Contribution of COMESA in the Fight Against Poverty in Zambia through Trade Facilitation

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ABSTRACT

Background: This study was undertaken due to high levels of poverty in the Common Market for Eastern and Southern Africa (COMESA) Member States. The study endeavored to explore the Contribution of COMESA in the fight against poverty in Zambia through trade facilitation. The study employed qualitative approach with an exploratory research design and critical case sampling to choose 13 key respondents to explore the contribution of COMESA in the fight against poverty in Zambia through trade facilitation. Primary data was analysed from 13 key respondents selected purposively using an interview guide to support secondary data. Data was analysed using thematic and content analysis. According to the World Bank (2017), trade facilitation contains provisions for expediting the movement, release, clearance of goods, goods in-transit, simplification, standardisation and harmonisation of procedures and associated information flows required to move goods from the seller to the buyer for payment. Zambia implemented COMESA's simplified trade regime (COMESA-STR) for small cross- border traders. The Simplified Trade Regime (STR) basically aimed to formalise informal cross-border trade (ICBT) by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that were decentralised to border areas where informal trade was rampant with the view to facilitate ease of access by small traders. The Simplified Trade Regime (STR) made possible for the small-scale cross-border traders to benefit from the COMESA's preferential trading arrangement with the reduction of tariffs on selected goods. The concept One Stop Border Posts (OSBPs) was also implemented in Zambia and other related trade facilitation measures to support businesses.

Key Words: COMESA, Zambia, Poverty, Trade Facilitation, Regional Integration

BACKGROUND OF STUDY

Contribution of COMESA in the Fight against Poverty in Zambia through Trade Facilitation

Geoffrey J. Banister and Kamau Thuge (2001) in their publication titled 'International Trade and Poverty Alleviation published by the International Monetary Fund (IMF) noted that 'trade has been long been part of the arsenal of policies used to promote economic efficiency, development of new markets and growth. The Zambia Poverty Reduction Strategy Paper (March 2002) highlighted that Zambia was one of the most prosperous countries in the Sub-Saharan Africa. However, currently, it has been one of the countries ranked as the least developed countries (LDCs). Beegle et al (2016) observed that as of 2012 more than 330 million people on the African continent lived in poverty. Poverty reduction had been slowest in urban areas but rural areas remained much poor. In a quest to alleviate this poverty, trade among African states has been among other solutions.

Zambia embarked on trade reforms supported by COMESA that included trade facilitation as a means of fighting poverty. According to the World Bank (2017), trade facilitation contains provisions for expediting the movement, release, clearance of goods, goods in-transit, technical assistance, capacity building, simplification of procedures, standardisation of procedures, harmonisation of procedures and associated information flows required to move goods from a seller to a buyer to make payment. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. Trade facilitation initiatives benefit both the business community and governments by obtaining enhanced competitiveness in national and international markets due to reduction in delays and costs which are achieved with predictable and efficient movement of goods across borders.

Majority of the Zambian people suffer from weak purchasing power, insufficient access to basic necessities such as education, health, food, shelter and clean water. Poverty in this sense was defined as lack of access to income, employment opportunities, lack of shelter and other basic needs of life. Poverty in Zambia is more prevalent in rural areas compared to urban areas, it had risen faster urban areas lately due to failing industries and rising unemployment. Zambia began implementing trade facilitation measures to alleviate poverty through trade reforms that included appropriate trade facilitation measures discussed in this article with a view of creating employment and income generating activities. Most rural poor are small-scale farmers followed by medium -scale farmers. Poverty therefore, can be defined as a multi-dimensional and is due to complex factors both personal and societal. The majority of the rural and urban poor earn livelihoods from small-scale agriculture and variety of informal income generating activities that tend to be short-term, seasonal and poorly rewarding. This phenomenon has generally resulted in severe food insecurity that need policy interventions through trade facilitation. It was with this background that trade facilitation has been taken as means of fighting poverty in Zambia.

The Common Market for Eastern and Southern Africa (COMESA) supported Zambia with financial resources to promote trade facilitation in Zambia by implementing various programmes such Common Market for Eastern and Southern Africa- Trade Simplified Regime (COMESA- STR) and implementation of other trade facilitation measures such as One Stop Border Posts concept that created employment and income generating activities.

Zambia's trade reforms through trade facilitation with the support of COMESA and its international cooperating partners of development considered poverty alleviation to be achieved through trade facilitation as means of fighting poverty. USAID (2017) publication tiled 'USAID Report-Zambia on Assessment of Selected Trade Facilitation Measures in Five Countries', highlighted problematic areas the business community encountered in Zambia. It was noted that these problematic areas would resolved through trade facilitation measures to improve their businesses and standard of living. The USAID Report on assessment of selected trade facilitation measures observed the following as problematic areas in their findings (a) lack of border agency coordination and risk management (b) limited access to trade information (c) lack of a single window platform (d) lack of transparency about legitimacy fees and charges (e) existence of non-tariff barriers (f) lack of facilities for testing and quarantine of plants, animals and foods (g) poor roads and rail infrastructure at the borders and (h) weak ICT connectivity. These problematic areas needed interventions from the Zambian Government through appropriate trade policy formulation and implementation.

Interpretivist Research Philosophy or Interpretivism

Pranas et al (2018) observed that interpretivist research philosophy is based on the principle which states that the researcher performs a specific role in observing the social world. This study was guided by interpretivist philosophy or interpretivism. This theory assumes that reality is subjective, multiple and socially constructed. This means that reality can only be understood through one's experience of that reality which may be different from another person's shaped by the individual's historical or social perspective. According to this research philosophy, the research depends on what the interest of the researcher's interests are. In this study the researcher's interest was to explore the contribution of COMESA in the Fight against Poverty in Africa: A Case Study of Zambia from 2010-2021. Interpretivist research philosophy emphasizes qualitative analysis over quantitative analysis and the researcher in this study used interpretivist philosophy as an ideal approach to achieve the specific objectives of the study as it was qualitative in nature. Interpretivism integrates human interest into a study as it based on naturalistic approach of data collection such interviews and observation. In this study an interview guide was used administered by the researcher to collect primary data while secondary data was collected from mainly from annual reports, verified internet sources and articles or books.

THEORETICAL FRAMEWORK

Schuman (2008) in a paper prepared for presentation at the European Centre noted a number of classical theories of integration. For example, neofunctionalism, was identified which dominated the debate of the European Union integration in the 1950s until the early 1990s. Classical theories of integration developed mainly to explain European integration. Europe was one of the first regions of the world where regional integration started. With the Europe coal steel Community (ECSC) in 1952. Ernest Haas is one of the first proponent of regional integration who theorised the European experience of integration in 1958. Lindsberg (1963) contributed were Lindsberg contributed to the theory of regional integration by studying the early stages of the European economic Community (EEC) which began in 1958. These early theories were all classified as neofunctionalism. There were also other theories that emerged to have deeper understanding of regional integration. These included Haas,1961, Haas and Schmitter, 1964 and has 1967. Moravcsik (1991, 1993), in the 1990s developed a regional integration theory known as liberal intergovernmentalism to explain the process of integration in Europe suggesting the combination of a liberal theory to explain substantive outcomes. Moravcsik (1998) added to his theory, a third stage referring to institutional choice which referred to pooling and delegation of credible commitments as critical factors in the integration process. In the 1990s, further theories were developed relating to regional integration by various proponents in parallel with international relations debate concerning rationalist approaches vs. social constructivist approaches. These theories were combined and regional integration was defined as a process whose outcomes would lead to a certain state of affairs. Karl (1957) defined integration as the attainment within a territory with a sense of community. It was noted that the sense of community was assumed to have institutions and practices strong enough and widespread enough to assure for long time with dependable expectations of peaceful change among its population. He further added that when states were integrated in this way they constituted a security Community. Haas (1958) observed in his classical study of regional integration that institutions such as the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) were created to unite Europe and therefore, integration was defined as a process whereby political actors in several distinct national settings were persuaded to shift their royalties, expectations and political activities to a new center whose institutions possessed or demanded jurisdiction over the pre-existing national states. In this article liberal theory was selected as a guiding principle for discussion.

