HIGHLIGHTS – VOICES – REVIEW

2014

Support to the East African Community Integration Process
HIGHLIGHTS - VOICES - REVIEW

2014

Support to the East African Community Integration Process
2014 has been an exciting year full of vibrant activity in the East African Community (EAC). By supporting the integration process, German Development Cooperation programmes, implemented by GIZ, have been an important contribution to this achievement, and it gives me great pleasure to be able to present this review of highlights of the past year which includes voices from the people with real life accounts of EAC collaborations from across East Africa.

Although it is not possible to describe all achievements in 2014, some highpoints include the establishment of the Single Customs Territory and tax harmonisation measures such as Double Taxation Avoidance Agreements and Exchange of Information across revenue authorities. In addition, movement across the EAC region has been eased and Trade in Services and Mutual Recognition Agreements (MRAs) have allowed Engineers, Accounts and Architects to offer their service across borders. Veterinarians, Lawyers, Pharmacists, Nurses/ Midwives and Quantity Surveyors have also begun the process of negotiating their MRAs. GIZ has supported us in these areas through a multitude of measures including expert studies, the production of training manuals and convening technical meetings among others.
Other achievements include improving dialogue between the Private Sector, Civil Society and the EAC on regional integration and it was especially promising to see enthusiastic participation from groups such as youth and those living with disabilities.

2014 saw continued support for journalists, photographers, script writers and film-makers, and as a result, reporting on East African integration has gained more prominence in the media. Efforts have also been made on branding the EAC, a process that will work towards producing an EAC Corporate Design Guide with a clear visual identity for the East African integration.

A summary of the year would not be complete without mentioning the programme on Promotion of Peace and Security* in the EAC, which was also implemented by GIZ. During a jointly organised conference in September in Kigali, religious leaders affirmed their readiness to identify solutions to East Africa’s security challenges and prevent religious radicalisation by forming the EAC inter-Religious Council for Dialogue and Peace.

Finally, throughout 2014, GIZ has supported the development of the East African Monitoring System (EAMS), an electronic system capable of reporting the status of the implementation of EAC decisions and directives with the touch of a button. At the same time, the Quality Management System at the EAC Secretariat was established, and both systems will greatly improve monitoring and the steering the integration programme for the years ahead.

Cooperation between Germany and the EAC has continued to grow since collaboration began in 1996, and with it, East Africa has also developed into a much more stable and prosperous region. It is our hope that we continue this way together into 2015 and beyond.

Dr Richard Sezibera
Ambassador
Secretary General
East African Community

* The programme ended in 2014, after having been in place since 2009.
As the umbrella organization of the private sector in East Africa, the East African Business Council (EABC) constantly strives to facilitate private sector participation in the integration process of the East African Community. Our mission is to promote Private Sector’s regional and global competitiveness in trade and investment.

2014 was a year of many challenges. Our commitment was high; however cuts in funding and other institutional changes put obstacles in our way and demanded our full creativity and dedication in order to fulfill our goals. Still, we managed to work closely with the EAC Secretariat and other stakeholders to continue collaboration and dialogue.

Our work was supported and promoted by vital partners and I would like to highlight the wonderful cooperation we had with GIZ in 2014. A defined framework is needed to allow for the integration of the private sector into processes at EAC level – and GIZ provided support for developing this framework further.

One of the highlights of EABC’s work in 2014 was the Secretary General’s Forum in Entebbe, Uganda, which brought together representatives from the Private
Sector and Civil Society. The forum was the 3rd of its kind and is, by now, institutionalised and an integral part of the EAC Calendar of Activities. It is supported by the German Development Cooperation through GIZ and jointly organised by the EAC Secretariat, together with the EABC, EACSOF, which is the regional umbrella organisation of the civil society, and other interest groups. National and regional interests of the involved actors are discussed and outlined as recommendations in EAC processes. To give an example, the 2014 SG’s Forum recommended giving at least one third of all public tenders to businesses owned by women. Also, through the annual SG’s Forum, mechanisms to integrate marginalised groups such as youth and people with disabilities were entered into the EAC decision-making processes, as well as the recommendation to develop an EAC business code of conduct and ethics which will be signed by leading companies of the private sector in 2015.

The SG’s Forum is an important instrument to ensure the participation of non-state actors in EAC policy formulation. It is worth noting that during the 2014 SG’s Forum, 85% of the participants stated that their voices and interests were now adequately incorporated in EAC decisions.

In 2014, another important path was paved for EABC, which, in the long term, could foster growth and closer business relations with Germany. A partnership between EABC and BDI, the Federation of German Industries, one of the most influential business federations in the world, has been initiated. BDI, with the support of EABC, is looking for business opportunities in EAC countries and the benefits will be mutual.

This 2014 review highlights topics closely connected to our cooperation with GIZ and Germany: Private Sector involvement in general, cross-border trade, double taxation and mutual recognition agreements, among others. We highly appreciate the commitment and support by German Development Cooperation and wish you an interesting read.

Andrew Luzze
Executive Director
East African Business Council (EABC)
2014 was a dynamic and busy year, pushing forward the 2013-16 agenda of the cooperation between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) with the East African Community (EAC), marking the 16th anniversary of the partnership. This Review 2014 presents achievements and results of our programmes, ‘Support to the EAC Integration Process’ and ‘Promotion of Peace and Security’ in 2014. The publication also gives a platform to people for opinions on regional integration in East Africa, shedding light on the experiences of our counterparts, partners and associates across the region.

Section one begins with a short presentation of GIZ and the economic and political backdrop of 2014. The review then turns to consider some of the key achievements over the year, including the formation of the Inter-Religious Council for Peace and Security, the East African Monitoring System, the importance of mutually recognising qualifications and standards across the EAC, the ‘portability’ of health insurance protection and a project that uses film as a tool for integration. We also portray one of our Integrated Experts who explains why and how he engages in promoting the regional pharmaceutical industry.

In section two, we give a voice to people from the Private Sector and Civil Society in East Africa in order to ground these achievements in real-life. Contributions are given by those involved in the partnership between academia and the Private Sector, as well as from youth engaged in the integration process. Further accounts are also given by entrepreneurs engaged in cross-border trade who give their views on the benefits and drawbacks of economic integration and the impact of non-harmonised tax regimes on regional companies, as well as organisers of Zinduka, a festival dedicated to East African integration.

We close our review by presenting the most salient facts and figures of our programmes as well as an overview of the publications and studies completed in 2014. Finally the EAC Director of Infrastructure and Chairman of the EAC-German Cooperation Joint Steering Committee, Mr Philip Wambugu, reflects on how these programmatic achievements impact upon the overall progress made in integration and cooperation in the EAC.
GIZ would like to take this opportunity to thank all our partners for their continued support in making these accomplishments possible, and also for contributing to this publication. Special mention must go to the EAC Secretariat, but there are many others who are too numerous to list here. As we present this review of 2014, GIZ looks forward to 2015 and beyond with great enthusiasm for continuing our cooperation with the EAC and to be part of future developments in the region.

The Teams of
German Development Cooperation Programmes
‘Support to the EAC Integration Process’
‘Promotion of Peace and Security in the EAC’
Arusha, Tanzania
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIZ Profile</td>
<td>12</td>
</tr>
<tr>
<td>Regional Integration and German Development Cooperation</td>
<td>14</td>
</tr>
<tr>
<td>Regional Developments in 2014</td>
<td>16</td>
</tr>
<tr>
<td>Highlights</td>
<td>18</td>
</tr>
<tr>
<td>Voices</td>
<td>32</td>
</tr>
<tr>
<td>Cooperation in Brief</td>
<td>46</td>
</tr>
</tbody>
</table>
The services delivered by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH draw on a wealth of regional and technical expertise and tried and tested management know-how. As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

Most of our work is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ). However, GIZ also operates on behalf of other German ministries and public and private bodies in Germany and abroad. These include governments of other countries, European Union institutions, such as the European Commission, the United Nations and the World Bank. We are equally committed to helping our clients in the private sector attain their goals.
What is our approach?

