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

Dar Es Salaam, Tanzania
28-31 October 2014

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

I. INTRODUCTION

1. The Twenty-Eighth Meeting of the Council of Bureaux of the Regional Third Party Motor Vehicle Insurance (Yellow Card) Scheme was held from 28th to 31st October 2014, in Dar Es Salaam, Tanzania, at the Julius Nyerere International 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, Malawi, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. Also in attendance were observers from Angola, Union of Comoros, The Kingdom of Swaziland and South Sudan. Representative from the COMESA Coordinating Ministry of Kenya, Insurance Supervisory Authority of Kenya, the Road Transport and Safety Agency of Zambia (RTSA) and ZEP-RE (PTA Reinsurance Company) attended as Ex-officials. The list of participants is attached as Annex I to this report.

Opening of the Meeting (*Agenda item 1*)

3. The Meeting was officially opened by Honorable Minister Mrs. Saada Mkuya, Minister of Finance of the Republic of Tanzania. In her Statement, Hon. Mkuya welcomed the delegates to Tanzania and wished them a pleasant stay.

4. Honorable Mkuya expressed satisfaction that the Yellow Card Scheme had been widely accepted by Tanzania motorists and had greatly contributed to the facilitation of cross-border movement of vehicles, goods and persons within the region. She commended the National Insurance Corporation of Tanzania and its members for successfully managing the Yellow Card Scheme in the country. Hon. Mkuya 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.

5. Finally, she emphasized on the importance of trade and transport facilitation as they were important tools to economic development and particularly for landlocked countries whose trade flows depended on efficiency in transportation and advised that the achievements of the Scheme need to be translated into opportunities by expanding the scheme to other member and non-member countries.

6. Earlier, Mr. Sindiso Ngwenya, Secretary General of the Common Market for Eastern and Southern Africa (COMESA) also made a statement. Mr. Ngwenya welcomed all delegates to the 28th Meeting of the Council of Bureaux and thanked the Guest of Honour, Honorable Mrs. Saada Mkuya, Minister of Finance. He informed the Meeting that COMESA, EAC and SADC under the tripartite arrangement had made significant progress towards launching of the Tripartite Free Trade Agreement (TFTA) which was scheduled to take place in December 2014.

7. Mr. Ngwenya further urged the Council of Bureaux Meeting to raise up to the occasion and make use of the interest shown by private sector from non-COMESA members and COMESA members that had not yet ratified the protocol on the establishment of the Yellow Card Scheme by making landmark decisions to allow interested parties to join the Scheme pending Governments ratifications.

Vote of Thanks

8. On behalf of all delegates, Mr. Bayo Folayan, Managing Director of National Insurance Corporation of Uganda moved a vote of thanks to the Minister. In so doing, thanked the Minister for having come to open the meeting and for her statement. He also expressed gratitude to the National Bureau of Tanzania for hosting the meeting and for the hospitality accorded to all the delegates.

9. The Council of Bureaux observed one minute of silence in respect of the departed President of the Republic of Zambia, Mr. Michael Chilufya Sata.

Election of the Bureau (*Agenda item 2*)

10. The meeting elected the following Bureau for one year:

- Chairperson : Tanzania
- Vice Chairperson : Ethiopia
- Rapporteur : DR Congo

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

11. The meeting adopted the following Agenda:

1. Opening of the Meeting
2. Election of the Bureau
3. Adoption of the Agenda and Organisation of Work
4. Report of the Outgoing Chairperson on the Operations of the Yellow Card Scheme
5. Country Reports by National Bureaux on the Operations of the Yellow Card Scheme in their countries
6. Report of the Thirty Sixth Meeting of the Technical Management Committee (TMC) on the Yellow Card Reinsurance Pool
7. Report of the Thirty Seventh Meeting of the Technical Management Committee (TMC) on the Yellow Card Reinsurance Pool
8. Annual Report and Accounts of the Yellow Card Reinsurance Pool for the year ended 31st December, 2013
9. Reinsurance Pool Financial Highlights as at 30th September, 2014
10. Draft Yellow Card Compendium
11. Request by COMESA Secretariat for a Loan of US\$1 million for the CVTFS from the Council of Bureaux of the Yellow Card scheme Reinsurance Pool funds
12. Report on the issuance of Yellow Card covers to non-resident motorists

13. Presentation on Systems Development and Maintenance Report of the Yellow Card Management Information System (YC-MIS)
 14. Report of the 8th Meeting of the Council of RCTG on the Regional Customs Transit Guarantee (RCTG –CARNET) Scheme
 15. Report on Administrative Matters.
 16. External Auditors' Report on the Accounts of the Council of Bureaux as at 30th June 2014.
 17. Proposed Budget for the Year 2014/2015.
 18. Annual Work Programme for the Year 2014/2015.
 19. Study report on low limits of liabilities and other issues affecting the Operations of the Yellow Card Scheme in the Region
 20. Date and Venue of next Meeting
 21. Any Other Business
 22. Adoption of the Report and Closure of the meeting
12. The meeting agreed on the following hours of work
- Morning 0900 hours - 1300 hours - Morning
Afternoon 1430 hours – 1700 hours - Afternoon
- Friday, 31st October, 2014
Free morning for delegates
1600 – 1700 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)

13. The Outgoing Vice-Chairperson of the Council of Bureaux, Mr. Patrick Kusikwenyu, Chairperson of the Insurance Council of Zimbabwe and Managing Director of Sanctuary Insurance Company of Zimbabwe, presented document no. CS/YCRCTG/CB/XXVIII/4, Report of the Outgoing Chairperson on the Operations of the Yellow Card Scheme for the period 1st July 2013 to 30th June 2014. In his presentation, he gave the highlights of activities and performance of the scheme during the period under review, as follows:

I. Status of the Yellow Card Production

14. The Vice-Chairperson reported that 151,414 Yellow Cards were issued and a gross Premium Income of US\$8,095,904 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. He, however, stated 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.

II. Status of Claims Activities

15. The Council of Bureaux was informed that a total of 450 claims were reported, 277 claims paid and 293 claims were outstanding during the period under consideration Annex III of this report provides a summary of the claims activities.

16. The Council of Bureaux was also informed that on issues of long outstanding claims reimbursement, the National Bureau of DR Congo had continued to engage the National Bureaux of Tanzania and Zambia.

17. The Council of Bureaux was further informed that the Pool Managers had carried out reconciliation exercises on long outstanding claims, outstanding excess of loss premiums and cession premium remittances with the National Bureaux of Uganda and Ethiopia and settlements were effected between the parties on figures agreed.

III. Progress on implementation activities

18. The Council of Bureaux noted the progress made in the implementation of programmes as follows:

Printing, Circulation and Implementation of the security enhanced Yellow Card books

19. The Council of Bureaux was informed that pursuant to the decision of the 27th Meeting of the Council of Bureaux, the security enhanced Yellow Card Books had been implemented in all Member States.

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

20. 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 2013 to June 2014. The highlights of activities carried out during the period under review were as follows:

The National Bureau of Burundi

21. The National Bureau reported as follows:

- a) Issued 17,309 cards and collected US\$332,010 premium income;
- b) Had 42 Claims reported;
- c) Settled 42 Claims amounting to US\$ 97,923;
- d) Paid its budget contribution;
- e) Challenges faced were: continued issuance of Yellow Card covers to non-resident motorists, delays in claims reimbursement by the Pool and handling

of a huge claim on which the claimant had been awarded damages by the Courts of Law.

22. In the discussion that ensued, the Pool Managers informed the Meeting that payments for claims reimbursements to the National Bureau of Burundi amounting to US\$54,000 were under processing. Regarding the issue of the pending huge claim, the Meeting was informed that the Pool Managers were in liaison with the Secretariat, National Bureau of Burundi and the lead Reinsurers on the treaty. The Pool Managers indicated that the delay in the processing of the claim was due to late notification by the Handling Bureau though the accident occurred in 2007 and the Pool was only notified in 2014.