Landry and Johnson (2018) in their publication titled 'Africa's Consumer Market Potential, Trends, Divers, Opportunities and Strategies'. Africa was a home to roughly 1.2 billion consumers projected to increase to 1.7 billion by 2030. It was further observed that consumer expenditure on the continent had grown a t compound annual rate of 3.9 percent since 2010 and reached $1.4btrillion in 2015. This figure was expected to reach $2.1 trillion by 2025, and $2.5 trillion by 2030. It is in this context that regional integration is encouraged by African countries to work together to address common challenges and harness their shared strengths to realise the continent's potential market. The world bank (2021) is a key contributor to Africa's regional integration. The World Bank collaborates with African countries and regional institutions to empower people, unleash trade and optimize shared natural resources and economies of scale to achieve Africa's transformation. Therefore, debates in regional integration can be explained through several theoretical frameworks depending on the context of formation. In this study, the key theoretical perspectives were selected to guide the study. In this study, the liberal economic theory was selected to guide the study and as a guiding tool by COMESA in the fight against poverty in Africa as well as a means of fighting poverty in Zambia. Liberalism as advocated by COMESA to fight poverty in Africa takes the form of the promotion of trade liberalization, trade facilitation, investment promotion, agriculture and rural development and development of private sector. Economic liberalism is a political and economic ideology that supports a market economy based on individualism and private property in the means of production. Economic liberalism is based on the principles of personal property, private property and limited government interference. The term 'liberalism' should be understood in its historical context. Classical liberalism emphasized liberty from government regulation. In the economic context this would include the elimination of restrictions on the choice of occupations or transfers of land. Liberalism asserts that self-interest is a basic component of human nature. In the economic arena, producers provide goods, not out of concern for our well-being, but due to their desire to make a profit. Like wise workers sell their labour and buy the producer's goods as a means of satisfying their own wants. This leads to the belief in a natural harmony of interest. By each individual pursuing their own interest the best interests of a society are served. The forces of a free competitive market economy would guide production, exchange and distribution in a manner that no government could improve upon. The government's role, therefore, is limited to the protection of contracts providing public goods, and maintain internal and external security.

Economic liberalism refers to the ideology that supports the idea of an economic system governed by individual rights. It means that the government refrains from engaging in industrial and commercial activities and that it should not interfere with the economic relations between individuals, groups of people, classes or entire nation. Wealth and property are the two pillars of economic liberalism. It is a foundation of capitalism and challenges the guiding policy while gaining from the state's preferences. Free trade, deregulation, tax reductions, privatization and the flexibility of the labour market are all features present in an economically liberal country. Economic liberalism promotes the notion that the government should refrain from engaging in commercial and industrial activities and should not try to interfere in the economic relations between different classes of people and between different individuals. Adam Smith is regarded as the father of economic liberalism. The system is designed to be more productive, generate income and facilitate multiple exchanges. Economic liberalist countries support individualism and promote innovation and growth. However, economic liberalism has certain downsides such as the growth of unwanted business dominance and poverty.

Economic Liberalism Theory

Economic liberalism is a philosophy as well as a way of coordinating capitalism. Adam Smith (1723-1790), a professor of philosophy at Glasgow University in Scotland, is considered the father of economic liberalism. In contrast to the new neoliberalism, this liberalism is now known as Palaeoliberalism or 'old liberalism'. It gave he market absolute precedence and was the dominant ideology in the founding countries during the 1830s and 1920s. Economic liberalization includes strategies and programmes undertaken to promote a system of economic liberalism. One can sumarise the core principles of economic liberalization as follows: individualistic idea of freedom, existence of natural order, competition as the steering wheel of the economy, self-interest as the driving force in the economy. Woodward (1992) observes that poverty reduction can be achieved through economic Liberalisation. Woodward notes that economic Liberalisation encompasses the processes including government policies that promote free trade, deregulation, elimination of subsidies, price controls and rationing system and often the downsizing or privatization of public services. In other words, Liberalisation is the process of relaxation of trade rules and regulations of a country by the government which paves the way for economic growth and development. The Article by Wallstreetmojo Team revised by Dheeraj Vaidya, CFA, FRM refers to trade Liberalisation to elimination or easing trade barriers between countries to promote free trade of goods and services. Examples of trade barriers are tariffs, import quotas, embargoes and non- tariff barriers. The removal or reduction of trade barriers is an important element of in a free trade agreement and increases the competition in the world market for goods and services. Moreover, integration into global economy is vital for nations to promote economic growth, Industrialisation, urbanization and prosperity. Trade Liberalisation is significant to the global economy, it promotes free trade and contributes to globalisation.

METHODS

Study Design

This study adopted qualitative research method. This method was employed because it relies mainly on human perception and understanding and therefore, the researcher during primary data collection was able to interact with participants using an interview guide in order to enhance credibility of the data.

Study Setting

The study was conducted in Lusaka City within Lusaka province.

Target Population

The target population for this study included 13 informants from COMESA, Ministry of Finance, Ministry of National Planning, Ministry of Commerce, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Bank of Zambia, Zambia Development Agency, Zambia Statistics Agency (Central Statistics Office), Zambia Revenue Authority, Economic Association of Zambia and Jesuit Centre for Theoretical Reflection

Sampling and Sample Size

In this study, critical case sampling was used to select the informants. This sampling technique was used because the participants were experts in the subject matter. It was also used since this study is an exploratory qualitative research with limited resources and is single case study with a small number of informants to explain the phenomenon of interest. It was also chosen because it had facilitated for an in-depth qualitative analysis of the phenomenon under investigation.

Weller et al (2018) observed that the use of saturation as salience in determining sample size in qualitative research is ideal. In this study, 13 informants from key institutions were selected by the researcher as saturation was reached at this point. Morse (2015) observed that saturation is the most common guiding principle for assessing the adequacy of purposive samples in qualitative research.

Research Instrument & Data Generation

Oliver (2010) observes that research instruments are tools that a researcher uses in collecting data. However, since the research was focused on secondary data, specific institutions were identified for data collection with specific methods. Creswell (2009) observes that primary data is a type of information obtained directly from first hand sources by means of survey, observation, focus and interviews or experimentation. In this study primary data was collected using an interview guide administered by the researcher. While secondary data was collected from the selected institutions either from books, Annual reports, articles, verified internet sources, etc. in order to get an in-depth understanding. Kasonde-Ngundu (2013) provides that in qualitative research, the main purpose of interviews is obtaining unique information or interpretation held by the person interviewed, collecting a numerical aggregation of information from many persons and finding out a 'thing' the researcher was unable to observe themselves. An interview guide was used to collect primary data as it contained pre-defined issues to be discussed in the interview during data collection.

Data Analysis Procedure

In this study, the researcher used thematic and content analysis approach to analyse both secondary and primary data. Bryman (2012) observes that thematic and content data analysis is used to illustrate use of data in great detail and deals with diverse subjects via interpretations. Thematic and content analysis was also considered to provide a systematic element to data analysis. In addition, the study was qualitative in nature.

Data Cleaning and collation

In this study, to clean and collate the data, the researcher reformed the data, made corrections to the data and combined the secondary and primary data sets. In addition, duplicated data was purged to minimize errors. Data mismatch, incorrect data, corrupted and incorrectly formatted data and data inconsistencies were eradicated. This was done to ensure that no important data was missing and was not susceptible to contamination at the stage of data analysis. The researcher prepared the data using standardized data formats. In this study, data was cleaned by carefully going through the thematic areas that were created from the research objectives and interview guide administered by the researcher. The body transcripts for citing verbatims read properly to help readers make sense of them.