At GIZ, capacity development is the key to sustainable development. Developing competences and potentials of our partners and supporting them to optimise their organisational, administrative and managerial processes and capacities is at the very centre of our work.
Regional Integration and German Development Cooperation

What is Regional Integration?

The five Partner States of the East African Community (EAC), comprising Burundi, Kenya, Rwanda, Tanzania and Uganda, share a common history and culture. They founded the EAC in order to pursue their vision of a prosperous, competitive, secure, stable and politically united East Africa. Their goal is to work together on economic, social, cultural and political matters in order to become more competitive in the global market, improve the conditions for domestic industries and increase trade and investment in the region, which in turn will improve the quality of life for all East Africans.

In contrast to the first attempt at forming an East African Community (1967-1977), the new EAC confirms the crucial role of the Private Sector and Civil Society: the principles that govern the objectives of the community shall be “people-centred and market-driven.” The road map of the EAC foresees the gradual progress from a Customs Union towards a Common Market and Monetary Union, finally culminating in a Political Federation.

Benefits of Regional Integration

African regional integration has reinforced the positive trends in economic development and good governance seen throughout East Africa in recent years. Ensuring that responsibility for democracy, peace and human rights is shared, a union of countries is also more effective than any individual country in harnessing its members’ potential and in making use of combined resources. In addition, a unified region is more attractive for investors, which is crucial to the development of key infrastructures.

Why Germany supports Regional Integration

Regional economic integration was a key factor to ensuring peace, stability and prosperity in Europe after the Second World War. Aided by its location at the heart of the continent where it shared borders with many other nations, Germany’s own economic recovery following the conflict would not have been possible without European assimilation. This historical experience means that Germany is committed to regional cooperation as a measure to balance against conflict and promote stability by strengthening transnational economic and political interests, and forms the basis for Germany’s continued support to the EAC since its inception in 1998.

What is the task?

Key challenges in establishing greater commitment to integration have been overcome by focussing on members’ institutional capacities and procedures. Efforts have also been made to effectively and efficiently steer the integration process and advance the implementation of core areas of the Common Market by involving the Private Sector and Civil Society. Since the beginning of the (new) EAC, German Development Cooperation has supported the EAC Secretariat with this task and each year joint planning sessions are convened with experts from GIZ and the EAC to outline operational activities and milestones for the year ahead. Further biannual meetings are also held to monitor progress.

*Treaty for the Establishment of the East African Community, Art. 7
Regional Developments in 2014

East Africa is a dynamic region with around 145 million people living in the EAC Partner States of Burundi, Kenya, Tanzania, Rwanda and Uganda. Political, economic, cultural and societal events in 2014 challenged the regional integration process. At the same time, they offered vast opportunities for the EAC Secretariat in Arusha to bring together national and regional interests and fast forward integration.

In 2014, the five Partner States agreed to propel economic integration further. The EAC Single Customs Territory (SCT) commenced in January and is now operational between Kenya, Rwanda and Uganda for selected commodities. After signing the Protocol for a single East African currency at the end of 2013, all Partner States except Uganda ratified the protocol in 2014. Negotiations on the liberalisation of Trade in Services (TiS) have continued – a great step towards the free movement of labour and people that had been a contested issue since the signing of the EAC Common Market Protocol (CMP) in 2010. In addition, the EAC has turned its attention to the issue of social health protection and the need to develop systematic approaches to harmonise national schemes for the welfare of EAC citizens.

As the world becomes ever more interconnected, so too has the need for improved regional harmonisation and to this end, the Secretariat has stepped up efforts to strengthen its internal processes as well as its monitoring and evaluation capacity in order to effectively execute its expanding scope of work and continue to provide high quality services for its members. The East African Monitoring System (EAMS) and
the Quality Management System will greatly improve monitoring and steering of the integration programme as we move into 2015. Furthermore, with ongoing international and regional efforts to fight religious extremism which has affected most EAC states, particularly Kenya, the EAC has worked towards greater regional cooperation on peace, security and religion to reduce the threat of terrorism, noted by then Chair of the EAC Summit, Uhuru Kenyatta, as one of the major threats to the region.

2014 also saw increased awareness raising on East African integration among citizens, and efforts to further involve non-state actors were intensified throughout the year. To meet these expectations, the EAC has further developed a framework to bring together representatives from Civil Society, the Private Sector, youth groups and academic institutions to discuss common interests across the region. In addition, the EAC realises that it does not only need to communicate facts about the Common Market and other pillars of integration, but it must also convey the idea of integration as a part of everybody’s life. The media tool of Film has been chosen by the Secretariat to function on this behalf.

Taking into account the multifariousness of East Africa and its vibrant complexities, it is remarkable what has been achieved in regional integration which is living up to its motto ‘One People. One Destiny’. With this brief overview of developments in the EAC over 2014, the next section of ‘Highlights – Voices – Review 2014’ invites you to read on and find out more. Karibuni!
Peace and Security in the East African Community
   Respect for each other through Inter-Religious Collaboration . . . . 20

Quality in Local Pharmaceutical Production
   An Integrated Expert at Work . . . . . . . . . . . . . . . . . . . . . .22

Institutional Strengthening in the East African Community
   East African Monitoring System . . . . . . . . . . . . . . . . . . . . .24

Mutual Recognition Agreements
   Working across borders: An Accountant’s Experience . . . . . .26

Social Health Protection
   Towards a regional approach to Social Health Protection . . . . .28

Cooperation with the East African Film Network
   Film as a Tool for Integration . . . . . . . . . . . . . . . . . . . . . .30
“At the end of 2014, I crossed the Rwanda Ugandan border using my National Identity card. Every time I do so, I am thankful for all the hard work that you all put in, in the kitchen of integration, to make sure that the people of East Africa get the benefits they deserve.”

Dr Richard Sezibera, Ambassador, Secretary General, East African Community, New Year message, 1 January 2015
Respect for each other through Inter-Religious Collaboration

“It is truly gratifying to see leaders of all faiths from the EAC coming together to tackle common challenges facing the bloc. I have rarely seen such a diverse gathering and I can see in it a great opportunity to achieve a lot”. These were the words spoken in September 2014 by Dr Rwaje Onesphore, the Archbishop of the Anglican Church of Rwanda and Vice Chair of Rwanda Interfaith Council on Health. Together with leaders of seven faith groups from the greater East African region, including Baha’i and Hindu, he was attending the five-day conference ‘Inter-Religious Collaboration for Peace and Security’ in Kigali, Rwanda, to discuss on religious leaders’ roles in jointly promoting peace and security in the greater East African region.

In times of global interconnectivity, conflicts are rarely localised within national boundaries and the threat of religious extremism has continued to spread across the globe; including the East African region, where attacks have become commonplace. The perpetrators of such violence typically use religion to justify their actions, but in reality there are many driving forces behind the brutality of extremist groups. Religion itself has had a strong tradition of resolving conflict in East Africa instead. During the Rwandan Genocide in 1994, for example, religious leaders played a critical role in ending the violence and restoring peace, as well as post-conflict reconstruction and reconciliation. In Northern Uganda, religious leaders eased the violence committed by Christian extremists known as the Lord’s Resistance Army and in Tanzania, religious-based peace committees have helped moderate several local conflicts.

