

THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA



Relevance of research in informing trade
related Policy in COMESA

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by

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Issues

- Whether Secretariat programmes should be informed by research
- What kind of research
- Is Academia important in informing policy
- What role can research play in national, regional and inter regional policies
- Who should take the lead in identifying research areas
- Is it important to build a regional research network



COMESA Focal Programmes



COMESA promotes, as a priority:

- ▶ Integration into the global economy;
- ▶ Promotion of human welfare;
- ▶ trade liberalisation;
- ▶ trade facilitation;
- ▶ liberalisation of financial & monetary systems;
- ▶ investment promotion & private sector development;
- ▶ free movement of people.

Contribution of research in regional programmes

COMESA FTA

Launch of FTA October, 2000 was preceded by research in a number of areas to assess impacts of trade liberalization programme e.g. revenue implications, Competitiveness (Trade Remedies, Budgetary support-RISM, Competition policy). **Expansion of regional markets requires informed analysis on;**

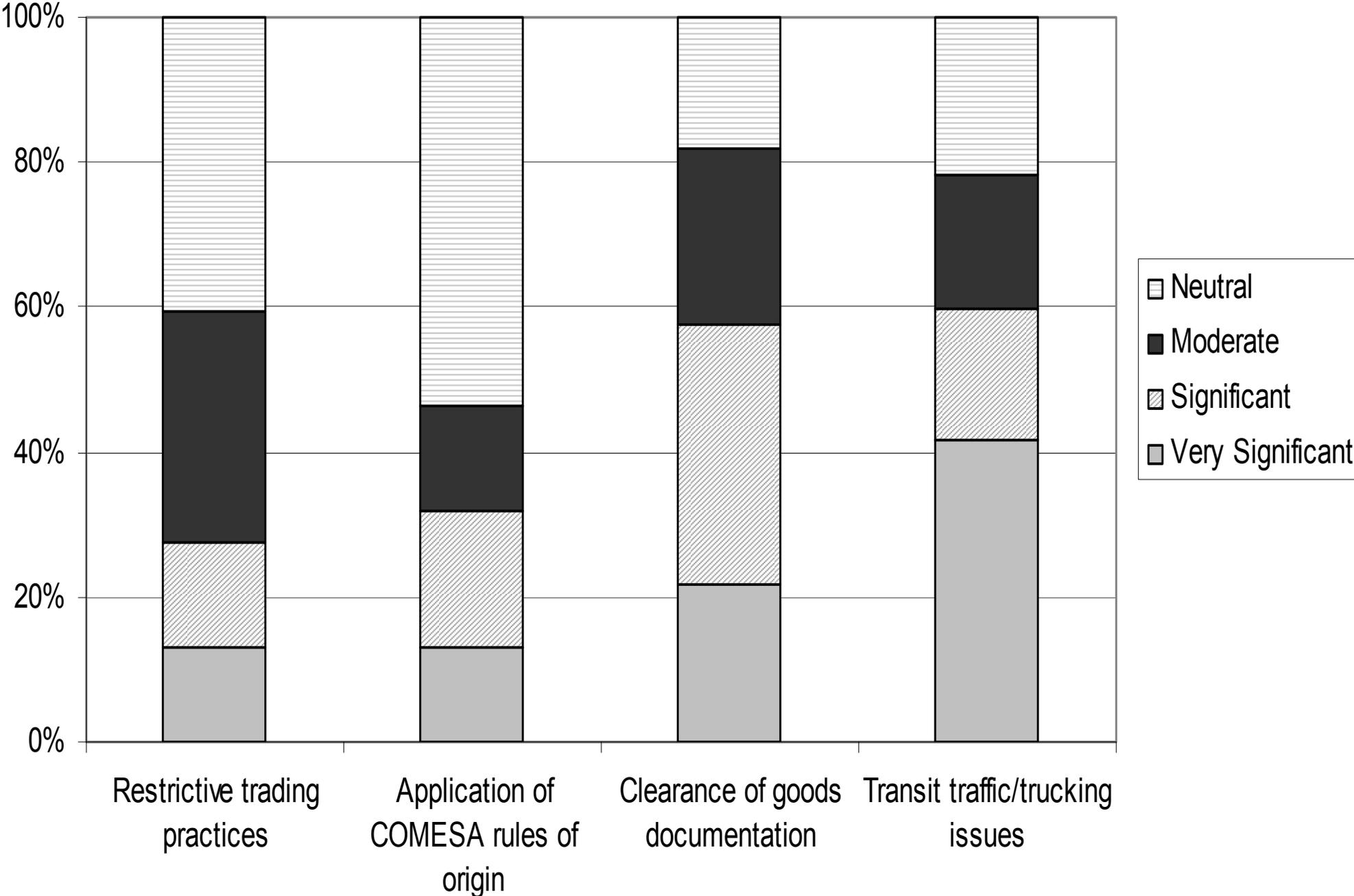
- ❖ Trade flow analysis
- ❖ Promotion value chains and intra firm linkages
- ❖ Impact of liberalization on sectors (Non FTA-5/19)
- ❖ Facilitating cross border trade (STR)
- ❖ Monetary cooperation
- ❖ Elimination of Non Tariff Barriers

