



EAST AFRICAN COMMUNITY

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**12TH MEETING OF THE COUNCIL
OF MINISTERS**

**REPORT OF THE COUNCIL
(Ref: EAC/CM/12/2006)**

August 25th, 2006

**EAC SECRETARIAT
Arusha, Tanzania**

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INTRODUCTION

The 12th Meeting of the Council of Ministers of the East African community was held in Arusha, United Republic of Tanzania, on August 25th , 2006. The purpose of the Meeting was to review the implementation of the programmes of the Community.

*The Meeting was chaired by Hon. John Arap Koech, EGH, MP, Minister for East African Community, Republic of Kenya; Rt. Hon. Eriya T Kategaya, MP, First Deputy Prime Minister and Minister of East African Community Affairs, Republic of Uganda; Hon. Andrew J. Chenge, MP, Minister for East African Co-operation, The United Republic of Tanzania; and other Honourable Ministers from the Partner States. In attendance were Hon Amb, Juma V Mwapachu, the Secretary General,. Permanent Secretaries; the Deputy Secretaries General,' the Executive Secretary, Inter-University Council for East Africa; the Deputy Executive Secretary, Lake Victoria Fisheries Organisation; the Deputy Executive Secretary, Lake Victoria Basin Commission; High Commissioners; the Executive Secretary of the East African Business Council,. Senior Government Officials and Members of Staff of the Community. The list of the participants is attached hereto as **Annex XXV***

In accordance with the Rules of Procedure of the Council, the Meeting was chaired by Hon. John Arap Koech, EGH, MP, the current Chairperson of the Council. The Rapporteur was Mr. Josephat Andy Kiriwaggulu, Senior Marketing Economist, The United Republic of Tanzania.

In his welcoming statement, the Secretary General, Hon. Amb. Juma V. Mwapachu, appreciated the Partner States having appointed Ministers solely responsible for East African Community Affairs in accordance with a directive of the Summit of Heads of State.

The Secretary General further expressed appreciation at the Partner States' high level of committed support for the integration process as indicated by the involvement of the Council and Hon Ministers in major outreach and strategic programmes and activities. He reviewed the projections for the Community and the organs as The Community handles key issues such as the finalisation of the East African Community Development Strategy 2006-2010, implementation of the Customs Union, the consultations on fast tracking the Political Federation, and the implementation of various projects and programmes.

Amb. Mwapachu urged the Council to project the Community's role in multi-lateral trading arrangements taking into account the deadlines set by the World Trade Organisation. He also called upon the organs and institutions to adopt a result-oriented, more focussed and efficient modus operandi for the sustainability of the integration process.

The Chairperson, Hon. John Arap Koech noted that this Meeting came in the background of intensive activity in the regional integration programme. In this regard he recollected important decisions which the Council was charged to follow up,

relating to the negotiations for the Common Market, the Applications of Burundi and Rwanda to join the Community; and the Consultative Process on the Political Federation of the East African States.

He noted that the Council has made good progress in all these activities. The negotiations on the Common Market and the High Level negotiations on the Burundi and Rwanda applications were launched in July and these processes are on course. With regard to the National Consultations on the Political Federation, preparations are at an advanced stage for launching of the Consultative Process in the Partner States during October.

The Chairperson further observed that in addition to these activities, the EA C was engaged in the finalization of the review of the Organizational Structure and Terms and Conditions of Service of the Staff of the Community; and the finalization of the 3rd EA C Development Strategy (2006-2010). Apart from the implementation of these and other ongoing projects and programmes of the Community, the EA C was engaged in a number of important activities of strategic planning, in response to the need 'to place our regional organization on a stable and more competitive footing to face the challenges ahead.

The Chairperson wished the Council fruitful deliberations.

*The Council adopted the agenda attached hereto as **Annex I**. The decisions made by the Council on the diverse matters on the Agenda are contained in the report herebelow.*

PART I

REPORT OF THE IMPLEMENTATION OF THE PREVIOUS DECISIONS OF THE COUNCIL AS AT 31st JULY 2006

1.1 INTRODUCTION

This report gives an update on the status of implementation of the decisions of the Council as reflected in the Implementation Matrix, which is attached hereto as Annex II. This review covers the period April to July 2006.

Sections 1.2.1 through 1.2.4.5 of this report provide an indication of the status of implementation of the main decisions, on a sector-by-sector basis and under specialised areas, using inputs provided by the various sectors at the Secretariat. Decisions that have been fully implemented by the Partner States have been excluded from this report.

Under Section 1.3.1 to 1.3.4 a summary of the current status of implementation of major Studies, Projects and Programmes, directly co-ordinated by the Secretariat or form part of the Community activities, are provided.

Progress on other Sectoral activities is provided under the report on Tripartite Sectoral Programmes and Activities.

1.2 STATUS OF IMPLEMENTATION OF THE MAIN DECISIONS (SECTOR BY SECTOR)

1.2.1 Facilitation of movement of persons, immigration, labour/employment and refugees

The pre-requisite legal documentation for the fees rates for any class of permits to be issued to citizens of East Africa at 50% the rates to be charged to foreigners has been commenced and the new set date for implementation is December 2006.

