



## **COMESA-ACBF CAPACITY BUILDING IN ECONOMIC AND TRADE POLICY ANALYSIS AND RESEARCH PROJECT**

### **CALL FOR PAPERS 2014**

#### **Introduction**

1. The Common Market for Eastern and Southern Africa (COMESA) was established in 1994 to replace the Preferential Trade Area for Eastern and Southern Africa (PTA) set up in 1981 within the framework of the Organization of the African Unity's (OAU) Lagos Plan of Action and the First Act of Lagos. The COMESA regional block currently comprises of 19 Member States (Burundi, Comoros, Democratic Republic of Congo (DRC), Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe)

2. The vision of COMESA is to be a fully integrated, internationally competitive Regional Economic Community (REC) within which there is economic prosperity and peace as evidenced by high standards of living for its people, and political and social stability and ready for the African Economic Community. COMESA's Mission is to endeavor to achieve sustainable economic and social progress in all Member States through increased co-operation and integration in all fields of development particularly in trade, customs and monetary affairs, transport, communication and information, technology, industry and energy, gender, agriculture, environment and natural resources.

3. COMESA successfully established a Free Trade Area (FTA) in October 2000 with the key aim being to facilitate regional integration through zero customs tariffs on goods traded among the member states. The REC also launched a Customs Union in June 2009, which was expected to be operational in 2012 but the period was extended by two years. Moreover, the COMESA envisages to progress to a Common Market in 2017, and full Economic Community by 2025.

4. Intra-COMESA total trade grew by over 8% in 2013 over 2012 levels, from US\$ 19.4 billion in 2012 to US\$20.9 billion in 2013. Among the countries contributing to this growth were Swaziland, Madagascar, Congo DR, Zambia, Burundi and Comoros, all with growths in both intra-exports and intra-imports in 2013. The percentage of intra-COMESA trade to total COMESA trade in 2013 stood at 7%.

5. However, intra-trade is still limited and further efforts are needed to improve market access by eliminating barriers to factor mobility. Meanwhile, outside the region, countries are facing globalization challenges with limited regional competitive advantages. Therefore, while it is necessary to build productive capacity to take advantage of wider market opportunities that come with globalization, it is also imperative to enhance competitiveness by addressing the

supply-side (or structural) constraints (such as high cost of infrastructure, limited market information, and limited availability and high cost of finance) and their impact on the cost of doing business. Even so, there are emerging and cross-cutting issues (gender, HIV/AIDS, climate change, peace and security, knowledge building, and partnerships) that act as crucial undergirding without which the broader integration agenda would be disrupted.

### **Constraints to regional Integration and ongoing initiatives to address them**

6. COMESA faces various challenges and constraints in its efforts to promote regional integration. These constraints are common to most RECs and are at the global, regional and national levels.

7. *At the global level*, COMESA countries are mainly commodity exporters and the region's exports are confronted with the dynamics of globalization, including the impact of the global crisis and the rise of protectionist tendencies with their potential impact on multilateral and preferential trade arrangements.

8. *At the regional level*, the overlapping membership of the RECs remains a challenge. All member countries of COMESA also belong to other Regional Economic Communities (RECs), namely EAC, SADC, SACU, IGAD, IOC, and ECCAS. Each of the RECs is considering establishment of a Customs Union in the course of their integration process. However, the RECs that would seem to have potential duplications or contradictions to elements of the COMESA Customs Union are the EAC and SADC. The dual membership of countries to COMESA, SADC and EAC presents potential contradictions for COMESA, since a country should not belong to more than one customs union, unless the customs unions are harmonized.

