval of single sourcing as the received profiles would not provide a balanced evaluation since there was need to select a two man team of consultants comprising of Insurance and Transport Experts respectively.

87. The Council of Bureaux was further informed that taking into account the recommendations of the Administration Division on the assessment of the profiles, the Consultants from Zambia were selected to be offered a joint Consultancy contract to carry out the study and subsequently, authority to hire the two Consultants on single sourcing basis was approved by the Secretary General and a Consultancy contract was issued and signed effective 1st November, 2013 for a period of five (5) months within the budget of US\$50,000 allocated by the Council of Bureaux from the Pool's account and the Consultants were requested to immediately submit their Work Plan on the task to Secretariat for review and to commence the data collection exercise.

Decision

88. The Council of Bureaux having noted the progress made with appreciation decided that the National Bureaux should provide the necessary support to the Consultants by making available any required information to enable them carry out the study.

Progress report on the roll-out and implementation of the Yellow Card Management Information System (YC-MIS) (Agenda item 11)

89. The COMESA Secretariat presented document No.CS/YCRCTG/CB/XXVII/11:Progress report on the implementation of the Yellow Card Management Information System (YC-MIS). The Council of Bureaux was informed that despite the slow progress in implementing the system, it had been recently rolled out in the Northern and Horn Corridor countries and that YC-MIS was overhauled to address the challenges raised by the stakeholders during the implementation process.

90. The Council of Bureaux was further informed that the roll-out of the YC-MC in the North - South Corridor Countries (DRC, Malawi, Tanzania, Zambia & Zimbabwe) was scheduled for November – December 2013.

Decisions

91. In the discussion that followed, the meeting underscored the importance of starting the implementation of the system on a good footing to ensure the smooth implementation of the YC-MIS in the Northern and Horn corridors and decided as follows:

- a) The implementation date of the YC-MIS in the Northern Corridor be extended to 1st December 2013 to ensure adequate preparations of the National Bureaux and their member Primary Insurance Companies;
- b) The implementation date of the YC-MIS in the North –South Corridor should be 1st February 2014 and not 1st November 2013;
- c) The Secretariat should provide training on the operations and modalities of implementation to the National Bureaux ICT expert and the Yellow Card coordinators in the Northern Corridor and Horn corridor countries ;
- d) The ICT Expert and the Yellow Card Coordinator of National Bureaux should ensure that the local market is prepared for the implementation of the system; and
- e) National Bureaux which require further training on the YC-MIS should send their ICT expert and Yellow Card Coordinators to the Secretariat.

Progress report on the printing and circulation of the new security enhanced Yellow Card books (Agenda Item 12)

92. A representative of the Secretariat presented document CS/YCRCTG/CB/XXVII/12: Report on the printing and circulation of the new security enhanced Yellow Card books. In so doing, he informed the Council of Bureaux that following the finalization of the artworks for the new Yellow Card books, Secretariat requested National Bureaux to carry out stock counts of available books and make orders for the supply of the new security enhanced books.

93. The Council was further informed that in line with the responses received from National Bureaux except from Burundi, Djibouti and Sudan, the Secretariat made an initial order for the printing of the new security enhanced Yellow Card per country/National Bureau as shown in Table 1 below:

Table 1: Initial order for the printing of the new security enhanced Yellow Card books

S/N	NATIONAL BUREAU	QUANTITY
1	Burundi	100
2	Djibouti	50
3	DR Congo	500
4	Eritrea	5
5	Ethiopia	1,000
6	Kenya	500
7	Malawi	50
8	Rwanda	500
9	Sudan	50
10	Tanzania	400
11	Uganda	500
12	Zambia	500
13	Zimbabwe	250
	Total	4,405

94. In the discussion that followed the meeting made the following observations :

- a) none of the National Bureaux had yet received the stock of the new security enhanced Yellow Card Books and the implementation date of 1st November 2013 was not sufficient to carry out the preparations for the smooth implementation of the card; and
- b) There was need to raise the awareness of the stakeholders on the implementation of the new Yellow Cards.