The Partner States have submitted to the Secretariat completed copies of the comparative studies jointly undertaken to review and update the Municipal Labour Laws in the context of related international labour conventions as a step towards facilitating harmonisation.

1.2.2 Lake Victoria Basin Commission

1.2.2.1 Declining water levels on Lake Victoria

- (a) Under the Lake Victoria Environmental Project phase II that is being prepared in all the three Partner States and which is expected to be effective from September 2007, a specific program is now tailored to deal with investment in natural resources. Some of the program components will directly mitigate some of causes of decline in water levels. The L VBC should monthly monitor and report on the water levels of the lake;
- (b) A Special project on "***Strengthening the management of non-reserved forests and tree resources in the Lake Victoria Basin***" is being developed to address priority hotspot areas within the Basin. This project is expected to enhance watershed management within the Basin;
- (c) A Specific project on the Management of Upper Mara Catchment coordinated by WWF-RO Nairobi has commenced and it specifically will respond and contribute to the National efforts that have been put to deal with the deforestation threats;
- (d) The Government of Uganda instituted measures at Jinja dams aimed at reducing water releases to 850m³/s. In May 2006, the effect of this measure combined with rainfall had resulted into a recovery of 38cm. As of August 10th 2006, this recovery leveled to 31cm;
- (e) Several other Programmes, projects and initiatives that have a direct impact in water levels of Lake Victoria have been initiated and some have commenced over the last three months by other programmes such as the NBI/NELSAP, River Nzoia Initiative among others.

1.2.2.2 Lake Victoria Environmental Management Project Phase II Preparation

- (a) All the Partner States fast tracked the procurement process of the consultancies and to date all have been procured and the preparation process is in advanced stages and near completion in all the Partner States;
- (b) The funding for the Bridging phase for LVEMP from Sida was secured and has been disbursed to Countries. Work has already commenced in the various components that were eligible to receive the funds.

1.2.2.3 Safety of Navigation Project and Lake Victoria Transport Bill

- (a) The transportation of "***RV Jumulya***" from Lake Nyasa to the Port of

Mwanza and its re-assembling was successfully completed. The vessel was officially handed by DfID to the EAC Secretary General on the 29th May 2006 at a ceremony that was attended by representatives from Partner States. The Secretariat is now in the process of equipping the vessel with modern navigation equipment before its operations start;

- (b) The Draft Lake Victoria Transport Bill was subjected to further review by a joint team of legal drafters and technical officials from Partner States. It was noted that the Draft Bill still has fundamental legal and policy issues that require further consideration. It is therefore proposed that the Draft Bill be considered at the next Meeting of the Sectoral Council on Transport, Communications and Meteorology scheduled for October 2006.

1.2.2.4 Operationalisation of the Lake Victoria Basin Commission

- (a) A Letter of Allotment of approximately 2 25ha to the Lake Victoria Basin Commission for a period of 99 years with effect from 1st May 2005 was issued by the Republic of Kenya. The process of surveying the land has been initiated;
- (b) The Government of Kenya is yet to conclude the Headquarters Agreement. The movement of the Commission to Kisumu will only be possible once this is accomplished;
- (c) The process of recruitment of the Maritime Officer' and the Project Officer commenced but is not yet concluded as it has been pegged to the conclusion of the Job Evaluation task that is yet to be completed.

1.2.3 Transport, Communications and Meteorology

1.2.3.1 Transport

a) Roads

Partner States reported steady progress in the implementation of the other priority roads in the EAC Road Network Project. The Secretariat is coordinating preparations towards the hosting of the Mid Term Review for the Roads Project with the Development Partners in the second half of 2006.

b) Railways

Following the directive by the 11th Meeting of the Council, the Secretariat and Partner States have embarked on the procurement process for provision of consultancy services to prepare the East African Railways Master Plan. Funding will be sourced from the

Finnish Government (already US\$ 50,000 availed) and the savings from the EAC budget.

The EAC Railways Master Plan will evaluate/incorporate among others Railways business cases including the proposed Tanga-Arusha-Musoma-Port Bell/Jinja; Kenya-Sudan, Uganda-Sudan and Tanzania-Rwanda links In addition the plan shall address the interconnection links between the EA Railways.

c) Civil Aviation

- i) The process of the harmonisation of civil aviation regulations (covering airworthiness, personnel licensing and operations) in the region has been finalised following inputs from a regional' stakeholders meeting held in April 2006. The final draft of the harmonised regulations has been forwarded to Partner States for promulgation, expected by December 2006.
- ii) The development of the technical guidance materials for the implementation of the new regulations is progressing well and it is expected that the critical guidance materials will be in place by December 2006.
- iii) The harmonisation of the aviation security and aerodromes regulations is advancing well and the first model draft regulations are undergoing refinement before they are availed to the wider stakeholders for commentary. It is planned that these regulations will also be promulgated by December 2006.

The objective of harmonising the regulations is to enhance the safety and security of civil aviation operations in the region in line with the industry standards set by the International Civil Aviation Organisation (ICAO). It is also expected that the harmonised regulations will facilitate, the establishment of regional institutions in civil aviation and pooling of the critical experts.

