

Paper Laid

By the Leader of the
Majority Party on
Wednesday 5/10/16



PARLIAMENT
OF KENYA
LIBRARY



EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

**REPORT OF EALA CHAPTERS ON THE SENSITISATION ACTIVITIES IN EAC
PARTNER STATES, JUNE 9TH TO 28TH 2016**

THEME: EAC INTEGRATION AGENDA: ACCESSING THE GAINS

CLERK'S CHAMBERS
EAC HEADQUARTERS' BUILDING
EALA WING, 3RD FLOOR
ARUSHA, TANZANIA
UNITED REPUBLIC OF TANZANIA

AUGUST 2016

1.0 BACKGROUND

The East African Community was established on 30th November 1999 following the signing of the Treaty for its establishment. Since then, several achievements, challenges and opportunities have been registered in the economic, political and socio-cultural sectors.

EALA as an Organ of the Community mandated by Article 49 for the Treaty, was inaugurated in November 2001. To date, the Assembly has established itself into a strong and effective regional legislature and registered a number of achievements. It has continued to fulfil its core legislative, oversight and representation functions in a various ways as follows:

1.1 EALA's Achievements

- (i) On legislative role, the Assembly has passed over 50 pieces of legislation which are very fundamental in the EAC integration process;
- (ii) In its representative role, the Assembly serves as link between the institutions of the East African Community and the people of East Africa. It has done this through receiving and processing petitions, Public Hearings, workshops, seminars, and public rallies;
- (iii) The oversight role, the Assembly has interrogated public policies and public funds earmarked to pursue these policies to ensure efficiency and effectiveness, fairness and equity in their administration or implementation. This is done through on-spot assessment activities, demand for regular progress reports on the implementation of the various programmes and projects from respective departments of the EAC Secretariat and Council of Ministers;
- (iv) On Budgetary oversight role, the Assembly has provided direction on the EAC spending and allocation of resources as provided by Article 132 (5) of the Treaty. The Assembly debates, allocates and approves the resources in line with the priorities of the Community;
- (v) Article 134 (3) of the Treaty empowers the Assembly to debate the report of the Audit Commission on the Accounts of the Community. EALA has played this role and the various actions and recommendations that have been made continue to cause positive impact in the management of the EAC's finances;
- (vi) In terms of outreach, the Assembly has undertaken tours and outreach programmes in the Partner States, visited people in areas, business community, scholars, civil societies, professional associations among others to consider their views;
- (vii) Further, the Assembly has been able to reach out to international bodies by making alliances in order to participate and contribute to international issues. As a result, EALA is a Member and has observer status with the following parliamentary organizations: the International Parliamentary Union (IPU), Commonwealth Parliamentary Association (CPA), ACP-EU and African Parliamentary Union (APU),

Pan-African Parliament (PAP) and Economic Community for West African States – Parliamentary Forum (ECOWAS-PF);

- (viii) The Assembly has also been successful in the area of liaison with National Assemblies of Partner States through various forums such as Speakers Bureau, Inter Parliamentary games, Nanyuki Series and National Assembly Committees on EAC Affairs among others.

1.2 Achievements in the integration process 1999-2016

Since the establishment of the EAC following the signing of the Treaty on November 30th, 1999 several achievements and attendant challenges have been registered in the economic, political and socio-cultural sectors. These achievements include:

1.2.1 Economic Benefits

- (i) Establishment of the East African Community Customs Union, has led to increase of intra-regional trade through the establishment of; the single Customs territory, One stop border Posts, the removal of non-tariff barriers- (NTBs);
- (ii) Establishment of the East African Community Common Market which guarantees the following freedoms and rights: Free movement of Labour, Free movement of Persons, Free movement of Capital, Free movement of Goods and Services, Right of Residence, Right of Establishment;
- (ix) The signing of the Monetary Union Protocol in November 30th, 2013, which will lead the region to a single currency in 2024;
- (iii) Laying of the foundation for establishment of the Political Federation by Partner States initiating the process of drafting the constitution for East African Political Federation. National consultations on the model structure, roadmap and action plan are ongoing;
- (iv) Joint infrastructure development projects (e.g. Arusha-Namanga-Athi River Road and the standard gauge railway both for the northern and central corridors).

1.2.2 Social/Cultural Achievements

- (i) Adoption of the EAC Anthem "Wimbo wa Jumuiya ya Afrika Mashariki" in 2010 and its popularization in the Community;
- (ii) Operationalization of the East African passport and abolition of the visa requirements for the citizen of the East African Community Implementation of seven-day grace period for personal motor vehicles crossing national borders of the EAC Partner States;
- (iii) Establishment of special immigration counters for East Africans at ports of entry;
- (iv) Issuance of temporary travel documents to facilitate travel within the region by EAC citizens;
- (v) Harmonization of immigration forms at ports of entry;

- (vi) Harmonization of educational curricula, examinations, standards, certification and accreditation of educational and training institutions to facilitate recognition of academic qualifications;
- (vii) Conduct of the annual EAC Military Sports and Culture Week;
- (viii) Jumuiya ya Afrika Mashariki Utamaduni Festival (JAMAFEST) it's a biennial Arts and Culture Festival held on a rotational basis among the Partner States.

1.2.3 Political/Security/Defense Achievements

- (i) Signing of the Treaty for the Establishment of the East African Community in 1999;
- (ii) Joint military exercises by EAC Partner States Defense Forces;
- (iii) Establishment of fora for chiefs of Police, Directors of CID and Directors of Operations and Intelligence to coordinate peace and security matters;
- (iv) Joint patrols, sharing of criminal intelligence and surveillance to combat cross-border crime;
- (v) Establishment of Ministries responsible for EAC Affairs in all Partner States to coordinate and sensitize the public on the integration process.

1.2.4 Institutional Achievements

Article 9 of the Treaty for the Establishment of the East African Community, the following Organs and institutions were established:

- (i) Establishment of the East African Court of Justice (EACJ);
- (ii) Establishment of the East African Legislative Assembly (EALA);
- (iii) Establishment of the East African Science and Technology Commission;
- (iv) Establishment of the East African Kiswahili Commission (EAKC);
- (v) Establishment of the East African Health Research Commission (EAHRC);
- (vi) Establishment of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA);
- (vii) Lake Victoria Fisheries Organisation (LVFO);
- (viii) Establishment of Lake Victoria Basin Commission (LVBC);
- (ix) Inter-University Council for East Africa (IUCEA);
- (x) East African Development Bank (EADB).

1.3 Challenges in the EAC Integration Process

- (i) The overlapping REC's memberships by partner states continue to pose harmonization and coordination challenges;
- (ii) Lack of political commitment among partner states;
- (iii) Weak institutions that lack the capacity to enforce sanctions against partner states that fail to implement protocols. The selection process of the members of these institutions is not democratic as they are handpicked by partner states with the absence of the citizens' views;
- (iv) Non-Trade barriers (NTBs);

- (v) Poor infrastructure and Energy shortages;
- (vi) Limited private sector engagement is an impediment to economic growth in the region;
- (vii) The biggest challenge is the issue of peace and security. Civil strife and political instability in Burundi, South Sudan and Somalia continue to impact negatively on the security and economic performance of the region;
- (viii) Corruption remains a major challenge in the region as most EAC partner states appear to have lost the war against official graft.

2.0 SENSITIZATION ACTIVITY

One of the ways in which the Assembly has performed its functions, is the undertaking to perform an activity sensitization in all EAC Partner States.

The current sensitization was a continuation of the previous one that was undertaken in April 2016, which also emanated from the policy guidance by the Summit and the decision of the Assembly's Commission to reach out to the people of East Africa as part of their representatives, which was also in accordance with its EALA Strategic Plan (2013-2018) that is based on a people-centered approach. The sensitization was carried out from June 9th to 28th 2016 under the Theme: EAC Integration agenda: Accessing the gains.

2.1 OBJECTIVES OF THE SENSITIZATION

- (i) To sensitize the people of East Africa on the integration process;
- (ii) To create awareness among the people of East Africa on the gains and challenges of integration;
- (iii) To Enhance mutual relationships and sustainable networking between EALA and the people of East Africa;
- (iv) To promote liaison with EAC National Assemblies and Key Stakeholders;
- (v) To inform the people of East Africa on the role of EALA in the integration process;
- (vi) To get the feedback and recommendations on the integration.