Decisions

95. Taking into account of the above, the Council of Bureaux decided the following:

- a) The Cut-off date be extended to 1st December 2013;
- b) The Secretariat should ensure that the stock of the New Yellow Card books are delivered to the National Bureaux as soon as possible and preferably by 31st October 2013; and
- c) The National Bureaux should organize workshops for stakeholders to raise their awareness on the introduction of the new cards.

Report of the 7th Meeting of the Council of RCTG on the Regional Customs Transit Guarantee (RCTG –CARNET) Scheme (Agenda Item 13)

96. The representative of the Secretariat presented document no. CS/YCRCTG/CB/XXVII/13: Report of the 7th Meeting of the Council of the Regional Customs Transit Guarantee (RCTG) Scheme which was held from 23rd to 25th September 2013 in Lusaka, Zambia. The report highlighted the fact that the RCTG CARNET had been rolled out in the Northern Corridor in December 2011 with the carnets being issued for goods in transit from Mombasa to Uganda and Rwanda and from Rwanda to Mombasa. The Council of Bureaux also noted that about 1000 Carnets had been issued and the acquittal of the RCTG Carnets had been faster than the national bonds.

97. The Council of Bureaux noted that following the directive of the Heads of State of Kenya, Uganda and Rwanda to fast track the Single Customs Territory in the EAC, the Revenue Authorities of Rwanda and Uganda had adopted the RCTG/Bond and phased out the national Bonds. The Council Bureaux also noted that Djibouti signed the Inter-Surety Agreement on the implementation of the Regional Customs Transit Guarantee Scheme and roll-out of the operations of the RCTG CARNET between Djibouti and Ethiopia was expected to commence as soon as the National Sureties of the two countries finalized negotiations on the sharing of the premiums from RCTG Bond.

98. The meeting also noted that NIC (Tanzania) Limited was designated as the National Surety of Tanzania for the RCTG Scheme and the roll-out of the operations of the RCTG CARNET was expected to commence in the Central Corridor in early 2014.

99. The meeting took note of the operations of the Re-insurance Pool of the RCTG Scheme and proposals for the revised Programme. The Council Bureaux also noted that the 7th Meeting of the Council of RCTG had agreed on the terms and conditions of the loan advance of US\$500,000 to the RCTG Scheme by the Council of Bureaux of the Yellow Card Scheme. The meeting further noted that the Pool Managers had submitted an agreement on the loan advance for signature by the Chairpersons of the Council of Bureaux and Council of RCTG.

100. The meeting further noted the operations of the RCTG Operations Manager and their Activity Work Plan for October-December 2013. The meeting further noted the budget of the Management Committee of the RCTG Scheme for 2012/2013.

101. In the discussions that ensued, the Chairperson of the Council of RCTG, Mr. Bayo Folyan, the Managing Director of National Insurance Corporation Ltd of Uganda and Mr. David Boucher, Sales Manager of GXA Assurance of Djibouti further informed the meeting on the issues of the Reinsurance Pool arrangements for the RCTG Scheme.

102. The meeting noted the report with appreciation.

External Auditors' Report on the Accounts of the Council of Bureaux as at 30th June, 2013
(Agenda Item 14)

103. The Director of Budget and Finance from COMESA Secretariat presented the audited report and accounts for the year ended 30th June 2013. In his presentation of the report, the Director provided highlights on the income statement, Cash flow statement and the Balance Sheet among other items.

104. The Council of Bureaux noted that the External Auditors, Messrs Deloitte & Touche had given an unqualified opinion on the Financial Statements of the scheme.

105. In the discussion that followed, the meeting raised concern on the high increase of expenses for convening the TMC meetings and miscellaneous expenses. In response to the concern raised, the Secretariat provided a breakdown of the TMC meetings and miscellaneous expenses which showed that the high increase was due to the hiring of simultaneous interpretations equipment and high cost of air tickets.

106. With regard to the credit balance on account of the National Bureau of Burundi, the meeting was informed that the amount could not be reconciled and recommended for a write-back of the credit balance.