- iv) In line with the foregoing, preparations for the establishment of the EAC Civil Aviation Safety and Security Oversight Organisation are progressing well. The documentation for the establishment .of the organisation will be finalised by the end of August 2006. A report on the proposed Organisation will thereafter be tabled at the meeting of the Sectoral Council on Transport, Communications and Meteorology planned for October 2006.

- v) The Contract for the Execution of the Study on the unified Upper Flight Region has been signed in May 2006. The Secretariat awaits a no objection on the signed Contract from the United States Trade Development Agency, the Study financiers. It is planned that the kick off meeting for the study will take place in the first half of September 2006.

1.2.3.2 Communications

As directed by the Council, the Secretariat has been collaborating with the NEPAD E-Commission in the preparations for the implementation of the EASSy project. In this regard, the Secretariat has participated at the following' NEPAD e-Africa Commission ICT Broadband Infrastructure development Meetings:

- a) Meeting of Government ICT Policy Makers and Regulators from Eastern and Southern Africa, Tshwane, South Africa on 7th April 2006. The Meeting considered among others the Draft Protocol on Policy Framework for the Development of the NEPAD Broadband ICT Infrastructure Network for Eastern and Southern Africa, including the EASSy;
- b) The Meeting of Ministers responsible for ICT held on 5th -6th June 2006 to affirm their intention to ensure that existing policy and regulatory frameworks within their respective countries are progressively adopted over time to facilitate the realisation of the objectives of the proposed Protocol. The Ministers agreed that the Protocol' should be signed by the participating countries on 29th August 2006 in Kigali Rwanda.

The Secretariat has also participated in the following meetings held to further the implementation of the EASSy Project.

- (i) A Meeting of the EASSy Parties and Collaborators convened by the Government of Kenya on 4th - 6th July 2006. The meeting established a Joint Task Force of government representatives and operators to fast track implementation of EASSY as per the decision of the June 2006 Ministerial meeting held in Johannesburg; and
- (ii) EAC High Level Meeting of Policy Advisors, Regulators and operators to deliberate on the development of ICT Broadband Connectivity in East Africa on 1st August 2006 at Ngurdoto Mountain Lodge in Arusha, which was convened by the Secretariat.

The meeting agreed on a common position for EA region on the Policy Principles regarding development of the Regional Broadband ICT Infrastructure Network and explored options of implementing the Principles with a view to leveraging private sector investment in ICT infrastructure development in East Africa

1.2.3.3 Meteorology

The implementation of the recommendations in the Five Year Meteorological Development Plan and Investment Strategy progressed slowly due to lack of resources. A request for the support of priority projects in the sector has been forwarded to the World Meteorological Organisation and SIDA under the Partnership Fund. These are:

- a) Enhancing safety of navigation and efficient exploitation of natural resources on the lake and its basin by strengthening of meteorological services over Lake Victoria;
- b) Enhancing disaster prevention and management capacities for sustainable development by strengthening meteorological early warning systems in the EAC Region; and
- c) Enhancing capacities of the meteorological services in support of sustainable development in the EAC Region.

Progress by Uganda' and Kenya towards transforming their Meteorological Departments into autonomous bodies was considered and the two countries were urged to expedite the process so that the agencies could attract support from funding agencies. The meeting however appreciated that the three Partner States have increased the budgetary support to the sub sector.

1.2.4 Social sectors

1.2.4.1 Development of a Draft Common Regional Policy on Genetically Modified Organisms (GMOs) Especially as Regards, Food Security, Health and Environment Issues in East Africa

The Council at its 9th Meeting held on 24th November 2004 established an EAC Partner States' Technical Committee of Experts to address bio-safety issues on Genetically Modified Organisms (GMOs) and recommend a common way forward for the development of an EAC regional policy, legal and regulatory framework on GMOs especially as concerns food safety as well as environmental and public health issues. See attached report reference - *(EAC/CM9/Decision 64 of 24th November 2004)*.

In conformity with the above decision, a three-day regional workshop to develop a draft common regional policy and legal framework on Genetically

Modified Organisms (GMOs) especially as regards food security, trade, health and environmental issues in East Africa will be held at the Imperial Resort Beach Hotel in Entebbe, Uganda from 12th to 14th September 2006.

This EAC regional workshop on Genetically Modified Organisms (GMOs) will be attended by EAC Partner States' technical experts from various national ministries, regulatory authorities, research institutions as well as other national, regional and international stakeholders, especially those involved national legislation and policy formulation on GMOs Biosafety Frameworks.

The main objectives of this regional workshop is to review EAC National Biosafety Frameworks for Genetically Modified Organisms (GMOs) and recommend the way forward for the development of an EAC regional policy, legal and regulatory framework on GMOs with a focus on, food safety, trade, environmental and public health issues, etc.

The East African Community has obtained financial and technical assistance from the Program for Biosafety Systems in East Africa (PBS-EA) and the Association for Agricultural Research in East and Central Africa (ASARECA) in support of the successful conclusion of this EAC Regional Workshop on Genetically Modified Organisms (GMOs).

Although the above decision of the Council arose out of the recommendations of the in Meeting of the Sectoral Committee on Health held in October 2004 because of the public health concerns with regard to Genetically Modified Organisms (GMOs), future activities with regard to implementation of this Council decision should be handled directly through the Sectoral Committee on Agriculture and Food Security.