2.2 METHODOLOGY OF THE SENSITISATION

The Chapters employed the following approaches while undertaking the sensitization activities;

- (i) Chapters held planning meetings to deliberate on the modalities of the how and where to conduct the sensitization;
- (ii) Chapters held press conferences to inform the public on the objectives of the sensitization;
- (iii) Chapters held discussion with different media houses on the EAC Integration;
- (iv) Chapters distributed brochures on the EAC Integration process, and handed over various materials like EAC Flag and Anthem to the Stakeholders;

- (v) Chapters conducted interactive sessions with the Parliamentarians, Local Government Authorities, Civil Society Organisations, Private Sector, Youth and Women Councils, Persons with Disabilities among other stakeholders;
- (vi) Conducted sensitisation programs in the Higher Learning Institutions;
- (vii) Chapters conducted field visits;
- (viii) Chapters made courtesy call different dignitaries and held roundtable meetings.

2.2.1 Stakeholders of the Sensitization

During the sensitization program, The EALA Country Chapters engaged the following stakeholders: Media, Local Government Authorities, Institutions of learning, Private Sector, Women and Youth Councils, Civil Society, Members of Parliament, Embassies, Border Communities, Government Institutions, High Level dignitaries in Government, Ministries including Ministries responsible for EAC Affairs in all Partner States coordinated this activity to identify and access the target stakeholders.

2.3 EXPECTED OUTCOMES OF THE SENSITIZATION

- (i) Sensitization of EAC people on the overall integration process;
- (ii) Promotion of liaison with EAC National Assemblies and Key Stakeholders;
- (iii) Creation of awareness among the people of East Africa on the gains and challenges of integration;
- (iv) Enhancement of mutual relationships and sustainable networking between EALA and the people of East Africa;
- (v) Informed people of EAC on the role of EALA in the integration process

2.4 FINDINGS OF THE SENSITIZATION

2.4.1 BURUNDI

In Burundi, the following Members participated in the sensitization activities: Late Hon. Hafsa Mossi - Leader of Delegation, Hon. Isabelle Ndahayo, Hon. Leonce Ndarubagiye, Hon. Emerence Bucumi, Hon. Nengo Emmanuel, and Ms. Beatrice Ndayizeye - Secretary to the Delegation.

(a) Courtesy call on the Right. Hon. President of the Burundi Senate

The Rt. Hon Speaker of the Burundi Senate appreciated the visit and Members congratulated him on his recent election. They briefed him on EALA activities in general and in particular the sensitization program. During the interaction, the Hon. Speaker of the senate raised three main points:

- (i) The need to fast-track negotiations on Monetary Union;
- (ii) The need for Burundians to change their mind-set and look for opportunities in EAC; and
- (iii) Encouragement of sports activities between EAC Partner States;

(b) Courtesy call on the Minister at the president's office in charge of EAC Affairs

Members reported back on issues raised by stakeholders to the Minister in charge of EAC Affairs, and she expressed gratitude to EALA Members for the continuous sensitization program. The Minister further acknowledged that there is tremendous improvement on information sharing on EAC integration with the media, business communities and other stakeholders.

(c) Courtesy call on the Minister of Justice

The Minister appreciated the visit by EALA delegation to get information on the progress on the integration process especially with regard to harmonization of laws. At the meeting, the following are issues raised:

- (i) Lack of a harmonization Commission in the ministry;
- (ii) The need to receive from EALA a compendium of all EAC enacted laws;
- (i) The need for capacity-building on harmonization for all technical teams going for negotiations in EAC and those in charge of harmonization;
- (ii) The need for EAC teams from all ministries to be held accountable whenever they are nominated to attend EAC meetings, and they should report to other stakeholders;
- (iii) The urgent need to harmonize laws not to hamper EAC integration process;

(d) Interactive session with the Media

This interaction was preceded by a press statement by the chair of the EALA delegation. The following media houses were present: Burundi National Radio and Television, National Radio, Nderagakura Radio, Radio culture, Isanganiro Radio, Burundian Press Agency, Renouveau newspaper, Studio Ijambo, Ubumwe newspaper, Radio REMA FM, Voice of America, IWACU newspaper, Burundi Echo, ABP Info Newspaper, and CCIB FM+

Members focused on the role of media in the integration process; they also briefed them on the works of EALA during the May session, 2016 as a response to their request during the previous phase of sensitization. They also exchanged views on access to information.

(e) Courtesy call on the Minister of Youth, Sports and culture

After a presentation by Members which focused on the gains of integration on the youth sector like employment opportunities gained through the free movements offered by the Common Market Protocol and EAC Projects and Programs, the following observations came out:

- (i) There are diverse cultures that need to be preserved by the people to market the EAC;
- (ii) Youth sensitization program on integration should be undertaken;
- (iii) The need for youth to open-up and change mind-set to reap the benefits of integration;
- (iv) The need for youth to put more efforts in learning the English language to be competitive at regional level;

(f) Courtesy calls on EAC Ambassadors in Burundi

i. Ambassador of the Republic of Kenya

EALA Members paid a courtesy call on the Ambassador to encourage him to enhance their Forum to support the regional integration.

The Ambassador commended the work of EALA Members and thanked them for associating him to the integration. He raised the following issues:

- (i) Due to EAC Common Market Protocol implementation, cross border investments and movement of people, services and capital have been realised among the EAC Partner States. For example, a number of Kenyan business people have invested, while Burundi students studying in Kenya. Kenya Commercial Bank (KCB) is one of the investors in Burundi and it employs more than 150 Burundians;
- (ii) The ambassador urged Burundians to do more efforts in learning the English language to integrate well in the EAC region;
- (iii) He recommended Burundians to open-up and start exporting their products in EAC countries; these are among others, palm oil and fruits;
- (iv) He commended security recovery in Burundi and condemned some media which continue to portray on the country negatively; media should market their country and report it positively;
- (v) He promised to report back to his government complaints raised by transporters through EALA Members on fees paid in counties;
- (vi) He further said that in the spirit of integration, he invited EALA Members to the second round of a competition termed "run for peace" scheduled for August 2016 in which MPs from Kenya and Burundi together with other stakeholders will participate;

ii. Ambassador of the United Republic of Tanzania

EALA Members paid a courtesy call on Ambassador of the United Republic of Tanzania in Burundi to inform him on the sensitization being undertaken and to inform him on some challenges raised by Burundian stakeholders with regard to the regional integration. In this regard, the following were discussed:

- (i) Enhancement the EAC Ambassadors' Forum;
- (ii) A follow-up on challenges faced by Burundians who use the Central Corridor;
- (iii) A reduction of weighbridges on the Central Corridor to only three;
- (iv) The Ambassador committed to follow-up to ensure Non-tariff barriers are removed;
- (v) The Ambassador appreciated the current security situation in Burundi and assured those who need to do business to come and invest;

(g) Interaction with the National Women 's Forum

The National Women's Forum is a National women's Platform made of women from different backgrounds for purposes of empowerment.

EALA Members met with the National Committee of the forum and the interaction focused on the gains of integration particularly those offered by the Common market and Customs Union Protocols in order to promote EAC intra-trade and good neighborliness. The following issues were raised:

- (i) Little knowledge about regional integration and its gains;
- (ii) Little knowledge of laws facilitating doing business across borders;
- (iii) Need to start interacting with other Women's Fora from EAC Partner States to learn from each other;
- (iv) There is a need for the girl child education so that they can participate in EAC integration;
- (v) The Forum noted that children's adoption in EAC is a serious issue that needs attention;

(h) Interactive session with university students and Lecturers.

The interaction brought together more than 600 participants including Academicians, Students, and staff members.

After a presentation by the Members, the audience made the following:

- (i) They wish to see tangible gains resulting from the membership of Burundi in EAC with regards to education opportunities and employment;
- (ii) They needed more clarification on harmonization of school fees and asked if Burundians are treated as nationals of EAC Partner States;
- (iii) Their questions were related to seeking clarification on how regional laws take precedence over national laws, to knowing if the interconnectivity between Partner States will be free, the concern around the monetary union, knowing what is done to facilitate the youth's initiatives (projects) to start being competitive;
- (iv) The EAC tourist visa should be effective to allow Burundians benefit from it as the country has much to offer;
- (v) Lack of information on EAC integration : they appreciated Members of EALA because they did not know much about EAC integration before the sensitization activity;
- (vi) The leadership of the university requested to be given all available information/documentation on EAC to relay it to the students;
- (vii) Students needed to know how the Community handles disputes between EAC Partner States, how the Community fights against pollution and how creativity is protected in the region;
- (viii) There should be free movement of Academicians through professional Networks between Universities in the region;

(i) Field Visit to Rumonge Port and Manyovu Border post between Burundi and Tanzania

i. Field visit to Rumonge Port

Rumonge port is port on Lake Tanganyika which facilitates small traders from Burundi, Tanzania and the Democratic Republic of Congo to do business. The exchange with traders focused on how they are benefiting in the context of the Common Market. While interacting with the small business communities found at the port, the following came out:

- (i) Burundi exports beer, forest products like timber and fruits to these Countries;
- (ii) Burundi imports from Tanzania salt, fish, maize, onions and beans;
- (iii) Traders are facilitated to cross the border;
- (iv) Traders portrayed ignorance of regional laws while transacting their businesses.