Decisions

107. Having considered the report, the Council of Bureaux:

- a) Adopted the External Auditor's report;
- b) Decided that the credit amount of US\$18,824 on account of the National Bureau of Burundi be written-back; and
- c) Decided that the Secretariat to present half year accounts to the TMC meetings to ensure the appropriate implementation of the annual budget of the Council of Bureaux.

108. The Council of Bureaux received the Audited Annual Report and Accounts of the Council of Bureaux of the Yellow Card Scheme for the year ended 30th June 2013, and approved the report.

109.

Report on Administrative Matters (Agenda item 15)

110. The representative of the Secretariat presented document no. CS/YCRCTG/CB/XXVII/15: Report on the interview for the Post of Senior Insurance Expert. In so doing, he informed the Council of Bureaux as follows:

- a) The post was re-advertised as the qualifications stated in the previous advert were high;
- b) Four candidates were shortlisted, one each from Ethiopia, Rwanda, Uganda and Zimbabwe;
- c) One out of four candidates who had been shortlisted was disqualified as he did not have the required professional diploma or its equivalent in Insurance;
- d) For transparency purposes and to avoid the marker of the written test from knowing whose test paper it was, the candidates were asked not to indicate their names or country of origin on the scripts of the written test;
- e) The pass mark set by the COMESA Secretariat was 65% and only the candidate from Ethiopia: Mr. Tamene Kassa Debebe obtained this pass mark;
- f) The panel therefore recommended that the post be offered to the successful candidate from Ethiopia; and
- g) The COMESA Secretary General submitted the recommendation to the Council of Bureaux to consider and endorse the recruitment of Mr. Tamene Kassa Debebe of Ethiopia to take up the post of Senior Insurance Expert (P4).

111. On other Administrative related matters, the Council of Bureaux was informed as follows:

- a) The Insurance Expert was recruited and assumed his position in January 2013;
- b) The Senior Finance Assistant obtained his professional degree and was elevated to the Intermediate Category salary scale as per COMESA practice; and
- c) The Administrative assistant who has not been well for the past year due to the poor health condition was granted a full pay extension up 31st October 2013.

Decisions

112. Having considered the report, the Council of Bureaux:

- a) Approved the recruitment of Mr. Tamene K. Debebe to the post of Senior Insurance Expert (P4) with effect from 1st January 2014; and
- b) Decided that if Mr. Tamene K. Debebe does not accept the officer, the post should be re-advertised.

Proposed Budget and Annual Work Programme for the Year 2013/14 (Agenda item 16)

113. The Secretariat presented Document No. CS/YCRCTG/CB/XXVII/16- Proposed Budget for the Council of Bureaux for the year 2013/2014 as follows:

Status of Income in 2012/2013

114. The Council of Bureaux was informed that all National Bureaux, except Malawi and Sudan had paid their budget contributions. Regarding the National Bureau of DR Congo who had high amount of arrears, the Meeting noted that a partial payment of US\$38,605 had been made. The meeting was also informed that pursuant to the decision of the Council of Bureaux, the National Bureaux of Malawi and Sudan were sanctioned from participating at the TMC Meetings and that a total amount of US\$324,149 was received during the 2012/2013 fiscal year which was 10% less compared to the total income of US\$ 360,776 received during the same period last year.

Budget 2013/2014

115. The Council of Bureaux was informed that the budget assessment for the year 2013/2014 was US\$477,581 representing an increase of 5% from the 2012/2013 budget which stood at

US\$454,953. The Council of Bureaux was further informed that the increase was mainly due to an increase in meeting costs and staff emoluments.