The National Bureau of Djibouti

23. The National Bureau reported as follows:

- a) Issued 1,446 cards and collected US\$344,777 premium income;
- b) Had paid a total of US\$226,993 in claims settlement;
- c) Mounted two missions to Ethiopia aimed at enhancing communication between the two National Bureaux in resolving claim related issues.

24. In the discussion that followed the National Bureau of Djibouti requested that the cash call provision under the Reinsurance Pool be implemented.

The National Bureau of D R Congo

25. The National Bureau reported as follows:

- a) Issued 6,141 cards and collected a total premium income of US\$ 376,194.21;
- b) Had 2 Claims reported amounting to US\$3,000;
- c) Settled 55 Claims amounting to US\$363,921 and 2 were reported outstanding with a total reserve of US\$28,500;
- d) Did not conduct stakeholders' workshops due to lack of financial resources;
- e) The National Bureau was planning to organize stakeholders' sensitization workshops in there (3) Provinces.

26. In the discussion that followed the National Bureau of Congo informed the meeting that following the bilateral discussion held, the issue of claims reimbursements with the National Bureaux of Tanzania, Zambia and Zimbabwe had improved.

The National Bureau of Eritrea

27. The National Bureau reported that they had issued 1 Yellow Card and that no any other activities were carried out in the country.

The National Bureau of Ethiopia

28. The National Bureau reported as follows:

- a) Issued 33,465 cards and recorded a premium income of US\$1,226,610.99;
- b) 12 claims were reported with a claim quantum of US\$83,682.13 out of which 3 claims were settled amounting to US\$33,934.7 and 9 were outstanding amounting to US\$49,747.5;
- c) Did not conduct any stakeholders' workshops on the operations of the Yellow Card Scheme;
- d) Challenges pointed out for none implementation of the YC-MIS were due to internet connectivity, mirror system and test system environment, among others.

The National Bureau of Kenya

29. The National Bureau reported as follows:

- a) Issued 15,248 cards and collected a total premium income of US\$1,466,543;
- b) 14 claims with an estimated quantum of US\$170,786.51 were reported,
- c) Settled 7 Claims amounting to US\$86,790.15 and 11 claims were outstanding with a total estimated quantum of US\$141,573.58 as at 30th June 2014;
- d) All member Insurance companies were utilizing the YC-MIS and plan to conduct stakeholders' workshops before end of year;
- e) Challenges faced: YC-MIS failed to print due to misalignment, failed to file monthly returns online, lack of reporting module. Other challenges pointed out included; limited knowledge by motorists on claims reporting procedure, slow response in confirming validity of Yellow Cards by issuing Bureaux and refusal by some member Insurance Companies to return unused old Yellow Card books without compensation.

The National Bureau of Malawi

30. The National Bureau reported as follows:

- a) Issued 635 cards and collected a premium income of US\$51, 896.44;
- b) Had 10 claims reported;
- c) Settled 10 claims.

31. In the discussion that followed, the representative of the Pool Managers expressed concern on the non submission of premium returns by the National Bureau of Malawi.

The National Bureau of Rwanda

32. The National Bureau reported as follows:

- a) Had issued 6,520 cards and generated a premium income of US\$128,916.07;
- b) Had 241 claims reported;
- c) Settled 153 claims and 219 were outstanding as at 30th June 2014;

- d) The challenges pointed out were: delays in claim reimbursement, impounding of Rwandese motor vehicles by Ugandan Law Enforcement Agencies and delays in providing Yellow Card confirmations.

33. In the discussion that followed, the Meeting emphasized on the need to prescribe timeframe for claim processing to ensure that claims are settled and reimbursed expeditiously in order to avoid causing adverse effect on the liquidity of handling National Bureaux.

The National Bureau of Tanzania

34. The National Bureau reported as follows:

- a) Issued 13,375 cards and collected a total premium income of US\$1,085,814.63;
- b) Had 11 claims reported in the period under review;
- c) Did not conduct any promotional activities during the year under review;
- d) Concerned with the continued issuance and circulation of fake Yellow Cards;
- e) Held bilateral discussions with the National Bureau of Zambia on the issue of fake Yellow Cards at border posts and was planning to establish Service Centers at border posts to curb the issuance of fake Yellow Cards; and
- f) Challenges pointed out include stakeholders complaints that premium rates were high compared with rates of neighbouring countries.

35. In the discussion that followed the National Bureau of Tanzania informed the meeting that the number of cards issued had increased because the Insurance companies in Burundi had stopped issuing Yellow Card to Tanzania registered Vehicles.

The National Bureau of Uganda

36. The National Bureau reported as follows:

- a) Issued 15,342 Yellow Cards and collected a premium income of US\$ 1,178,873;
- b) Had 48 claims reported;
- c) Settled 28 claims and 77 were outstanding;
- d) Organized stakeholders' workshops in Eastern and Greater Masaka Region and conducted training for member Insurance companies on the features of the new Yellow Cards and operations of the scheme in general;
- e) Challenges pointed out include late submission of returns and payment of Pool Share by some PICs, Premium under cutting at border points, slow response in providing Yellow Card validity, difficulties in issuing fleet policies using YC-MIS, limited knowledge by motorists on the claims procedures, delays in claims reimbursement and issues of fake Yellow Cards at border points.

37. In the discussion that ensued, the National Bureaux of Burundi and Rwanda raised concerns regarding detention of visiting Vehicles involved in traffic accidents in Uganda despite Yellow Card validity confirmation having been provided.

38. The delegate from the National Bureau of Uganda in response to the concern raised informed the Meeting that the practice was perpetuated by victims who rushed to Courts of Law to seek higher compensations as the limit of compensation provided under the third party motor vehicle liability Insurance law was very low. The Meeting was further informed that the National Bureau was planning to embark on campaigns to raise awareness of the judiciary on the operations of the Yellow Card Scheme.

The National Bureau of Zambia

39. The National Bureau reported as follows:

- a) Issued 26,820 Yellow cards and collected a premium income of US\$641,272.36;
- b) Had 54 claims reported out of which 17 were settled and 37 were Outstanding;
- c) Carried out stakeholders' sensitization activities and YC-MIS user trainings in 13 towns.

40. Challenges pointed out include among others: lack of promotional materials and media advertisement, late submission of returns by member Insurance Companies, fake Yellow Cards originating from Tanzania, difficulties in printing due to misalignment, lack of YC-MIS reporting and navigating features and non restrictions of member Insurance companies in making repeated orders for supply of Yellow Card books.

41. In the discussion that followed, the meeting commended the National Bureau of Zambia for having conducted country wide awareness campaigns on the operations of the Yellow Card Scheme and YC-MIS operations and urged other National Bureaux to emulate the National Bureau of Zambia.

The National Bureau of Zimbabwe

42. The National Bureau reported as follows:

- a) Issued 14,144 Yellow Cards and collected premium of USD1,1255,052.15;
- b) 12 claims were reported;
- c) Settled 3 claims and had 3 claims outstanding;
- d) Paid its budget contribution and submitted monthly returns and up to date with premium cession to the Pool;
- e) Held a workshop for Transporters, conducted a training of members on the YC-MIS operations and distributed posters to all border posts through the Zimbabwe Revenue Authority (ZIMRA);
- f) Challenges pointed out include: difficulties in obtaining information on claims being handled by other Bureaux on behalf of Zimbabwe.

43. In the ensuing discussion, the delegate of the National Bureau of Zimbabwe informed the meeting that the National Bureau of Zimbabwe had adopted new arrangement in the operations of the Yellow Card whereby the National Bureau operates through a Pool to which all Insurance companies registered to underwrite short-term insurance businesses were members. Members issue Yellow Card covers as Agents of the Pool in return for a commission provided the motorist has a primary policy with any of the Insurance companies in the market. The meeting was also informed that the premiums generated accordingly were ceded to the Pool and any profits earned were shared amongst the Member Insurance Companies.