(j) Field visit in Mabanda/Manyovu border post

EALA Members undertook a field visit in Mabanda to assess the movement of people and how they are facilitated when crossing the border to Tanzania.

Burundians who were travelling to Tanzania appreciate good neighborliness between the two countries whereby they use identity cards to cross the border.

The only challenge raised was the time zone challenge which does not facilitate travellers from both sides.

2.4.2 Specific Observations

From the interactive sessions with stakeholders, the Members of EALA observed the following:

- (i) Burundians need to open – up, change their mind-set and start to travel in EAC Partner States to assess opportunities and start engaging in entrepreneurship;
- (ii) Students are very enthusiastic about being part of a big Community and want the EAC Passport to be operational as soon as possible;
- (iii) There is need for a regular update by Ministry in charge of EAC Affairs to the Ministry of Justice on laws being enacted at regional level.

2.4.3 Specific Recommendations

1. The East African Legislative Assembly should follow up on discrimination done towards Burundian travellers when they are crossing borders and requested to pay in foreign currency;
2. EAC should avail to the Ministry of Justice a compendium of all EAC Acts;
3. Burundi should adhere to one tourist visa;
4. EALA Chapter should regularly update the Ministry of Justice on EAC Laws;
5. Urge the government of Burundi to do more sensitization on regional integration to allow citizens fully understand it and benefit from opportunities it offers;
6. Urge the Government of Burundi to harmonize laws related to implementation of the Common Market Protocol;
7. Urge the EAC Partner States to fully implement the Common Market Protocol;
8. Urge the Council of Ministers to fast-track the decision of Summit to consider French as one of the official language of the Community;
9. Recommend the media and schools to teach the EAC anthem to citizens of Burundi.

2.4.2 KENYA

The EALA Sensitization activity was undertaken by a delegation which comprised of the following Members; Hon. Nancy Abisai - Leader of Delegation, Hon. AbuBakr Ogle, Hon. Abubakar Zein Abubakar, Hon. Judith Pareno, Hon. Sara T. Bonaya, Hon. Mumbi Ng'aru, Hon. Saoli Ole Nkanae, Hon. Peter M. Mathuki, Hon. Joseph O. Kiangoi, Hon. Jeremie Ngendakumana, Hon Yves Nsabimana, and Ms. Elizabeth Gitonga – Secretary to the Delegation. This delegation engaged various stakeholders where observations and recommendations emerged:

(a) BIDCO Africa

Members visited and interacted with BIDCO Africa about the EAC integration and its benefits. BIDCO Africa is a multinational manufacturing company of consumer goods based Kenya with subsidiaries and distributorships across 16 countries in East Africa, Central Africa, and Southern Africa, and it employs over 6,000 employees in Kenya and approximately 10,000 within the region. During the interaction, the following issues were highlighted:

- 1) It was observed that 25% import duty is imposed by the EAC Partner States because of lack of understanding, or misinterpretation of the application of the Rules of Origin. The EAC Rule of Origin 2015 states that only material sourced locally will be deemed as Origin Status. However Partner States fail to appreciate that BIDCO Africa procures oil seeds (soya beans, sunflower seeds and maize germ) which are under different tariff headings.

Recommendations: In light of equitable fair play and the spirit of East African Community BIDCO recommends:

- (i) EAC should consider amending the Rules of Origin to include Sub-headings (the first six digits of Tariff classification), and include more than 30% local value addition to qualify for preferential trade treatment within the EAC Partner States. And;*
 - (ii) There should be a proper cross verification by local revenue authorities to confirm origination and should be accepted as evidence and proof to gain a preferential Trade treatment. The certificate of origin issued by a Partner State should be sufficient enough for preferential treatment.*
- 2) The EAC Region operates under a Customs Union Protocol yet each Country has deployed its own IT infrastructure to manage imports and exports into their Country as follows: Kenya uses the Simba system, Tanzania is operating on Tancis whereas Uganda and Rwanda are using the Asycuda system. These different systems lead to delays in the clearing of goods and turnaround time. Further logistics are disrupted and demurrages cost incurred by the business communities.

Recommendation: *The EAC should implement a single system across the Partner States such that communication between the systems and procedures are unified and harmonized.*

3) Weak administration due to inadequate staff to process documents.

Recommendations:

- (i) EAC Partner States should ensure their revenue authorities work as one team and are able to undertake cross verifications.*
- (ii) The EAC Single Customs Territory (SCT) should automate the entire process thereby eliminating any delays through human discretion.*
- (iii) Harmonization of rules and regulations between the Partner States;*
- (iv) Removal of any other statutory licenses, fees, Levies or other charges imposed by Partner States;*
- (v) Commit Partner States to ensure cargo is released within 24 hours of documents presented for export;*
- (vi) Single window service for all documents (certificate of origin, import/export entry, release order, exit note and cargo manifest); and*
- (vii) Simplify endorsement of export/import entries at the border points and ports.*

(i) Kenya Plant Health Inspectorate Services (KEPHIS)

Members of EALA visited and interacted with the Kenya Plant Health Inspectorate Service (KEPHIS), and highlighted the EAC integration process and its benefits to the people of EAC. KEPHIS is a government parastatal whose responsibility is to assure the quality of agricultural inputs and produce to prevent adverse impact on the economy, the environment and human health.

It was observed that KEPHIS plays the following roles; Prevents introduction of harmful foreign pests and diseases from affecting plants; Grades and inspects agricultural products to ensure that they conform to the law; Seed certification and sensitisation of farmers to ensure that they get more produce from seeds; Offer advisory service; imported plants are quarantined and risk assessment is carried out; and Surveillance for plant diseases.

It was also observed on the other hand that KEPHIS faces the following challenges;-

- (i) Insufficient number of staff at border and entry points;
- (ii) Lack of a method to relay information on confiscated items;
- (iii) Non-regulated informal trade/traders;
- (iv) Non designated entry points;
- (v) Different country border regulations on operations;

- (vi) Differences in the level of enforcement and application of the EAC Sanitary and Phyto-Sanitary measures;
- (vii) Insufficient budgetary allocation;
- (viii) Insecurity; and
- (ix) Insufficient staff/inspectors.

(j) Kenya Bureau of Standards (KEBS)

Members held interactive session with KEBS where they were informed that it started its operations on 12th July 1975, and is mandated for Standardization Services, Conformity Assessment Services, Metrology and Training and Education. Members were further informed that standards are used to facilitate trade, protect consumers from harmful and poor quality goods and to protect the environment.

During the interactions, Members noted that KEBS faces various challenges as follows;

- (i) Inadequate in-house testing capacity and capability;
- (ii) Non application of East African Standards (EAS) where they exist by other Partner states thus denying Kenya goods certified against EAS market access;
- (iii) Lack of Harmonized EAS for some products e.g. Motor vehicles (Mainly imports);
- (iv) Slow pace of harmonization and regular review of East African Standards (EAS);
- (v) Some Partner States introducing additional requirements for example TFDA sometimes not recognizing the quality mark;
- (vi) Surveillance testing of products in the market and sharing the outcome;
- (vii) System integration for clearing of goods at the borders; and
- (viii) Lack of a common platform for sharing certification data.
- (ix) Slow pace of harmonization of Standards within the EAC.

EAC Standards Management Committee (SMC), under support from TMEA has developed a draft revised procedure for harmonization and this will be presented for approval by the East African Standards Committee within the first quarter of 2016/17.

Section 24(2) of the EAC SQMT ACT requires that Partner States shall recognize quality marks issued by partner states as equal to their own. The requirement in section 24(2) is meant to facilitate free movement of goods and envisages no retesting of certified products except for post market surveillance purposes.

Members were informed that United Republic of Tanzania is subjecting certified products from the community to pre-marketing surveillance contrary to the provisions

of Section 24(2) of the EAC SQMT ACT. This action has been admitted as an NTB and listed in the EAC time-bound program for NTBs.