Work Programme for 2012/2013

116. The Council of Bureaux was informed that the Work Programme for the year beginning 1st July 2013 to 30th June 2014 included the following major activities:

- a) Oversee the implementation of decisions of the Council of Bureaux and the Technical Management Committee (TMC) on the Yellow Card;
- b) Undertake studies, among others, on:
 - i) The low limit of liabilities of third party motor vehicle Insurance law of Member States and other issues affecting the operations of the Yellow Card Scheme;and
 - ii) the impact of the YC Scheme in reducing transport and transit costs;
- c) Implementation of the Yellow Card - Management Information System (YC-MIS) in the Northern, Central, Horn Corridor and North-South Corridor countries;
- d) Convene a meeting of working group on Trade in Insurance Services to develop a framework for the liberalization of the Insurance Sector in the COMESA region;
- e) Coordinate the implementation of harmonization of the Third Party Motor Vehicle Insurance Scheme for COMESA-SADC and EAC Regions;
- f) Prepare technical papers, working documents and reports;
- g) Prepare project proposals and mobilize extra budgetary resources;
- h) Organize national stakeholders workshops on the Yellow Card;
- i) Organize and service the Council of Bureaux and TMC Meetings;
- j) Carry out the Annual Work Programme of the Regional Customs Transit Guarantee (RCTG) Scheme and Trade in Insurance Services;
- k) Produce promotional materials and publications to promote the Yellow Card Scheme; and
- l) Carry out the day-to-day functions of the Secretariat of the Council of Bureaux (Yellow Card Office) at the COMESA Secretariat.

Development Budget (Extra-Budgetary Resources)

117. The Council of Bureaux was informed that the extra budgetary resources mobilised by the Secretariat to carry out specific activities during 2012/2013 period was as follows:

a) Regional Customs Transit Guarantee Scheme

118. COMESA Secretariat allocated US\$610,800 for the 2012/2013 period from the Regional Integration Support Programme (RISP II) funded by European Union and with commencement of the rollout of the RCTG CARNET in the Northern Corridor countries in December 2011, the Scheme is expected to achieve self financing in the very near future.

b) Trade in Insurance Services

119. COMESA Secretariat allocated some funds from Regional Integration Support Programme (RISP II) funded by European Union and accordingly, a meeting of the Working Group on Trade in Insurance Services, which was established during the Stakeholders Conference held in November 2011, in Nairobi, Kenya, is expected to be convened before the end of 2013/14.

c) Yellow Card Management Information system (YC-MIS)

120. The YC-MIS has been piloted and rolled out in the Northern Corridor countries. Preparations were being carried out for the roll-out in other Corridors and the system would be fully implemented in all the Corridors during 2013/2014 period by using the available balance of US\$3,500 allocated from the funding of the Reinsurance Pool of the Yellow Card Scheme.

d) Short Term Insurance Expert

121. COMESA Secretariat allocated US\$64,000 from the Regional Integration Support Programme (RISP II) to assist the Yellow Card office. Accordingly, a Short Term Insurance Expert has been funded under RISP until December 2012.

122. In the discussion that followed, the meeting emphasized on the importance of circulating the working documents in good time before the dates of the meeting in order to enable members to contribute effectively and the meeting further underscored the importance that the proposed budget should be first considered by the TMC meeting before it is tabled for considerations and decision by the Council of Bureaux.

Decisions

123. On the annual budget for 2013/14, the Council of Bureaux made the following decisions:

- a) Approved the annual budget of US\$477,576 for the year 2013/2014;
- b) Approved the Work Programme for 2013/2014;
- c) Endorsed the upgrading of the Senior Finance Assistant to the Intermediate Category salary scale (IC 2) as per COMESA rules;
- d) Endorsed the extension of the Administrative Assistant sick leave with full pay up to 31st October 2013; and
- e) Decided that each National Bureau should pay US\$39,798 as its contribution to the Budget of the Council of Bureaux for the financial year 2013/2014; as shown in Table II below.

124. The Council of Bureau further decided that the proposed budget should first be submitted to the TMC meeting which usually is held in August for considerations and recommendation to the Council of Bureaux.