Given that religious leaders have the ability to reach large swathes of a given population, religious communities offer both an opportunity and a challenge to peace, depending on whether their leaders act responsibly and how their followers respond to their rhetoric. Religious leadership therefore has the potential to play a significant role in establishing peace and stability by promoting values of mutual respect and dialogue between communities, and also through mediation when conflict erupts.

The EAC-German Development Cooperation programme ‘Promotion of Peace and Security in EAC’, implemented by GIZ, has sought to harness this power for peace. In collaboration with the Department of Peace & Security at the EAC Secretariat, GIZ organised the above mentioned conference in September 2014. The conference was seen as a major breakthrough in the fight against extremism, and representatives from the participating faith groups established the first ever EAC Inter-Religious Council with the purpose of identifying risk factors that can trigger religious extremism, and exploring ways of harnessing them as opportunities to develop interventions that prevent rather than instigate violence.

Religious communities and governments of the EAC acknowledged in Kigali that responsibility for this task must be shared as both have a duty to the people they head, and to their neighbours in the wider East African region who may become embroiled in violence as it spills out over borders. Establishing an institutional framework to coordinate and facilitate the joint action of religious leaders in promoting peace and security in the EAC is a step in the right direction. The framework will also serve as a regional link with the national inter-religious councils and the inter-religious council at the level of the African Union (AU). A report on the religious leaders’ conference highlighting the declaration to form a Regional Inter-Religious Council was presented to the Council of Ministers in November 2014 and was welcomed by the EAC Council as a regional initiative to promote peace and security. The Inter-Religious Council also directed the EAC Secretariat to ensure that religious leaders are integrated into the Secretary General’s Forum which brings together non-state actors in their quest to contribute to the EAC integration process.
Prof. Fr. Adrien Ntabona (left), Catholic Priest and professor at the University of Burundi, and Prof. Abdulghafur-Hemed Saleh El-Busaidy (right), Chairman of the Supreme Council of Kenya Muslims, shaking hands at the Kigali Conference on inter-religious collaboration.
An Integrated Expert at Work

Ralf Schilling, PhD, had been working in leading positions in the pharmaceutical production sector in Germany for almost 10 years before he decided to change his environment. He came to work in Arusha, Tanzania, driven by the motivation to improve the quality of medicinal products in East Africa and thus directly making a positive impact on people’s lives. He arrived in Tanzania early 2014 to work as a Principal Pharmaceutical Quality Assurance Advisor for the Federation of East African Pharmaceutical Manufacturers (FEAPM), an association of the pharmaceutical industry within the East African Community (EAC) Partner States.

Ralf is an integrated expert, and although he has been sent by CIM, the German Centre for International Migration and Development, he underlines the fact that he is employed by FEAPM, working under a local contract. Ralf affirms that he is an integral part of the association and states, “I appreciate to directly work with the Board of Directors and provide support on matters they asked me about.” In the past months he spent many hours in his small office located in the East African Business Council, getting to know pharmaceutical production in the region in order to gain a picture of what he will have to expect when trying to establish systems which meet the required World Health Organisation (WHO) standards, one of his major responsibilities in order to improve the quality of local pharmaceutical products.

Accordingly, Ralf provides quality assurance advisory services for contracting regional pharmaceutical industry on good manufacturing practice (GMP), facilitates training of trainers and supports FEAPM in advocacy activities regarding anti-counterfeiting. He is very passionate about his assignment. “I often use existing figures to present the challenges the local pharmaceutical production sector is facing,” he explains. There are general numbers whereas one third of the burden of diseases worldwide is carried by African countries, but official figures indicate that less than 5 per cent of medicines worldwide are prescribed in Africa. Another challenge to East Africa’s pharmaceutical industry is that only 20 to 30 per cent of pharmaceuticals are produced within the region, with Kenya taking the lead of WHO prequalified production sites, meaning that there is a long way to go before East Africa can sustain its pharmaceutical needs.

As an integrated expert, Ralf combines profound theoretical knowledge with practical management skills which he has developed over the years. This experience is necessary for his work and his anticipation of having an impact. Every other month he visits different companies and factories to assess the quality management systems of the production sites. He talks to different stakeholders about the importance of having a procedure in place to test the substances that are imported and to be used in the production process, as many are counterfeit, but also about ideas to further develop the local pharmaceutical production sector.

The way in which Ralf communicates with different stakeholders is of major importance to his work. His business partners are the directors of the pharmaceutical industry in East Africa, he cooperates with different state and non-state organisations, works together with GIZ as well as foundations and academia representatives. “The main challenge and, at the same time, my biggest motivation, is to improve the education system with regards to pharmaceutical production.” In the long term, well educated professionals are needed and expertise and knowledge about the quality of pharmaceutical production has to be distributed in order to further develop the idea of manufacturing quality products in East Africa.
In addition, more investment is needed in research and development for the advancement of the local pharmaceutical sector, and this can only continue with direct action and policy making by the EAC. This is a vision and will take a long time, and Ralf Schilling is aware of that. For his personal objective, he already has an adjustable schedule set: “In 2014, I set the track. In 2015 I want to see the first changes taking place towards a deeper understanding of the importance of WHO GMP compliance for local pharmaceutical manufacturing.”

Mr Benjamin Kato, Tanzania Pharmaceutical Industry (TPI), and Mr Ralf Schilling, FEAPM, visiting a local pharmaceutical manufacturing factory.

Centre for International Migration and Development (CIM)  
Partner for global labour mobility

The Centre for International Migration and Development (CIM) is the competence centre for global labour mobility in the international cooperation activities of the German Government. CIM taps the potential that global migration offers for sustainable development. We place technical experts and managers with employers worldwide and provide our partners with support on migration issues.

CIM is jointly run by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the German Federal Employment Agency and has pooled development and labour market policy expertise for over 30 years.

What is an integrated expert?

CIM places managers and technical experts from Germany and Europe with employers in our partner and cooperation countries when expertise is not available locally. With a local salary and employment contract for up to six years, they are firmly integrated into local structures.
East African Monitoring System

Monitoring is aimed at the assessment of an organisation’s overall performance. It is a regular and long-term process that gathers information on progress made according to the organisation’s original objectives. Monitoring has received growing attention from the East African Community (EAC) over recent years: Since the beginning of the regional partnership in 2000, the EAC Summit, Council and Sectoral Councils have passed thousands of directives to Partner States as well as EAC organs and institutions advancing integration. In order to monitor the impact of these orders at national level, the EAC has developed the East African Monitoring System (EAMS), with support from German development cooperation through GIZ and in cooperation with Trademark East Africa (TMEA).

EAMS is an online database that links the EAC Secretariat with the individual EAMS systems in Partner States and as such, it allows for real-time monitoring of the integration process. EAMS also contains modules to monitor progress in implementing the Common Market Protocol as well as the EAC development strategy.

Since 2013, EAMS reports on decision/directive implementation statuses as the first topic on the agenda of each EAC Summit. In 2014, the system has been further developed and has contributed significantly to the decision-making process at the highest level in the EAC; and 175 decisions and directives have been covered and monitored.