EAC Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) Meeting of May 2016 directed United Republic of Tanzania (URT) to consult on the requirement by Tanzania Food and Drug Authority (TFDA) requiring companies exporting to URT to register, re-label, and re-testing of certified products from EAC partner states and report in the next meeting of SCTIFI in November 2016.

SCTIFI also directed EAC Partner States to initiate bilateral resolution mechanism and KEBS has in this regard requested for meeting with TFDA in July 2016.

It further emerged that funding of harmonization meetings is still a challenge for Partner States. However it was recommended that;-

- (i) EALA is requested to use its global networks to attract development partners to fund standards harmonization activities.
- (ii) The East African Standards Committee (EASC) has urged EAC Partner States to have a budget line for harmonization activities.

(k) KENYA CIVIL AVIATION AUTHORITY

Members carried out the sensitization session with the Kenya Civil Aviation Authority on the EAC integration and benefits, at the same time members were also briefed about;-

- (i) The mandate of the Kenya Civil Aviation Authority as to promote development of a safe, secure and sustainable aviation industry in the Country and Region as a whole.
- (ii) Compliance Audits, where Partner States audited for safety and aviation security by ICAO for compliance, and how the Audits establish the effectiveness of the regulatory oversight provided by KCAA.

On the other hand, members were informed about the challenges that are faced by KCAA as follows;

- (i) High cost of attracting and retaining qualified flight safety inspectors;
- (ii) Restrictive employment conditions based on Public Service pay structure;
- (iii) High cost of training safety inspectors;
- (iv) Incompatible land uses around aerodromes; and
- (v) Common framework for air transport liberalization within the EAC.

(I) CAPITAL MARKETS AUTHORITY

Members engaged with Kenya Capital Markets Authority where they highlighted the EAC Pillars of integration, achievements made so far, benefits of integration, as well challenges involved together with future expectations.

On the other hand, Members were also briefed on the mandate of the capital markets in the EAC integration process as follows;-

Capital Markets and the Pillars of the EAC Regional Integration Process

It was noted that the Customs Union improves the competitiveness of the industrial sector so as to enhance the expansion of trade in industrial goods within the Community through increased financing options within the capital markets fostering the overall socio-economic development in the Partner States.

It was further noted that the Common Market Protocol facilitates cross border trading systems and harmonizing regulatory requirements to increase regional liquidity.

It was observed that the Monetary Union will ensure that a single currency will facilitate retail and institutional movement and trading of securities at reduced cost.

It was further observed that the Political Federation, through collaborative capital markets efforts economies of scale and scope and increased synergies at all levels.

Highlights of EAC Treaty on Capital Markets.

It was pointed out that Article 80 of the treaty provides for:

- (i) harmonisation of capital market policies;
- (ii) harmonisation regional legal frameworks;
- (iii) co-operation of three exchanges;
- (iv) promotion cross border listings, trading; and
- (v) development of a regional rating system

Article 85 as well provides for implementation of capital market development program and creation of conducive environment for the movement of capital within the Community. While Article 86 provides for development, harmonization and integration of financial systems.

It was further observed that, in terms of market capitalization in East Africa for the second quarter, Kenya has the highest market capitalization with USD 20.43 billion. It is followed by Tanzania with a market capitalization of USD 9.98 billion. Finally, Uganda

comes in third with a market capitalization of USD 7.05 billion. Rwanda's end period market capitalization is at USD 3.62 billion as at June 2016.

Expected Benefits of Capital Markets Integration in the EAC

Members were also informed about the expected benefits of Capital Markets Integration as follows:

- (i) Lower prices for all financial services;
- (ii) More efficient, more liquid, and broader securities markets;
- (iii) Innovative Financial Products and Services;
- (iv) An industrial transformation of all sectors of the capital markets industry;
- (v) Cheaper financing for companies, given lower transaction costs;
- (vi) More efficient allocation of Capital;
- (vii) Higher returns on investments given lower transaction costs; and
- (viii) Enhanced risk-return frontiers for investors who previously faced restricted opportunities, but who can diversify their investments to a greater extent.

2.4.3 RWANDA.

The sensitization activity in Rwanda was carried out by the delegation which comprised of the following members; Hon. Patricia Hajabakiga - Leader of Delegation, Hon. Christophe Bazivamo, Hon. Dr. James Ndahiro , Hon. Xavier Francois Kalinda, Hon. Dr. Odette Nyiramilimo, Hon. Pierre Celestin Rwigema, Hon. Martin Ngoga, Hon. Straton Ndikuryayo, Hon. Valerie Nyirahabineza, and Mr. Enock Musiime Secretary to the delegation.

In a bid to successfully undertake the sensitization in Rwanda, the delegation performed various activities and engaged various stakeholders where observations and recommendations emerged:

(a) Press Release.

The EALA Rwandan Delegation released a press statement on 10th June 2016 at the Ministry of East African Affairs in Kigali. The statement notified the press of its presence in Rwanda for the resumption of its outreach and sensitization programme about the EAC integration. Arising out of the press conference, the following issues were observed;-

- (i) Limited awareness about the opportunities provided by the EAC integration by most of the Rwandan private sector. That Rwandans are not aggressive to tap integration opportunities in other Partner States;
- (ii) The role of EALA and East African Community in general in addressing the political instability in Burundi;
- (iii) Members of press highlighted on the fact that EAC integration should minimize imports since it has great potential for producing imported goods locally;
- (iv) Strategies at a regional level to combat corruption tendencies in the Community;

- (v) The press members profoundly appreciated the EALA Members the support and solidarity shown towards the commemoration activities of the 1994 genocide against Tutsi.

(b) Interaction with the National Council of the Persons with Disabilities

EALA held meeting with the National Council of Persons with Disabilities (NCPD), in attendance was Honourable State Minister of Local government, Members of Parliament representing the PWDs in the Chamber of Deputies, the Secretary General of the national council of persons with disabilities and all representatives from district to cell level in charge of disability desks.

At the meeting, EALA highlighted on the four pillars of EAC integration process notably, Customs Union, Common Market, Monetary Union and ultimately Political Federation.

Members further informed the meeting that the Assembly passed the East African Community Persons with Disability Bill 2015 in May 2016, and the bill is undergoing accent process by the Heads of State. It was noted that the regional law has taken into account all the principles of natural justice, non-discrimination, human rights, education, gender, equity, children and equality with regard to PWDs in the EAC.

(d) Private Sector Federation

During the interactions between EALA and the Members of the private sector notably; transporters, tourism operators, Hoteliers and staff of the private sector federation Rwanda, the following observations were made;

- (i) It was noted that Rwanda banned plastic materials while other EAC Partner States are still using them despite their disastrous impact on the environment;
- (ii) It was noted that non-tariff barriers in terms of roadblocks and weigh bridges are still rampant on the northern corridor; for example there are 4 weighbridges between Busia to Katuna alone. Moreover, corruption cases on these weighbridges are common as well. This causes the route to be expensive as it has led to most of the petroleum traders to shift their source from Eldoret to Dar es Salaam;
- (iii) It was mentioned and noted that the central corridor has reduced the weighbridges to only 3 from Dar es Salaam to Rusumo. This has reduced the cost of doing business along the this route;
- (iv) It was also mentioned that Rwandan clearing agents who are based in Dar es Salaam cannot access their containers in port as well as Tanzanian System (Tancis), while Tanzania clearing agents can access Rwandan system (Asycuda World);
- (v) Work and resident permits are still charged at a cost of \$3,150 per 2 years in Tanzania;

- (vi) It was also mentioned that tourist vehicles are required to pay \$150 USD in Tanzania which is a challenge to tourist operators;
- (vii) Tourist operators applauded on the fact that the EAC Single tourist visa is working well in the East Africa.

(e) Rwanda Association of Local Government Authorities (RALGA)

When EALA Members interacted with representatives of the Rwanda Association of Local Government Authorities, the following observations were made;

- (i) RALGA raised a concern that the political situation in Burundi may affect the EAC integration if it is not addressed as soon as possible;
- (ii) Local Government representatives also raised an issue that there are cases where Rwandan citizens get harassed in some of EAC Partner States yet EAC Common Market protocol is operational;
- (iii) It was observed that there is need to harmonise health insurance systems at a regional level, to allow people crossing borders to access medical services in Partner States;
- (iv) It was further observed that about 70% of EAC budget is externally funded which is not sustainable;
- (v) It was observed and mentioned that the local people have limited awareness on most of the EAC initiatives and operations;
- (vi) It was underscored that trafficking in persons is on a rise and has become a major threat to the EAC region.