125. The 2013/14 Annual budget and contribution required from each National Bureau including arrears as shown in the table II below:

Table II: Budget contributions and accumulated arrears

NATIONAL BUREAUX	2013/14 ANNUAL BUDGET CONTRIBUTION	ARREARS AS AT 30/09/13	TOTAL AMOUNT REQUIRED FROM EACH NATIONAL BUREAU
	US\$	US\$	US\$
Burundi	39,798	-	39,798
Djibouti	39,798	-	39,798
DR Congo	39,798	50,613	90,411
Eritrea	exempt	18,824	18,824
Ethiopia	39,798	-	39,798
Kenya	39,798	-	39,798
Malawi	39,798	241,639	281,437
Rwanda	39,798	-5,063	34,735
Sudan	39,798	190,794	230,592
Tanzania	39,798	-	39,798
Uganda	39,798	-	39,798
Zambia	39,798	-377	39,421
Zimbabwe	39,798	-	39,798
Total	477,576	496,430	974,006

Date and Venue of Next Meeting (Agenda Item 17)

126. The National Bureau of Tanzania offered to host the 28th Council of Bureaux meeting. The Council of Bureaux accepted the offer with appreciation. The Secretariat would inform members on the exact dates and venue of the meeting in consultation with the National Bureau of Tanzania.

Any Other Business (Agenda Item 18)

127. Under this item, the meeting was informed as follows:

- a) The representative of the National Bureau of Rwanda proposed that the rule of procedures of the Council of Bureaux, namely Rule 4 on the election of the Bureau should be revisited with a view to ensure continuity and purpose that the outgoing chairperson should be made as an ex-officio instead of being vice chairperson for the purpose of good corporate governance.

- b) The representative of the Motor Vehicle Accident Fund (MVA) of Botswana underscored that time for harmonization of the systems had been realized and invited the Council of Bureaux to visit their country to benchmark on their operations.
- c) The representative of Motor Vehicle Accident Fund (MVA) of Namibia learnt and appreciated that the Yellow Card Scheme provides cover for third party personal injuries and property damage unlike the MVA which only offer personal body injury. He further emphasized on the need for bilateral discussions between the Council of Bureaux of Yellow Card and the Council of Short-term Insurance of Namibia and come up with areas of commonalities.
- d) The representative of the National Bureau of Zambia commended the National Bureau of Tanzania for the improvement made in the confirmation of validity of the Yellow Cards.
- e) The representative of the National Bureau of Zimbabwe advised the Secretariat to revisit its budget so that it be fully financed by the National Bureaux and avoid borrowing. He also suggested that one of the meetings should be hosted by Botswana.
- f) The Director/CEO of the College of Insurance of Kenya invited the National Bureaux on approaching the College on matters related to capacity building.
- g) The representative of the Kenya Association of Insurers informed the meeting that KENTRADE would be launching the Single Window system by 31st October 2013.

Adoption of the Report and Closing of the meeting (Agenda Item 19)

128. The Meeting considered the report paragraph by paragraph and adopted the report with amendments.

129. At the Closure of the meeting the representative from the National Bureau of Zimbabwe, Mr. Patrick Kusikwenyu on behalf of the delegates, gave a vote of thanks to the Government and people of Ethiopia for the warm hospitality extended to the delegates, the National Bureau of Ethiopia, Ethiopia Insurance Corporation (EIC) and the Insurance Industry of Ethiopia in hosting the meeting and the facilities that were made available to the delegates. He also expressed his gratitude to the representatives of MVA Fund of Botswana, Namibia, the Insurance Regulatory Authorities of Djibouti, Kenya and Tanzania and the Road Transport and Safety Agency of Zambia (RTSA) for their continued participation in the Council of Bureaux meetings. He further thanked the Chairperson for the professional manner in which he handled the meeting deliberations and the delegates from the member Bureaux and the Pool Managers for their tireless efforts in the implementation of Yellow Card activities.

Recognition

130. During the closing of the meeting, the Council of Bureaux gave Mr. Berhane Giday, the Chief Programme Officer of the Yellow Card and RCTG Programmes a standing ovation in recognition of his hard work and achievements made in the implementation of the Yellow Card scheme.

131. In closing the meeting, the Chairperson, Mr. Debebe Tamene thanked all the delegates for their valuable contributions and participations during the meeting.

