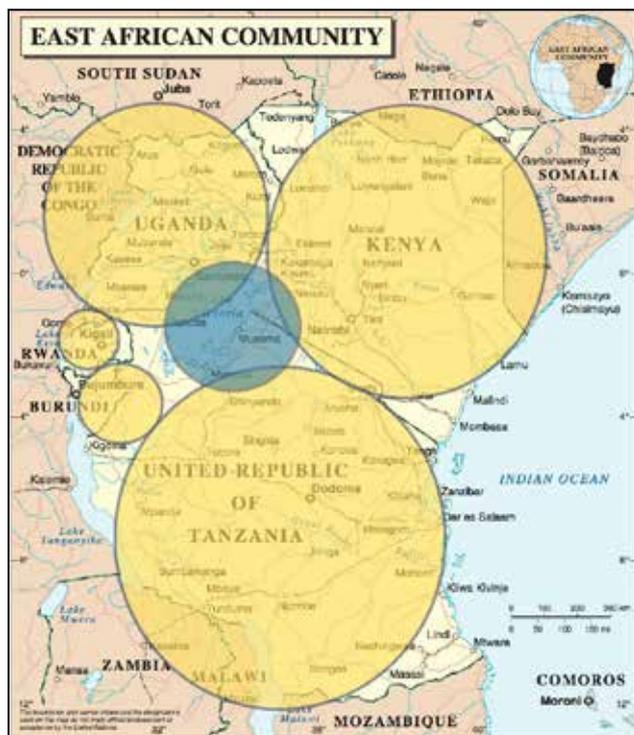


The East African Community

Basic Facts and Figures



Partner	East African Community (EAC)
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The vision of EAC is to be a prosperous, competitive, secure, stable and politically united East Africa.

Monitoring instruments, such as the Africa Regional Integration Index 2016, generally consider the EAC to be the most successful regional integration attempt in Africa, measured in terms of regional infrastructure, trade integration, productive integration, financial and macro-economic integration and the free movement of people.

Achievements

Trade in goods

The EAC Customs Union Protocol was signed in 2005, and by 2010 all customs tariffs for goods produced within the region were effectively abolished. For imports from other countries, there are four uniformly applied tariff bands.

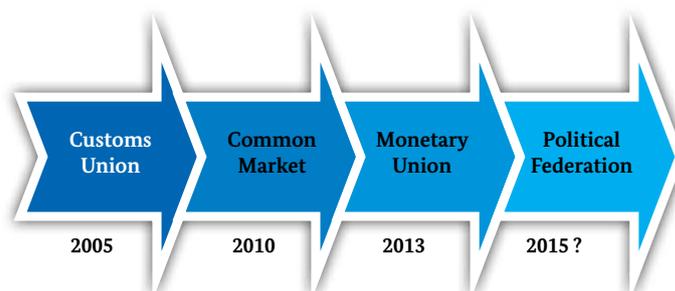
Since January 2015, the EAC has been implementing a single customs territory without internal frontiers, easing transit procedures.

The EAC Partner States have commenced implementation of single window systems. This combines all documentation requirements for imports and exports into one harmonized webbased

Background

The East African Community (EAC) is a regional organisation established by the governments of Burundi, Kenya, Rwanda, Tanzania and Uganda to spearhead the East African economic, social and political integration agenda. The Republic of South Sudan became a member of the East African Community in 2016. The scope of cooperation among the Partner States is spelt out in the Treaty for the Establishment of the East African Community which entered into force in July 2000. In line with the Treaty, the Partner States undertake to establish a Customs Union, a Common Market, a Monetary Union and ultimately a Political Federation.

Milestones of the EAC Integration



system. The intention is to simplify and speed up procedures at the border.

All EAC Partner States have indicated their willingness to sign the WTO Trade Facilitation agreement and have mandated the EAC Secretariat to monitor the progress.

The implementation of regional trade agreements has contributed to reducing the cost of doing business through harmonized policies, legislation and procedures used throughout East Africa. Trade data show that intraregional trade has grown strongly in the last years. The volume of intraregional EAC trade has quadrupled growing from USD 420 million in year 2000 to USD 1 billion in 2005 and USD 2 Billion in 2014. As also imports from and exports to the rest of the world has grown, the share of intraregional imports has only slightly increased from 7 to 10 percent while the intraregional export share has remained between 16 and 22 percent.



