

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

MARCHÉ COMMUN DE
L'AFRIQUE ORIENTALE
ET AUSTRALE



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CALL FOR PAPERS FOR THE 11TH COMESA ANNUAL RESEARCH FORUM 2024

Background

Economic integration is a global phenomenon and one of the main trends in the development of international economic relations (Marinov, 2014). (Balassa, 1961) defines economic integration as a process and as a state of affairs, encompassing measures designed to abolish discrimination between economic units belonging to different national states and representing the absence of various forms of discrimination between national economies respectively. Economic integration can take several forms that represent varying degrees of integration, a free trade area, a customs union, a common market, an economic union and complete economic integration (Balassa, 1961). The gains and losses of economic integration emanate from its impact on allocation of resources and international specialization, exploitation of economies of scale, terms of trade, factor productivity, profit margins, the rate of economic growth and the distribution of income (Mutambara, 2021).

Economic integration has static and dynamic effects (Mutambara, 2021). (Viner, 1950) developed the static analysis of economic integration comprising trade creation and trade diversion (Pasara and Dunga, 2019). Trade creation occurs when trade shifts from high cost to low-cost supplier after entering into a regional trade agreement and it is welfare enhancing. Trade diversion decreases welfare and occurs when imports are shifted from a low-cost supplier from a third country to a high-cost supplier from a member state (Pasara and Dunga, 2019), (Marinov, 2014). In terms of dynamic effects, integration leads to growth of output through increase in the rate of growth of factor inputs and the rate of technological progress (Brada and Mendez, 1988).

The Common Market for Eastern and Southern Africa (COMESA) comprises 21¹ Member States that came together with the aim of promoting regional integration through trade and the development of natural and human resources for the mutual benefit of all people in the region. The COMESA Free Trade Area was launched on 31 October 2000 after a sixteen-year period

Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

of progressive trade liberalization through reduction of intra-COMESA tariffs (COMESA, 2018). As of December 2023, 16 countries were participating in the FTA. The Customs Union was launched in 2009 and is in the process of being operationalized.

The COMESA Industrialization Policy and Strategy calls for the promotion of investment in green technologies to ensure environmental preservation, and climate change adaptation and mitigation. At regional level, environment laws and regulations are not enforced effectively, thus threatening sustainability of the environment. Most Member States are characterized by inefficient use of natural resources such as energy, land and water among others (COMESA, 2017). In addition, in the face of Climate Change (CC), industry is faced with new emerging standards aimed at reduction of Green House Gas (GHG) Emissions, which requires substantial investments in appropriate technologies, as well as in the design of industry production and processing methods. This affects industry competitiveness and consequently sustainability.

To address this challenge, COMESA aims to develop initiatives aimed at identifying specific environmental limitations to the promotion of investment in green technologies at national and regional level; promote knowledge sharing and development of green technologies and develop feedback mechanism to ensure that there are linkages between private sector and public sector in the overall green technology generation, information dissemination and adoption; put in place a mechanism for monitoring the implementation of environmental laws and regulations at national and regional level; promote corporate social responsibility of manufacturing industries; facilitate cleaner production initiatives that enhance compliance with environmental measures; facilitate venture capital flows into green industries by a mix of legislation and advocating for government incentives and subsidies.

The African continent has the most adverse effects of climate change. African Development Bank (AfDB) indicates that the continent requires US\$2.8 trillion by 2030 for the continent's countries to implement their Nationally Determined Contributions (NDCs). This is, however, an investment opportunity for Africa and the COMESA region. Currently 87 percent of the climate finance on the continent comes from the public sector and the rest from the private sector. The cost of capital to invest in green projects is relatively high in Africa and in the COMESA region. This calls for need for mobilisation of resources at concessionary rates to finance green investment projects in Africa and the COMESA region.

Value chain development and transformation remains a key component towards enhancing the intra and inter COMESA regional trade. COMESA's engagement in global value chains is largely through specializing in upstream phases of the global production system and network that provide primary inputs and products with less scope for quality differentiation. With the fragmented approach towards value chain development, low production capabilities, limited value addition and investment deficiencies in the region, it is feared that COMESA may be locked in these low stages of value chains that could limit the possibility of upgrading and competing effectively on the global arena.

In line with its Medium Term Strategic Plan (2021-2025), COMESA identified game changing value chains (Agro-processing, Energy, Textile and Garments, Leather and Leather Products, Mineral Beneficiation, Pharmaceuticals, Chemicals and Agro-Chemicals, Light Engineering and the Blue Economy) that are earmarked to actualise its regional integration and industrialisation agenda. COMESA is seized with various interventions to transform

these value chains into regional value chains and ensure they move up to the value-added ladder of their respective chains to enhance competitiveness of the region.