1.2.4.2 Situational Analysis Study on the Harmonization of Pharmaceutical Policies and Regulation in the EAC Partner States [HLT C9] (EAC/CM9/Directive 29)

The Council at its 9th Meeting held on 24th November 2004 directed the Secretariat to convene the meeting of the Pharmacy and Poisons Boards from the Partner States to deliberate on the TORS of the situational analysis study on the harmonization of Pharmaceutical policies and regulation; [HLT C9](EAC/CM9/Directive 29)

The EAC Partner States Medicine Regulatory Agencies met from 24th to 25th February 2005 in Arusha, Tanzania and also from 21st - 22nd December 2005 in Kampala, Uganda to develop a three year work plan to implement the approved Terms of Reference for the situational analysis study on the harmonization of Pharmaceutical policies and regulation in the EAC Partner States. The EAC Partner States' National Medicines Regulatory Agencies (NMRAs) have now jointly commenced the implementation of the various

activities as per the agreed work plan for the period ending 31st December 2008.

Meanwhile, the East African Community has received technical and financial support from the World Health Organization (WHO) headquarters for the implementation of "Harmonization of Medicines Regulation Project in the East African Community Partner States (Kenya, Uganda and Tanzania)" with effect from 30th June 2006. This WHO assistance includes the disbursement of USD \$ 20,000.00 and also the recruitment of an EAC Secretariat based WHO Short Term Professional (STP) Consultant on six (6) months renewable contracts as per existing World Health Organization (WHO) procedures to support the EAC Medicines Regulation Harmonization and also in line with the Terms of Reference (TORs) that were approved by the 10th Meeting of the Council that was held from 8th to 9th August 2005.

On the issue of sustainability of this initiative, the first meeting of the Sectoral Council on Health that was held on 8th July 2005 approved the establishment of Pharmaceutical Program Office under the EAC Health Desk and also the recruitment of a Pharmaceutical Officer within the institutional framework of the EAC Secretariat (*EAC/CM 10/Decision 34*) in order to coordinate regional level activities on human/animal medicines and food in East Africa as part of Regional Cooperation on Health in line with the provisions of Article 118 of the EAC Treaty for the Establishment of the East African Community ("the Treaty"). However, this decision has not yet been implemented due to EAC budgetary constraints and therefore this initial financial and technical support will form the basis for on going dialogue within the EAC policy organs on how to effect this decision in collaboration with our International development Partners as soon as other funding opportunities are found.

1.2.4.3 Strengthening of Collaboration in Disease Surveillance through the Establishment of the "East African Integrated Disease Surveillance Network (Eaidsnet)". [HLT C4]; Report Reference -(EAC/CM4/04/2002) of 13/09/02

The Technical Working Group (TWG) on the Control and Prevention of Communicable Diseases and Epidemics has since December 6th, 2004 commenced its activities through the Rockefeller Foundation supported "East African Integrated Disease Surveillance Network (EAIDSNet)" Project. At the moment, good progress has so far been made in the successful completion of the scheduled EAIDSNet project activities for the period 1st October 2004 to 31st March 2006. At the end of March 2006, the Rockefeller Foundation headquarters accepted the first year EAIDSNet project technical and financial reports and thereafter disbursed the second tranche of EAIDSNet funding amounting to USD \$ 100,000 00 to the EAC Secretariat for the period ending 31st December 2006.

These funds will now be used to undertake the following EAIDSNet project

activities during this budget period between September to December 2006:-

- a) Development of electronic software and data entry screens for the harmonised EAC Partner States' National Integrated Disease Surveillance and Response (IDSR) Tools as well as the development of one harmonised electronic EAC Regional Data Reporting Form for the identified priority diseases under EAIDSNet in collaboration with the World Health Organization (WHO) and the Regional Centre for Mapping of Resources for Development (RCMRO) in Nairobi, Kenya;
- b) Development and installation of an East African Integrated Disease Surveillance and Response (IDSR) Database and Geographic Information System (GIS) through the technical assistance of the Department of Communicable Disease Surveillance, Division of Public Health Mapping and Geographic Information System (GIS), World Health Organization (WHO), Geneva; Switzerland and the Regional Centre for Mapping of Resources for Development (RCMRD) in Nairobi, Kenya,
- c) The development and linkage of the EAIDSNet Health Mapper Software with Arc View Geographic Information System (GIS) software in order to expand the Health Mapping capabilities of the EAC Partner States by covering all aspects of health services delivery systems and infrastructure in the region as per. the overall East African regional e-health framework.

1.2.4.4 Development of an EAC Regional Plan of Action and Budget for Avian Influenza (Bird Flu) Emergency Preparedness and Response in East Africa

As per the decision of the 11th Meeting of the Council that was held on 3rd April 2006 (*EAC/CM 11/Decision 74*), a follow-up meeting of the EAC Regional Expert Task Force on Avian Influenza (Bird Flu) Emergency Preparedness and Response was held from 12th to 16th June 2006 in Arusha, Tanzania. The main purpose of the meeting was to prepare a Regional Plan of Action and detailed budget for Avian Influenza (Bird Flu) emergency preparedness and response in East Africa as per decision and directives of the 11th Meeting of the Council.