The EAC, together with the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS), has established a regular peer-exchange platform on Monitoring and Evaluation (M&E) practices and systems in the respective regional economic communities (RECs). To date, the EAC is the most advanced in applying an online monitoring system and shares its lessons-learned with other organisations.
Overview of the East African Monitoring System (EAMS)

- Decisions/Directives of:
  - Summit
  - Council of Ministers
  - Sectoral Council

- Indicator Framework of:
  - Implementation Committees of Common Market Protocol
  - Focal Points for EAC Development Strategy

- M&E Unit at EAC Secretariat

- EAMS

- EAC Organs
  - Secretariat
  - Court of Justice (EACJ)
  - Legislative Assembly (EALA)

- EAC Institutions
  - Lake Victoria Basin Commission (LVBC)
  - Civil Aviation Safety and Security Oversight Agency (CASSOA)
  - Lake Victoria Fisheries Organisation (LVFO)
  - Inter-University Council for East Africa (IUCEA)

- Ministries of EAC Affairs in the Partner States (MEACAs)

- National Ministries, Departments and Agencies (MDAs)

Legend
- Directives
- Indicators
- Reports
- Update on Implementation
Working across borders: An Accountant’s Experience

When I was offered a job as an accountant in Rwanda in November 2010 I was excited. Not only was the position of great professional interest to me, it was also ground-breaking; a Rwandan position for a Kenyan accountant who had done his training in Kenya, and so far worked only in Kenya. While moving across East Africa has become quite normal for accountants during recent years, it used to be much more difficult and a rare exception. One milestone made everything so much easier for us accountants: our very own regional Mutual Recognition Agreement (MRA).

The Accountancy Profession in East Africa is regulated by five national institutions, one for each of the EAC member states. In 2009 the Institute of Certified Public Accountants of Rwanda (ICPAR) and the Institute of Certified Public Accountants of Kenya (ICPAK) joined forces to push for more regional cooperation among the governing bodies and shortly after, in September 2011, all five EAC countries were on board. The late Hon. Eriya Kategaya, former minister for EAC for Uganda, presided over the signing ceremony of the first ever MRA by professional bodies in the EAC. We believe he looks down with pride at the child he helped to “midwife”. This ground-breaking document states that any accountant who receives their qualification through a recognised programme offered by any of the East African institutes is able to offer their services across the five Partner States. Moreover, institutes agreed to share resources, provide support in attaining international standards and harmonise accounting education in the region.

I was personally able to reap the fruits of this labour. When the Government of Rwanda advertised for a CEO for iCPAR, I applied like many other candidates and was successful in securing the position. All that remained was to apply for a residence visa and start working – the days of lengthy qualification checks and recognition processes are history under the MRA framework. Although pioneering at the time, my story is no longer the exception and during my time at the top of iCPAR we registered numerous accountants from all over the EAC. Seeing that our professional bodies are continuously working on the harmonisation of accountancy training and quality assurance, I am convinced that MRA accountancy registrations will continue to increase in the future. Recognising qualifications across the region has the advantage of opening new opportunities for professionals in East Africa and to fast track local growth.

So, what did we learn from this process? Firstly, it is paramount to build your vision slowly and to ensure that all relevant stakeholders hold a shared vision of the benefits of mutual recognition. Secondly, regional integration strengthened the accountancy profession which has positive implications for financial management in the private and public sector – better accountability can create better value for all citizens in the EAC. Thirdly, cooperation in the service sector must move from an isolated individual industry approach to an integrated solution. Given the interconnected nature of modern business, different professions should work together to build synergies to facilitate comprehensive change. For example, accountants can team up with MRA signatories from other professions, including engineers and lawyers as the scheme extends across sectors. Eventually, broadening the MRA program will become self-propagating and every success will demonstrate to the remaining service industries that regional integration is an important driver for a prosperous future for the EAC.

Mr Evans Mulera (right) is a certified public accountant. He served as the First CEO for iCPAR, Rwanda and currently works as Director of Strategy and Business Development for a Kenyan consultancy.
MUTUAL RECOGNITION AGREEMENTS (MRAs):

Qualifications gained in one EAC member state are recognised throughout the region so that, once a work permit has been obtained, professionals can practice their trade across EAC borders. This agreement opens opportunities for service suppliers, and GIZ supports the EAC Secretariat and the East African Business Council in developing the concept of MRAs for a range of professions. For example, engineers, accountants and architects are already able to take advantage of the scheme, which has seen more than 200 professionals make use of the instrument of MRA and there are plans to extend the project to include lawyers, veterinarians, quantity surveyors, pharmacists, nurses/midwives.
Towards a regional approach to Social Health Protection

In November 2014, Ministers of Health of East African Community Partner States came to a remarkable decision for health service delivery in the region: The Ministers charged the EAC Secretariat with the development of a regional health policy, specifically highlighting the need for a regional approach to universal health coverage and social health protection.

For developing countries, social health protection is both a tool to achieve universal health and to reduce the vulnerability of their citizens with low income. Families who must spend the little they earn on food are often unable to pay for medical treatment, and even those with more capital might lose everything they built over many years if faced with the cost of an extended, uninsured hospital stay. In the EAC, about three-quarters of the population are currently not protected by any health insurance. Moreover, health insurance policies typically do not cover more than the most basic services and 36% of all EAC health expenditures are still paid out of private pockets.

So, what are the benefits of a combined EAC regional approach to social health protection? Firstly, the regional level is a good stage to effectively promote the topic and facilitate mutual learning among countries. Rwanda, for instance, has managed to cover about 95% of its population by its community-based health insurance scheme, and with such far-reaching inclusion this approach may be of interest as a model of social health care for other partner states. In addition, the EAC could begin to better coordinate health systems across the region, by, for example, developing a standardised minimum service package to be replicated by all insurance systems in the region. Furthermore, such harmonisation efforts can help to solve a problem of the common market: A Tanzanian Construction Worker who has an accident on a Kenyan site, needs treatment locally. Yet, even if he is insured at home, it is unlikely that his plan will cover health services in a Kenyan hospital. A Rwandese official describes the dilemma: “Our young people have the tendency to cross the border to Uganda to look for jobs. When they get sick, nobody pays for their care, which makes them seek care at home, often when they are already in a bad state.”

EAC citizens could therefore gain immensely from a health insurance scheme that is portable across borders and inline with the realities of an integrated market, but in light of the fact that the European Union was forced to facilitate portability by its own Court, it is prudent for the EAC to tackle the issue proactively. Accordingly, GIZ aims to support such a policy process once it takes off.

In order to lay the groundwork in 2014, EAC and GIZ jointly conducted a feasibility study on cross-border social health protection in the region. The study analyses the effects of government investment in health in the five Partner States. It concludes that Government investment in health directly affects social health protection, as the graph on the right shows. A greater government budget for health correlates with higher levels of coverage and less health care expenditures being paid out-of-pocket. In Rwanda, for example, 95% of the population are covered by the national health insurance scheme, only 11% of total health expenditures are paid out-of-pocket. In Rwanda, for example, 95% of the population are covered by the national health insurance scheme, only 11% of total health expenditures are paid out-of-pocket and the government spends 17% of its budget for health, while only 32% of the Kenyan population is covered by a health insurance scheme and government budget for health is rather low (8%) in comparison. The study can be accessed on our website (www.eacgermany.org/studies).
Towards a regional approach to Social Health Protection

HIGHLIGHT: Social Health Protection

% of population covered by health insurance scheme
Out-of-pocket expenditure as % of Total Health Expenditure
% of Government budget for health
Film as a Tool for Integration

Film is a powerful communication tool for disseminating ideas and telling stories and the EAC is using Film for the promotion of regional integration. In cooperation with GIZ and the East African Film Network (EAFN), the EAC Secretariat supports capacity development of East African actors, directors, producers and script-writers through a series of intensive hands-on classes. The training courses take place alongside film festivals in each of the five EAC partner states and include analysis of socio-cultural integration in East Africa and its ‘story-telling’ traditions. In 2014, the majority of these workshops culminated with the screening of short-films or documentaries on East African Integration, such as the documentary ‘Kiswahili’ produced during the Nile Film Festival in Jinja in November 2014. ‘Kiswahili’ can be viewed in full on our website (www.eacgermany.org) or by reading the Quick Response (QR) Code to the right, using a smartphone.