9. For a successful integration especially the FTA and customs union, NTBs and other administrative obstacles need to be removed, as well as tariffs, because NTBs also impede the free movement of goods and people. They constitute part of the cross-border inefficiencies in addition to corruption. In most RECs in fact, NTBs constitute the principal barriers to intra-regional trade, and UNECA (2008) highlighted that they are a growing concern-including rent-seeking customs officials, police roadblocks and harassment by immigration officials. NTBs have an extensive scope as they impede intra-regional trade and serve the cause of protectionism (UNECA 2008). They also reflect the slow progress of regional integration agreements. Unattended, NTBs will curtail the benefits of greater market openness. According to Alaba (2006), NTB's constitute the greatest hindrances to trade integration

10. Besides the overlapping membership, there is also wide-ranging and pervasive infrastructure constraints that hamper the regional integration process and discourage investment and trade. These include: poorly developed financial markets; complex procedures regulating investment and business activity; lack of harmonization of policies, regulations and procedures governing investment, trade and infrastructure development, and deficiencies and asymmetries in the availability of information, especially to the private sector. In addition, poor physical infrastructure and connectivity remains a key constraint to COMESA's business, investment and trade competitiveness and challenge to the spread of the regional integration benefits to all countries.

11. COMESA's response to these constraints centers on the implementation of transport corridor programs to link the different member countries, and open the potential of the landlocked countries. Second, the various trade facilitation measures are expected to help

deepen the integration of the internal market. In addition, the Tripartite Agreement is expected to help the three RECs to harmonize their programs to address the problem of overlapping REC membership.

12. *At the national levels*, a major challenge remains to translate commitment to the regional integration programs into action by implementing the regional integration programs and affording greater attention to regional integration in national development plans. This gap between commitment and action is further indicative of a variety of challenges at the national level, including capacity and budgetary constraints and the resultant tension in the prioritization of national and regional programs as well as difficulties of garnering ownership from the variety of stakeholders, including the private sector. Most of the member states also lack comprehensive industrial development policies which must be complemented with sound macroeconomic policies.

13. It is against this background that the COMESA-ACBF capacity building project for Trade policy analysis and research was formulated. The project will provide opportunity and basis for policy analysis and formulation as well as for trade promotion and development programs that COMESA Secretariat and Member States can implement.

### **The objective for call for papers**

14. There is need to address the low levels of intra-regional trade, and tackle obstacles to trade. The high cost of transport, low levels of industrialization and Non-tariff barriers (costly road user charges, transit related barriers, government policy/ regulations, complex documentation, arbitrariness related barriers, SPS and TBT issues, standards and certification barriers, lengthy and costly customs clearance procedures, Rules of Origin, lack of coordination between government institutions, government monopoly in export trade and export subsidies) have been extensively cited in publications as constraints to promote intra-COMESA trade.

15. This call for papers therefore seeks analytical work and policy research papers to address the low levels of industrialization in COMESA countries and how to increase intra-regional trade.

16. COMESA therefore calls for papers in the following research areas;

1. Free Trade Area and Custom Union
2. Market potential for COMESA industries
  - Extractive industries and sustainable resource management
  - The blue economy; role of fishing in promoting intra-regional trade for coastal economies
  - Research into the competitiveness of products produced in COMESA Member States
  - How should COMESA Member States enter the global value chains and at what level
3. How COMESA should respond to the shifting geopolitics and to the emerging economies
4. Global preferences for Africa and their effect on intra-regional trade
  - Research on market conditions for entering the EU and other markets
  - The impact that trade preferences from the developed countries have on intra-African trade

5. Non-Tariff Barriers in the region and the need for regional standards
6. Trade Facilitation
  - Potential benefits of the Trade Facilitation Agreement for COMESA Member States
  - Role of infrastructure (all modes of transport, ICT and all forms of energy) on promoting intra-regional trade flows
  - Immigration restrictions and their impact on trade
  - Implementing the Single Window in COMESA region
7. Role of SMEs and informal cross border trade in promoting intra-regional trade in COMESA
8. Trade in services focusing on the impact of free movement of persons in the region

### **Request for papers**

17. COMESA now invites researchers to submit full papers under the different research areas. The papers will be reviewed by the Research Committee and authors invited to present the successful papers during the COMESA Research Forum in May 2015.

### **Peer Review and Publication Time Frame**

- Submission of papers to COMESA Secretariat by March 2015
- The submitted papers will be peer reviewed in April 2015
- The successful papers will be presented at the Research Forum in May 2015
- The presented papers will be published by COMESA in 2015

### **Format for Paper submission**

29. Papers should follow the COMESA editorial policy

#### **Submission of the Papers**

18. The full papers can be submitted as hard copies at the address below on or before 1700 hours local time on **30<sup>th</sup> March 2015**.

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