The tourism sector is one of the largest and fastest growing sectors, it contributes to economic growth, enterprise development and employment especially for women, youth and local communities (ILO, 2022). In 2022, the travel and tourism sector contributed 7.6 percent to global GDP and 9 percent of total jobs. In Africa, the sector contributed 5.9 percent of GDP and 4.7 percent of jobs (WTTC, 2023). In COMESA, the sector contributed on average 9.1 percent to regional GDP and employed 8.1 percent of labour force in 2022 (WTTC, 2023). The sector had the highest contribution to GDP in Seychelles, Mauritius and Tunisia at 58.8 percent, 12.7 percent and 10.5 percent respectively. The countries with the highest share of tourism employment in total employment were Seychelles (48.2 percent), Mauritius (14.9 percent) and Tunisia (11.1 percent).

The travel and tourism sector is one of the seven priority sectors under COMESA's trade in services liberalization. The first round of negotiations covered four priority sectors of transport, communication, financial and travel. Negotiations on the four sectors were finalized and 11 Schedules of Specific Commitments were adopted by Council of Ministers in 2014 (COMESA Gazette, Vol. 19 no 2 of 2014). Member States are at various levels of implementation. Negotiations on the other three priority sectors of business, energy and construction and related engineering services are ongoing. The travel and tourism sector is among the top three export and import services sectors in COMESA. The sector exports and imports stood at US\$15.3 billion and US\$ 5.4 billion respectively in 2021.

Research Theme

COMESA has been holding Annual Research Forums since 2014. The Forum brings together various stakeholders, including policy makers, academia, think tanks and private sector to deliberate on topical issues in regional integration. The Forum is also a capacity building avenue in economic and trade policy research for young researchers. Successful research papers are published in COMESA flagship publication "Key Issues in Regional Integration."

COMESA therefore calls for papers under the theme; **"Fostering Economic Integration and Inclusivity in COMESA through Value Addition, Green Investments and Tourism"** with the following sub-themes.

Sub-themes:

- (i) Opportunities and challenges for investment in green projects in COMESA;
- (ii) Creating an enabling environment for investment in green technologies in COMESA;
- (iii) Role of public development banks and export credit agencies in mobilising and scaling climate finance;
- (iv) Investment, value addition and value chain transformation in COMESA;
- (v) Drivers of regional value chain development and Micro, Small and Medium Enterprises (MSME) integration in COMESA;
- (vi) Opportunities and challenges of travel and tourism growth in COMESA; and
- (vii) Women and youth inclusivity for sustainable development and regional economic integration.

Objective of the call for papers

The objective of this call is to seek empirical and/or policy-oriented research papers to address issues pertinent to regional integration agenda in the context of the research theme. COMESA invites researchers to submit extended abstracts under the different sub-themes. The abstracts and papers will be peer reviewed and successful authors shall be invited to make presentation at the 11th COMESA Annual Research Forum scheduled for September 2024.

Proposed Structure

The papers should have the following structure:

Title of the study: Topical issue drawing from the sub-themes in the context of “**Fostering Economic Integration and Inclusivity in COMESA through Value Addition, Green Investments and Tourism.**”

Background: The context of the research underlining the issues that necessitate investigation, existing gaps of knowledge that the research paper attempts to fill, stating clearly the problem/issue being investigated;

Objective(s): A clear statement of the specific research objective/s, the issues addressed or to be addressed. The Research questions or hypothesis that the paper seeks to answer;

Existing knowledge: A review of the relevant literature (theoretical and empirical), on the research issue including methodological approach, scope, parameters, and findings among others;

Methodology: A description of the research methodology including econometric and/or survey tools where applicable, a discussion of estimation technique, data type and sources, and data analysis tools and methods used and, where necessary, data collection strategy;

Results/Findings: a succinct discussion of the research findings and how they compare to findings of similar studies; and

Policy Implications: A detailed discussion of policy implications emanating from the study findings which should be clear and practical.

Important Deadlines

Submission of extended abstracts: 24th March 2024

Submission of draft papers: 30th May 2024

Submission of final papers: 10th July 2024

Editorial Policy

The papers shall be written and presented in accordance with the COMESA Editorial Policy and should not exceed 10,000 words.

Submission

Please submit extended abstracts and draft papers in electronic word format to: Dr. Christopher Onyango at conyango@comesa.int with copies to Jane Kibiru at jkibiru@comesa.int and ekandeo@comesa.int.