44. The Secretariat informed the meeting that this new arrangement adopted by the National Bureau of Zimbabwe, namely the involvement of two different Insurance companies in issuing the underlying Prime Policy and issuing the Yellow Card cover should be accommodated in the Yellow Card instruments, as the Yellow Card Protocol provides that both the prime policy and the Yellow Card be issued by only one insurance company

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

45. The COMESA Secretariat presented document No CS/YCRCTG/CB//XXVII/6 and CS/YCRCTG/CB//XXVII/7-Reports of the 36th and the 37th Meetings of the Technical Management Committee (TMC) of the Yellow Card Reinsurance Pool. The Meeting was informed that the 36th and 37th Meetings of TMC were held from 24th to 25th April 2014, in Kampala, Uganda and 4th to 5th September 2014, in Nairobi, Kenya respectively. The Council of Bureaux noted the activities undertaken and progress made by the Reinsurance Pool of the Yellow Card Scheme as follows:

Capacity Subscription

46. The Council of Bureaux noted that there was no change in the status of payment of Capacity Subscription by the National Bureaux of Malawi and Sudan.

47. The Council of Bureaux further noted that the Secretariat had mounted a mission to Malawi in November 2013 and held consultations with the National Bureau and its members on the challenges of Yellow Card operations in the country. The Council of Bureaux also noted the course of actions agreed between the National Bureau of Malawi and the Secretariat to resolve the challenges.

Decisions

48. ***The Council of Bureaux endorsed the following 36th and 37th Meetings of the TMC recommendations that the Secretariat should:***

- a) continue the engagement with National Bureaux of Sudan and Malawi and report the progress to the TMC and Council of Bureaux Meetings, and***
- b) write to the Governments of Malawi and Sudan requesting them to intervene and resolve the issue of the National Bureaux failure to meet their obligations of the Yellow Card scheme.***

Settlement of outstanding Inter-Bureaux Claim reimbursements

49. Regarding Inter-Bureaux claims reimbursements; the Council of Bureaux noted the limited progress made in effecting reimbursements due to challenge of obtaining claim supporting documentations.

Decisions

50. ***The Council of Bureaux endorsed the following 36th and 37th TMC Meetings recommendations:***

- i) National Bureaux should adhere to the guidelines provided in the Yellow Card Operations Manual regarding claims notifications, confirmation of validity of Yellow Cards before processing and settlement of Yellow Card claims;***
- ii) National Bureaux should conduct training for Yellow Card underwriters and other officers on the operations of the Yellow Card Scheme; and***

- iii) The National Bureau of Tanzania should respond promptly to the requests and communication from National Bureaux on claims and other matters.**

National Stakeholders' Sensitization Workshops

51. The Council of Bureaux noted that the National Bureaux of Kenya, Malawi, Uganda, Zambia and Zimbabwe had conducted Workshops to sensitize their members on the introduction of the new security enhanced Yellow Card books and operations of the Yellow Card Scheme.

Decisions

52. **The Council of Bureaux endorsed the following 36th and 37th TMC Meetings recommendations that the Secretariat should:**

- i) Send reminder letters to National Bureaux advising them to conduct National stakeholders' Workshops for Traffic Police, Customs Officials, Transporters, Clearing Agents and Insurance Brokers to popularize the operations of the Yellow Card Scheme in accordance with the decision of the Council of Bureaux;**
- ii) Review the issue of provision of Yellow Card covers to non-resident motorists in consultation with the National Bureaux and come up with a proposal to address the issue; and**
- iii) Produce and circulate brochures and fliers in English and French to National Bureaux for use during National Stakeholders Workshops.**

Pool Managers reporting Template

53. The Council of Bureaux also noted that the Secretariat had provided the Pool Managers with a standard reporting template for the preparation of the reports of the Pool Managers.

Harmonization of the Regional Third Party Insurance systems

54. The Council of Bureaux noted that the drafted Memorandum of Understanding (MoU) on the Harmonization of the Regional Third Party Motor vehicle Insurance systems was presented to the 20th Meeting of the Infrastructure Sub-Committee of the COMESA/EAC/SADC Tripartite Task Team held in July 2013 in South Africa. The Council of Bureaux further noted that the Infrastructure Sub-Committee recommended that the Tripartite Task Force considers and adopts the Zero Draft MoU on the Harmonization of Compulsory Third Party Motor Vehicle Liability Insurance Scheme as a working draft.

Implementation of the new security enhanced Yellow Card books

55. The Council of Bureaux noted that the National Bureaux of Burundi, Djibouti, DR Congo, Ethiopia, Kenya, Malawi, Rwanda, and Tanzania had implemented the new security enhanced Yellow Card books in December 2013, while the National Bureaux of Sudan, Uganda and Zimbabwe implementation between January and February 2014.

Decisions

57. The Council of Bureaux endorsed the 36th Meeting of the TMC recommendations as follows:

- a) National Bureaux should strictly adhere to the Council of Bureaux decisions and should compile lists of old Yellow Card books for destruction;**
- b) The National Bureau of Sudan should urgently remit to the Printer the printing and delivery cost for their consignment of new Yellow Card books delivered; and**
- c) National Bureaux who do not pay the cost of printing and delivery on time to the printer, would be required to pay in advance the cost of printing and delivery for any future orders.**

Retrieval of un-used old Yellow Card books from member Insurance Companies

58. The Meeting noted that following the directive of the 27th Meeting of Council Bureaux, only the National Bureaux of Djibouti, DR Congo, Rwanda, Uganda Zambia and Zimbabwe had retrieved the un-used (phased out) Yellow Card books from their member Primary Insurance companies and disposed them off.

59. The Meeting further noted that some Primary Insurance companies had resisted to handover the phased out Yellow Card books to their National Bureaux as they had paid for them.

Decisions

60. The Council of Bureaux endorsed the following 37th TMC Meeting recommendations:

- i) The National Bureaux of Burundi, Ethiopia, Sudan, Kenya, Malawi, Tanzania and Zimbabwe should in liaison with their member Insurance Companies agree on the best possible method of retrieving all unused old Yellow Card books from circulation and dispose them off; and**
- ii) The National Bureaux should provide to the Secretariat and Pool Managers a list of all unused and disposed off Yellow Card books.**

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

61. The Council of Bureaux noted the highlights of the report of the Pool Managers on the operations of the Yellow Card Reinsurance Pool, particularly on Premium returns, Inter-Bureaux claims and Excess of Loss Premiums due from members as at 31st July 2014.

62. The Council of Bureaux further noted the challenges faced by the Pool Managers which include the following:

- a) Delays in submitting Premium returns and settlement ;**
- b) Getting reimbursements from Issuing National Bureaux on claims settled on their behalf;**
- c) National Bureaux sending claims advices with inadequate information and hence the Managers' inability to effect reimbursements; and**

- d) Delays in payment of premium for Excess of Loss cover.

Decisions

63. ***The Council of Bureaux endorsed the following 36th and 37th Meetings of the TMC recommendations:***

i) The Pool Managers should close claim files that had been outstanding for over ten years without any movement after confirming the status with the concerned handling Bureaux and this decision should be communicated to all National Bureaux;

ii) National Bureaux should adhere to the guidelines and directive given in the operational manual and pay booked premiums monthly as provided for in the operational manual;

iii) Yellow Card instruments need to be reviewed to include sanctions on member Bureaux who fail to completely adhere to the operational guidelines provided by the operational manual;

iv) The established task team by the 27th Meeting of the Council of Bureaux should immediately start its work and urgently look into the issues of long outstanding claims reimbursement between issuing Bureaux and the Pool Managers which has resulted in provisions for bad debt in the Pool's financials; and

v) The Secretariat should prepare the Terms of Reference for the Task Team indicated in item iv above and submit to the next meeting of the TMC for consideration.

