

# The Assignment

## Support to the East African Community Integration Process

### The challenge

Economic growth in the East African Community (EAC) and its Partner States Burundi, Kenya, Rwanda, Uganda and Tanzania has remained positive over the last few years. By creating a customs union, a common market and a common currency, the EAC is pursuing ambitious and sweeping integration goals. However, a multitude of obstacles, such as non-tariff barriers to trade, diverging national legislation and inadequate regulations continue to hamper the translation of decisions taken at the regional level into national policies and legislation. Too often, national interests still dominate the coordination of economic policy among the Partner States. This prevents businesses from achieving economies of scale through a common market, and from ensuring their competitiveness through specialisation. The absence of enabling frameworks for the mobility of goods, services and labour remains a hindrance to the regional economic integration.

### The benefits

The programme aims to benefit the population of the EAC Partner Countries, which comprises a total of around 145 million people, not including the new Partner State South Sudan. The proposed measures relate directly to the EAC Development Strategy. The programme goal is: "Preconditions for the mobility of goods, services and labour have improved as part of the EAC integration process." The programme involves all EAC Partner States and focuses on four thematic areas of activity:

Partner	East African Community (EAC)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Contact	Support to the EAC Integration Process <b>Bernd Multhaup</b> Programme Manager EAC Headquarters, Former State Lodge EAC Close, P.O. Box 13854, Arusha, Tanzania T +255 27 20 50 288 E eac-germancooperation@giz.de I www.giz.de; www.eacgermany.org
Duration	03/2016 - 02/2019

### Mobility of goods, services and labour

- Support to capacity development for regulation of and legislation on cross-border trade in services within the EAC
- Strengthening the institutional structures for negotiating mutual recognition agreements on training and educational qualifications
- Strengthening the legal foundations for implementing tax and customs harmonisation
- Easing trade across the border by abolishing non-tariff-barriers to trade.

### Macroeconomic convergence

- High-ranking experts and executives from the financial sector and the EAC Secretariat draw key lessons learned from the European Union (EU) experience regarding closer harmonisation of financial and monetary policy
- Development of a detailed road map for the monetary union
- Assigning responsibilities and tasks to the planned institutions of the monetary union.



Page 1 and 2:

German support to the EAC Integration Process deals with improved mobility of goods, services and workers in the East African Region



**Socio-economic integration: promotion of local pharmaceutical production and portability of health services**

- Support to EAC for the implementation and update of the Regional Pharmaceutical Manufacturing Plan of Action,
- Removal of barriers to market access and the creation of an enabling environment for pharmaceutical manufacturers in a common EAC market,
- Provision of technical and process consultancy for baseline studies for an evidence-based strategy for the portability of health services in the EAC countries,
- Support to the process of negotiating an example of a portability agreement in health services for a selected group of employees or professionals.

**Quality management, communication and integration management for the steering of the EAC integration process**

- Provision of process and organisational consultancy, as well as user training to extend the quality management system,
- Extension of the QMS to other EAC institutions,
- Consolidation of the EAC brand.

**Partners**

The implementation of the programme involves various directorates and departments of the EAC Secretariat as well as other implementing organisations. Primary target groups and stakeholders include owners and employees of enterprises in the EAC partner countries, experts and managers of national line ministries, as well as umbrella organisations of the business community and the civil society.

The main partner agency is the East African Community Secretariat in Arusha. Further relevant implementation partners include

national institutions such as ministries of East African community affairs, ministries of finance, ministries of economic affairs, tax and customs administrations. The partner organisations also include organisations of the formal regional business community and civil society, such as the East African Business Council (EABC), the Federation of East African Pharmaceutical Manufacturers (FEAPM) and the East African Civil Society Organisations' Forum.

**Approach**

Successful regional integration depends on political and economic frameworks that foster free trade in goods and services and facilitate the mobility of labour, making sure that women and men benefit equally from economic progress. The constructive reconciliation of interests and the increasing economic integration of the EAC Partner States are important factors for political stability in the region, and will, in the long run, help to reduce conflict and poverty.