Delimitation of the Study

The 13 key informants that were interviewed using an interview guide by the researcher were all located in Lusaka as the institutions were purposively selected based on their expertise. These included the following institutions: COMESA, Ministry of Finance, Ministry of National Planning, Ministry of Commerce, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Bank of Zambia, Zambia Development Agency, Zambia Statistics Agency (Central Statistics Office), Zambia Revenue Authority, Economic Association of Zambia and Jesuit Centre for Theoretical Reflection.

Ethical Considerations

The use of pseudo names facilitated the identification of each piece of information from the research questions using their titles rather than actual names as indicated in this study.Cohen et al., (2011) observes that all research activity must be carried out in an ethical manner. Cohen further said that ethical concerns encountered in educational research in particular can be extremely complex and subtle and can frequently place the researcher in a moral predicament which may appear quite irresolvable. Creswell (2014) observes that researchers would harm the individuals or groups they studied when research participants experience anxiety, stress, guilty and damage to self-esteem during data collection and in the interpretation made from the data provided. Rana and Dilshad (2021) observed that ethics concerns two groups of people such as those conducting research who should be aware of their obligations and responsibilities and the researched upon who have basic rights that should be protected by consent. To ethically proceed, this study considered ethical clearance from the University of Zambia Ethical Committee by obtaining an introductory letter to facilitate data collection from targeted institutions. This was in order to give confidence to the researcher as being genuine and for identification purposes. During the period of data collection, this study promoted integrity by respecting participants through obtaining consent from them before being interviewed. The study also upheld research ethics by respecting the rights of participants through making sure that they

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understood what the study was all about. The researcher observed strict ethical considerations that aimed at protecting participants in the research process by having ethical clearance to collect data. Participants were free to consent to being interviewed by the researcher using an interview guide administered by the researcher by emphasizing that it was academic research meant for the fulfilment of a doctoral programme in International Politics and International Relations at the University of Zambia.

Confidentiality

Creswell (2014) observes that confidentiality in research implies that identifying the participants that will not disclose information. Participants were protected by not having their names or any form of identification disclosed in any way to motivate them to give information using an interview guide administered by the researcher. Pseudo names using tiles were used from the target sample size. The rights and of participants were respected and participants were informed that participation in the interview was voluntary as they were at liberty to leave the study at any time if they wished to do so. Oliver (2010) observes that informed consent involves obtaining voluntary participation of people involved and informing them of the right to withdraw from the study at any time. With this in mind, the researcher assured participants of total confidentiality and their responses remained concealed by not disclosing their names. In this study the researcher ensured that the presentations of the findings did not lead to disclosure of names of participants and names of respondent from target organisations when writing verbatims. Codes were used with pseudo names using titles of respondents to represent participants and names of institutions when writing verbatims during data analysis.

Reciprocity

Office of Human Research (2015) observed that the protection of human participants in research required voluntary involvement of participation of participants in research and their generosity would be reciprocated by payments in cash from the researcher but payments should not be more than reimbursement of a documented out-of-pocket expenses. However, in this study, the researcher did not pay anyone as participants freely participated with their consent based on the introductory letter from the University of Zambia for identification of the researcher. Payment was also avoided to avoid compromise on data collection process in terms of responses using an interview guide administered by the researcher. The researcher in this study ensured that consent was obtained from all participants.

Health Considerations of Participants

As the study was conducted during Covid-19 period, participants were encouraged to wear face masks during data collection including the researcher so that participants were not put at risk of Covid 19. All health standards were observed during interview interactions and social distancing

was observed. Some interviews were conducted through Zoom as some participants worked from home.

RESULTS

The findings were based on secondary data and primary data which included views, thoughts and perspectives of participants from the key respondents whose identities were hidden instead pseudo names using their titles were used as indicated in this study. The findings generated from the interview guide were aligned to relevant research objectives and specific questions presented in the themes reinforced with participants’ verbatim responses from the interview guide administered by the researcher. Verbal responses from the participants and their respective institutions were represented by pseudo names using their titles representing codes rather than numbers as codes for ethical considerations. The presentation of findings and discussions were based on themes created in this study. This article is based on the following theme picked

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from the five themes identified in the study on the "Contribution of COMESA in the Fight against Poverty in Africa: A Case Study of Zambia from 2010-2021".

Contribution of COMESA in the Fight against Poverty in Zambia through Trade Facilitation

The contribution of COMESA in the fight against poverty in Zambia through trade facilitation was broken into specific findings and discussions focused actual activities that contributed to trade facilitation with appropriate sub-headings with financial support from COMESA's and its international cooperating partners of development.

Contribution of COMESA in the fight against Poverty in Zambia through Simplified Trade Regime (COMESA-STR*)*

Zambia implemented the Common Market for Eastern and Southern Africa-simplified Trade Regime (COMESA-STR) for small cross- border traders as a trade facilitation policy. This programme had boosted informal cross border trade through simplified trade regime. This policy provided an opportunity for increased income and livelihood to many people as they moved essential products from areas of surplus to areas of deficit in Zambia. The Simplified Trade Regime (STR) basically aimed to formalise informal cross-border trade (ICBT) by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that were decentralised to border areas where informal trade was rampant with the view to facilitate ease of access by small traders. The Simplified Trade Regime (STR) also made it possible for the small-scale cross-border traders to benefit from the COMESA preferential trading arrangement as tariffs were reduced on selected goods. In this policy, Zambia identified a list of eligible products at bilateral in order to enjoy reduced tariffs. In the selected products Zambia was able to reduce the cost of doing business for the small and medium enterprises (SMEs) with simplified rules and harmonised systems. Traders' activities increased and their income. The Simplified Trade Regime was used in Zambia to address various challenges of Small and Medium Enterprises (SMEs) by reducing the cost of doing business such as high transaction costs arising from delays at the border, poor infrastructure at the borders, high taxes, and high transport costs including bribery, corruption and harassment. This was possible as border areas under One Stop Border Posts (OSBPs) concept had improved their operation relating to trade facilitation. Table 1 below shows Zambia's implementation of simplified trade regime of eligible products with Zimbabwe in the COMESA region.

Table 1: Zambia's Implementation of Simplified Trade Regime (STR) of Eligible Products with Zimbabwe in the COMESA Region

Product	**HS Code**	**Product**
Live Animals	1001 0106	
Potatoes, fresh or chilled	0701	
Tomatoes, fresh or chilled	702	
Onions, fresh or chilled	703	
Cabbages, cauliflowers, etc	0704	
Lettuce	705	
Other vegetables (asparagus, eggplant, celery, mushrooms, others)	0709	
Dried vegetables, including mushroom, wood ears, jelly fringe	0712	
Dried beans, chickens, including seeds for growing	0713	

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Seeds	0713	
Bananas	0803	
Da, figs, pineapples, avocados, guavas, mangos	0804	
Mathematical sets	9017	

Source: Cross Border Traders Association (2019)

Bwalya et al (2021) observed that Zambia remained a high -poverty country despite having attained middle-income status in 2011 and further noted that structural financial distress was manifested in the high levels of severe/food poverty, chronic poverty and impoverishment in rural areas which was linked to environmental sustainability issues (deteriorating fish stocks, soil fertility, droughty and floods and disaster risk. Panel data analysed revealed that there was less poverty in urban areas but high levels of inequality within urban areas. Zambia needed to reduce poverty levels through coherence policy formulation based on trade facilitation appropriate trade facilitation measures in all sectors of the economy to prevent people from falling back into poverty and ensure elimination of widespread poverty in rural areas. Zambia further signed another bilateral agreement with Malawi in its endeavour to reduce poverty as shown in Table 2 below trough implementation of COMESA -STR of eligible products.