Implementation of the Yellow Card Information System (YC-MIS)

64. The Council of Bureaux noted the status of implementation of the YC-MIS and commended the National Bureaux of Kenya, Rwanda, Uganda, Zambia and Zimbabwe on the progress made in the utilization of the YC-MIS. The Council of Bureaux further noted the challenges/issues that users were facing in the implementation of the YC-MIS.

Decisions

65. ***The Council of Bureaux endorsed the following 36th and 37th Meetings of the TMC recommendations:***

i) National Bureaux IT Focal points and Coordinators should monitor the utilization of the YC-MIS and sanction any member company that was not using the system; and

ii) National Bureaux to provide system utilization reports to Secretariat on a quarterly basis showing the challenges faced and measures put in place to address them.

Supplementary Budget for the recruitment of the YC-MIS IT Expert and short term Administrative Assistant

66. The Council of Bureaux noted the Supplementary Budget for the recruitment of an IT Expert for the YC-MIS and Administrative Assistant. The Council of Bureaux also noted that

there was need for a full time IT Expert to carry out the day to day activities of the YC–MIS and undertake development works. The Council of Bureaux further noted that the Yellow Card office had been operating without Administrative Assistance as the regular Administrative Assistant was on prolonged sick leave and hence there was need to hire a temporary Secretary.

67. In the discussion that followed, the Pool Managers informed the meeting that the first instalment for the supplementary budget was paid to Secretariat.

Decisions

68. ***The Council of Bureaux endorsed the following 36th Meeting of the TMC recommendations:***

- i) The Yellow Card Reinsurance Pool should continue supporting the activities of the YC-MIS by funding the recruitment of short YC-MIS IT Expert and Administrative Assistant and cover the Supplementary budget of US\$82,000 required;***
- ii) The Secretariat should write to the Pool Managers to transfer the money on quarterly basis; and***
- iii) The Secretariat should carry out the recruitment of the IT Expert for the YC MIS and short term Administrative Assistant.***

Annual Report and Accounts of the Yellow Card Reinsurance Pool for the Year ended 31st December 2013 (Agenda item 8)

69. The Pool Managers presented the Audited Annual Report and Accounts for the year ended 2013, 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 2013.

70. The Council of Bureaux noted that the 37th Meeting of the TMC had considered and recommended the Management letter of the External Auditors: Deloitte and Touche, addressed to the Committee. The Council of Bureaux also noted the issues raised by the external Auditors which included underwriting income completeness, unallocated receipts of receivables, long outstanding balance and bad debts provisional policy.

71. The Council of Bureaux further noted that the TMC had expressed concern that despite increase in investment amount from US\$5.7m to US\$6.9m, the return on investment income had declined from US\$391,000 to US\$271,000.

72. In the ensuing discussion, a representative of the National Bureau of Rwanda expressed concern on lack of breakdown on the expenses incurred. The National Bureau of Zimbabwe appealed to National Bureaux who had outstanding Inter-Bureaux claims reimbursement to the Reinsurance Pool to reimburse the Pool without further delays.

Decisions

72. ***The Council of Bureaux endorsed the following 37th Meeting of TMC recommendations:***

- i) National Bureaux which had rolled out the YC-MIS should ensure that all issued Yellow Cards are posted and uploaded in the online system;***

- ii) The Pool Managers should intensify recovery of Inter-Bureaux claims and Claims recovery from Reinsurers;**
- iii) The Pool Managers in consultation with the Secretariat should develop the Bad Debts Provision Policy;**
- iv) The Pool Managers should develop and submit a proposal on various investment options, including real property and equity aimed at improving investment incomes options were Pool funds could be invested into and should consider among others Real estate, Government bonds and Treasury bills etc, to the 38th Meeting of the TMC; and**
- v) The Pool Manager should finalize and submit the dividend Policy to the 38th Meeting of the TMC.**

73. The Council of Bureaux received the External Auditors Report: the Annual Report and Financial Statements for the Year ended 31st December 2013 and decided as follows:

- i) Approved the audited accounts in line with Article 6 item 4 (d) and (f) of the constitution of the COMESA Yellow Card Reinsurance Pool; and**
- ii) Appointed the retiring External Auditors, Deloitte & Touche who expressed interest to continue in office for the next financial year , and**
- iii) The Council of Bureaux expressed concern on the high rate of increase of fee demanded by the External Auditors and directed the Pool Managers to negotiate with the External Auditors for an increase not exceeding 10% and report the outcome of the negotiation to the next meeting of the TMC.**

Reinsurance Pool Financial Highlights as at 30th September 2014 (Agenda item 9)

74. A representative of the Pool Managers presented a report on the Reinsurance Pool Financial Highlights as at 30th September 2014. In his presentation, he informed the meeting that the Pool recorded a gross premium income of US\$ 2,239,200 during the period ended 30th September 2014 compared to US\$1,983,580 for the same period last year, representing an increase of 13 %. The meeting noted the financial highlights, as shown below:

	Sept 2014	Sept 2013
	US\$	US\$
Gross premium income	2,239,200	1,983,580
Reserve fund	5,829,296	5,555,752
Total assets	10,204,300	9,013,713
Capacity subscription	275,000	350,000
Short-term investments	8,495,410	6,129,921

Draft Yellow Card Compendium (Agenda item 10)

75. The representative of the COMESA Secretariat presented document no. CS/YCRCTG/CB/XXVIII/10: Draft Yellow Card Compendium. In doing so, he informed the Council of Bureaux that a number of changes and developments in the operations of the Yellow Card Scheme led to the review and preparation of the 3rd Edition of the Yellow Card compendium and these included among others; the automation of the Yellow Card Scheme, the substantial increase in the number of inter-state motorists using the Yellow Card covers, the changes made by Member States to their Third Party Motor Vehicle Insurance Laws and increase in population of vehicles and road traffic accidents.

76. The Council of Bureaux was informed that the 3rd Edition of the Yellow Card Compendium contains five main Sections, namely Section I: Legal System on Compulsory Third Party Motor Vehicle Insurance, Section II: Vehicle population, Section III: Premium rate Compulsory Third Party Motor Vehicle Insurance, Section IV: Yellow Card Operations and Section V: Cross border traffic movement. The Council of Bureaux reviewed the country information for Zambia, which was completed according to the new format.

77. The Council of Bureaux was further informed that the Compendium would be posted on the COMESA Yellow Card Management Information System (YC-MIS) website: <http://ycmis.comesa.int> and would be accessed under the Publication Menu which would be regularly updated.

78. In the discussion that followed the meeting advised on the need to include the Prescription periods (time lime) for both bodily injury and property damage claims.

Decisions

79. ***The Council of Bureaux having considered the draft Yellow Card Compendium decided as follows:***

- i) Adopted the draft 3rd Edition of the Yellow Card Compendium;***
- ii) National Bureaux should provide the COMESA Secretariat with information required accordingly to the format for their respective countries at the earliest possible time by 31st December 2014;***
- iii) The Secretariat should circulate the final draft of the compendium to National Bureaux for their views and comments by end of February 2014; and***
- iv) The Secretariat should publish the final 3rd Edition of the Yellow Card Compendium by 1st March 2015.***

Request by COMESA Secretariat for a Loan of US\$1 million for the CVTFS from the Council of Bureaux of the Yellow Card Scheme Reinsurance Pool funds (Agenda Item 11)

80. The Council of Bureaux received a request from Mr. Sindiso Ngwenya, the COMESA Secretary General for an advance of US\$ 1 million from the Yellow Card Pool which is managed by ZEP-RE to be paid back after six months. The Secretary General informed the Council of Bureaux that the advance would enable COMESA roll out the COMESA Virtual Trade Facilitation System (CVTFS) which integrates existing COMESA trade facilitation instruments which include a real time electronic cargo system, the Yellow Card, RCTG CARNET, Customs documentation and over load certificate for heavy goods vehicles among others. He further pointed out that the RCTG CARNET had been included in the ASYCUDA and SIMBA systems in the Northern Corridor thus enabling one bond to be issued for the

entire Corridor and significantly contributed to the operations of the EAC Single Customs Territory and improved competitiveness.