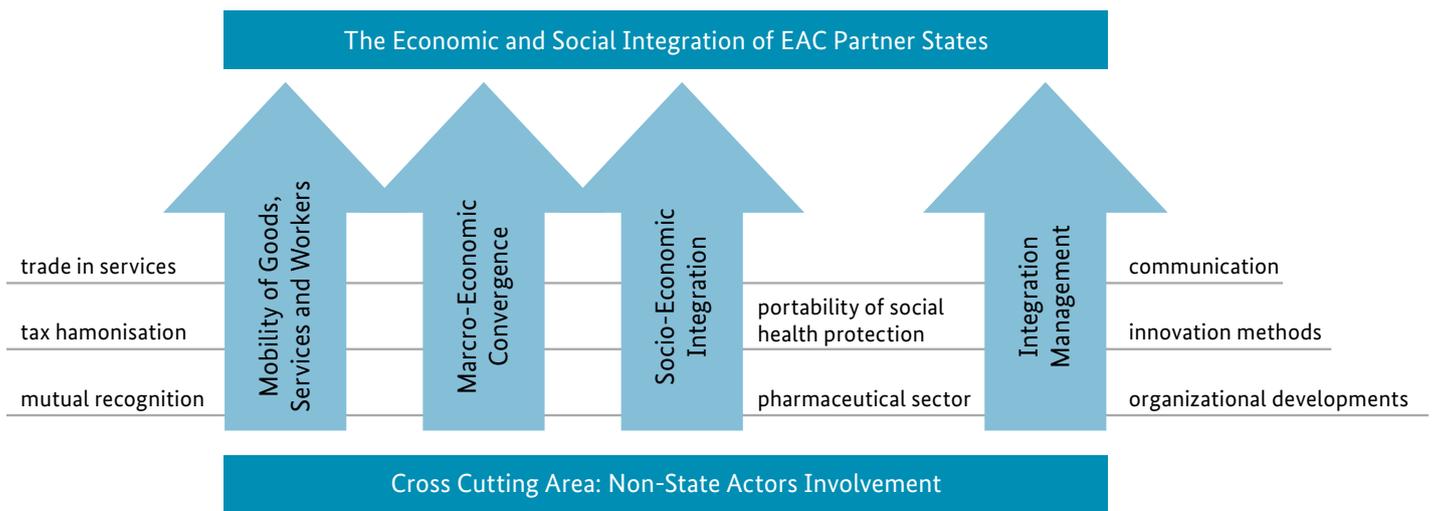
The programme is closely linked to the EAC Secretariat's work. It supports training measures for the improvement of technical expertise and managerial capacities among its experts and managers. This is complemented by organisational development measures such as the introduction of a quality management system. New channels of communication will be used to report on the EAC integration process and its benefits.

The programme supports at the same time vertical cooperation between the EAC Secretariat and relevant national actors, such as national line ministries and ministries of EAC affairs in order to increase the willingness of the partner countries to integrate.





## Programme Design



## Expected Results

The programme supported the introduction of the East African Monitoring System, which is used regularly to inform the Summit of Heads of States and the Council of Ministers on the status of the implementation of decisions. An additional module to monitor the implementation of the Common Market Protocol is under development. A newly introduced quality management system has made procedures and processes more transparent and effective and has enabled the EAC to qualify for ISO 9001:2008 certification.

The negotiations on trade in services between the Partner States have been resumed after years of stagnation, paving the way for further progress in trade liberalisation. Five Agreements on the mutual recognition of qualifications and standards have been concluded so far, enabling the free movement of professions across the EAC. The process has also fostered the development