ANNEX I

**LIST OF PARTICIPANTS
LISTE DES PARTICIPANTS**

BURUNDI

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Summary of Yellow Cards Issued and Premium Income realized per Country

Issuing Country	No. of cards		Premium collected in local currency		Premium collected in US\$	
	2011/12	2012 / 13	2011 / 12	2012 / 13	2011 / 12	2012 / 13
**Sudan	35	35	20,302.29	-	7,941.10	7,941.10
**Ethiopia	24,283	20,933	-	18,250,268.27	1,061,378.89	970,242.80
Uganda	14,111	19,000	2,113,473,519.00	2,938,521,319.45	818,224.36	1,160,095.27
DR Congo	5,735	6,449	-	-	335,210.69	389,832.05
Tanzania	15,599	16,423	1,169,570,352.33	1,774,566,000.00	738,365.12	1,095,411.11
Malawi	578	523	9,094,238.33	16,876,524.02	28,870.60	45,922.51
**Djibouti	603	913	-	39,465,491	164,620	221,716
Eritrea	-	-	-	-	-	-

Kenya	13,476	22,601	118,198,601.94	64,847,672.51	1,407,126.21	762,913.79
Rwanda	7,636	6,945	80,356,640.00	95,141,453.00	128,488.39	143,069.85
Burundi	9,262	12,599	195,389,449.00	239,361,941.01	132,327.00	158,622.89
Zimbabwe	14,410	12,970	-	-	857,913.80	1,100,437.64
Zambia	25,192	28,460	3,020,877,852.81	4,258,712.29	604,175.57	806,546.55
Total	130,920	147,851			6,284,641.73	6,862,751.56

Claims Activities

National Bureaux	Claims Summary for the period July 2011 to June 2012						Claims for the period July 2012 to June 2013					
	Claims Reported		Claims Paid		Claims Outstanding		Claims Reported		Claims Paid		Claims Outstanding	
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
Burundi	55	(US\$) 125,000			13	(US\$) 26,838	48	227,417.00	48	157,088.05	27	-
Djibouti	101			(US\$) 455,433			168	-	-	-	-	-
DR Congo	23		21	(US\$) 85,816			2	3,000.00	55	363,921.00	2	28,500.00
Eritrea	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	Nil
Ethiopia	7	(US\$) 95,395	5	(US\$) 69,500	20	(US\$) 83,937	13	150,703	2	2,595	11	148,108
Kenya	18	(US\$) 55,306.12	3	(US\$) 16,934.35	26	(US\$) 65,510.20	15	26,012	7	141,116.00	23	70,289.00
Malawi	3		3		8		5	-	1	2,218.11	7	-



(THE INTERFACE MECHANISM)

**DRAFT MEMORANDUM OF UNDERSTANDING
ON THE HARMONIZATION OF COMPULSORY THIRD PARTY
MOTOR VEHICLE LIABILITY INSURANCE SCHEME**

Preamble

The Heads of State and Government or duly authorized Representatives of Member/Partner States of **the Common Market for Eastern and Southern Africa (hereinafter referred to as “COMESA”**, **the East African Community (hereinafter referred to as “EAC”** and **the Southern Africa Development Community (hereinafter referred to as “SADC”** and alternatively all referred to as “the parties”)

CONSIDERING the Memorandum of Understanding on Inter Regional Cooperation and Integration amongst COMESA, EAC and SADC hereinafter referred to as the “Memorandum of Understanding” signed on 19th January, 2011;

RECALLING provisions of Articles 1 and 2 of the Memorandum of Understanding through which they agreed to enhance integration among themselves for their mutual benefit and the benefit of their Member States/Partner States and to pursue the development of common programmes which will enable all parties to effectively and efficiently utilize the available resources for concrete actions to achieve the objectives of their respective mandates;

RECOGNISING provisions of Article 1(3) (b) as read with Article 4 of the Memorandum of Understanding through which they agreed to develop programmes to enhance movement of business persons, labour and services across the region;

REITERATING provisions of Article 1(3) (c) as read with Article 3 of the Memorandum of Understanding on harmonizing programmes on transport and communications.

CONSIDERING the COMESA Protocol on Third Party Motor Vehicle Insurance Scheme.