The Meeting was attended by High-level representatives of the EAC Partner States' National Health Research Institutes and Ministries responsible for Agriculture, Animal Resources, Health, Tourism and Wildlife. In addition, two representatives from FAO and the AU Inter-African Bureau for Animal Resources (I BAR) also attended the meeting.

The report (Ref: EAC/TF 51/2006) of this meeting and the draft EAC Regional Plan of Action and Budget on Avian Influenza (Bird Flu)

Emergency Preparedness and Response will be presented for consideration by the forthcoming meeting of the EAC Multi-Sectoral Council of Ministers responsible for Agriculture, Animal Resources/Livestock, Health, Wildlife, Tourism and Information that is scheduled to be held from 4th to in September 2006 in Arusha, Tanzania

1.2.4.5 Strengthening and Expanding of Regional Collaboration on Health Research in East Africa and the Development of the Draft Protocol for the Establishment of the East African Health Research Council (EAHRC)

The 1st Meeting of the Council held on 12th in January 2001 directed that the East African Medical Research Council (EAMRC) should be revitalized and renamed "the East African Health Research Council (EAHRC)" and cover, in its scope, such wide areas as Health Services including Health Sector reforms, this matter be addressed by the Technical Working Group on Health Research issues [HLTC1]. Report Reference - (EAC/CM1/01/2001) of 12/07/2001.

Consequently various national and regional meetings stakeholders meetings within the three EAC Partner States have been held over the last two years to develop a draft protocol for the establishment of the East African Health Research Council (EAHRC) and also for the commencement of activities under the Regional East African Health Community (REACH) - Policy Initiative Project as per the decisions of the Council.

Recently, the 9th Meeting of the Sectoral Committee on Health was held from 14th to 15th June 2006 in Arusha, Tanzania in accordance with the programmed calendar of activities for the period January to June 2006. The Committee reviewed the progress of implementation of past Council decisions on the establishment of both the East African Health Research Council (EAH RC) and the REACH-Policy Initiative Project for the translation of results of health research into health policy and practice in the EAC Partner States. During the meeting, the Committee considered and amended the recommendations of the East African Regional Stakeholders Workshop that was held from 14th to 16th November 2005 at the Uganda National Health Research Organization (UNHRO) Headquarters in Entebbe, Uganda on the final draft protocol on the establishment of the East African Health Research Council (EAHRC). The 9th Sectoral Committee on Health reviewed and thereafter adopted after amendments the recommendations of the EAC Regional Stakeholders Workshop on the Final Draft Protocol of EAHRC In addition, the Committee recommend to the 12th Meeting of the Council to forward the Final Draft protocol on the establishment of the East African Health Research Council (EAHRC) to the Sectoral Council on Legal and Judicial Affairs for review of the legal content of the protocol and clear the same for signature

**The Council took note of the progress in the implementation of its previous decisions in the areas of co-operation indicated above.
(EAC/CM12/Decision 01)**

1.3. IMPLEMENTATION OF STUDIES, PROJECTS AND PROGRAMMES

1.3.1 Roads

a) Arusha - Namanga - Athi River Road Project

The Consultants for the Study, GIBB Africa Ltd., submitted the Draft Final Report for Phase II of the Project (Detailed Design) in July 2006. The Coordinating Team for the Project reviewed the documents and made comments which the Consultant is expected to incorporate in the Final Report. Completion of the design phase is scheduled for September 2006.

Tanzania and Kenya have already written to the African Development Bank and Japan Bank for International Cooperation (JBIC) requesting for funds to reconstruct the Arusha-Namanga and the Namanga-Athi River roads. They have also availed for public commentary the Environment and Social Impact Assessment Report of the Project. A final Appraisal Mission team is currently visiting the region.

It is noted that the African Development Bank has indicated in writing its willingness to fund the reconstruction of the roads. The Bank is negotiating with the JBIC for co-financing the project.

b) The East African Road Network Project

A Meeting of the Task Force on the preparation of the mid-term review of the Project was held on 9 - 11 May 2006. The meeting continued with the preparation of detailed documentation of the project activities in compliance with the directive of the Sectoral Council on Transport, Communications and Meteorology of September 2005.

c) The East African Trade and Transport Facilitation Project (EATTF)

The project objectives for the EAC are:

- a) To enhance transport services along key international transport corridors in East Africa;
- b) To strengthen trade growth in the region through reduction in transit times and non-tariff barriers.

The African Development Bank will fund the regional component of the Project, which involves support to the EAC and the Northern Corridor Transit Transport Coordination Authority.

An ADB Appraisal Mission visited EAC in March 2006 to prepare a project document for presentation to the Bank Board. The commencement of the Project is held back due to delays in finalizing the Agreement for setting up the proposed Central Corridor Transit Authority. This organization will develop policies for the efficient management of this important corridor serving Tanzania, Rwanda, Burundi, Uganda and Democratic Republic of Congo. Tanzania reported that the signing of the Agreement has been set for 31st October 2006. The meeting noted that this action should facilitate the finalisation of the EA TTF support Agreement with the Bank.