Table 2: Zambia's Implementation of Simplified Trade Regime (STR) of Eligible Products with Malawi in the COMESA Region

Product	**HS Code**	**Product**
Live goats	010 420	
Live sheep	010 410	
Live rabbits	010 690	
Fresh fish (live fish are not eligible)	030 269	
Dried, salted or smoked fish	030 569	
Fresh milk, yoghurt and cream	040110 040130	
Potatoes (Irish ad sweet)	070110 070190	
Soya beans	120100	
Groundnuts	120210 120220	
Rice	100610 100640	
Dried chick peas (channa)	071320	
Cement	252329 252390	

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Lime for whitewash	252210	

Source: Cross Border Association (2019)

These bilateral agreements ensured a stable market for small and medium enterprises (SMEs) in Zambia. SMEs increased their exports to these ready markets and their income and contributed to employment creation hence contributing to poverty reduction among themselves. Zambia put in place national institutional mechanisms to support a multi-sectoral and multi-institutional approach in the implementation of the COMESA-STR. A key and unique element had been the involvement of the cross-border traders themselves in the design and implementation of this simplified trade regime. Zambia under the Simplified Trade Regime over time had raised the value threshold from US $500 to US $1,000 and raised further to US $2,000 indicating the value and high usage of this tool by small scale traders. The Simplified Trade Regime (STR) had tremendously contributed towards moving food from high surplus to low deficit areas within the specific borders which had significantly contributed to poverty reduction in Zambia.

Zambia's Simplified Trade Regime was financially supported by COMESA's international cooperating partners of development with commitment from the European Union. There had been capacity building through workshop raising awareness on trade regimes and information dissemination. The project had also created employment in Zambia on all boarders as agents had found jobs. However, some boarders during study period 2010-2021 had been closed temporally like the Zambia – Zimbabwe boarder due to Covid-19 and opened up later. This had also resulted in high cost of doing business. In addition, the cross-border permit had been increased from K1, 500 to K4, 500 for a period of three months. To renew this work permit, the fee was K6, 700 for a period of three months which had been a cost on the Micro, Small and Medium enterprises (MSMEs). However, the small and medium enterprises in Zambia were trained to enhance capacity among the small and medium enterprises (SMEs). This also helped them to increase their outputs due to efficiency management of their activities after training. The programmes were meant to continue building capacity in the private sector to improve competitiveness and enter into regional and international markets. This trade facilitation measure was an excellent one as it produced quick results and improved income generating activities of small traders in Zambia. This Trade Facilitation Policy contributed to employment creation in border area. Table 3 below shows Zambia's summary of small and medium enterprises who participated in training during the period 2012-2015 with financial support from COMESA and its international cooperating partners of development.

Table 3: Zambia's Summary of SMEs Training/Cluster Implementation for 2012 with Support from COMESA and its International Partners of Development

Country	**Agro Processing**	**Foot Wear**	**Textile and Garments**	**Agro Processing**	**Foot Wear**	**Textile and Garments**	**Male**	**Female**	**Funds / Implementing Partners**
Zambia	150	40	60	–	0	n/a	92	68	Ø $16,000 spenton three trainings Ø COMESA Leather andLeather ProductsInstitute (COMESA/LLPI) Ø Zambia Development Agency (ZDA)

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									Ø National Service Training Centre-Kitwe Ø Afri-Zambia - Lusaka Technical School and Evelyn Hone
Total	150	40	60	–	0	n/a	92	68	$16,000.00

Source: COMESA Annual Report (2012-2013) (Key: n/a -not a target country, 0 -Activity in progress, p-Equipment procured)

COMESA Mid-Term Strategic Plan (2016-2020) had substantial benefits to Zambia that were clearly outlined in the COMESA's main objectives of its Medium-Term Strategic Plan (MTSP) with a focus on industrial development and industrialisation to ensure linkages to technological enhancement, value addition, diversification and job creation. Similarly, according to the Survey conducted by Small- Scale Cross Border Trade Initiative (2019), the informal trade export value had risen from USD81.02 million in 2019 to USD206.08 million during the same period. The highest volume of informal export was recorded at Kasumbalesa border with DR Congo with the main informal products being fish and fish products and rice being the main informal import products whose results were announced by COMESA and Zambia Statistical Agency (ZamStarts).

COMESA had been facilitating small- scale cross border trade with the aim of formalising and increasing trade flows in Zambia and the region with funding from the European Union as its international cooperating partner of development. This had been done in Zambia through policy reforms and government reforms including institutional capacity building, improved border infrastructure and actions toward removal of barriers to small scale cross border trade. COMESA came up with a simplified customs clearance procedure which helped Zambia to facilitate easy import and export of goods. The simplified clearance procedure under COMESA is called the COMESA Simplified Trade Regime (STR) which Zambia has been using since its inception.

Contribution of COMESA in the Fight against Poverty in Zambia through COMESA's World Trade Organisation 's Trade Facilitation Agreement

COMESA assisted Zambia regarding the implementation of World Trade Organisation' Trade Facilitation Agreement (WTO-TFA. COMESA Secretariat implemented COMESA Trade Facilitation Programme under the 11th European Development Fund (EDF) as a regional approach on trade facilitation strategy and Zambia benefited from this programme through improving customs cooperation and trade facilitation in the region. Additionally, Zambia had established National Trade Facilitation Committees (NTFCs) and was supported to implement developed work plans. The status of Zambia regarding notification of its categories and ratification of the World Trade Organisation Trade Facilitation Agreement (WTO TFA) as a requirement of COMESA is shown in Table 4 below.

Table 4: Zambia's Notification of Categories A, B and C and Ratification of WTO Trade Facilitation Agreement (TFA) as required by COMESA for Trade Facilitation Assistance

No.	**Country**	**Category A Notification Done**	**Category B Notification Done**	**Category C Notification Done**	**Ratification**
1.	**Zambia**	Ø	Ø	Ø	16.12.2015

Source: COMESA Annual Report (2020)

Table 4, above shows Zambia's notification, of categories A, B and C and Zambia notified WTO as commitments required by COMESA before giving any assistance for trade facilitation. All the three categories were ratified on 16h December 2015. The definitions of categories are defined below: (a) Category A- Zambia's commitments to WTO Trade Facilitation Agreement as required by COMESA and designated for implementation upon entry into force of the Trade Facilitation Agreement (b) Category B- Zambia's commitments to WTO Trade Facilitation Agreement as required by COMESA and designated for implementation on a date after a transitional period of the Trade Facilitation Agreement and (c) Category C- Zambia's commitments to WTO Trade Facilitation Agreement as required by COMESA and designated for implementation after a transitional period and acquisition of implementation capacity through the provision of technical assistance and support for capacity building

Zambia's determination of categories of notifications were conducted on the basis of a negative list where Zambia had specifically identified and notified WTO of its Category B and C commitments. As per requirement, each country concerned needed to seek from donor agencies the required technical assistance /or capacity building needs once such agreements were reached, each then needed to notify the WTO of its planned Trade Facilitation (TFA) implementation date. Based on the WTO analysis Zambia presented all requests for assistance and capacity building, category C notifications.