(f) Interaction with the National Youth Councils

During the interactions with the National Youth Councils; the following observations were made;-

- (i) It was observed that EAC Member states have different cultures, economic levels and laws and therefore their harmonisation and compatibility may be a challenge;
- (ii) It was noted that some youth abuse principle of free of movement of labour, whereby they cross borders within the EAC partner states to do indecent jobs that put their lives at risk;
- (iii) It was also alleged that Uganda Christian University charges more fees to non-Ugandans compared to nationals yet there should be uniformity in tuition fees;
- (iv) Corruption tendencies in some EAC Partner States are still rampant;
- (v) The youth at the meeting decried of limited awareness among the Rwandans on taxation policy and tax exemptions in East Africa;

- (vi) It also came out that there is need to organize and conduct youth study tours to Partner States for learning and experience sharing;
- (vii) Cross border crime prevention mechanisms at the EAC level regarding handling of criminals who commit crimes in their Partner States and go to hide in others;
- (viii) There is a need to develop and implement the EAC youth policy which could advance youth initiatives and opportunities in East Africa.

(g) Women Councils, Cooperative Societies and Civil Society

When EALA delegation interacted with women councils and the civil society representatives, the following observations and recommendations were made;

- (i) Stakeholders expressed concern to preserve specific national cultures despite the regional integration;
- (ii) The meeting observed a need to train small scales traders on the differences between tariffs and Taxes to facilitate effectively and efficiently their business transactions;
- (iii) The meeting observed a need for the Ministry responsible for EAC Affairs to distribute sensitization materials such as flags, booklets and magazines about East Africa levels local authorities;
- (iv) It was observed that Gender Based Violence crimes on an increase in the region therefor there is a need to develop regional laws that protect victims from such crimes;
- (v) Women representatives requested for facilitation to have study tours to learn best practices in other EAC Partner States;
- (vi) The women representatives also asked if the EAC Secretariat to support them engage in regional women forums;
- (vii) Women in cross border trade requested for advocacy to reduce taxes on the goods because high taxes drive them out of business;
- (viii) Women representatives noted that they have limited access to loans from banks due to lack of collaterals to expand their business;
- (ix) Most Rwandans with French background experience language barriers while transacting business with people Uganda, Kenya and Tanzania;
- (x) There is need for women to be funded to attend study tours in partner states to learn from other businesswomen. This will provide Rwandan women with ideas to help them establish and develop projects;
- (xi) There should be a way to identify moneychangers at borders to avoid counterfeit money and other insecurity problems;
- (xii) EALA members requested Ministry for EAC Affairs to provide sensitization materials to the women council representatives;

- (xiii) It was recommended that the National Women Council should be represented during the regional women forums;
- (xiv) Efforts should be expedited to establish the women council at regional level;
- (xv) Women were advised to put more efforts in learning English and Swahili through their associations to ease communication with their counterparts;
- (xvi) It was observed that women capacity building to take advantage of regional opportunities available for them.

(h) Border Communities

EALA Members held interactions with people at borders to sensitize them about EAC integration, and the following observations were made;-

(1) Cyanika One Stop Border Post (OSBP)

Cyanika is a border between Rwanda and Uganda. At the meeting on this border, the following transpired:

- (i) Traders at the borders pointed out that working hours are limited at Cyanika OSBP and requested that working hours be extended;
- (ii) It was observed that some people crossing the border are not aware that Yellow Fever Card is a requirement to enter into EAC Partner States;
- (iii) It was observed that due to porous nature of Cyanika border, the border community use illegal points for entry and exit instead of using one official and gazetted point of entry and exit;
- (iv) Residents of Cyanika also informed EALA members that driving licenses obtained from Uganda are rejected by the Rwandan police. However the Rwandan Police authorities clarified some of those driving permits are fraudulently secured and therefore put to scrutiny by Rwanda traffic to avoid fake permits;
- (v) Cyanika border community requested for harmonization of health insurance policies to enable them to use their health insurance in other EAC Partner States;
- (vi) Women in cross border trade requested to be facilitated to cross the border with their children without any hindrance. However, the police responded that it would facilitate child trafficking which is already a challenge;
- (vii) All people crossing to other Partner States should use the legal and gazetted borders for immigration purposes.

Specific Recommendations

- (i) *Border management should engage bilaterally through cross border meetings to address payment cases for simplified certificates of origin which are free of charge;*

- (ii) *Small scale traders should be involved in the integration process especially provision of information on what they can trade and how;*
- (iii) *Swahili language should be taught from primary to higher learning institutions. And creation of Swahili clubs down from the village levels for easy communication in the region;*
- (iv) *Responsible organs such as Revenue Authority should engage small scale traders to sensitize on duties, taxes and Tariffs on charged and how and applicable.*

(2) Ruhwa One Stop Border Post

The following are the observations and recommendations made from the discussions held between EALA Members and the Border community at Ruhwa;

- (i) The border officials informed EALA Members that Ruhwa OSBP project was funded by African Development Bank;
- (ii) It was mentioned and observed that Burundian conflict has caused disastrous impact on the economic activities and movement of people and goods at the border;
- (iii) Rwanda officials raised an issue that sometimes they are being disturbed by the abrupt visits of Burundi armed personnel at the border. This creates fear among the travellers and limits free movement of people;
- (iv) Border managers informed Members that unlike on other borders, Ruhwa lacks a Joint committee which is responsible for day to day running of the border. Therefor the absence of a joint committee is affecting negatively the operations of Ruhwa OSBP;
- (v) Members were further also informed that all invoices for used water and power are not yet paid due to nonexistence of a joint committee responsible for budget allocations to cater for maintenance among others;
- (vi) The border managers also highlighted on the issue of insufficient water and power supply at the border. It was revealed that when the power goes off, the clearing activities are suspended until the power is back;
- (vii) The EALA Members observed and noted that a number of facilities are not provided at the border such as banks, forex bureaus, and health facilities to mention but a few;
- (viii) It was also observed at Ruhwa border that yellow fever cards are not a requirement. However EALA members informed the border officials that having a yellow fever card was previously considered as an NTB in the EAC, but nowadays it is a mandatory requirement as it was recommended by World Health Organisation;
- (ix) It was observed that Ruhwa OSBP operates from 6:00am to 6:00pm, and Border managers of both sides raised the concern that working hours should be extended;

- (x) EALA Members were informed that cross border traders have limited awareness about the EAC Integration. For example most of cross border traders operate under EAC Simplified Trade Regime without information about the regime;
- (xi) EALA Members noted with concern the absence of some institutions that are required to operate at the border. These include Ministries responsible for Agriculture, health, bureaus of standards. This creates a vacuum in handling of some responsibilities at the border.

Specific Recommendations

- (i) The EALA Members noted that there is a need to put in place a joint committee to handle all issues related to the implementation of OSBP;*
- (ii) There is need for all Partner States encourage people crossing the EAC Borders to have yellow fever card as it is a mandatory requirement by World Health Organisation;*
- (iii) Facilities such as banks, health centres and forex bureaus should be established at Ruhwa OSBP;*
- (iv) Working hours at the border post should be extended from 6:00pm to at least 8:00pm.*

(3) Kagitumba One Stop Border Post (OSBP)

While touring the border and meeting the border communities of Kagitumba, the following observations were made:

- (i) Members were informed that the border operates 14 hours only;
- (ii) It was observed that the OSBP does not have facilities for toxic goods and quarantine area for imported animals;
- (iii) The border is operating as fully fledged OSBP, using Immigration and Customs officers of the two countries on both sides of the border;
- (iv) The EAC OSBP Act is not yet implemented, however the border operates on a bilateral agreement signed between Rwanda and Uganda;
- (v) It was further observed that the people at the border are not aware about the existence of the EAC OSBP law;
- (vi) Transporters expressed the need to introduce weighbridges in Rwanda to reduce road damages caused by overloaded vehicles;
- (vii) The border community expressed need for a physical market near Kagitumba to facilitate cross border trade between Uganda and Rwanda;
- (viii) The border officials wished to see an information desk established at the border to provide EAC related information and educate the border community about the rights and opportunities provided by EAC to its citizens;
- (ix) Stakeholders informed Members with concern that a charge of 60,000 UGX is levied on the simplified certificates of origin in Uganda, yet these certificates should be cost free.