USAID officially handed over the refurbished Malaba Railway Station on 22nd May 2006, a pilot project in the implementation of the one-stop border post concept. This concept is to be replicated in all the major East African borders to make them more efficient.

iv) Multinational Road Projects

A funding request for the following proposed multinational projects has been forwarded to the African Development Bank for considerations:

- a) Kenya/Uganda: Endebbes - Suam - Kapchorwa
- b) Kenya/Tanzania: Garissa - Malindi - Mombasa - Lunga Lunga - Horohoro - Tanga
- c) Kenya/Tanzania: Voi - Taveta - Mwatate - Holili - Moshi
- d) Uganda/Rwanda: Ishaka - Kakitumba
- e) Tanzania: Tunduma - Sumbawanga - Kasulu - Nyakanazi (Corridor No 3 of the EARNP connecting to Burundi).

Following EAC's requests to ADB, the Bank has positively responded on two:

- a) The Arusha - Moshi - Holili/Taveta - Mwatate - Voi, and
- b) The Mombasa - Lunga Lunga/Horohoro - Tanga

The feasibility studies and designs for the projects will be funded through grant financing from the Bank's multinational window. A Bank Appraisal Mission is scheduled to visit the roads in August 2006.

1.3.2 Railways

East African Railways Master Plan

Following a directive by the Council in April 2006 for the Secretariat to fund the Study from its own budget savings, a request for submission of expressions of interest was advertised in June 2006. Bids were received from fourteen local and international firms on 20th July 2006 and the evaluations are ongoing. It is expected that the Consultancy services will commence in January 2007.

1.3.3 Progress Report on the Study on the Development of the Protocol for the Establishment of an EAC Common Market

The 11th Meeting of the Council held in Arusha from 28th March to 4th April 2006

- (a) directed the Secretariat to commission a comprehensive study on the EAC Common Market. The study will among others specify the scope of the Protocol, identify key areas for negotiations, indicate the necessary institutions that may have to be set up to support the Common Market and propose a model EAC Common Market Protocol that will form a basis for negotiations;
- (b) adopted the Terms of Reference for the study on the EAC Common Market

Following the above Council decisions, the Secretariat advertised in the major papers in the region and on the EAC website for a consultancy study on the East African Common Market Protocol. Technical and financial bids have been received from a number of consultancy firms and Secretariat is now in the process of evaluating the bids. The award for the Study Contract is planned for mid September 2006

1.3.4 Progress Report on the Establishment of an EAC Development Fund

The 11th Meeting of the Council that was held in Arusha from 28th March to 4th April 2006 received a progress report on the establishment of an EAC Development Fund and draft Terms of Reference for a consultancy study on the same.

The Council directed the Secretariat to present the draft terms of reference to a meeting to be attended by representatives from Ministries of Finance, Central Banks and Ministries of Justice for consideration. The Secretariat has planned to convene this meeting by end October 2006

**The Council took note of the progress made in the implementation of the approved studies, projects, and programmes.
(EAC/CM12/Decision 02)**

PART II

REPORT OF THE OFFICE OF THE SECRETARY GENERAL

2.1 PROGRESS REPORT ON THE IMPLEMENTATION OF THE TREATY FOR THE ESTABLISHMENT OF THE EAST AFRICAN COMMUNITY

At its 11th Meeting held on April 4th 2006, the Council noted that outstanding matters in the Implementation of the Treaty for the Establishment of the East African Community ("the Treaty") include the finalization of the draft strategy for the development of the private sector, Tanzania's report on progress towards full capital account convertibility for East Africa; conclusion of aviation policies by Uganda and Kenya, Kenya's ratification of the Protocol for the Establishment of the Inter-University Council for East Africa; Partner States' implementation of all ratified protocols and tripartite instruments and regular reporting on progress to the Secretariat and the Secretariat's expediting the conclusion of all outstanding studies and protocols

The Council.

- a) urged the Partner States and the Secretariat to expedite the implementation of outstanding matters in the implementation of the Treaty within the context of fast tracking the integration process, and
- b) directed the Secretariat to propose new targets basing on the provisions of the East African Community Development Strategy 2006 - 2010 when adopted

Progress so far realized includes Kenya's ratification of the Protocol on the Establishment of the Inter-University Council for East Africa Kenya has deposited her Instruments of Ratification with the Secretary General To that extent and in accordance with the provisions of the Protocol, the Protocol has entered into force

The Council directed the Secretariat to propose new targets on the implementation of the Treaty basing on the provisions of the East African Community Development Strategy 2006 - 2010 when adopted (*EA'C/CM12/Directive 01*).

2.2 PROGRESS ON THE HIGH LEVEL NEGOTIATIONS FOR THE ADMISSION OF THE REPUBLIC OF BURUNDI AND THE REPUBLIC OF RWANDA INTO THE EAST AFRICAN COMMUNITY

At its Extraordinary Meeting held on July 8th 2006, the Council

- a) adopted a Manual for High Level Negotiations on the Admission of Republic of Burundi and the Republic of Rwanda into the East African Community,
- b) approved a list of key stakeholders to be involved in the high level negotiations; and

c) decided on the mechanism for the high level negotiations.