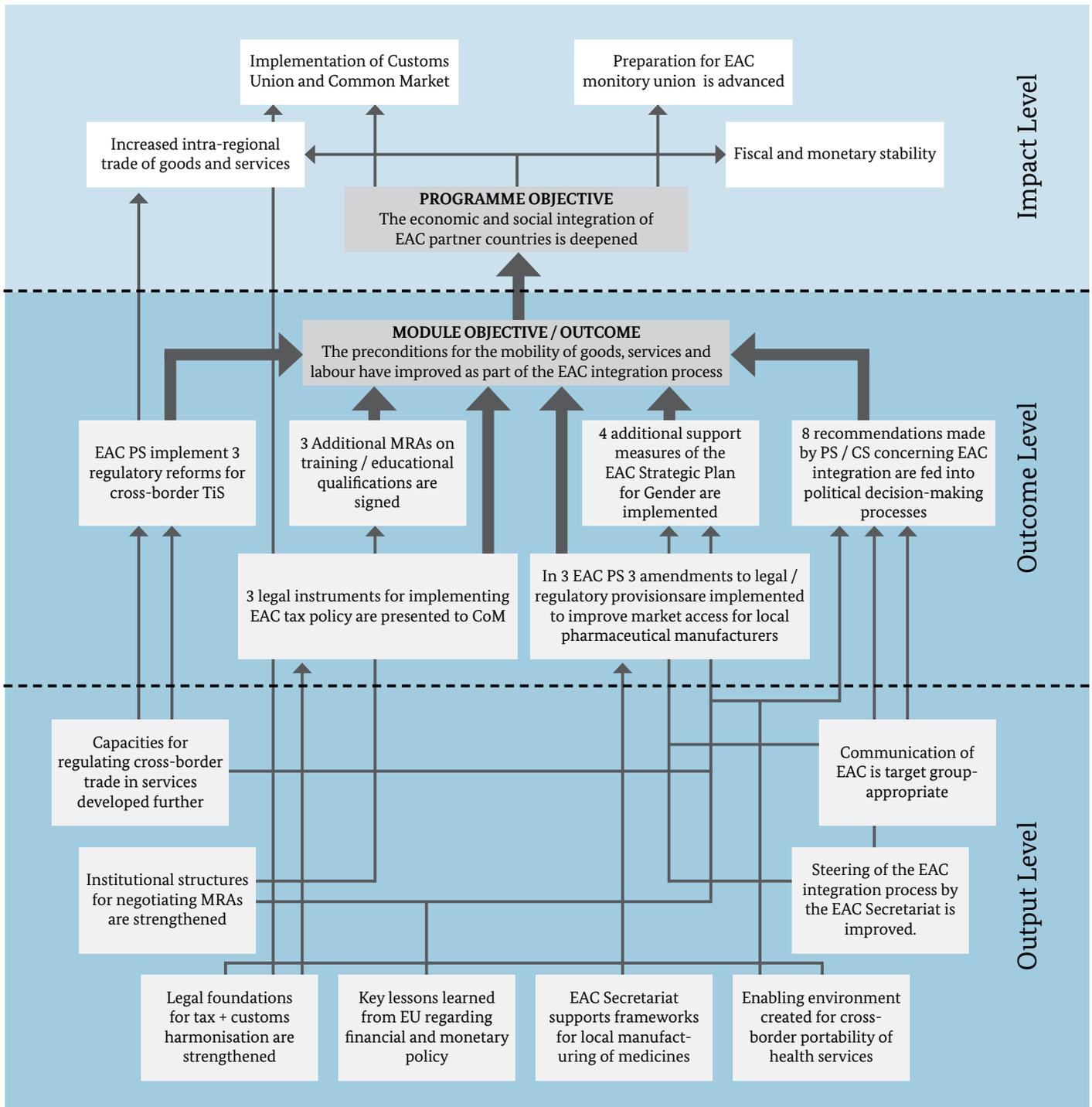
of strong networks of professional associations and regulatory authorities.

The interest in the promotion of the regional pharmaceutical industry has significantly increased, and the topic of tax harmonisation has gained high priority in the EAC.

The mechanism for the institutionalised dialogue between the EAC and non-state actors has proved its viability. Regular Secretary General's Forums have enabled decision makers from the private sector and civil society to voice their interests and bring their concerns into the political decision making process.

Training measures supported by the programme in its previous phase have significantly improved the quality and quantity of media reports on EAC integration matters.

## Results Model



PS: Partner States  
 TIS: Trade in Services  
 PS/CS: Private Sector / Civil Society