Specific Recommendations

The following was agreed upon as way forward/ recommendations:

- (i) Policy framework should be put in place to facilitate establishment and construction of physical markets on the border posts in EAC;*
- (ii) It was recommended that information desks about East African Community should be established at the border posts for purposes of awareness and information dissemination;*
- (iii) All complaints about corruption tendencies including the arbitrary and illegal fees charged at the borders should be reported to National Monitoring Committees on NTBs for further reporting to the regional NTBs monitoring team.*

(i) Participation in the Commemoration activities of 1994 genocide against Tutsi

EALA Members delivered cows that they had previously offered to the elderly widowed genocide survivors in Rwamagana, Eastern Province of Rwanda. The people of Rwanda profoundly appreciated EALA's solidarity with them in the difficult moments and requested that the solidarity should continue in the times to come.

2.4.4 UNITED REPUBLIC TANZANIA

In the United Republic of Tanzania the activity was conducted in Dodoma, Morogoro and Zanzibar from 9th to 28th June, 2016 by the EALA with the following Members: Hon. Charles Makongoro Nyerere - Leader of Delegation, Hon. Twaha Taslima, Hon. Nderakindo Kessy, Hon. Abdullah Mwinyi, Hon. Adam Kimbisa, Hon. Shyrose Bhanji, Hon. Maryam Ussi Yahya, Hon. Bernard Murunya, Hon. Angela Kizigha, and Mr. Charles N. Kadonya Secretary to the Delegation.

(a) Methodology

In carrying out the outreach and sensitization activity, the EALA delegation employed various methods and different stakeholders as follows below:

- (i) conducted planning meeting in Dodoma;
- (ii) circulated letters to the targeted organs, institutions and corporations;
- (iii) shared a uniform presentation that was used during the outreach and sensitization programme;
- (iv) conducted press conference;
- (v) held sensitization workshop with all Members of Parliament of the United Republic of Tanzania;

- (vi) Paid courtesy call to H.E. Samia Hassan Suluhu, the Vice President of the United Republic of Tanzania at State House in Morogoro;
- (vii) held sensitization workshop with the Speaker and Deputy Speaker as well as selected few Members of the House of Representatives of Zanzibar;
- (viii) conducted outreach and sensitization workshop to four higher learning institutions: College of Business Education (CBE), Dodoma University, Sokoine University of Agriculture, Mzumbe University and State University of Zanzibar;
- (ix) visited association of grapes growers in Chamwino in the outskirts of Dodoma;
- (x) visited two major Media Houses located in Zanzibar for sensitization purposes;
- (xi) participated in several live and recorded radio and TV programs;
- (xii) visited Majengo Market in Dodoma Municipality; and
- (xiii) Responded to questions and issues raised by the public through question and answer sessions, social media, emails and phone calls.

(b) Observations

During the interaction with stakeholders, the following critical issues and concerns were raised:

1. Small and Medium Scale Traders

- (i) It was observed that there is apparent lack of information on the Program for Elimination of Internal Tariffs (EIT) including the categorization of taxable and non-taxable goods. The applicable rates for dutiable goods are not generally known by the small and medium scale traders in Dodoma and Morogoro who felt that they are at the mercy of customs and municipal councils' officials;
- (ii) Traders expressed concern that without harmonization of some taxes, the EAC Customs Union cannot operate smoothly. It was pointed out that EAC Partner States still have different domestic tax rates and structures especially excise duty and Value Added Tax VAT. These differences have resulted into market distortions leading to such problems like smuggling and other industry malpractices that have witnessed a rise in some "artificial" exports. The most affected commodities are second hand clothes, cigarettes, spirits and petroleum products;
- (iii) Traders visited expressed a general fear that their businesses are likely to collapse due to the stiff competition particularly from the *"stronger and more aggressive Kenyan and Rwanda counterparts."* As a result, there was a general recommendation that the process needs to be slowed down or at least the principle of asymmetry is built into to ensure that the small and weak do not unduly lose out to the big and strong;
- (iv) A challenge posed by lack of a harmonized form of National identification especially in view of free movement of persons and other transactions. This hinders transactions and may cause security and other challenges. An example given was

that Kenya, Uganda and Rwanda use national Identification Cards (ID's), Tanzania is not part of the equation.

2. Academia

- (i) There was also the fear about loss of employment opportunities due to differences in the competitiveness of the labour force. Stakeholders expressed the concern that free movement of labour will result into an influx of qualified Kenyans and Ugandans as well as Rwandans and Burundians with their multi-lingual advantage into Tanzania thus out competing Tanzanians in the labour market. There may be need for affirmative action or phased opening up to allay some of these fears. The competition, the anti-monopoly and mergers and acquisitions acts should be useful in this regard;
- (ii) Though land is neither a Treaty matter nor, among the fourteen areas of cooperation, stakeholders raised concerns about differences in the land tenure systems of Partner States and loss of land due to free movement and right of establishment within the EAC Partner States. The fear of loss of land arises out of varied population densities of the Partner States and within countries where weak land management systems continue to disadvantage some sections of the population. Similarly, increased competition and unfair accessibility poses a human security issue for those whose livelihood depends on land and yet they do not have security of tenure;
- (iii) Article 7(1) (a) of the Treaty provides that the EAC will be people-centred. In the same breath it also provides that the EAC will be market driven. Stakeholders were of the opinion that this conception is structurally contradictory. Markets are not normally people-centred. Hence, their pursuits will rarely deliver on popular expectations. It can already be discerned that from the two stages of integration so far undertaken, free market forces have not only been in the forefront, but also been the primary beneficiaries of integration. The people are neither adequately informed nor playing any active role; obviously they are not at the centre. As a result, the ultimate purpose of political federation, which is development, is not being pursued in a manner that leads to tangible development outcomes for the people of East Africa. No roads, no schools, no hospitals, and no water supplies;

3. Tanzania National Parliament and House of Representatives-Zanzibar

- (i) Members of Parliament raised concerns about differences in the land tenure systems of Partner States and loss of land due to free movement and right of establishment within the EAC Partner States. The fear of loss of land arises out of varied population densities of the Partner States and within countries where weak

land management systems continue to disadvantage some sections of the population;

- (ii) Regarding Political Federation, the primary concerns raised by stakeholders are about militarization of politics, peaceful political transition, and electoral violence among others.

It was apparent that the majority of stakeholders the Chapter interacted with from parliamentarians, government officials, students, academicians, media, small scale and medium business people lacked sufficient knowledge on the operations of the EAC integration pillars and agenda. Among their main concern was with the non-removal of barriers tariff and non-tariff at customs borders contrary to what they thought the Customs Union and Common Market sought to eliminate.

There was a general outcry that Kiswahili should be promoted to an official language of the Community.

Specific Recommendations

- (i) While it can be argued that great realizations have been completed in a number of areas, there is a lack of popular ownership of the process of the EAC integration and its pillars (Customs Union, Common Market, Monetary Union and Political Federation) across the region. Ownership through involvement of the ordinary citizens is fundamental for political integration. There is need for strategies, measures and mechanisms that transform the EAC into a Community of citizens with common values and identity, in a manner that inculcates the East African spirit;*
- (ii) The overriding complaints about lack of information about the EAC integration should inform the type of communication strategy to be adopted and the nature of information to be disseminated. Outreach programmes need to be recognized as part and parcel of the overall plan in transiting towards the EAC Political Federation. EALA MPs as the representatives of the people of East Africa should take the centre stage on this process;*
- (iii) Economic related fears and concerns raised by stakeholders mainly arise out of inadequate implementation of the Customs Union and the Common Market. This has affected the realization of benefits of integration. Realizing benefits will necessitate strong regional institutions to implement fully the Customs Union and the Common Market as a foundation for a stable and sustainable monetary and fiscal integration;*
- (iv) Stakeholders in Tanzania are concerned over loss of employment opportunities through increased labour mobility and competition. Deliberate programs should be developed to tap the benefits of labour mobility, for instance through exchange programs of language teachers across the region. In addition, the region should also focus on building productivity and competitiveness of the human resource;*

(v) The people of East Africa should be sensitized to appreciate that EAC political federation involves ceding some sovereignty and that benefits should be highlighted and disseminated. In addition, the EAC should implement fully the stages of integration preceding the political federation to realize tangible benefits to build confidence in the federation.

2.4.5 UGANDA

The EALA delegation that undertook sensitization in Uganda comprised of the following members; Hon. Nusura Tiperu - Leader of Delegation, Hon. Opoka Chris, Hon. Dora Byamukama, Hon. Mike Sebalu, Hon. Bernard Mulengani, Hon. Margaret Zziwa, Hon. Fred Mukasa Mbidde, Hon. Frederick Ngezebuhoro, Hon. Dr. Martin Nduwimana, and Mr. Manzi Victor -Secretary to the delegation.