81. The Secretary General also informed the meeting that COMESA would pay the Council of Bureaux Interest rates that were currently being earned on the Reinsurance Pool funds currently being invested by ZEP-RE in either fixed term deposits or treasury bills. He further informed the Council of Bureaux that taking into account that the advance would be used to provide Letters of Credit (LC's) by Standard Chartered Bank, the money would be placed in a CVFTS fixed deposit account and would not be withdrawn as the Suppliers for the CVFTS had agreed to be paid after ninety (90) days during which period COMESA would have mobilized funding to pay the Suppliers. Prior to the meeting of the Council of Bureaux, the Secretary General had made written request to the Chief Executive Officer of ZEP-Re and held meetings to explore the feasibility of the project and it had been agreed that the matter be officially tabled to the Council of Bureaux Meeting.

82. In the discussions that ensued, the meeting sought clarification from the Secretary General on the CVTFS project and how it would contribute to the programs of the Council of Bureaux and that of the Sureties for the CARNET. In response, the Secretary General informed the meeting that the CVFTS would eliminate fraudulent Yellow Cards that from time to time had been detected by National Bureaux in that all Yellow Cards issued would be validated by the CVFTS data base on the basis of serial numbers and that in the event of fake serial numbers it would not be possible for Customs Administrations to release the truck and cargo. The meeting was informed that this was because the CVFTS provides for a "sign on" for all documentation that accompany a truck. He further highlighted how the CVTFS which had been adopted by different Revenue Authorities in the region would enable Insurance companies that had issued Yellow Cards to have access in real time to Yellow Cards issued and ultimately, this system would facilitate the prompt payment of claims which was not the case at the moment. The Council of Bureaux underscored the need for an Agreement between COMESA and ZEP-Re.

83. In the discussion that followed, the Pool Manager informed the meeting that the requested Advance from the Yellow Card Reinsurance Pool funds to COMESA Secretariat was discussed between the COMESA Secretary General and the Pool Managers, Zep –Re and that it was agreed that the funds to be advanced would be held within Zep-Re accounts and that Zep-Re would only issue a letter of credit to enable the CVTFS obtain a credit guarantee

Decisions

84. ***The Council of Bureaux having considered the request decided as follows:***

- i) The Pool Manager should process the short term loan of US\$ 1 million facility for the CVTFS after proper documentation;***
- ii) The rate of interest payable on the loan advanced should be the prevailing market interest rate;***
- iii) The loan should be paid back in six months period from the date of issuance of a Letter of Guarantee to COMESA CVTFS's Bankers ; and***
- iv) The Council of Bureaux and COMESA Secretariat should sign an Agreement that would contain the details of the loan advance.***

Report on the issuance of Yellow Card cover to non-resident motorists (Agenda item 12)

85. The representative of the Secretariat presented document no. SC/YCRCTG/CB/XXVIII/11: Report on the Issuance of Yellow Card covers to non-resident

motorists. In doing so, he informed the Council of Bureaux that pursuant to the recommendation of the 36th meeting of the TMC that the Secretariat should review the issue of provision of Yellow Card covers to non-resident motorists; a short study was carried out.

86. The meeting was informed that the Secretariat in carrying out a short study prepared a questionnaire and circulated to all National Bureaux to establish the existing practices on the issue and solicited views and comments of members. The meeting was also informed that the Secretariat had consulted alleged National Bureaux in issuing Yellow Card to non-resident motorists and reviewed the Protocol, Inter-Bureaux Agreement and Operations Manual. The observations made and findings established during the exercise were as follows :

- i) Yellow Card Instruments: it was established that the Protocol allows Yellow Cards to be issued to motorists who have taken out a valid liability insurance policy in their own country, whereas the Inter-Bureaux Agreement and the Manual do not provide a clear guidance on the issue.
- ii) National Bureaux Experiences: the practical experiences of issuing Yellow Cards to non-resident motorists in member countries were as follows:
 - a) The National Bureaux of DR Congo, Ethiopia, Kenya, Malawi and Zimbabwe have not issued Yellow Cards to non-resident motorists;
 - b) The National Bureaux of Ethiopia and Tanzania have been issuing Yellow Card covers to tourists coming to the COMESA Region.

87. The Council of Bureaux was informed that the reasons given by National Bureaux for the issuance of Yellow Cards to non-resident motorists included; tourists, expiry of Yellow Cards, cheaper premiums, non availability of Yellow Cards at border towns, import of vehicles by land locked countries, and lack of awareness of non-resident motorists.

88. The council of Bureaux was further informed that the National Bureaux of DR Congo, Kenya, Malawi, Zambia, and Zimbabwe were against the issuance of Yellow Cards to non-resident motorists whereas the National Bureaux of Ethiopia, Uganda, and Tanzania supported the it under defined circumstances such as when Yellow Cards expire in the course of journey, for importing vehicles and tourists coming to the COMESA region.

89. In the discussion that followed, the meeting underscores the need to uphold to the main objective and principle of the Yellow Card Protocol and Yellow Card Instruments. The meeting further pointed out that a non-resident motorist means motorist with vehicle registration plate number different from the vehicle registration number of country where Yellow Card is requested to be issued.

Decisions

90. ***The Council of Bureaux decided that no Yellow Card should be issued to non – resident motorist ,except under the following two exceptional cases :***

- i) Tourists and visitors to the COMESA region,***
- ii) Imported vehicles, with temporary registration number and transiting three or more countries including country of departure***
- iii) Yellow Cards issued under i) and ii) above should have an underlying Prime Policy***

Presentation on Systems Development and Maintenance Report of the Yellow Card Management Information System (YC-MIS) (Agenda item 13)

91. The representative of the Secretariat presented document No CS/YCRCTG/CB/XXVIII/13: The Systems Development and Maintenance Report of the Yellow Card Management Information System (YC-MIS). In doing so, he informed the Council of Bureaux that the system was rolled out and implemented in the Northern and North–South Corridor countries of Burundi, Kenya, Rwanda, Uganda, Malawi, Tanzania, Zambia and Zimbabwe by 1st January 2014 whilst in Ethiopia, Djibouti and Sudan the implementation was done between June-July 2014.

92. On the YC-MIS Systems Development, the Council of Bureaux was informed that the development of the Reports and Claims and Reimbursements Modules had been finalized and would be operational by 31st January 2015.

93. The Council of Bureaux was informed of the details of maintenance works carried out on the system. The Council of Bureaux was further informed that the improved YC-MIS would be operational by 31st January 2015.

94. In the ensuing discussion it was observations that :

- i) Amongst the Reinsurance Pool functionalities in the improved YC-MIS; Inter-Bureaux claims reimbursement be included, and
- ii) Implementation plan of the improved YC-MIS should be prepared and circulated to the National Bureaux in good time before the date of the rollout.

Decision

95. ***The Council of Bureaux having considered the progress made in improving the system decided that the redesigned and improved YC-MIS be implemented by 31st January 2015.***

Report of the 8th Meeting of the Council of RCTG on the Regional Customs Transit Guarantee (RCTG –CARNET) Scheme (Agenda Item 14)

96. The representative of the Secretariat presented document no. CS/YCRCTG/CB/XXVIII/14: Report of the 8th Meeting of the Council of the Regional Customs Transit Guarantee (RCTG) Scheme which was held from 29th September to 1st October 2014 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 over 3000 Carnets had been issued and the acquittal of the RCTG Carnets had been faster than the national bonds.

97. The Council of Bureaux was informed that the Chairperson of the 8th Meeting of the Council of RCTG had signed the Loan Agreement of the advance of US\$500,000 to the RCTG Scheme by the Council of Bureaux of the Yellow Card. Accordingly the Chairperson of the Council of Bureaux signed the Loan Agreement, Annex IV.