Contribution of research in regional programmes

Regional experience on use of research in NTB elimination programme.

- Research undertaken (2007) leading to inventory of Non Tariff Barriers in the region.
- Recent impact study within COMESA (2009) on NTBs. Aim was to survey and document the real impact of NTBs on intra-COMESA trade.

Figure 2: Severity of Non-tariff Barriers



Programme for Elimination of NTBS

Efforts for the elimination of NTBs can be categorized into
Four main thematic areas;

Policy

(Treaty, Protocols, Draft-Regulations)

Institutional arrangements / Mechanisms

(NTBs Focal Points, National Monitoring committees)

Modalities

(Online reporting system, NTBS elimination plan)

Monitoring and evaluation

Studies have also informed the ongoing collaboration at the
Inter REC level to harmonize NTBs elimination strategies.

Formulating the COMESA CU Regional Trade Policy

Based on research a set of *Principles* have been adopted as the *Basis for the COMESA RTP*.

The COMESA *Regional Trade Policy* will govern relations between the COMESA Customs Union and third Countries.

Principle 1: CET rates and Sensitive products

Principle 2: Free circulation of goods, elimination of Rules of Origin.

Principle 3: Revenue distribution.

Principle 4: Export Processing Zones.

Principle 5: Trade defense measures, competition policy.

Principle 6: SPS and Technical Standards Programme

Principle 7: Bilateral treaties, arrangements with third parties, common negotiating positions.

Formulating the COMESA CU Regional Trade Policy

The Customs Union Trade Policy has made provisions for *Policy Space*;

Research has established the need to accommodate national specificities during the transitional period such as;

- Treatment of sensitive products,
- Use of tariffs as incentives,
- Suspension of CET rates in special circumstances,
- Honouring commitments under existing trade arrangements.

Role of research in national, regional and inter regional policies

National	Regional	Inter Regional
<ul style="list-style-type: none"> • Informing policy • Negotiating positions- Bilateral, regional, multilateral • Monitoring and evaluation • Facilitating adjustments and remedial actions • Sectoral analysis • Capacity building – initiatives to empower the implementing institutions to perform their mandates 	<ul style="list-style-type: none"> • Developing regional policy framework • Analyzing emerging challenges and developing responses • Developing regional negotiating positions- EPAS, multilateral • Capacity building – to empower the Secretariats/Member states to undertake their mandates • Preparation of future projects/Programmes 	<ul style="list-style-type: none"> • Developing Inter regional policy framework • Collaboration in research and sharing information and best practices • Harmonization of projects and programmes • Inter regional collaboration • Capacity building

Priority research areas

- ❖ Implementation of the tripartite initiative e.g RoO, SPS, Trade Remedies, NTBs, Competition Policy, Services, IPR.
- ❖ Attracting FDI in the grand FTA region.
- ❖ Development of joint strategies to overcome challenges
- ❖ Impact of EPAs on regional integration
- ❖ Integrating regional into national policy framework
- ❖ Trade flow analysis-understanding the potential for increased trade within the tripartite area
- ❖ Inventory of the main production and manufacturing centers structures-to identify existing and potential industries that can produce for the Inter regional market.

Conclusion

- Mainstreaming research in regional policy
- Structured arrangement for sustained engagement between regional level policy makers and the research institutions.
- Collaboration between the national policy institutions (think tanks) with the regional research institutions.
- Inter regional networking and collaboration of research institutions.

COMESA has established the Regional Multidisciplinary Centre of Excellence as a platform for networking, research, capacity building and dialogue.

Conclusion

Regional Integration has tremendous promise for improving welfare. Policies are required to harness integration and to resolve challenges.

My overview of the current state of integration stresses the need for policy responses which require extensive research analysis.

End of Presentation



**Thank you for
your kind attention.**