In carrying out this activity, Members engaged various stakeholders and made a number of observations and recommendations:

(a) MEETING WITH THE SPEAKER

- (i) The Committee held a meeting with the Rt. Hon Speaker of the Parliament of Uganda, Rt. Hon. Rebecca Kadaga who pledged Parliament's continued commitment to consolidating and further strengthening of its working relations with EALA in a bid to promote the EAC Integration agenda;
- (ii) The Speaker observed that the East African Community Anthem was not being played by some Partner states at public functions yet this a Council directive to have it played as a medium of popularizing the integration. She said this was against the spirit of uniting the people of East Africa;
- (iii) She further observed that there is a need for improvement and coordination in the mode of transmission of Council decisions into Government departments and Ministries such that implementation of these decisions is effective and integrated in Government policies;
- (iv) She expressed the need to urgently explore modalities of institutionalizing directly and actively engaging National Assemblies in the EAC legislative process, as enshrined under Article 65 of the Treaty establishing the East African Community.

(b) MEETING WITH H.E THE VICE PRESIDENT OF THE REPUBLIC OF UGANDA

- (i) The Committee interacted with H.E the vice President of the Republic of Uganda Hon. Edward Ssekandi. During the meeting, he urged the EAC Partner States to institutionalize the process of regular feedback and briefing of Government institutions and other Stakeholders on the integration process. He informed the meeting that he was going to instruct his staff to put the meetings with EALA on

- the Vice Presidents calendar. He also re-echoed the unwavering support and commitment of the Government and people of Uganda to the EAC Integration;
- (ii) He urged Member States and EALA members to enhance sensitization that will strengthen synergies and efforts to ensure that the East African citizenry is aware of the East African Community integration agenda;
 - (iii) He urged members that in order to promote and enhance an East African culture, Partner States should promote both vertical and horizontal integration strategies such as promotion of joint military exercises in their armed forces and popularization of the East African anthem in academic institutions, public gatherings and at Government-held functions;
 - (iv) He urged Members to enact necessary legislation that is geared towards promoting development across the communities of East Africa and to remove the existing barriers that are hindering trade and investment in the region such as non-tariff barriers.

(c) MEETING WITH THE FIRST DEPUTY PRIME MINISTER AND MINISTER FOR EAC AFFAIRS OF THE REPUBLIC OF UGANDA

The Committee interacted with the Rt. Hon First Deputy Prime Minister, and this meeting, he commended the Members and administration of the East African Legislative Assembly on undertaking the sensitization drive since majority of the population of East Africa was ignorant about East African Community matters. During the discussion, the following issues were raised:

- (i) It was noted that the Ministry in its current form has one director and four departments. This structure is weak, lean and cannot allow the Ministry to effectively play its coordination role. It also does not match with the structures of other Partner States which are more robust in terms of size and staffing;
- (ii) It was noted that the total budget allocation to the Ministry of East African Community Affairs (MEACA) for the Financial Year 2015/16 was only UGX 24.410 billion out of which UGX 0.750 billion is for recurrent wages, UGX 23.081 billion for non-recurrent wages, UGX 0.538 billion for Government of Uganda development and UGX 0.040 billion for arrears. This size of allocation has ensured that the Ministry continues accumulating arrears which in turn affect the Ministry in making its remittances to the East African Community and in carrying out sensitization and mobilization;
- (iii) It was noted that sensitization programs help create public awareness and enhance public participation in EAC regional processes. EAC integration being a key driver of economic prosperity for Uganda, as envisioned in the NDP and Vision 2040, there is need for the citizens to be aware of the opportunities EAC integration provides so that they are able to participate and take advantage of them. However

the Committee was informed of a funding gap amounting to UGX 500 million required for this purpose in the 2015/16 FY;

- (iv) Failure to implement Council decisions and recommendations let alone their reflection in the Ministerial Policy Statements and MTEF reports. The EALA delegation was informed that this has contributed to lack of fulfilment of commitments towards the East African Integration efforts.

(d) MEETINGS WITH MINISTRIES OF TRADE, FINANCE, JUSTICE AND CONSTITUTIONAL AFFAIRS

EALA delegation held meetings with the Ministries of Trade, Finance, Justice and Constitutional Affairs and the following transpired:

- (i) It was noted that most of the East African Community Partner States also belong to other regional blocks like COMESA and SADC. This belonging to multiple regional arrangements impacts on the resources of Partner States and reduces their total commitment towards EAC affairs. Multiplicity of membership raises the problem of coordination and commitment for an individual Country in terms of adequacy and efficiency of human and financial resources;
- (ii) It was further noted that in 2015, the East African Community Council of Ministers adopted the East African Community Competition (Amendment) Bill which provided for the establishment of the East African Community (EAC) Competition Authority (EACCA)The competition authority has jurisdiction over all five member states of the EAC; the mandate of the authority is to regulate company activities across borders, while the EAC Competition Authority will have jurisdiction over all mergers and enforcement matters with cross-border competition effects. However questions were raised on when it's going to be put in place and whether Uganda is ready to participate in this initiative;
- (iii) There is need for the Judicial Affairs Committee to review the Treaty to make the Community a more effective organization in the face of new challenges and new expectations that have emerged and the expanding mandate of the regional organization;
- (iv) Initiate continuous robust sensitization programs especially in rural areas so as to interface with communities in order to harmonize issues pertaining to the community and be able to plan for strategic interests;-
- (v) According to Uganda Revenue Authority, while in 2015 the EAC developed and approved new Rules of Origin, no Partner State is currently using the New Rules of Origin. Instead the Old Certificates of Origin continue to be used;

- (vi) There is need to promote Uganda products like sugar that are being produced in excess and review the sensitive list of products to include products which were originally excluded. The time frame in which the sensitive list is going to be reduced is also unclear;
- (vii) The differences in legal and regulatory frameworks within the Partner States still poses technical barriers to trade despite existing mechanism for harmonized standards to remove these barriers;
- (viii) The stakeholders noted that the EAC Common Market Protocol is weak and requires urgent revision and amendment;
- (ix) Harmonization and review of the compilation regional statistics data;
- (x) There is need to develop alternative allocation of funding mechanisms to fund the East African Community and to channel development finance of projects through the East African Development Bank for sustainability purposes;
- (xi) Need to develop a structured format to capture Council decisions such that they are reflected in the Ministerial Policy Statements and the Budget;
- (xii) The Assembly should spearhead the campaign of political federation of East African Community with specific time lines.

(e) TRADERS, TRANSPORTERS ASSOCIATION, CLEARING INDUSTRY ASSOCIATION AGENTS, AND SHIPPERS ASSOCIATION.

The EALA delegation interacted with representatives of the above mentioned organizations and during the meetings the following issues were raised.

- (i) Transporters further complained about the troubles they have to go through at all fixed weighbridges at the following locations: Mariakani, Gilgil, Athi River near Nairobi, and Webuye including two mobile ones after Nakuru and Eldoret which according to the weighbridge officials are occasionally placed there for official reasons that they do not disclose;
- (ii) It was pointed out that Uganda weigh-bridges are not well calibrated as they penalize transit trucks for overloading, yet the trucks come from port of Mombasa sealed under the Cargo Tracking System. When the drivers ask for the trucks to be re-weighed, they are told that the system will recognize the truck after 12 hours;
- (iii) Furthermore they reported that Kenya charges a fine equivalent to Kenya Shillings 30,000 for trucks that are imported and driven along the Kenya high ways without mud flaps. The German Trucks that are imported through Kenya destined to Uganda are manufactured without mud flaps and such charge is seen as unfair treatment that leads to increased costs and delays. It was also observed that the transport cost is the highest within East African;
- (iv) Lack of coordination among the numerous institutions and bodies involved in testing goods. Lack of this coordination affects the clearing process of the goods