Decision

98. ***The Council of Bureaux having noted the Report of the 8th Meeting of the Council of RCTG Scheme with appreciation decided that the Pool Managers should transfer US\$500,000 to the RCTG Reinsurance Pool Account as soon as possible.***

Report on Administrative Matters (Agenda item 15)

99. The Secretary General of the COMESA Secretariat presented document no. CS/YCRCTG/CB/XXVIII/10(a): Renewal of contract of Professional and General Service Staff. In so doing, he informed the Council of Bureaux

100. In the discussions that ensued, the Meeting underscored the need to realign the Age limit for retirement for the Staff members of the Secretariat of the Council of Bureaux to the Age limits of other COMESA Institutions and the need to have succession plan to ensure continuity.

a) Renewal of Contract of Professional

101. The Council of Bureaux considered the recommendation of the Secretary General of COMESA to renew the Contract of Mr. Berhane Giday (P5) with effect from 6th April 2015 and for less than the full terms of four years, as Mr Giday would reach the retirement age of sixty on 03 August 2018.

Decision

102. ***The Council of Bureaux renewed the contract of Mr Berhane Giday, Chief Programme Officer (P5) from 6th April 2015 to 3rd August 2018;***

103. ***The Council of Bureaux decided that the Secretariat should:***

i) review the retirement age limits for COMESA Council of Bureaux and accordingly submit proposal on retirement age limit for the staff members of the Secretariat of the Council of Bureaux, and

ii) submit proposal on succession plan to the meeting of the TMC

b) General Service staff

104. The Council of Bureaux was informed that Mrs Brenda M Chizyuka had been on sick leave with full pay for twenty nine (29) months. The Meeting was informed that the Secretary General, in line with the Staff Rules and Regulations had written a letter requesting Mrs Chizyuka to provide with the necessary medical documentation pertaining to her condition to enable the Secretariat to constitute a medical board and decide accordingly.

105. The Council of Bureaux noted the decision of the Secretary General to constitute a medical board and decide accordingly.

106. The Council of Bureaux noted that the Senior Insurance Expert (P4), Mr Debebe Tamene had assumed his post on 8th February 2014.

External Auditors' Report on the Accounts of the Council of Bureaux as at 30th June, 2014 (Agenda Item 16)

107. The representative of the COMESA Secretariat presented the audited report and accounts for the year ended 30th June 2014. In doing so, he provided highlights on the income and expenditure statement, statement of financial position, cash flow statement, notes to the financial statements and a comparison of the budgeted and actual expenditure for the year ended 30th June 2014.

108. The Council of Bureaux was informed that the External Auditors, Messrs Grand Thornton had given an unqualified opinion on the Financial Statements of the scheme.

109. In the discussion that followed, the meeting raised concern on errors on figures regarding the income in the budgeted versus actual expenditure. The meeting also expressed concern on inadequate medical cover provided to the Staff members of the Secretariat of the Council of Bureaux and emphasized on the need to review the limits.

Decision

110. *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 2014, and approved the Audited Annual Report subject to correction of errors observed. Proposed Budget for the Year 2014/15 (Agenda item 17)*

111. The Secretariat presented Document No. CS/YCRCTG/CB/XXVIII/12- Proposed Budget for the year 2014/2015 as follows:

Status of Income in 2013/2014

112. The Council of Bureaux was informed that all National Bureaux, except Malawi, Rwanda and Sudan had paid their budget contributions. The Council of Bureaux was further informed that the National Bureau of DR Congo who had high amount of arrears, made a substantial payment towards arrears. The meeting was also informed that, the National Bureaux of Malawi and Sudan had not made any payment and that their cumulative arrears as at 30th June 2014 stood at US\$281,437, and US\$230,591 respectively

113. The Meeting was informed that a total amount of US\$502,824, including arrears was received during the 2013/2014 fiscal year which was 55% more compared to the total income of US\$ 324,149 received during the same period last year.

Budget 2014/2015

114. The Council of Bureaux was informed that the budget assessment for the year 2014/2015 was US\$498,623 representing an increase of 4% compared to the budget of 2013/2014 which was US\$477,576. The Council of Bureaux was further informed that the increase was mainly due to an increase in staff emoluments.

Development Budget

115. The meeting was informed that the Secretariat had been able to mobilise very limited extra budgetary resources mainly to fund the implementation of the Regional Customs Transit Guarantee Scheme (RCTG).

116. In the discussion that followed the representative of National Bureau Malawi questioned how long the sanction would last and if there were options for resolving the issue other than sanction and resubmitted her request for consideration of writing off the arrears of Budget contribution of the National Bureau .

117. After some discussion the meeting indicated its desire to consider the request of the National Bureau of Malawi provided it demonstrated some commitment and come up with a plan or proposal on the way forward in addressing the issues.

Table II: Total amount of contribution required from each National Bureau, including arrears

NATIONAL BUREAUX	2014/15 ANNUAL BUDGET CONTRIBUTION US\$	ARREARS AS AT 30/09/14 US\$	TOTAL AMOUNT REQUIRED FROM EACH NATIONAL BUREAU US\$
Burundi	41, 552	-	41, 552
Djibouti	41, 552	-	41, 552
DR Congo	41, 552	21,416	62,968
Eritrea	Exempted	18,824	18,824
Ethiopia	41, 552	-	41, 552
Kenya	41, 552	-	41, 552
Malawi	41, 552	281,437	322,989.00
Rwanda	41, 552	34,789	76,341.00
Sudan	41, 552	230,592	272,144.00
Tanzania	41, 552	-	41, 552
Uganda	41, 552	-	41, 552
Zambia	41, 552	-	41, 552
Zimbabwe	41, 552	-	41, 552
Total	498,623	587,058	1,085,682.00

118. In the discussion that followed, the meeting observed as follows:

- i) The meeting expressed concern on the delays in the non- payment of contributions by the some National Bureaux adversely, affecting the liquidity position of the Secretariat and Jeopardize its capacity to carry out its activities
- ii) The National Bureau of Rwanda assured the meeting that it would expedite the payment of its arrears.

Decisions

119. ***The Council of Bureaux having considered the budget :***

- i) Approved the annual budget of US\$498,623 for the year 2014/2015; and***
- ii) Decided that each National Bureau should pay US\$41,552 as its contribution to the Budget of the Council of Bureaux for the financial year 2014/2015 as shown in Table II above.***

Decisions

120. ***The Council of Bureaux expressed concern on liquidity problem of the Secretariat caused by delays and non payment of budget contribution and decided that the Meeting of the Technical Management Committee should review payments and shortfall in budget contributions made by National Bureaux and consider the Secretariat's request for supplementary budget to cover budget shortfalls either through additional budget contribution by National Bureaux or allocation of fund from the Reinsurance Pool account.***

121. ***The Council of Bureaux urged that National Bureaux which had not yet paid their budget contributions and arrears to pay as soon as possible; and***

122. ***The Council of Bureaux directed the Secretariat to review the medical expenses cover in relation to those provided by other COMESA institutions and submit a proposal for increased Medical Cover for the staff member of the Secretariat of the Council of Bureaux to the next TMC Meeting.***

Yellow Card Annual Work Programme for the Year 2014/15 (Agenda item 18)

123. A representative of the COMESA Secretariat presented document No CS/RCTG/CS/XXVIII/13: Yellow Card Annual Work Programme for the year 2014/15. In doing so, he pointed out the achievements and challenges of the Yellow Card scheme.