As part of the annual Zanzibar International Film Festival (ZIFF), the Ousmane Sembène Films for Development Award is awarded to films on development policy issues. GIZ is the main sponsor of the US $5,000 prize along with ZIFF.
HIGHLIGHT: Cooperation with the East African Film Network
Voices of the People: An Introduction ............... 34
Missing out on Partnership? Not with the APPP ................. 36
THINK. SPEAK. PARTICIPATE – Youth in the EAC ................. 38
Business at Ease? - Cross-Border Trade in the EAC ................. 40
Zinduka! A Festival for Integration ............... 42
The Burden of Double Taxation? Insights from Companies ............... 44
“It is important to prepare the Youth as leaders, decision makers, good citizens, entrepreneurs, parents and guardians, because they have vital roles to play in the socio-economic development of the EAC.”

Dr Richard Sezibera, Ambassador, Secretary General, East African Community
Voices of the People: An Introduction

European citizens often speak of the European Union headquarters in Brussels as the ‘Brussels Bubble’ – indicating that communication within EU institutions is done internally and not with the purpose of informing or involving EU citizens. The East African Community, in contrast, endeavours to take on a people centred approach, one aimed at ensuring that EAC integration draws its legitimacy directly from the people of East Africa by involving the relevant non-government stakeholders, as enshrined in the Treaty for the establishment of the EAC.

To this end, Articles 127, 128 and 129 of the Treaty provide for adoption of programmes and creation of an enabling environment through which Private Sector Organisations (PSOs), Civil Society Organisations (CSOs), and other interest groups can effectively participate in the integration process for sustainable development and growth in the region. The EAC has therefore, with support from GIZ, established a Consultative Dialogue Framework (CDF) with the private sector and civil society as an institutionalised avenue for their participation in the EAC processes.

In this feature of “Voices of the People”, we hear real life accounts of EAC collaborations from diverse actors, including members of the Academia Public Private Partnership Forum, EAC Youth Ambassadors, East African Business Council members and organisers of one of East Africa’s largest people-driven integration festivals (the Zinduka Festival). All interviews were conducted by Mr Jesse Mutua, Junior Regional Expert on Private Sector and Civil Society Dialogue at GIZ Arusha, and we would like to express our sincere gratitude to the people interviewed for their time and contribution.
The Treaty for the establishment of the East African Community states that:

“The Secretary General shall provide the forum for consultations between the private sector, civil society organisations, other interest groups and appropriate institutions of the Community”.¹

The Treaty also obligates the EAC Council of Ministers to:

“Establish modalities that would enable the business organisations or associations, professional bodies and the civil society in the Partner States to contribute effectively to the development of the community”.²

¹ Article 127 (4) / ² Article 129 (2)
In 2011, the Inter University Council for East Africa (IUCEA) and the East African Business Council (EABC), under the auspices of the East African Community (EAC), entered into a partnership. They decided to establish a forum for the private sector and higher education institutions - the Academia Public Private Partnership Forum - to enhance linkages, promote the use of higher education research output and innovations by the private sector/business community and jointly organising dialogue forums and exhibitions. Three forums have been convened so far, one every year since 2012. Dr Mohammed Kerre, an expert in higher education, policy research and analysis, and the Executive Director of Perc-Pace International Ltd, describes the partnership in more detail.

What are your thoughts on the APPP Forum, which seeks to match the skills of graduates with the market requirements in East Africa?

This has been a great forum which has raised awareness and also informed the different levels of governance on the types of relationships that need to be forged among the partners, the Academia, Public and Private sectors, for the purposes of skills development and meeting the qualifications gaps of the past and bridging the gaps between the sectors.

Having attended the forum before, do you think that its objectives are being met? If yes, please explain.

The objectives of the forum are certainly being met. It has opened up channels of dialogue both between and within the partnering sectors.

It has also been a great learning experience, whereby the stakeholders leave with new ideas following every forum. Weaknesses of each country and partner appear during delib-
erations and areas of intervention are identified. For instance, in Kenya, the government has now included other stakeholders in the loan fund that supports higher education. The higher education fund has been associated with the increased university student enrolment in Kenya and Tanzania. The fee structure has also been harmonised, a process that categorises the students from any of the 5 EAC Partner States as local students, for the purposes of paying school fees, rather than being categorised as international students.

**What areas do you think should be given eminence in the quest to match the skills of graduates from institutions of higher learning with the market requirements in the EAC?**

Special attention should be paid to the development of human capital, research and innovation, as well as the harmonisation of curriculum and research development, internship programmes and professional chairs. Universities should also start a process of creating linkages with high schools and secondary schools, which are the “catchment areas” or base of higher education, by holding career fairs for the high school students.

**What would you say is the concrete impact of the forum, since it was first convened in 2012 till now?**

The foundation to develop concrete infrastructure for collaboration between the academia, public and private sectors has been laid, with the initiation of the forum and the subsequent talks.

The process of curriculum development and revision is ongoing, in close collaboration with the industry and private sector. This ensures that graduates possess entry-level skills, which will then be enhanced by the employment sector.

**What aspects would you like to see incorporated or strengthened to better the forum’s organisation and outcomes?**

Since the main areas of collaboration have already been identified, all that remains is to strengthen the programmes to meet the outcomes of the partnership. Specifically, the partnership should give a special focus to clusters (encouraging industrial clusters), hubs (providing labs, space and technical capacity) and incubators (especially in universities).

**Dr Kerre, we thank you for your time!**
Every year, students from across the EAC come together during the EAC University Students Debate. The best debaters are appointed Youth Ambassadors and lead their national teams in conducting peer-to-peer trainings and sensitisation on EAC matters, together with other youth leaders. At least 75 of these ‘champions’ have been trained so far and have spread the idea of East African integration, reaching out to over 6,000 students in institutions of higher learning. Ms Millie Minayo Mbedi, the 1st EAC Youth Ambassador to Kenya, a practicing lawyer and a member of the EAC Youth Ambassadors’ Platform, shares insights into her experience.

**How did your role as an EAC Youth Ambassador and currently as an alumni Ambassador change your day-to-day life?**

As an ambassador, I actively sensitised and interacted with youth from various East African countries. This has developed the hardworking, passionate, confident and focused individual that I am today. As a lawyer, I am usually called upon to make presentations and meet clients who come from different backgrounds. The ambassadorial role developed my interpersonal and communication skills, which has really enhanced my performance at work. While in this ambassadorial role, I was also trained on decorum and on how to carry myself in public. This has modelled the refined me that I am today. Most importantly, more people look up to me as their role model, advisor and counsellor.

**What do you consider the greatest achievement of the Kenyan ambassadorial team since the initiative was launched in 2012 and why?**

The greatest achievement of the Kenyan Ambassadorial team is the fact that we have managed to sensitise more students...
and created more EAC university clubs since 2012 than any of the other Partner States. We have also increased the interest of the youth in universities on the East African integration agenda. This is evidenced by more applications from Kenyan university students to participate in the Annual EAC University Students Debate than any other country, and more youth applying for the EAC scholarship to attend the Youth Exchange Programme in Arusha.