CONSIDERING Article IX(6) of the EAC Tripartite Agreement on Road Transport in which EAC Partner States agreed to recognize and accept the COMESA Yellow Card as the acceptable Insurance scheme on compulsory Third Party in the EAC Region.

CONSIDERING provisions of Article 6.8 of the SADC Protocol on Transport, Communication and Meteorology through which SADC Member States agreed to investigate mechanisms for the creation of a harmonized system of third party insurance in the region including taking cognizance of existing systems to provide third party insurance in the SADC region on the basis of adequacy of cover, affordability, efficient procedures to collect premiums, recognition of insurance issued in a Member State throughout the region and administrative flexibility.

RECOGNISING that the COMESA Yellow Card Scheme as a Trade Facilitation measure which is currently operational among most Member/partner States of COMESA - EAC - SADC Tripartite and is available for use by Non COMESA Member States in the spirit of enhancing integration of the region;

PURSUANT to the provisions of Article 11 of the Memorandum of Understanding which provides that the parties may enter into supplementary Memoranda of Understanding to provide for specific activities relating to the COMESA, EAC SADC Tripartite;

DESIROUS to adopt a common Regional Third Party Insurance Scheme as a trade and transport facilitation tool;

NOW THEREFORE, the Parties hereby agree as follows:

Article I

Objective

The Parties agree that the COMESA Yellow Card Scheme is the recognized regional third party compulsory insurance scheme in relation to cross border traffic in the COMESA, EAC, SADC region which provides for a framework for participation by Member/Partner States that are not yet party to the Scheme.

Article II

Obligations

The responsibilities of a Member/ Partner State shall, *inter alia*, be to:

- (a) Recognize the validity of the Yellow Card in its territory and to enact laws and regulations for the establishment of the card scheme, and particularly for the designation of its national bureau;
- (b) Ensure that its national bureau is established and functions in accordance with the provisions of the scheme and that it joins the Council of Bureaux and complies with its Decisions;
- (c) Guarantee the solvency of its National Bureau;
- (d) Facilitate the transfer to other Member/Partner States of the funds necessary for the payment of premiums, claims or other administrative charges under the Yellow Card Scheme; and

- (e) Ensure that either its Government or the National Bureau deposits with its Central Bank or a designated commercial bank the required minimum amount to join the scheme in the form of either a letter of credit or security to guarantee its performance.

Article III

Coexistence of the Regional Scheme

with National Schemes

The Regional Yellow Card Scheme shall coexist with National Compulsory Third Party Liability Insurance Systems provided that there shall be no duplication in terms of cover and premium payments.

Article IV

Implementation

Each REC Secretariat shall work in conjunction with the Yellow Card Secretariat in assisting its Member/ Partner States to participate in and implement the Yellow Card Scheme.

Article V

Policy Making Structure

The Council of Bureaux shall report on the operations of the Scheme to the Policy Organs of the Tripartite through the Tripartite Sectoral Ministerial Committee on Infrastructure.

Article VI

Administrative Matters

Any administrative matters concerning the scheme in terms of its improvement or enhancement shall be carried out through the Council of Bureaux.

Article VII

Amendments

This amendment may be amended at any time upon the parties' mutual agreement provided that the party proposing any amendment shall have given the other parties three months' prior notice in writing of the proposal to amend.

Article VIII
Dispute Resolution

Any dispute between or among the parties as a result of the operation of this Memorandum of Understanding shall be resolved amicably between the parties through a process of negotiation. In the event of failure to reach an agreement, the parties shall appoint an independent arbitrator.

Article IX
Duration

This Memorandum of Understanding shall remain in force until the parties agree through mutual consent to terminate it.

Article X
Entry into Force

This Memorandum of Understanding shall enter into force on the date of signature by the duly authorized representatives of the parties.

IN WITNESS WHEREFORE, the parties, each acting through its duly authorized representatives, have signed this Memorandum of Understanding ***on the.....day of2013.***

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FOR: the Common Market for
Eastern and Southern
Africa (COMESA)

FOR: the East African
Community (EAC)

FOR: the Southern African
Development Community
(SADC)