The Council adopted the following Programme of Activities:

Table I:

S/N	Activity	Timing
1	Launching	July 8 th , 2006
2	Agreement on areas of negotiations	July 8 th , 2006
3	Dispatch of authenticated EAC documentation (including decisions of the Summit and the council to the government of Burundi and the government of Rwanda)	By July 20 th , 2006
4	Partner States' submission of names of nominees to the High Level Negotiating Team	By July 21 st , 2006
5	Submission by the Republic of Burundi and the "Republic of Rwanda on proposed dates for negotiations	By July 21 st , 2006
6.	Submission by the Republic of Burundi and the Republic of Rwanda of the names and titles of their respective Negotiating Teams	By July 21 st , 2006
7.	Secretariat's convening of: (i) Meeting of High Level Negotiating Team; (ii) High Level Negotiations	Upon communication from the Republic of Burundi and the Republic of Rwanda
8.	Submission of Progress Report to. the Council	At the 12 th Meeting of the Council (August 21 st -25 th , 2006)

The Secretariat reported as follows:

- a) Launching of the negotiations was done on July 8th 2006;
- b) Authenticated East African Community documentation were dispatched to the Government of Burundi and the Government of Rwanda on July 19th 2006;
- c) All Partner States have submitted lists of their nominated participants for the High Level Negotiating Team;
- d) High level negotiations were scheduled to start on August 16th - 18th 2006 but were, at the request of Tanzania and Kenya, postponed.

The Council noted the need to formulate a negotiating mechanism on procedural matters, establishment of the necessary task forces and agenda for the high level negotiations. In this regard, the Council further noted the need for Partner States to avail experts. These experts will include the six members of the Verification Committee and an expert from each of the Partner States' Ministries responsible for EAC Affairs, Foreign Affairs, trade, Finance and Offices of the Attorney General.

The Council:

- a) **took note of the progress in the High Level Negotiations for the Admission of Burundi and Rwanda into the East African Community; (EAC/CM12/Decision 03) .**
- b) **directed the Secretariat to convene a Meeting of the EAC Negotiating Team of Experts on 12th - 13th October 2006 to formulate the East African Community's Negotiating Mechanism; (EA C/CM12/Directive 02)**
- c) **directed the Secretariat to guide the deliberations at this meeting. (EAC/CM12/Directive 03)**

2.3 INITIATION OF BILLS TO THE EAST AFRICAN LEGISLATIVE ASSEMBLY

2.3.1 A Bill for an Act Entitled the Lake Victoria Basin Commission Act, 2006

At its Meeting held on June 10th 2006, the Sectoral Council on Legal and Judicial Affairs.

- a) directed that the conclusion of protocols under Article 151 of the Treaty be restricted to matters of co-operation based on Partner States' policy harmonization;
- b) directed that matters pertaining to operational needs such as institutional development in the Community be subject to enactment of appropriate legislation,
- c) recommend to the Council to initiate legislation establishing EAC institutions, and
- d) reviewed the decision which it made at its Meeting held on September 16th ,2005 to the effect that on the proposed establishment of the Inter-University Council of East Africa, the existing Protocol suffices; on the basis of the above guidance therefore, a Bill for the establishment of the Inter-University Council for East Africa be presented for consideration afresh

On this guidance and taking into account the role and functions of the Lake Victoria Basin Commission, as an institution of the Community (established under Article 9 (2) of the Treaty) read together with Article 114 (2) (vi) of the Treaty and the Protocol on the Sustainable Development of Lake Victoria Basin), the Secretariat proposes to invite a Team of Draftsmen to develop a -Bill for an Act Entitled The Lake Victoria Basin Commission Act, 2006.

The Council directed the Secretariat to convene a Meeting of Draftsmen, Transport and other Experts to develop a Bill Entitled The Lake Victoria Basin Commission Act, 2006 for consideration by the Sectoral Council on Legal and Judicial Affairs.

(EAC/CM12/Directive 04)

2.3.2 Proposed Amendment of the East African Community Customs Management Act, 2004

At its 11th Meeting held on April 6th, 2006, the Council considered the Secretariat's proposal to amend the East African Community Customs Management Act, 2004. The proposed amendment, is for purposes of facilitating the implementation of the Act and enhancing the discharge of the functions of the Directorate of Customs and Trade as provided under Part /I of the Act. The Council also considered the draft Bill entitled The East African Community Customs (Amendment) Bill, 2005. The Council:

- a) adopted the proposed amendments to the East African Community Customs Management Act, 2004,
- b) decided that a Bill entitled The East African Community Customs Management (Amendment) Bill, 2005 be submitted to the East African Legislative Assembly for enactment,
- c) directed the Secretariat to prepare an additional amendment bill that addresses more issues on Customs Administration and Management in consultation with the Partner States

At its Meeting held on July 15th 2006, the Sectoral Council on Trade, Finance and Investment considered the harmonization of trade arrangements into The Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) taking into account the requirement, under the Protocol on the Establishment of the East African Community Customs Union, to address the question of trade arrangements outside the Customs Union. The Sectoral Council:

- a) took note of the Secretariat's initiatives on the preparatory framework for the mechanism of trade arrangements with COMESA and SADC,
- b) directed the Secretariat to develop a comprehensive plan of action for the exercise by November 2006;

- c) directed the Secretariat to develop a concept paper detailing East African Community negotiating position and options available by November 2006;
- d) decided to table a proposal to EALA for the amendment of Section 112 of the East African Community Customs Management (Amendment) Bill, 2004 to extend the period of preferential tariff treatment under COMESA and SADC up to December 31st 2008.