What changes have your sensitisation activities in universities brought about to the day-to-day lives of your peers?

The sensitisation activities have enabled more youth to actively participate in discussions pegged on the integration agenda with informed opinions. Our peers who have joined the ambassadorial teams for sensitisation are now more confident individuals and more aware of opportunities elsewhere.

With examples, how would you assess the impact of the activities of the EAC Youth ambassadorial teams?

The impact of the activities of the EAC Youth ambassadorial teams is impressive. Through the sensitisation activities, more youth have become aware of the EAC integration and are now participating in social media, workshops and debates touching on the integration process. More youth are now applying for the annual University Students’ Debate, the EAC scholarships and even the Youth Exchange Programmes. For example, the number of members on the EAC Youth Ambassadors’ Platform Facebook page has gradually increased through the years.

What are your thoughts on the involvement of the youth in the EAC Integration process?

The involvement of the youth in the EAC Integration agenda is on an upward trend although it is not at its optimum level. The East African Community Secretariat has to take deliberate efforts to ensure that the youth are sensitised, involved and engaged in the integration process. For instance, a significant percentage of the jobs at the secretariat ought to be geared towards the youth. The EAC Secretariat should also put pressure on the Partner States that have not yet instituted their national Youth Councils so that the East African Youth Council can be realised.

Ms Mbedi, we thank you for your time!

* ‘The EAC Youth: Think. Speak. Participate’ was the theme of the 1st East African Community (EAC) Youth Conference that took place in December 2014 in Arusha, Tanzania. The EAC Youth Policy can be found at the gender department of the EAC website (www.gender.eac.int).
Business at Ease? - Cross-Border Trade in the EAC

Mr Kake Dhariwal, the Managing Director of AVCO Investments Limited, and Board member of East African Business Council (EABC), answers questions on cross-border business. AVCO Investments Limited is a transport and logistics company moving goods across EAC borders, mainly from manufactures in Kenya to other countries in East Africa.

What was your experience while engaging in cross border businesses three years ago?

Engaging in cross-border business was a long and tedious process several years ago. It would take our trucks many days to cross the border from one country to another. This was due to the long processes involved in obtaining the necessary documentation to transport the cargo from one country to another. Customs processes were especially tedious and riddled with corruption. One had to go to numerous offices and desks to obtain all the necessary documentation. This would end up taking a number of days.

Is the situation any different currently?

There is a significant difference between the current and previous situation. The construction of one-stop border centres, which is still ongoing, as well as the single customs territory pilot scheme has eased the process a great deal. The average number of days it takes the trucks to cross the border has reduced considerably. There are still a few bureaucratic challenges though, especially with obtaining documentation and payment of the necessary fees. I would personally prefer to write a single cheque to cover for all the cross-border documentation process, e.g. bureau of standards and customs, as opposed to writing numerous small cheques to pay for the documentation at every counter. I consider this "nuisance taxes".
What is your take on the efforts by the EAC working in close collaboration with EABC to ease cross border trade in the region?

I am very pleased with the close engagement and working relationship between the EAC and EABC to promote and ease cross-border trade. As EABC members, we highlight five core challenges that we are facing while engaging in cross-border business every year, which we then take up with the EAC and relevant authorities for addressing and development of lasting solutions. We are usually invited to make our contributions when laws governing cross-border businesses are being drafted.

Please explain the level of ease or difficulty of your engagement with the EAC, as a member of the regional private sector body EABC?

It is rather easy for us as EABC members to engage with the EAC. Through our regional EABC offices, we are able to get in contact with the relevant EAC officials. We have even been able to meet and engage some of the EAC Heads of State, which has also proved very effective in tackling the challenges faced when doing cross-border business activities. I would, however, suggest that the EAC establishes a 24-hour hotline, which East Africans engaging in cross-border trading activities can call for assistance when faced with challenges such as unnecessary delays or corrupt officials at the border points.

What word of advice would you give to business persons seeking to join cross trade in the region?

It has now become much easier to do cross-border trade within the EAC and there are very many new opportunities, especially with the abolition of duty levied on goods produced in one partner state being exported to another partner state. The hurdles of engaging in cross-border business have been reduced significantly, resulting in ease of doing business in the region.

Mr Dhariwal, we thank you for your time!
Zinduka! A Festival for Integration

Zinduka is the Swahili word for “re-awakening of consciousness”. The Zinduka Festival is an annual event targeting East Africans to get involved in the integration process for sustainable development. It provides a platform for learning about the progress, benefits and challenges of integration. The festival brings together participants from academia, social movements, civil society organisations, media, business communities, the EAC Secretariat, and East African governments. This rich mix of participants offers invaluable insights, ideas and sharing of experiences that root the integration process by putting East African citizenry at the forefront. The following interview was conducted with Ms Irene Maina, a Programme Associate at Akiba Uhaki, a regional human rights and social justice grant-giving organisation which coordinates the Zinduka Festival.

What is the importance of events such as the Zinduka Festival in the EAC?

Events such as the Zinduka Festival are important, among other reasons, for raising East Africans’ awareness on the EAC integration and opportunities that accrue from the integration process. It increases unity and cohesion among the people - to foster the spirit of East Africanness. At the same time, the festival provides a platform where East Africans have the opportunity to discuss issues of common concern, while proposing advocacy strategies at a regional level.

What was the theme of this year's festival, and what were the major outcomes of the event?

The theme for the 2014 Zinduka Festival was: Zinduka! People’s Voices, Sustainable Development.

The major outcomes of the festival were the building of strategic alliances among the delegates who were drawn from di-
verse sectors and backgrounds across the region, as well as capacity building of the participants, as the festival provided a platform for sharing information about the EAC integration process in a sustainable way. The Festival also provided a great advocacy platform where East Africans came together and discussed issues of common concern while proposing advocacy strategies at a regional level. This was as a result of the different discussions, from which action points were developed between the convening partners for action beyond the festival.

**What would you say about the ease or difficulty of engagement of civil society organizations in the region with the EAC?**

I may not speak for all Civil Society Organisations (CSOs) in the EAC, but as far as I know, the EAC has good working relations with organisations like the East African Civil Society Organisations’ Forum (EACSOF), East African Law Society (EALS) and Pan African Lawyers Union (PALU). On our part, we did encounter some difficulties and bureaucratic obstacles at the beginning of our cooperation with the EAC Secretariat, but by now, our working relationship is excellent. Actually, the EAC Secretary General Dr Richard Sezibera is one of the biggest champions and ambassadors of the Zinduka Festival and we are grateful for his support.

From my point of view, the challenges that CSOs face in engaging with the EAC are rather structural. All CSOs fall under the responsibility of the EAC Directorate of Social Sectors, although they work across many different issues, ranging from Education, Health, Youth, Sports, Art, Trade, Human rights and Governance. Locking them into one of the departments is not only a problem but also unrealistic. I think this issue should be discussed and solved in due course during the annual EAC Secretary General’s Forum where the CSOs are given a voice to engage with the EAC.

**What are your thoughts on the role and involvement of the Civil Society in the EAC Integration process?**

Civil Society Organisations help in bridging the gap between the EAC and local masses. This then helps to make the integration a people centred process as enunciated the treaty of the EAC. Since CSOs work with grassroots communities and directly interact with local East Africans, they are better placed to pass on messages about the integration to the people of East Africa.