Contribution of COMESA in the fight against Poverty in Zambia through Simplified Trade Regime (COMESA-STR)

Zambia implemented Common Market for Eastern and Southern Africa (COMESA) simplified trade regime (COMESA-STR) for small cross- border traders. This programmed had boosted informal cross border trade through simplified trade regime. The implementation of the Common Market for Eastern and Southern Africa Simplified Trade Regime policy provided an opportunity for increased income and livelihood to many people as they moved essential products from areas of surplus to areas of deficit in Zambia. The Simplified Trade Regime (STR) basically aimed to formalise informal cross-border trade (ICBT) by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that were decentralised to border areas where informal trade was rampant with the view to facilitate ease of access by small traders. The Simplified Trade Regime (STR) made possible for the small-scale cross-border traders to benefit from the COMESA's preferential trading arrangement with the reduction of tariffs on selected goods. Zambia identified a list of eligible products at bilateral in order to enjoy reduced tariffs and in the selected products, Zambia was able to reduce the cost of doing business for the small and medium enterprises (SMEs) with simplified rules and harmonised systems. Traders' activities increased and their income. To enhance this simplified trade regime in terms of implementation, Zambia signed a bilateral agreement with Zimbabwe and Malawi to identify these eligible products. The Simplified Trade Regime was used in Zambia to address various challenges of Small and Medium Enterprises by reducing the cost of doing business such as high transaction costs arising from delays at the border, poor infrastructure at the borders, high taxes, and high transport costs including bribery, corruption and harassment.

DISCUSSIONS

Contribution of COMESA in the Fight against Poverty in Zambia through Trade Facilitation

The World Bank (2017) defined trade facilitation as containing provisions for expediting the movement, release, clearance of goods, goods in-transit, simplification of rules, standardisation of rules, and harmonisation of procedures, technical assistance, capacity building and associated information flows required to move goods from the seller to the buyer and make payment. It also sets out measure for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. Trade facilitation initiatives benefit both the business community and governments by obtaining enhanced competitiveness in national and international markets due to reduction in delays and costs which are achieved with predictable and efficient movement of goods across borders.

Contribution of COMESA in the Fight against Poverty in Zambia through COMESA Cross-Border Trade Arrangements

The Ministry of Commerce, Trade and Industry in Zambia ensures that there is effectiveness and efficiency in trade facilitation and promotion of sustainable development, growth and competitiveness of the private sector in order to enhance socio-economic development. Hence a number of cross-border posts were launched to facilitate trade. Zambia had embarked on number projects to improve coordination and productive coexistence between border agencies with a view to streamline border procedures, enhancing information technology connectivity and ensuring that appropriate legal and regulatory reforms were put in place to facilitate trade. Delays at borders can disrupt the supply chain and thus negatively affect free trade. To address this challenge, Zambia adopted COMESA’s One Stop Border Posts concept (OSBPs) as part of its corridor strategy to address congestion at border stations along major traffic corridors to complement other transit instruments and cross border transport facilitation programmes. The OSBPs play a critical role in improving border station performance within the corridor framework through significant reduction in delays at the border and savings on truck costs. The main pillars of One Stop Border Post (OSBP) concept include (a) the Legal and Institutional Framework for OSBP Operations, (b) Simplification and Harmonisation of Border Procedures, (c) Hard Infrastructure, ICT and Data Exchange, (d) Cross Border Procedure, and (e) Operation and Management of OSBP.

The study further established that the basic activities in developing/ implementing OSBP included: (a) Pre-Feasibility Study for the proposed OSBP Development Master Plan (b) Training relevant key stakeholder staff on coordination and joint border programmes (c) Preparation of relevant legislation/MoU to support OSBP operations (d) Review of the interface of ICT systems between the two countries at the planned OSBP (e) Design of traffic circulation system (f) Development of standard operating procedures for the planned OSBP.

Based on this framework, the study established that Zambia had established one fully functional one Stop Border Post (OSBP) with Zimbabwe, at Chirundu, and was actively pursuing additional OSBPs with DRC at Kasumbalesa and with Malawi at Mwami/Mchinji. In this respect, customs, immigration and other border agencies operated common premises in a common control zone. The establishment of the Chirundu OSBP had reduced the time taken to clear both cargo and passenger traffic through the border by streamlining the processes. An OSBP is a border facility that combines two stops for national border control processing into one thereby consolidating border control functions in a shared space for existing one country and entering another significantly cutting down on time spent in cargo clearance across borders. The The Government would collect more taxes for economic development due to reduction of trade costs. There would be lowering of prices which would encourage more consignments into the country and making products available for consumers.

In order to ensure effective and efficient trade facilitation, The Ministry of Commerce, Trade and Industry in Zambia launched the Zambia Border Upgrading Project (ZBPUP) with the support of COMESA and European union (EU) to address trade and trade facilitation related bottlenecks through upgrading of the Chirundu, Mwami and Nakonde One Stop Border Posts (OSBP) for further development into modern infrastructure to meet demands of trade flows. This project focused on modernisation of Zambia's borders which included the following and most of them are operational as One- Stop Border Post (OSBP):

(a) Launch of the Nakonde/Tunduma One-Stop Border Post (OSBP) –The Nakonde/Tunduma Border Post between Tanzania and Zambia to provide access to and from the port of Dar es Salaam for Zambia, Congo DR and Zimbabwe under the North-South Corridor. It was noted that this border post would contribute to poverty reduction by (i) having improved collection of trade taxes associated with efficiency gains which could be used to implement programmes for the poor such as social cash transfers (ii) having efficient borders that facilitate international trade, investment and economic growth thereby creating employment opportunities and lowering prices ensuring availability of products to consumers (iii) promotion of economic competitiveness and ensuring increased exports which would raise incomes for the poor through either employment or exports of acceptable products (iv) improved border security to avoid loss of property and revenue through claims such as those on imported goods (v) better utilisation of government resources by border agencies which could be used for national development (vi) border roads would improve access to health care, education and many other facilities for people living in border areas
(vii) border posts also contribute to the development of tourism

COMESA working in consultation with its international cooperating partners of development, in recognition of the importance of this border post, the African Development Bank (AfDB) provided US $587,000 funding for the Transport and Trade Facilitation Sub-Component under the Chinsali-Nakonde road upgrading loan facility to Zambia. This component included development of a One Stop Border Post (OSBP) at Nakonde on the Zambian side. The Trade and Transport Facilitation activities were anticipated to improve the corridor efficiencies and complimenting well with the road infrastructure developments going on along the corridor. The Nakonde/Tunduma Border post was officially launched on 5th October, 2019 as a One-Stop Border Post (OSBP). However, to effectively operationalize the OSBP, there was still need to improve the border infrastructure on the Zambian side. This border facility facilitates movement of goods and reducing the cost of doing business in Zambia. It had also increased revenue collection in the interest of the Zambian Government hence leading to poverty reduction with effective use of money earned

(b) Kazungula Border Post-the Ministry of Commerce, Trade and Industry participated in the monitoring and assessment exercise regarding the operational readiness of the OSBP components at Kazungula, which recommended that border agencies should submit requisites for their effective operations at the OSBP once operationalised. The Ministry also participated in the skills development and change management training from 20th to 24th May, 2019 aimed at building capacity with key stakeholders and relevant border agencies on the OSBP model at Kazungula

(c) Chirundu OSBP –In order to facilitate for improved border operations at Chirundu OSBP, Zambia through the Ministry of Commerce, Trade and Industry participated and undertook the following activities through the Ministry of Commerce, Trade and Industry: (a) Ministerial Annual Report 2019) reviewed and validated the Chirundu and Mwami-Muchinji OSBPs operational Manuals. The operational manuals were aimed at providing guidance on the conduct of border agencies

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(d) Mwami/Mchinji OSBP-The Government of the Republic of Zambia received funding from one of the international cooperating partners of development of COMESA, the African Development Bank in various currencies towards the cost of Nacala Road Development Project Phase II whose proceeds of loan were used under the Works Contract for the construction of the Mwami/Mchinji One Stop Border Post (OSBP). The construction of Mwami/Mchinji One Stop Border Post begun in July 2021