124. The Council of Bureaux was informed that the main focus of the 2014/15 Yellow Card Annual Work Programme, were the following:

- i) To consolidate the implementation of the YC-MIS ;
- ii) To review the Yellow Card Instruments;
- iii) To produce a comprehensive compendium;
- iv) To carry-out a study on issuance of Yellow Card covers to non-resident motorists;
- v) To carry-out a study on competitiveness of the Yellow Card premium rates applied by National Bureaux;
- vi) To implement decisions of the Council of Bureaux and recommendations of the Technical Management Committee; and
- vii) To provide technical services to National Bureaux and assist Member States in implementation of the Yellow Card scheme

125. The meeting was also informed that successful implementation of the Yellow Card Scheme Annual Work Programme for 2014/15 depends on timely payment of contributions by National Bureaux to the budget of the Council of Bureaux and implementation of the decisions of the Council of Bureaux.

Decision

126. ***The Council of Bureaux adopted Yellow Card Annual Work Programme for July 2014 to June 2015 as attached as Annex III to this report.***

Study report on low limits of liabilities and other issues affecting the operations of the Yellow Card Scheme in the Region (Agenda item 19)

127. The Consultant presented document no. CS/YCRCTG/TMC/XXXVIII/19: Study Report on low limits of third party liability and other issues affecting the operation of the Yellow Card Scheme. In doing so, the Consultant informed the Council of Bureaux that in

pursuant to the decision of the 26th Meeting of the Council of Bureaux, the study was conducted and seven (7) Member States selected randomly were visited for data collection, soliciting of views and comments from the stakeholders, namely: Djibouti, Ethiopia, Kenya, Rwanda, Sudan, Uganda and Zambia.

128. The meeting was informed that the methodology used in the data collection included among others, literature and report reviews, stakeholders interviews and questionnaires and after analyzing the data and the findings of the study, the following conclusions were made:

- i) Variances in the YC limits of liability among different participating member states create a situation where Member States do not have equal opportunity to claim the same amounts from the Pool.
- ii) The Yellow Card is not seen as a fair tool for compensation because of low limits of liability, variances and weaknesses in the laws of different countries.
- iii) Where the limits of liability are low, (such as in Uganda- US\$.200.00 for injury and as little as US \$ 2,000 for death in the Ethiopian Law governing third party limits of liability), people feel that litigation gives them a chance of more equitable compensation than insurance.
- iv) Third party accident victims prefer to impound vehicles as lien against higher and more equitable compensation amounts which they are entitled to claim from vehicle owners through courts of law.
- v) Disparities in the Volume of vehicular traffic, geographical positions, size of the national economies of the COMESA member countries also affect the performance of the Yellow Card.
- vi) The Insurance Regulatory Authorities do not apply the mandate granted to them in the Operations Manual under Section IV to monitor and supervise the activities of the National Bureaux as they view their jurisdictions to be national rather than regional.
- vii) Delayed Yellow Card verifications and claim settlement cause frustration and as such many stakeholders have lost confidence in the Yellow Card.
- viii) The cost of handling claims by the NBs sometimes exceeds 5% of the cost of the claim amount.
- ix) There is no ceiling on how much a Bureau can claim from the Reinsurance Pool.
- x) Insurance companies with low volumes of business on the Yellow Card fail to remit their annual budget contributions to the Council of Bureaux because the budget contributions are a uniform figure across the region and not dependent on the volume of business.
- xi) Yellow Card Issuing companies are not usually invited to the Yellow Card meetings where only National Bureaux are invited, hence there are knowledge gaps in the Yellow Cards operations.
- xii) Card processes as staff that are deployed to handle the Yellow Card often get moved.
- xiii) There is low awareness by the public on the existence of the Yellow Card.

- xiv) The transporter is faced with a myriad of paper requirements in order to execute an international trip, which can be burdensome to a transporter who may have a very large fleet of vehicles, all going in different directions every time.

129. The Meeting noted the recommendations made as follows:

- i) The Yellow Card should be detached from the limits of liability of the individual COMESA Member States and adjusted to cover a reasonable and uniform limit of liability for the entire Region. Even better, it should forthrightly be pegged at unlimited liability which is really the ideal and is already applicable in certain Member States;
- ii) Article 2 of the Protocol should be read and understood as it is written, i.e. meaning that the provision only sets minimum levels and does not in any way restrict the implementation of anything above those minimum levels;
- iii) Model legislation should be devised by the Secretariat to help the COMESA Member States domesticate the harmonized Yellow Card limits of liability together with any other issues necessary and incidental to the adjustment;
- iv) Prior to the introduction of uniform limits of liability for the entire COMESA Region, Member States should be given clear authority to settle each other Yellow Card claims on a reciprocal basis;
- v) Article 2 of the Protocol should be amended in accordance with Article 18(e) in order to provide for the proposal in recommendation on detaching of the Yellow Card limits from individual COMESA Member States;
- vi) To review the cover provided under the Yellow Card Scheme and make proposal to address stakeholders demand;
- vii) An appropriate and sustainable source of funding should be built into the Yellow Card budget structure to meet the cost of education and awareness activities to cover all relevant stakeholders;
- viii) The COMESA should engage all member states on the need to harmonize the third party limits regards of their economic standing. This will not only solve the problems of the Yellow Card but go a long way towards achieving the Regional Integration the COMESA is designed to achieve. The limits should be considered to be set at a maximum of:
 - a. Injury per person :US\$50,000
 - b. Injury per event :US\$250,000
 - c. Death per person :US\$100,000
 - d. Per event :US\$500,000
 - e. Property Damage :US\$ market cost of repair/replacement, reinstatement or reimbursement
 - f. Post crash rescue and emergency medical expense: US\$10,000

130. In the absence of a Board of Directors, we reiterate that the Council of Bureaux should constitute a superstructure committee made up of directors of underwriting, Claims or Business development of member companies that are not state owned. This committee will be answerable to the Council of Bureaux to consider the performance of all National Bureaux. The Chairmanship of this committee made an executive position and be seconded and housed at the Secretariat for at latest the tenure of the Council of Bureaux office. The Protocol should be amended appropriately to accommodate and empower this committee, both technically and administratively for it to perform effectively.

131. In the discussion that ensued, the meeting raised general and specific points as follows;

- i) Biased ,incorrect and inappropriate comments , views and statement made in the report should be reviewed;
- ii) Agreed in principle that low minimum limit of liability should be fixed at a common and reasonably higher limit of liability, however the basis for determining the fixed minimum amount of limit of liability and its implication on premiums, claims, the Reinsurance Pool arrangement and legal aspects in Member States should be provided;
- iii) In order to guide member states in the harmonization process the Secretariat should come up with model legislation on the compulsory third party motor vehicle insurance;
- iv) The study should review the experience of similar international insurance card systems such as the EU Green and ECOWAS Brown card systems on minimum limits of liabilities, institutional arrangement and assess strengths and weaknesses of the two insurance card systems;
- v) The study should not lose sight of the main objective of the Yellow Card scheme as a trade facilitation instrument rather than a profit maximization commercial product; however the commercial aspects of the operations should also be given due consideration;
- vi) The Meeting recognized the need to empower the TMC and strengthen the capacity of the Yellow Card Unit within the National Bureaux, however refuted the recommendation to establish new organs of the Secretariat and establishing a separate and independent Yellow Card Office at each and every member country was uneconomical and not feasible; and
- vii) The Meeting recognized the importance of involving the Insurance Supervisory Authority and concerned Government Authorities to ensure the smooth operations of the Yellow Card Scheme.

Decisions

132. The Council of Bureaux decided that:

- i) The Consultants should review the study taking into account the points raised by the meeting and submit the revised draft study to the next Meetings of the TMC and Council of Bureaux;**
- ii) Consultants should include Member States that were not visited earlier in the study visits;**
- iii) The Pool Manager should provide to the COMESA Secretariat US \$60,000 from the Pool Account to cover the cost of the review of the study. The funds should transferred to the Council of Bureaux's Account at the earliest possible time and before end of November 2014.**

Date and Venue of Next Meeting (Agenda Item 20)

133. The Council of Bureaux recommended that since it has been over ten years since Rwanda last hosted the meeting, it should host the next meeting. In case Rwanda should be unable to host next meeting Burundi should be the second candidate. The Secretariat would consult with Member States on the dates and venue of the next meeting.