- and this is further complicated by the delays at the border by the customs officials who are few and cannot handle the larger volumes of goods crossing the border points whereby it takes 2 to 3 days to clear a container. They request the staff operating the one stop boarder points to be beefed up to ease the process of clearing the cargo;
- (v) Lack of recognition of the COMESA insurance by the Ugandan insurance companies. Although a transporter must have COMESA insurance in order to travel within East Africa, in case one gets an accident, the Uganda insurance Companies do not recognize it. There is need to develop the East African Community Regulatory Authority to regulate the insurance sector in the Community;
 - (vi) Instant implementation of new regulations before they are not communicated appropriately and timely among the key stakeholders. Besides the stakeholders are never consulted for their input;
 - (vii) Lack of a harmonized policy on the charges of the user fees in the different Partner States. This is exemplified by double payments of Certificate of goods in transit since traders are forced to pay a double fee of 400 dollars which increases the cost of doing business;
 - (viii) It was noted that a number of OSBPs have been completed and handed over by TMEA to the Government of Uganda the latest of these being Mutukula that was handed over in February 2016, but not all Gov't institutions mandated to work from there operate for the same number of hours or days while there;
 - (ix) Uganda authorities require trucks to pay double the certificate of transit goods: it means instead of paying 200 USD, transporters have to pay 400 USD which is for truck and trailer separately;
 - (x) Uganda charges a road user fee of 150,000 shillings (5,000 per day) for interstate buses even though these buses don't travel every day to Uganda. The fee should be applied daily & not a flat fee imposed every month;
 - (xi) Lack of a harmonized policy and guidelines in the usage and importation of plastics in the East African Partner States. For instance Kenya allows plastics with 10 micros whereas Uganda allows those with 30 micros. Rwanda has a complete ban on plastics;
 - (xii) Lack of harmonization of travel documents across the different partner States of East Africa. Different Countries require usage of different travel documents which brings about confusion among the different travellers;
 - (xiii) Stakeholders urged EALA to enact a Consumer Protection Act such that shall protect customers within East Africa against the infiltration of fake goods into the East African Community and to avoid the dumping of hazardous materials;
 - (xiv) Returning vehicles/trucks are not allowed to carry cargo yet they could use the return to mitigate costs;
 - (xv) Coffee representatives complained about coffee stolen along the way to Mombasa whereby it reaches Mombasa when it's no longer in its original quantities.

(f) PARLIAMENT OF UGANDA

The Committee interacted and addressed the members of the Ugandan Parliament who were undergoing induction program being undertaken by the Ugandan Parliament and during the discussion the following issues emerged:

- (i) Whether EALA has enforcement and implementation mechanisms to enforce some of the recommendations contained in the Protocols, laws, regulations which have been signed but not being respected by some partner states;
- (ii) Development, promotion and usage of Kiswahili as an East African Community Language. It was observed that in order to have a unified East Africa, it is necessary that Kiswahili is developed as a communicating/unifying language of East Africans;
- (iii) It was observed that there is a need to fast track political federation for East Africa;

(g) THE MEDIA

- (i) They inquired about the role of the EAC in general and EALA in particular, in resolving the Burundi political crisis;
- (ii) They expressed concern about the inadequate dissemination of information about the EAC integration process. They noted the need for the active engagement of all stakeholders at all stages of integration if the gains were to be sustained;
- (iii) They expressed concerns about the admission of the Republic of South Sudan to the EAC in view of her historical internal problems and questionable human rights credentials;
- (iv) Different education systems affecting the integration process of the East African Community.
- (v) How the decisions of the East African Courts of Justice are enforced;
- (vi) While the East Africa region has a vibrant media fraternity, many of the media companies operate within Partner States and not as regional players. There is need for a strong partnership with the media such that the programs and activities of EALA and EAC can easily be disseminated and placed at the centre stage of the national media channels of the EAC communication;
- (vii) It was observed that the issue of Migingo Island on Lake Victoria between Uganda and Kenya should be fast-tracked;
- (viii) It was further noted that one of the biggest challenges has been timely remittances by Member States to the East African Community. This is likely to affect the implementation of programmes and delay the integration process.

(h) ISLAMIC UNIVERSITY IN UGANDA

The Committee interacted and addressed the students of Islamic University in Uganda and during the discussion the following issues emerged:

- (i) Development of a leadership training/attachment program at EALA Offices in Arusha to foster and help students in East Africa advance career trainings and harmonization of education standards within East Africa;
- (ii) It was observed that enacting legislation to fight corruption like the Whistle Blowers Act which can supplement the existing laws on corruption so as to make East Africa Community corrupt free.

(i) DISTRICT LEADERS OF LYATONDE, RAKAI, SEMBABULE

The Members interacted and addressed the District Leaders of Lyatonde, Rakai, Sembabule at Lyantode District Headquarters. During the discussions the following issues emerged:

- (i) Language-Kiswahili: The efforts being undertaken to popularize and fast track the usage of Kiswahili in schools, colleges;
- (ii) Political instabilities in some Partner States which have led to displacement of people turning them into refugees;
- (iii) Restrictions of immigration procedures of Ugandans crossing into Tanzania;
- (iv) Measures being undertaken to further deepen integration so as to enhance/intensify integration in Communities and the practical ways to ensure that it is feasible;
- (v) Payment for provisional entry permits at Mutukula boarder yet the Common Market Protocol envisages free movements of persons and the right of establishment;
- (vi) The measures to harmonise the different political systems cross the different East African Countries in order to achieve the political integration;
- (vii) Promotion of affirmative action for specific interest groups like the disabled.

Specific Observations.

- (i) Members observed that the youth Ambassadors in each of the Partner States are supposed to act as promoters of integration in the East African Community. However most of them are not properly organized and facilitated to carry out their activities;*
- (ii) Establishing the East African Development Bank as the financing arm of the East African Community. Most of the development projects in Africa and specifically East Africa are being financed by the African Development Bank. Due to its location in*

Tunis and excessive bureaucracy accessing finances in a timely manner has been a challenge;

(iii) The Committee observed that although efforts and interventions have been undertaken to eliminate non-tariff barriers, they continue to prevail hence making the business environment uncondusive for the traders and business persons.

(iv) The Committee observed that although Judicial Affairs Committee was mandated to review the Treaty to make the Community a more effective organization in the face of new challenges and new expectations that have emerged and an expanding mandate of the regional organization. The Committee further notes that the implementation of the Treaty has raised a number of new challenges which the Partner States have noted in the quest of deepening and widening the integration. This Committee has not held a meeting for two years and there is hardly any work that has been carried out on the review of the Treaty.

Specific Recommendations

(i) The Committee recommends that arrangements could be explored by the Partner states to have the funds for development finance channelled through East African Development Bank;

(ii) The Committee recommends that Partner States should explore and engage their respective institutions involved in handling the business sector such that the NTBS are minimized;

(iii) The Committee recommends that the Council of ministers should take this matter seriously and ensure that the Judicial Affairs Committee resumes the meetings to review the treaty;

3.0 GENERAL FINDINGS OF THE SENSITIZATION PROGRAM

(i) It was observed that there is limited awareness among the people on EAC integration, its programs and benefits, and how to explore for the opportunities;

(ii) Existence of non-harmonised education curriculum in the Partner States;

(iii) Harmonisation of national laws is one of the critical steps required to facilitate regional integration. It is a process that has to go hand in hand with other undertakings of Partner States; otherwise, all agreed programs and stages of integration may be hampered by National laws;

(iv) Students from EAC Partner States still require student passes or visas to be able to study in another Partner State;

(v) It was observed that the interest groups such as youth, women, civil and cooperative societies among others were not fully involved in the EAC integration process;

(vi) Members observed the growing interest of the participants/stakeholders in embracing and learning the Kiswahili language. Besides promoting unity among

the EAC populace, the Kiswahili language is a critical medium of communication that will further facilitate trade in the region.

- (vii) It was observed that political crisis in Burundi hinders the EAC integration process.

4.0 GENERAL RECOMMENDATIONS

The Assembly recommended that:

- (i) Sensitisation and awareness on the EAC integration process be institutionalised to be a continuous activity;
- (ii) Media department at EAC Secretariat should be more pro-active, especially to work closely with various national and regional media;
- (iii) The political federation of East Africa should be fast tracked;
- (iv) the fast tracking of the harmonization of education and training curricular need to be fast tracked by Partner States;
- (v) Partner States to fully implement the Common Market Protocol which provides for free movement of people, capital and services among others, to allow citizens of East Africa to enjoy their rights;
- (vi) Partner States to eliminate the NTBs which impact negatively on intra- Regional trade activities;
- (vii) Partner States to address the issue of work permit to facilitate those who wish to work in EAC Partner States;
- (viii) Integration efforts should move beyond trade. Partner states should identify a common ground for the different national ideologies, value systems and cultures to promote integration;
- (ix) The business community called upon the Ministry of East African Community Affairs to establish a mechanism to handle grievances arising out of cross-border trade;
- (x) The issue of Certificates of Rules of Origin should be addressed to facilitate cross border trade;
- (xi) The political solution for the Burundi crisis should be fast tracked;
- (xii) The EAC Anthem and flag should always go hand in hand with respective national ones at all times;
- (xiii) There should be harmonization of regulations governing plastic materials in the EAC Partner States; and
- (xiv) EAC and EALA should ensure future sensitization efforts, including the development of information, education and communication (IEC) materials cater for the needs of persons with disability.