(e) Kipushi Border Post-A technical committee comprising of officers from key Ministries and relevant border agencies was constituted to review the proposed concession agreement for the mordernisation of the Kipushi border post. The Ministry also engaged the Road Development Agency (RDA) to facilitate the construction of the Solwezi-Kipushi road

(f) **Wenela/Katima Mulilo Border Post OSBP-** Zambia undertook a sensitisation exercise at Katima Mulilo border post aimed at sensitizing border agencies on the importance of establishing a One Stop Border Post (OSBP). The bilateral meeting was also held to develop the requisite documents for the establishment of the OSBP at Wenela/Katima Mulilo. The documents included, the Terms of Reference (ToRs), Draft Concept Note, Operational Manual and Road Map to establish the OSBP

In 2010, COMESA developed and launched Simplified Trade Regime (STR) in recognition of the importance of cross-border trade in the region. The STR is a cross-border trade regime for small-scale traders importing and/or exporting goods worth US$2,000 or less, which are on the Common List of eligible products negotiated and agreed by the two neighbouring countries as indicated already in this article. The STR aims to formalize informal cross-border trade (ICBT), reduce costs for small-scale cross-border traders, and increase the speed of crossing the border using a simplified Certificate of Origin, a Simplified Customs Document (SCD) and simplified customs clearance procedures. Zambia implemented the simplified Trade Regime (STR) and COMESA had supported the posting of Trade Information Desks (TIDs) operated by Trade Information Desk Officers (TIDOs) at selected border crossing points in the region. The study also established that the TIDOs were operational at: (i) Kasumbalesa (DRC)/Kasumbalesa (Zambia) (ii) Nakonde (Zambia)/Tunduma (Tanzania) (iii) Mwami (Zambia)/Mchinji (Malawi) (iv) Chirundu (Zambia)/Chirundu (Zimbabwe). Zambia was set to benefit significantly from the cross-border initiatives of COMESA given its strategic spatial connect to several other regional countries and its notable openness to and proliferation of cross-border trade.

Contribution of COMESA in the Fight against Poverty in Zambia through Elimination of Non-Tariff Barriers (NTBs)

Trade facilitation helps to remove or reduce Non-tariff barriers (NTBs) which are the policies that induce an adverse impact on trade due to the specific discriminatory and protectionist intent In other words, a non-tariff barrier is a trade restriction such as quota, an embargo, licenses or sanction that countries use to further their political and economic goals. Non-tariff barriers to trade (NTBs) comprise of policies of economic protectionism against foreign trade such as prohibitions, quotas, licenses or discriminatory terms in trade agreements. They have typically adverse effects or impacts on trade due to discrimination and/or protectionism. Table 5 below shows some of the outstanding non-tariff barriers (NTBs) Zambia had among COMESA Member States in the region as at 2018. However, trade facilitations measures such as harmonisation of procedure, laws, regulations and information flows helped to resolve most of these non-tariff barriers either through regional or bilateral agreements. Zambia must regularly review its laws and regulations to ensure that they are e predictable for businesses and within the requirements of the Common Market for Eastern and Southern Africa (COMESA). Coherence to agreed laws and regulations would avoid regular clashes through non-trade barriers in the region,

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Table 5: Zambia's Outstanding Non-Tariff Barriers (NTBs) in Relation to COMESA Member States as at 2018

Description	Reporting Country	Imposing Country	Status
Issues related to Rules of origin on pure palm-based cooking oil	Kenya	Zambia	-The two countries held a meeting in February 2017 and were to hold another bilateral meeting in August 2017 which did not take place. -Kenya and Zambia to agree on when to hold bilateral meeting.
Technical barriers to trade on milk	Kenya	Zambia	-The two parties to continue with the scientific analysis as recommended during the August 2016 meeting and hold a bilateral meeting during the fourth quarter of 2018.
Import licensing requirements for a variety of products	Zambia	Zimbabwe	-Zimbabwe provided Statutory Instrument (SI) 64. -On 3rd April 2018, Zimbabwe Focal Point reported that SI 64 of 2016 had been consolidated with another SIs through SI 122 of 2017 which was gazetted on 22 September 2017. -The consolidated SI removed the requirement for import and export licences on some products. -The new requirements of SI 122 of 2017 will be recorded in the non-Tariff Measures database for Zimbabwe.
Surtax charge of 5% on imported goods that are manufactured or produced in Zambia	Zimbabwe/Kenya	Zambia	-Zambian Authorities are reviewing this measure. -Zambia to update in the next meeting on the 5% surtax charge on imports
Ban for six months on the importation of the beer and gas beverages	FESARTA	Zambia /Zimbabwe	–

Delays at Kazungula Border	FESARTA	Zambia /Zimbabwe	–

Source: COMESA Annual Report (2018)

In view of COMESA's mandate all the way from Article 49 of the COMESA Treaty, on elimination of non-tariff barriers on Common Market goods, the Regional Economic Community (REC) had established and pursued a wide range of regulations, programmes and interventions, including the COMESA-EAC-SADC Online non-tariff barrier (NTB) Reporting and Elimination Mechanism to stem the proliferation of non-tariff barriers (NTBs) in the region. As of 1st June 2020, there were 14 officially recorded outstanding non-tariff barriers (NTBs) in COMESA according to data in the COMESA-EAC-SADC Online NTB Reporting and Elimination Mechanism as shown in Table 6 below. The most prevalent non-tariff barriers (NTBs) relate to (1) customs and administrative entry procedures (2) transport, clearing and forwarding (3) government participation in trade and restrictive practices tolerated by governments and (4) sanitary and phytosanitary measures.

As of June 2020, Zambia had imposed the highest number of the outstanding non-tariff barriers (NTBs) at 9 which affected specific products such as milk, tiles and palm-based cooking oil. By tracking and supporting the resolution of non-tariff barriers (NTBs), COMESA helped Zambia to maintain its commitment to regional integration and enhancement and expansion of the country's regional trade participation. Table 6 below shows the outstanding NTBs in COMESA as of 1st June, 2020.

Table 6 Zambia's Outstanding Non-Tariff Barriers (NTBs) in the COMESA Region as of 1st June 2020

	Description	**Reporting Country**	**Imposing Country**
1.	Lengthy and costly customs clearance procedures at Chirundu border	Zimbabwe	Zambia
2.	Lack of coordination between government institutions at Chirundu border	Zimbabwe	Zambia
3.	Lengthy and costly customs clearance procedures at Livingstone border	Zimbabwe	Zambia
4.	Lengthy and costly customs clearance procedures at Kasumbalesa Border	Zimbabwe	Zambia
5.	Additional taxes and other charges on tiles	Zimbabwe	Zambia
6.	Issues related to pre-shipment inspections	Zambia	Zimbabwe
7.	Corruption by Zambia police in regard to requirement for first aid kits for heavy goods vehicles	Zambia	Zambia
8.	Government Policy and regulations as regards 0% tolerance on Gross Weight at all Weigh Bridge Stations as opposed to 2 – 5% tolerance allowed in the North – South Corridor	Zimbabwe	Zambia
9.	Issues related to Rules of Origin on pure palm-based cooking oil	Kenya	Zambia
10.	Issues related to Sanitary and Phytosanitary (SPS) measure on Ultra Heat treatment -processed at high temperature (UHT) milk	Kenya	Zambia

Source: https://www.unescap.org/publications/APTR (2019)

The Tripartite Non-Tariff Barriers Online reporting, monitoring, and eliminating mechanism was launched on 09 April 2013 in Lusaka, Zambia. The non-tariff barriers (NTBs) had been identified as factors that still threatened the gains that had been achieved despite having steadfastly endeavoured to implement regional policies that promoted opportunities for trade growth. This Short Messaging Service (SMS) reporting mechanism, by virtue of its coverage of the small and medium enterprises (SMEs) dubbed the "engines of growth" increased transparency and visibility of barriers constraining intra-regional trade. Non-tariff barriers contributed to the high cost of business transactions in the tripartite region, subsequently reducing the gains from trade by restricting domestic market access to regional exporters. The NTBs affect the capacity of Zambia to trade both at inter and intra-regional markets.