**Ms Maina, we thank you for your time!**
The Burden of Double Taxation? Insights from Companies

Imagine the case of Agatha Richards, a highly regarded architect who regularly works outside of her native Tanzania on construction projects in Kenya. Yet providing her services across borders is less profitable for Mrs Richards than one would assume. This is not because Kenyan companies pay less, but because competing tax demands from Tanzanian and Kenyan revenue authorities mean she often pays to both countries, which puts a double burden on her income. While this collects revenue for the treasuries of Tanzania and Kenya, the cost to Agatha can be so high that it prevents her from scaling up her cross-border business.

Thiagarajan Ramamurthy experiences similar problems as Agatha. As the Regional Strategy and Operations Director for the Kenyan supermarket chain Nakumatt, he is responsible for 52 branches all over the EAC. However, when he imports products into Kenya and transports them to be sold in outlets in Uganda, he suffers the biting challenge of non-harmonised taxation. For example, when Nakumatt imports French wine via Mombasa port and ships it further to be sold in a Ugandan Nakumatt branch, the retailer often ends up paying extra tax on the bottles in both countries. As a business enterprise, the cost implications of such taxation makes Thiagarajan reconsider the value of importing across borders in the EAC given the reduced profit margins.

These cases are just two examples of how double taxation and relatively non harmonised taxation inhibits the willingness of private people and companies to contribute to regional integration. They highlight the necessity of current EAC efforts to harmonise taxation in the region and put into practice the Double Taxation Agreement (DTA) that all Partner States signed in 2010. However, tax harmonisation will never be realised unless it is properly enforced and currently, only Rwanda and recently Kenya have officially ratified the DTA and begun to implement it in practice.

That said, even if DTA is enforced it is not comprehensive enough to resolve the issues faced by both Mrs Richards and Mr Thiagarajan. Currently, the legislation is only able to regulate the avoidance of doubling income taxes, not other duties. For Mr Ramamurthy, the problem and solution is quite clear:

“The business in the region is smooth and the environment conducive. However, the element of non-harmonised tax structures calls for urgent attention. The procedures become especially problematic once the goods are not imported from outside the region, but are sourced from one EAC Partner State and shipped to another. We need a single-point tax system in the region.”

With enough political will, double taxation can be removed as a barrier to regional integration and the movement of goods and services in the EAC can be made more fluid in the future. Currently, the DTA is a good starting point, but it needs to be rigorously enforced and extended if it is to be effective. In the long run, the DTA will promote trade and cross border service provision which, ultimately, will be of greater benefit to the treasuries of each member states. GIZ has supported the EAC Secretariat in this venture in 2014 and continues to do so in 2015.
German Development Cooperation, through GIZ, has supported the EAC Secretariat in promoting the Double Taxation Agreement (DTA). All Partner States have signed the DTA, but the implementation remains a challenge, as in 2014 only one Partner State had ratified the DTA. To overcome this gap, several measures were jointly taken in 2014:

- In order to make the content of the DTA more tangible, a training handbook on double taxation avoidance and a handbook on exchange of information (see p. 51 of this report) were developed for officials working in revenue authorities and ministries of finance.
- Several workshops and training courses on exchange of information and the DTA works were conducted.
- A harmonisation policy on domestic taxes (value-added-tax, income tax and excise duty) was developed.
COOPERATION IN BRIEF

Facts and Figures ................................................. 48
Publications and Studies 2014 .............................. 50
Integration on Stage: An Epilogue by Philip Wambugu 52
“Do you know, Mwalimu, that since East Africa decided to deepen and widen its integration, its GDP is now over $100 billion and growing? Over 700,000 students are enrolled in 344 institutions of higher education including 161 universities.”

Dr Richard Sezibera, Ambassador, Secretary General, East African Community, Letter from the future to Mwalimu Julius Nyerere, with whom it all began, November 2014
Facts and Figures on...

...EAC-German Development Cooperation Programmes

- **20%** of budget for measures were spent on training courses and qualification workshops.

- **140** workshops, training courses and events.

- **3 Professions** accountants, architects and engineers, have mutual recognition of qualifications across borders.

- **€0.5mio** Programme contribution to Partnership Fund.

- **Overall Budget EAC Integration & Peace and Security** **€7mio**

- **200** professionals registered in other EAC countries.

- **175** decisions and directives covered and monitored by EAMS.

- **3720** persons from EAC Partner States attending meetings.

- **16** publications, more than 20,000 copies.

- The professions of veterinaries, lawyers, pharmacists, nurses/midwives and quantity surveyors are negotiating Mutual Recognition Agreements.
The EAC covers 1.82 million sq. km and is home to 143.5 million people. | The life expectancy in East Africa is 57 years. | The EAC is the most advanced REC in Africa. | Cigarettes, cement and neutral spirits can be cleared through the Single Customs Territory between Kenya, Rwanda and Uganda. | All Partner States sign the Protocol on Peace and Security. | 64 civil society organisations are members of EACSOF. | EAC and European Union sign an Economic Partnership Agreement; EAC countries commit to increase the share of their duty-free imports to 80% over the coming 15 years. | The average GDP per capita for EAC countries: US$769. | The number of days to start a business are: 5 (Burundi); 6.5 (Rwanda); 26 (Tanzania); 30 (Kenya); 32 (Uganda). | The East African Standby Forces (EASF) become operational. | The process of issuing an electronic passport has started. | One non-tariff barrier experienced in the EAC is the re-introduction of yellow fever requirement at Namanga border and Kilimanjaro Int. Airport. | The 1st EAC Youth Conference takes place in Arusha, Tanzania. | 12 one-stop border posts are being built. | EAC, together with COMESA and SADC, launch Africa’s largest Free Trade Area encompassing 26 Member States, with a combined population of 625 million people. | A single tourist visa is in place in Kenya, Rwanda and Uganda. | EABC represents 57 Private Sector Organisations.
Situational Analysis and Feasibility Study of Options for Harmonization of Social Health Protection Systems Towards Universal Health Coverage in the East African Community Partner States

Assessment Study on the Need for a Centre for the Development of Regional Industries in the EAC Region

Regional Scoping Study to Identify Potential Areas for Intervention by the EAC Secretariat on Renewable Energy and Energy Efficiency

Discover EAC – An Avenue for greater Livelihood. EAC Comic

EAC Youth Policy

FEAPM Position Paper
EAC Communication Policy and Strategy

Integration on the Wheels

Peace and Security Protocol

2nd EAC University Students Debate on Regional Integration

Towards Political Federation in the East African Community: Achievements and Challenges

Consultative Dialogue Framework

Exchange of information on Tax Matters in the EAC

The Double Taxation Avoidance Agreement of the East African Community
Mr. Wambugu, you are one of the senior and most experienced staff of the EAC Secretariat. What were your professional as well as personal reasons to apply for a position at the East African Community?

I joined the EAC in March 1999. At the time, the EAC was looking for a Transport Economist to coordinate the regional activities related to the sub sectors thereto – roads, railways, maritime and air transport, communications and meteorology. Armed with a Master of Science degree in Transportation from Massachusetts Institute of Technology (MIT) in USA and my previous experience in the transport sub sectors, my professional qualifications fitted the position of the Transport Economist at the EAC. What really drove me to apply for a job at the EAC was my desire to influence the policy direction and developments in transport in the EAC. At the time, I was heavily involved in advocacy activities in the area of transportation and environmental domains focussing on urban transportation issues, spatial development issues as well as sustainable transportation in Kenya.

Which positive changes within the Secretariat, but also in the overall EAC integration process, have you noticed since you joined the EAC?