Any Other Business (Agenda Item 21)

134. Under Any Other Business, the observers made remarks as follows:

Angola

135. The representative of the delegation from Angola thanked the COMESA Secretariat and the Council of Bureaux for extending the invitation to attend the meeting. He informed the meeting that their main purpose of participation at the meeting was to understand and learn about the Yellow Card Scheme and explore the possibility of joining the Scheme.

Comoros

136. The representative of the republic of Comoros thanked the COMESA Secretariat for extending invitation to attend the meeting and appreciated the warm reception given. He informed the meeting that although Comoros was a member of COMESA, they were invited to this meeting as observers as they had not implemented the Yellow Card Scheme due to their geographical location.

Swaziland

137. A representative of the delegation from the Kingdom of Swaziland also thanked the COMESA Secretariat and the Council of Bureaux for the invitation. He informed the Meeting that although Swaziland was one of the founder members of Yellow Card Scheme it had not implemented the Scheme. He further informed the meeting that Swaziland was working on reforms on transportation regulations to enable implementation of the system in the country. The delegation requested COMESA Secretariat to provide technical support to raise the awareness of the stakeholders in Swaziland for the benefits of the Yellow Card Scheme.

South Sudan

138. The delegate from South Sudan thanked the COMESA Secretariat for the invitation and expressed gratitude for the participation at the 28th Meeting of the Council of Bureaux of the Yellow Card Scheme. he underscored the importance of implementation of trade facilitation to enhance the economic development of South Sudan. . He informed the meeting that South Sudan was interested in joining the Scheme and other trade facilitation instruments and requested the COMESA Secretariat to provide the necessary support and experience the process of implementation of the scheme in the South Sudan.

Road Transport and Safety Agency of Zambia (RTSA)

139. The representative from the Road Transport and Safety Agency of Zambia thanked Secretariat and the Council of Bureaux for the invitation. He urged National Bureaux to step up their awareness programmes as there was need to educate the stakeholders on the operations of the Scheme. He pointed out that due to misinformation, Zambian Police and other Government Agencies were obliging motorists visiting Tanzania to buy local cover instead of Yellow Card on the basis of Tanzania not being a member of COMESA.

Kenya Insurance Regulatory Authority

140. The representative from Kenya Insurance Regulatory Authority pointed out that the success of the scheme was counted on the effective involvement of the National Bureaux and urged the COMESA Secretariat to set standards.

Primary Insurance -Burundi

141. The representative of the Primary Insurance Company of Burundi thanked the Secretariat for inviting them given that they were thirsty to know how the Scheme operates. He requested the Secretariat to be inviting more Primary Insurance Companies to the

meetings of the Yellow Card Scheme in order for them to have similar level of understanding like National Bureaux.

NICO-Zambia

142. The representative of NICO-Zambia thanked the Secretariat for invitation them and commended their National Bureau for having conducted country wide sensitization of stakeholders. He urged the Secretariat to harmonize standards instead of each country having different standards.

DR Congo

143. The representative of the National Bureau of DR Congo underscored the need for considering bringing Angola on board as there was a lot of traffic flows taking place between Angola, DRC and Zambia and urged Angola to join the scheme.

Recommendation

144. **Taking into account the views and sentiments made by the observers, the meeting Recommended that in order to expedite the implementation of the Yellow Card scheme in COMESA and non COMESA Member States, the Council of Bureaux agreed to recommend to the Council of Ministers that COMESA and Non COMESA Member States that that are interested to join the Yellow Card Scheme should do so by signing the Inter-Bureaux Agreement and joining the Council of Bureaux.**

Decision

145. ***The Council of Bureaux also decided that that the Secretariat should assist and provide technical support to Swaziland, South Sudan and Angola by organizing and conducting stakeholders' workshops and holding consultative meetings to raise the awareness on the benefits of the Yellow Card scheme and to mobilize support for the implementation of the scheme in the countries.***

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

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

147. At the Closure of the meeting the observer from Swaziland Mr. Nathaniel Dlamini on behalf of the delegates, gave a vote of thanks to the Government and people of Tanzania for the warm hospitality extended to the delegates, the National Bureau of Tanzania, National Insurance Corporation of Tanzania Limited, and the Insurance Industry of Tanzania for hosting the meeting and the facilities that were made available to the delegates. He also expressed his gratitude to the representatives of non-COMESA countries Angola, and South Sudan, the Insurance Regulatory Authorities of 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.

148. In closing the meeting, the Chairperson. Mr. Justin Peter Mwandu thanked all the delegates for their valuable contributions and participations during the meeting. He also thanked the Secretariat for unflinching effort and hard work in providing the reports the interpreters for the good work and the organizing committee for their tireless effort in organizing the meeting and declared the meeting closed.

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Annex II: Status of Yellow Card Production

Issuing	No. of cards		Premium collected in local currency		Premium collected in US\$	
	2012/13	2013 / 14	2012 / 13	2013 / 14	2012 / 13	2013 / 14
**Sudan	35	35	-		7,941.10	7,941.10
Ethiopia	20,933	33,465	18,250,268.27	24,286,896.60	970,242.80	1,226,610.99
Uganda	19,000	15,342	2,938,521,319.45	3,775,537,076	1,160,095.27	1,178,873
DR Congo	6,449	6,141	-	-	389,832.05	376,194.21
Tanzania	16,423	13,375	1,774,566,000.00	1,795,937,396.43	1,095,411.11	1,085,814.63
Malawi	523	635	16,876,524.02	22,345,052.31	45,922.51	51,896.44
Djibouti	913	1,446	39,465,491	61,370,480	221,716	344,777
Eritrea	-	1	-	330	-	3.3
Kenya	22,601	15,248	64,847,672.51	-	762,913.79	1,466,543.00
Rwanda	6,945	6,520	88,307,508		143,069.85	128,916.07
Burundi	12,599	17,309	239,361,941.01		158,622.89	332,010
Zimbabwe	12,970	14,144	-	-	1,100,437.64	1,255,052.15
Zambia	28,460	26,820	4,258,712.29	4,065,666.77	806,546.55	641,272.36
Total	147,851	151,414			6,862,751.56	8,095,904.25

Annex III: Status of Claims Activities

National Bureaux	Claims Summary for the period July 2012 to June 2013						Claims for the period July 2013 to June 2014					
	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	48	227,417.00	48	157,088.05	27	-	42	97,923				
Djibouti	168	-	-	-	-	-	tba	tba	tba	226,993	tba	3,180,156
DR Congo	2	3,000.00	55	363,921.00	2	28,500.00	2	3,000	55	363,921	2	28,500
Eritrea	nil	Nil	nil	nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ethiopia	13	150,703	2	2,595	11	148,108	12	83,682.13	3	33,934.7	9	49,747.5
Kenya	15	26,012	7	141,116.00	23	70,289.00	14	170,786.51	7	86,790.15	11	141,573.58
Malawi	5	-	1	2,218.11	7	-	20	31,701.59	5	2,881.96	15	Not provided
Rwanda	-	-	-	-	-	-	241	293,603.76	153	389,590.02	219	218,844.9
Sudan	-	-	-	-	-	-						
Tanzania	2	7,439.25	-	-	2	7,439.25	11	tba	3	tba	tba	tba
Uganda	44	88,607.68	27	124,201.33	85	487,248.55	48	175,700.00	28	127,289.20		
Zambia	3	75,465.00	4	5,287.12	26	72,139.76	53	126,169.00	16	42,168.52	37	84,000.00
Zimbabwe	12	29,000.00	3	6,502.00	3	7,000.00	7	15,981.75	7	15,981.75	0	0
Total	312		147		186		450		277		293	

SIGNED LOAN AGREEMENT