The COMESA yellow Card as a Trade Facilitation Tool

Zambia implemented the COMESA Yellow Card as a trade facilitation instrument. Its main objective was to ease the inter border movement of motor vehicles by assisting with the minimum insurance laws of Member States. In effect the COMESA Yellow Card is mother vehicle insurance scheme, which covers third party liability and medical expenses for the road traffic accident victims caused by foreign motorists in COMESA Member States subscribed to the operation of the scheme. The scheme is operational in Zambia. The COMESA yellow Card scheme had recorded unprecedented achievements, which included the following: (a) recognition by inter-country travellers as a reliable and affective third-party motor vehicle insurance protection with a very effective claims handling mechanism backed by a sound reinsurance cover (b) over 170 insurance companies in the region had subscribed to the operation protocol of the scheme and were involved in the issuance of the COMESA Yellow Card cover to their customers travelling across borders within the region (c) By October 2011 the scheme had issued over 100,000 Yellow Card cover policies with an estimated annual turnover of over US $5.4 million in the region (d) the schemes automation information technology software had already been developed and pilot tested awaiting commencement of the rollout. Implementation was scheduled to start in August 2012 (e) as at October 2011 the scheme had an asset base of over US $8.3 million. Table 7 below shows the performance of Zambia in line with overall COMESA achievements through the Yellow Card trade facilitation in Zambia at country level. The scheme was helpful in reducing the cost of doing business and also created employment through processing of various document related to the scheme in Zambia.

Table 7: Zambia's COMESA Yellow Card Trade Facilitation by Production of Figures

Country	No. of Cards Issued	Premium Collected in local currency	Premium in US Dollar
Zambia	2,540	3,020,877,852.81	604,175.57
Total	**2,540**	**3,020, 877,852.81**	**604,175.57**

Source: COMESA Annual Report (2012-2013)

Zambia's adoption of COMESA's Virtual Trade Facilitation System

Zambia had also adopted the COMESA Virtual Trade Facilitation System (CVTFS) to easily facilitate trade. The CVTFS is an electronic trade facilitation initiative developed to monitor consignments along different transport corridors across the region. It integrates other COMESA instruments on online platform which include the following: Yellow Card as discussed in this article (third party motor vehicle insurance), Regional Customs Bond Guarantee System, (RCTG), Transit Data Transfer Module, Carrier License for Road Freight Operators, Harmonized Axle Load, and Gross Vehicle Mass Limits which include the COMESA Certificate of Overload Control and the Customs Declaration Document. The CVTFS makes use of software that helps interpret all the information on the seal and transmits to a dashboard with the container details, the vehicle details, and any other relevant details which appears on a centralized server which could be monitored from anywhere. The seal has a GPS modem that provides the location of goods in real time and a GSM modem to transmit information to a central server and a sensor to detect tampering. The device is fitted on a cargo container carrying the consignment. CVTFS provides full visibility in real time of all tagged consignments from source to destination making it an effective solution for cargo tracking management. The system is accessible to Customs authorities, freight forwarders, insurance companies, banks, port authorities, container freight stations and traders to mention but a few.

Zambia's Trade facilitation through Participation in the COMESA Clearing House

The COMESA Clearing House (CCH) was established in 1984 as a Preferential Trade Area (PTA) Clearing House. The Clearing House introduced the Regional Payment and Settlement System (REPSS) which was designed to allow Member States in the COMESA region to transfer funds more efficiently and effectively. The aim of the payment system was to stimulate economic growth through increased intra-regional trade and a capacity to enable importers and exporters to settle and receive payment for goods and services through an efficient and cost-effective platform. The system is operational in Zambia monitored by the Central Bank of Zambia. With the use of Regional System and Settlement System (REPSS), intra-COMESA trade rose from $9 billion in 2007 to over $16 billion in 2017 and was expected to grow even higher. The COMESA Clearing House is based in Zimbabwe and the Zambia's participation in the COMESA Clearing House was to facilitate the settlement of trade and services payments and its trading partners. The Clearing House introduced the Regional Payment and Settlement System, (REPSS) which allows Zambia to transfer funds more easily within the COMESA region. Pursuant to Article 73 of the COMESA Treaty, Member States of COMESA are encouraged to COMESA Clearing House to generate resources for the COMESA Fund which would be used to leverage funding from international cooperating partners for sustainable funding of COMESA programmes. The Regional Payment and Settlement System (REPSS) is a Multilateral Netting System with End-of-Day Settlement in a single currency (US$ or Euro), with the system allowing for settlement in a multicurrency environment (US$, Euro or any other specified currency). The main aim of the system was to stimulate economic growth through an increase in intra-regional trade by enabling importers and exporters to pay and receive payment for goods and services through an efficient and cost-effective platform. Local banks in Zambia access the payment system through the Central Bank of Zambia. Any participating bank is, therefore, able to make payments to, and receive payments from, any other participating bank. The linkages through Central Banks avoid the complex payment chains that may sometimes occur in correspondent bank arrangements. The system operates through member countries' Central Banks and their corresponding banking systems. Regional Payment and Settlement System (REPSs) guarantees prompt payment for exports as well as other transfers. It further eliminates mistrust among traders as there is Central Bank involvement. This in turn increases trade within the region. The Regional Payment and Settlement System (REPSS) platform allows reduction in costs with the resulting savings channeled to other economically beneficial projects within COMESA through funding other projects to Member States such as Zambia. Regional Payment and Settlement System (REPSS) further enables the building of trust and confidence amongst traders and commercial banks of the region and facilitates the transacting under documentary collections (ICC Publication no. 522) and ultimately on open accounts where the opening of Letters of Credit would no longer be required. Table 8 shows Zambia's central bank involvement in the COMESA Clearing House during the period under review from COMESA Report 2016.

Table 8: Zambia's Participation in the COMESA Clearing House in Relation to COMESA Member States

Participant	Status at December 2017	Action Required
Banque Centrale du Congo	Live on REPSS	More transactions needed
Central Bank of Egypt	Live on REPSS	More transactions
Central Bank of Kenya	Live and transactions on REPSS, well received by commercial banks	More commercial banks needed on board

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Reserve Bank of Malawi	Live on REPSS, no transactions yet since going live	Start sending transactions
Bank of Mauritius	Live and transactions on REPSS	More transactions needed
National Bank of Rwanda	Live on REPSS	More transactions needed
Central Bank of Eswatini	Live on REPSS	Start sending qualifications
Bank of Uganda	Live REPSS	More commercial banks needed
Bank of Zambia	Live REPSS	Star sending transactions
Banque de la Republic du Burundi	Internal preparations were underway	Complete preliminary tests
Central Bank of Sudan	Internal preparations in progress	Finalise arrangements for corresponding banking
Banque Centrale du Djibouti	Staff trained	Start preparations for sensetisation and testing
Bank Centrale de Madagascar	Preliminary tests already carried out	Sensetisation of stakeholders and internal preparations needed
Bank of Tanzania	Preliminary tests already carried out	Further tests needed sensitisation of stakeholders
Reserve Bank of Malawi	Re-engagement after sensitisation and further tests in progress. Account pre-funded	Finalise testing and sensitisation to enable preparations for going live
Central Bank of Libya	2 staff members trained before political landscape changed	Start preparations for REPSS in pararallel with RTGS.
Banque Centrale de Comores, Bank of Eritrea, National Bank of Ethiopia	Yet start REPSS preparations	Start preparations for REPSS through engagement with CCH

Source: COMESA Annual Report (2016)