Movement of people and trade in services

The Common Market Protocol enables all citizens of the community to travel freely in the East African territory. Kenya, Rwanda and Uganda have allowed their respective citizens to enter and exit their territories using national identity cards in addition to using regional and international passports. The new e-passport was launched in 2016 and it will start to be issued to EAC citizens in 2017. It will enhance the capacity of the Partner States to develop integrated e-immigration management systems and services, through the adoption of biometric technology at all borders to reinforce the national security systems. The new East African e-Passport will replace both the old East African Passport and the National Passports currently issued by the respective Partner States.

The multiple entry visa is operational in Kenya, Rwanda and Uganda, and it has enlarged the portfolio of natural resource attraction and provided product diversification. The single tourism visa has enhanced travel convenience and promotion of the region as a single tourism destination.

Kenya and Rwanda issue free work permits to EAC citizens while Uganda does the same on a reciprocal basis. The process of getting a work permit has reduced to 3 days in Rwanda and 30 days in the other Partners States.

Accounting, architecture, engineering and veterinary services professional and regulatory bodies from the 5 EAC Partner States have signed mutual recognition agreements from 2012. These agreements have allowed the professional and regulatory bodies to recognize the academic and professional qualifications, experiences, and licenses that have been granted to professionals in the other Partner States.

The EAC Partner States have agreed on farreaching liberalization of their services sectors, enabling service providers to freely operate within the region. On average, the Partner States committed to opening up over 80 subsectors representing more than 50% of all subsectors identified by the WTO, including important ones such as business, communication, transport and financial services. Most notably in the sectors of education and tourism, the Partner States opened up almost all areas to regional competition. All of these commitments came into effect between 2010 and 2015, enabling businesses in the region to gain access to better and cheaper services. In 2016, further rounds of opening up trade in services have commenced.

Kenya, Tanzania, Uganda and Rwanda central banks interconnected their payment systems offering traders and bank customers an alternative method of sending and receiving money with the launch of the East Africa Payment and Settlement System. The EAPS is a secure, effective and efficient funds transfer system that enhances efficiency and safety of payments and settlements within the region. It also facilitates crossborder transactions that are essential for boosting intraregional trade and reduces exchange losses among East African countries. Some of the benefits of EAPS include realtime funds transfers, finality and irrevocability of payments, increased accessibility and sameday settlement.

The monetary union protocol was finalized and signed by the first Partner States. Negotiations are under way how to phase in a joint currency over the next years.

Transport costs in East Africa are among the highest in the world. To enhance business competitiveness, EAC completed construction of its first major multinational road project between Kenya and Tanzania through Namanga in 2012, and in March 2016 commissioned the construction of 240 KM road expansion project



from Arusha to Taveta that is expected to be completed in 2017. An additional 1000 KM's of new multinational road projects are in various stages of feasibility and detailed design stage. The EAC also commissioned the construction of 15 one stop border posts across the 5 Partner States (10 have been operationalized and 5 are under construction). Other major infrastructure projects include extensions of the maritime ports in Kenya and Tanzania and ongoing projects to build and link the railway systems.

A double taxation agreement (DTA) has been finalized and signed by the first Partner States. The DTA is meant to rule out double payment of taxes and to ensure fair competition and proper tax collection through the exchange of information between tax authorities. A regional policy on domestic tax harmonization has been finalized in 2016. The policy will translate into the harmonization of rules and regulations pertaining to income, VAT and excise taxes. It also spells out a need to set minimum and maximum rates for the respective taxes in order to minimize unfair advantages of producers in one country over those in another one.

Organs of the East African Community

The Summit

The Summit comprising of Heads of Government of Partner States gives strategic direction towards the realization of the goals and objectives of the Community.

The Council of Ministers

The Council of Ministers is the central decisionmaking and governing organ of the EAC. It is constituted by Ministers or Cabinet Secretaries from the Partner States whose dockets are responsible for regional cooperation. Every year, the Council meets twice ; one meeting is held immediately preceding a meeting of the Summit. The Council meetings assist in maintaining a link between the political decisions taken at the Summits and the day-to-day functioning of the Community.

The Coordinating Committee

Under the Council, the Coordinating Committee has the primary responsibility for regional cooperation and coordinates the activities of the Sectoral Committees. It draws its membership from Permanent / Principal Secretaries responsible for regional cooperation from the Partner States.