1999 is a long time ago. I have witnessed the growth of the Secretariat from being an entity manned by less than 25 staff members to the current levels beyond 200 staffers. I have also witnessed the establishment of several Institutions at the Community each targeting specialised domains and phenomenal growth of the cooperation projects and programmes on the overall. The Community has also evolved within the period courtesy of the implementation of the Provisions of the Treaty for the Establishment of the EAC and Protocols targeting the main pillars of integration – Customs Union, the Common Market, and the Monetary Union coupled with important developments towards the eventual Political Federation status. Due to the foregoing, trade between the Partner States, when all are considered, has nearly doubled.

The joining of the Republics of Burundi and Rwanda to the Community in 2007 also marked an exciting period of the expansion of the Community in terms of the political and economic spans.

Finally, more and more development partners have come on board and are supporting critical developments at the Com-
The Partnership Fund arrangement is an important programme of the Community that has positively impacted on the achievements of the mandates and programmes of the Community across many regional cooperation sectors. Under bilateral arrangements, the EAC has tapped into valuable resources for example enabling it to construct its new headquarters and run major cooperation programmes such as development of one stop border posts, ports facilities, and soft infrastructure including important legislations and regulations governing transport, manufacturing of pharmaceuticals, and attainment of regional standards among others.

As Director for Infrastructure you are responsible for one of the most important tasks within the EAC integration process. Last year in November, the retreat on infrastructure in Nairobi endorsed a 10-year Infrastructure Development Plan. What would you say are the biggest challenges in implementing this ambitious plan?

The development of infrastructure has become a key priority of the Community's integration process and has been upscaled to a Heads of State level driven programme with programmes adopted for the next 10 or so years.

On the outset, the quantum of resources required to develop and implement the various priority projects is approximately USS 100 billion. This is a huge amount of capital outlay and a critical challenge for the region in the realisation of the projects in the projected time frame.

Further, the EAC is targeting resources from the private sector to develop the priority infrastructure. Some of the challenges that must be overcome in order to realise substantial resources from this source include the development of strong bonds and capital markets in region; de-risking of the private sector investments in the sector to cushion the investors from financial and political risks; and regional legal legislative framework for Public Private Partnerships among others.

Large infrastructure projects also come along with potentials for disrupting human settlements and investments and impacting negatively on the environment. As such, many of the projects sometimes meet resistance/extended scrutiny from the public, civil advocacies and Parliamentary Oversight Committees. Due to the foregoing often the project costs end up escalating while the implementation schedules are derailed or impaired.

The final challenge relates to procurement issues. The packaging for procurement for the huge number of projects will certainly pose a major challenge especially where these projects are multi-national in nature and hence two or more procurement regimes will be involved with attendant risks of mis-procurement and contested procurements. The lack of an agreed upon procurement law to cover regional projects in the EAC is a challenge.

On the overall though, there is commitment at the highest political levels in the EAC to see the challenges overcome and the priority projects substantially implemented over the planned period.

You have been the Chairman of the EAC German Joint Steering Committee since 2008. What are the tasks and responsibilities of this committee, and how do you assess the cooperation with Germany?

The EAC German Joint Steering Committee was established through a common agreement between the parties of the need for an institutional arrangement that is responsive to the oversight and backstopping needs of the Programme.
The Steering Committee has membership from both parties to the agreement and meets at least every four months. The Steering Committee has the tasks related to quality control – attainment of programmes and project targets, resolution of Programme challenges; approval for Annual Workplans for funded activities; coordination with external evaluators; and coordination of proposals for consultations and negotiations between EAC and the Federal Republic of Germany.

Cooperation with Germany is excellent and growing with time. Germany was the first bilateral partner to commit to work with the EAC at the inception of the re-established cooperation between the Member States of the EAC back in 1996. Since then, the German Government has financed many studies (and benchmarking missions to the EU) including those that were pivotal for the conclusion of the Protocols on the Customs Union, Common Market and the Monetary Union. Further, the cooperation programmes with Germany have boldly focussed on the implementation of key milestones under the three pillars of integration. It should also not be lost that Germany financed the construction of the new EAC Headquarters. It is envisaged that under the incoming cooperation programme, KFW will be coming along to support some infrastructure developments in the energy and railways sub sectors. Finally, Germany has been a generous contributor to the Partnership Fund. On the overall, cooperation with Germany continues to grow from strength to strength.

In the first half of 2015, EAC and the German Government will hold consultations and negotiations on the next phase of cooperation 2016 – 19. What do you expect from these talks?

Considering my personal background in infrastructure, I do of course hope that this area will receive more attention in the future. Germany is one of the most infrastructural efficient countries in the World – from efficient ports, urban transport, energy, railways, and airports among others. It is my hope that EAC and Germany could cooperate more in these areas, in particular looping in their private sectors to exploit the opportunities therein.

Seeing the rapid growth of our Community and the increasing tasks and responsibilities of the Secretariat, in coordinating the implementation of the various instruments, protocols, agreements and policies being adopted at the EAC level, I generally hope that the cooperation with Germany will grow in tandem and expand to areas that enhance the realisation of the locked-in benefits of integration for the two friendly peoples. New opportunities and challenges are evident in the area of deeper financial integration especially the requirements for the monitoring of the convergence criteria set by the Monetary Union Protocol, such as improved statistical services and sustained growth for the economies. In this context, tax harmonisation and building of the required institutional and human capacities in this area continues to be high up on the agenda.
The free movement of labour and services, enshrined in the provisions of the EAC Common Market Protocol, remains a key area of targeted deliverables. The Community should remain focussed on this area as the achievement of further liberalisation of services and free movement of labour will open further avenues of development and investments. I expect this area to be a critical focus of cooperation with Germany. Experiences learnt in the unification of East and West Germany should help our region develop commensurate policies in this area. It should also be appreciated that free movement of labour in the region could be stifled by the lack of portability of health insurance cover across the EAC region. One of the cooperation components with Germany focuses on this area, where a regional study is being undertaken. The implementation of the recommendations and proposals in the study should also be an area of the continuing collaboration with Germany.

The EAC Council of Ministers has already decided on the quantification of the implementation of all the Summit and Council's previous decisions. The EAC appreciates the outcomes of the cooperation with Germany in this area. However, more efforts in the computerisation of the Monitoring & Evaluation of the foregoing decisions as well as the implementation of the various Protocols are definitely required. I hope that cooperation with Germany in this area continues and deepens as well as in the improvement of our quality management systems at the EAC.

A clear Brand identity for the EAC has been in the planning stage for a long time. The development of such brand is still a long way to come. In the meantime, EAC remains without a clear visible identity, even though the Community is rated as the best regional integration effort in Africa. The cooperation with Germany in this area is, therefore, vital as a clear brand identity for the EAC will not only reinforce the status of the Community on the continental scene but will also greatly assist in improving our outreach to East African citizens of all walks of life. I hope for further support in this area of cooperation in the next phase.

Last but not least, it is my great wish and hope that German contributions to the Partnership Fund will continue and be enhanced.

Mr Wambugu, we thank you for your time and are looking forward to a continued and successful cooperation in 2015!
“So, 2014 has been exciting and rewarding. 2015 is pregnant with promise. I am proud to serve with you as we steer the Ship of integration. As we look back with satisfaction, I can only tell you that success only breeds higher expectations, requiring all of us to work harder and smarter, the challenges notwithstanding.”

Dr Richard Sezibera, Ambassador, Secretary General, East African Community, SG's New Year Message, 1st of January 2015