Zambia's Power Generation as Trade Facilitation Tool with Support from COMESA and its International Cooperating Partners of Development

COMESA Annual Report (2016), the study established that in order to accelerate private sector development in the region, COMESA installed capacity of power generation was projected to increase from 48,730 megawatts in 2010 to 68,346 megawatts in 2015, and 95,859 megawatts in 2020. The annual growth rate of the installed capacity was estimated to be around 7% annually to meet the annual growth rate of population with access to electricity estimated to be around 6.6% and also the economic growth. In order to meet the growing electricity demand in the COMESA region, Zambia working with COMESA had initiated a number of generation projects that were either under construction such as Itezhi-Tezhi Power Project (120 megawatts) and Kariba North Bank Extension Project (360 megawatts) in Zambia and or being developed such as Batoka Gorge Hydro Power Project (1,600 megawatts) in Zambia. The study also established that there were also a number of power interconnection projects in Zambia under COMESA Tripartite being implemented. These included: Zambia/Tanzania/Kenya (ZTK) and Zimbabwe -Zambia-Botswana-Namibia (ZIZABONA) as explained below:

a. **Zambia/Tanzania/Kenya (ZTK) Power Transmission Project** -The COMESA-EAC-SADC Tripartite, was fast-tracking the implementation of Zambia/Tanzania/Kenya power interconnection project, had secured funding for the Project Management Unit (PMU) for the project, for three years, under the 10th European Development Fund, a European Union funded programme. In this regard, the

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Implementing Agreement was signed between the Common Market for Eastern and Southern Africa (COMESA) and the Ministry of Mines, Energy and Water Development of the Republic of Zambia, on the implementation of the Zambia-Tanzania-Kenya (ZTK) Interconnector Project, under the 10th European Development Fund, a European Union funded programme. The funds under the agreement that were signed between the COMESA and the Ministry of Mines, Energy and Water Development of the Republic of Zambia, on the implementation of the Zambia-Tanzania-Kenya (ZTK) Interconnector intended to finance activities of a Project Implementation Unit (PIU) for the ZTK Interconnector Project whose major objective was to manage the project during implementation until the formation of the Special Purpose Vehicle (SPV) to subsequently take over the responsibilities of PIU. The total funding under this agreement amounted to about Euro 4.4 million. The project would help in social economic development especially employment creation leading to poverty reduction.

b. Following the signing of the Implementation Agreement, the Ministry of Mines, Energy and Water Development of the Republic of Zambia, which had been monitoring and coordinating the project on behalf of the three Governments, submitted the work plan and budget amounting to Euro 964,632.00 and was subsequently disbursed in favour of the project in order to facilitate the expeditious implementation of the project.
c. As regards to the Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA) Interconnection Transmission Project, the proposed Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA) Interconnection Transmission Project linking the power grids of Zimbabwe, Zambia, Botswana and Namibia, had been included in North-South Corridor (NSC) and had therefore, become one of the Tripartite power transmission projects. The project would be of great benefit to Zambia as it would increase economic activities including for the local people in Zambia leading to poverty reduction as they would be able to use electricity for storage of goods and fresh foods increasing their income. So far three countries, namely Zambia, Namibia, and Zimbabwe, had signed the ZIZABONA Inter-Governmental Memorandum of Understanding (IGMOU). The ZIZABONA Investors Round Table (IRT) was held in Swakopmund, Namibia on 12 July 2012. The overall intention of undertaking this Investors Round Table (IRT), organized by The Southern Africa Power Pool (SAPP), in conjunction with the Government of Namibia, ZIZABONA Member Countries (namely Zimbabwe, Zambia, Botswana and Namibia) and the SADC Secretariat, was to show case the project to potential investors. The study established that the Transaction Advisor for the project packaged it, and the following key milestones had since been completed and discussed with the project sponsors: (a) Market study report including identification of power and anchor customers to underpin the Project (b) System studies including defining the project scope, technical viability and prefeasibility studies (c) Transmission charges methodology and indicative charges (d) Project packaging including implementation strategy, proposal for an SPV and the associated shareholding arrangements (e) Financial modeling and proposed financing structures and Preliminary Project Information Memorandum (PIM).

This project was seen necessary as it would help Zambia come out of unnecessary load shedding affected business especially small and medium enterprises (SMEs) who could cannot afford generators eventually increasing the cost of doing their businesses.

CONCLUSION

Zambia needs outward investment-oriented policies that attract foreign direct investment with a view to employment creation, income generation activities and reduction of the cost of doing business. Zambia requires a clear regulatory framework predictable for business planning. There must a be deliberate effort to eliminates non-tariff barriers and improvement of all one stop border posts in the country which are source of economic-socio development. Trade facilitation policies should be regularly reviewed to embrace new challenges in the business environment as trade facilitation facilitates harmonisatisation of laws, laws, regulations infrastructure and human capital development. As such, Zambia like any other country, requires

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a solid industrial base to start adding value to raw materials and other natural resources to create wealth and employment. Thus, Government has a task to ensure that it promotes investment and trade to achieve socio economic development through regional integration within a conducive business environment with a competitive market through trade facilitation with a view to reducing poverty. The Common Market for Eastern and Southern Africa (COMESA), with a secretariat in Lusaka, has supported Zambia significantly in its policy formulation and implementation through various programmes such as harmonising investment policies, procedures and regulations. Zambia should ensure that investments with potential to empower local people with jobs and opportunities to expand their businesses need to be prioritised for jobs creation and wealth creation.

RECOMMENDATION

The study has recommended that the Ministry of Commerce, Trade and Industry should regularly review the trade facilitations measures so that they are up to date with the COMESA requirements. Zambia must complete all the earmarked one stop border post to facilitate an enabling environment for business transactions in Zambia with a view to reduce cost of doing business and eventually poverty reduction through employment creation especially in border areas. There is also need for more sanitisation workshops on trade facilitation to the business community in Zambia and capacity building relating to harmonisation of laws, procedures, rules and changes in technology.

What is known known on this Topic:

1. Studies have been conducted in the COMESA Region on poverty comprehensively relating to trade facilitation as a means of fighting poverty
2. Poverty levels in most COMESA Member States had been increasing despite trade reforms relating to trade facilitation as a means of fighting poverty
3. Studies have been conducted on trade facilitation in the COMESA region but not specific to Zambia from the regional perspective focusing on Zambia

What this Study adds:

1. No specific study was conducted on contribution of COMESA in the fight against poverty in Zambia through trade facilitation as a means of fighting poverty. The study adds to the body of knowledge especially from the regional perspective focusing on Zambia
2. Policy and decision makers may use the findings for policy formulation and implementation in Zambia and the region
3. This study has shown the deficiencies which could used for policy decision and implementation in the area of implementation

ORIGINALITY OF THE THESIS

None of the existing studies have exhaustively analysed the contributions of COMESA in the fight against poverty in Zambia from 2010 to 2021 through trade facilitation. Therefore, this study is the first to interrogate this area of COMESA in the context of Zambia. The studies conducted in the past have not fully contextualized the following key thematic areas of COMESA in the fight against poverty in Zambia. Contribution of COMESA in fight against poverty in Zambia through trade facilitation of this article was anchored one of the five objectives in this study which included the following thematic areas generated during data analysis based on the specific objectives and research questions of the study:

1. Contribution of COMESA in the fight against poverty in Zambia through trade liberalization.

2. The contribution of COMESA in the fight against poverty in Zambia through trade facilitation.
3. Contribution of COMESA in the fight against poverty in Zambia through cooperation in agriculture and rural development.
4. Contribution of COMESA in the fight against poverty in Zambia through private sector development.
5. Contribution of COMESA in the fight against poverty in Zambia through the promotion of foreign direct investment.

Declaration of Interest

The Authors declare that they have no competing interest

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