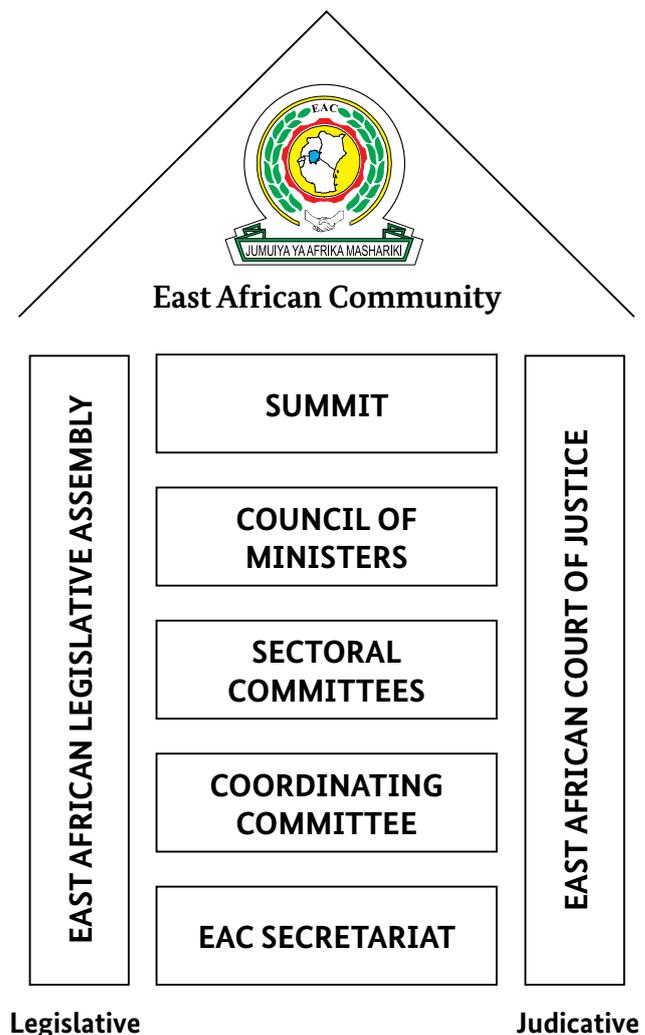
Sectoral Committees

Sectoral Committees conceptualize programs and monitor their implementation. The Council establishes such Sectoral Commit-

tees on recommendation of the Coordinating Committee. The Sectoral Committees meet as often as necessary for the proper discharge of their functions.

The East African Court of Justice

The East African Court of Justice is the principal judicial Organ of the Community and ensures adherence to the law in the interpretation and application of compliance with the EAC Treaty. It was established under Article 9 of the Treaty for the Establishment of the East African Community. The Court is currently composed of ten judges, appointed by the Summit from among sitting judges of any Partner State court of judicature or from jurists of recognized competence, and the Registrar who is appointed by the Council of Ministers. The Court has two divisions: an Appellate division and a First Instance division.





The East African Legislative Assembly

The East African Legislative Assembly (EALA) is the Legislative Organ of the Community and has a cardinal function to further EAC objectives, through its Legislative, Representative and Oversight mandate. It was established under Article 9 of the Treaty for the Establishment of the East African Community.

The Assembly has a membership comprising of 45 elected members (nine from each Partner State), and 7 ex-officio members consisting of the Minister or Cabinet Secretary responsible for EAC Affairs from each Partner State, the Secretary General and the Counsel to the. The Assembly currently has six Standing Committees to execute its mandate:?????????

The Secretariat

The Secretariat is the executive organ of the Community. As the guardian of the Treaty, it ensures that regulations and directives adopted by the Council are properly implemented. In service of the Community, the Secretariat comprises the Secretary-General, 4 Deputy Secretaries-General, the Counsel to the Community and hundreds of EAC staff members who carry out the day-to-day work of the EAC as mandated by the Council.

The Secretary-General is the principal executive and accounting officer of the Community, the head of the Secretariat and the Secretary of the Summit; he/she is appointed by the Summit for a fixed five-year, non-renewable term. The Deputy Secretaries-General are appointed by the Summit on recommendations of the Council and on a rotational basis. They deputize the Secretary-General and each serves a three-year term, renewable once.

Financing

The EAC budget 2016/17 amounted to more than 100 million USD. 45% of the budget is financed by EAC Partner States through equal contributions, notwithstanding their economic power or population size. 55% of the budget is financed by development partners, either directly or through the EAC Partnership Fund.

Share of Development Partners and EAC Partner States in EAC Budget, 2010/11 to 2016/17