The Secretariat, in consultation with the Directorate of Customs and Trade, decided to make the amendment Bill more comprehensive to cover all policy matters including the proposed amendment of Article 112. The comprehensive draft East African Community Customs Management (Amendment) Bill, 2006 is attached hereto as **Annex III**.

The Council:

- a) **considered and adopted the Bill Entitled The East African Community Customs Management (Amendment) Bill, 2006; (EA C/CM12/Decision 04)**
- b) **referred the Bill aforesaid to the Sectoral Council on Legal and Judicial Affairs for consideration. (EA C/CM12/Decision 05)**

2.4 PROPOSED INSTITUTIONAL ARRANGEMENTS AND PROGRAMME FOR THE MINISTERS RESPONSIBLE FOR EAST AFRICAN COMMUNITY

The Treaty provides that:

"Each Partner State shall:

- (a) *designate a Ministry with which the Secretary General may communicate in connection with any matter arising out of the implementation or the application of (the) Treaty, and shall notify the Secretary General of that designation".*⁵

In the past the Partner States had designated Ministries responsible for Foreign Affairs / Foreign Affairs and International Co-operation / Trade. Following the Partner States; establishment of Ministries responsible solely for East African Community Affairs, the Secretariat proposes the following institutional initiatives:

2.4.1 Establishment of a Sectoral Council of Ministers Responsible for East African Community Affairs

In order to ensure purposeful implementation of Article 8 of the Treaty and on the basis of Article 14(3)(i) of the Treaty, it is necessary to institutionalize the role of the Ministers responsible for East African Community Affairs. This will enable these Ministers to:

⁵ Article 8 (3)

- a) effectively guide the integration process from a political and policy point of view,
- b) assist the Council in monitoring and keeping under constant review the implementation of programmes of the Community;
- c) ensure timely implementation of the decisions of the Summit of Heads of State and Council;
- d) establish the necessary linkages and co-ordination mechanisms among the organs and institutions of the Community for effective discharge of their respective functions. It is therefore proposed that:
 - i) A Sectoral Council of Ministers responsible for EAC Affairs comprising of the Ministers responsible for East African Community Affairs be established in accordance with Article 14 (3) (i) of the Treaty; This Sectoral Council will within the context of this provision discharge the functions of the Council; and
 - ii) A Sectoral Committee comprising East African Community Directors at the Ministries responsible for East African Community Affairs be established as a technical committee of this Sectoral Council in accordance with Articles 20 and 21 of the Treaty.

2.4.2 Programme for the Sectoral Council of Ministers responsible for EAC Affairs

Table 1:

Activity	Timing	Principal Venue
a) Regular consultation on East African Community activities, programmes and projects, implementation of the decisions of the Summit and the Council, articulation of programmes and projects	Every month	Arusha
b) Formal agreement on immediate follow up on mechanisms for implementation of decisions of Summit and Council	One week before every Meeting of the Summit or Council and one week thereafter	Arusha
c) Attendance to EALA Activities (including sittings and legislative business)	According to East African Legislative Assembly Programme	Arusha
d) Consultations with the Secretary General and Heads of East African	Every three months	Arusha

Community Organs and institutions (on the discharge of the functions of these organs and institutions)		
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The Council:

- a) **established a Sectoral Council of Ministers Responsible for EAC Affairs whose role will be to discharge the functions of the Council within the context of Article 14 (3) (i) of the Treaty;**
(EAC/CM12/Decision 06)
- b) **established a Sectoral Committee on EAC Affairs in accordance with Articles 20 and 21 of the Treaty;**
(EAC/CM12/Decision 07);
- c) **adopted the Programme for the Sectoral Council of the Ministers responsible for East African Community Affairs shown in Table 1 above.**
(EA C/CM12/Decision 08)

2.5 PROGRESS REPORT ON THE DEVELOPMENT OF CRITERIA ON THE ESTABLISHMENT OF SECTORAL COUNCILS

At its Meeting held on June 10th 2006, the Sectoral Council on Legal and Judicial Affairs prepared a revised text of the Criteria for the Establishment of Sectoral Councils which are attached hereto as Annex IV The Sectoral Council directed the Secretariat to.

- a) avail the revised draft criteria to the Finance and Administration Committee for input regarding financial and budgetary aspects;
- b) include consideration of the draft Criteria on the agenda for the Meeting of the Ministers Responsible for EAC Affairs scheduled to take place on July 15th, 2006; and
- c) hereafter present the revised text to the Sectoral Council at its Meeting in November 2006 for clearance

for purposes of considering, among other matters, the Criteria for the Establishment of Sectoral Councils in time for finalization of these criteria by the Sectoral Council on Legal and Judicial Affairs at its meeting scheduled for November 2006.

The Council directed the Secretariat to convene a Meeting of the Sectoral Council of Ministers Responsible for East African Community Affairs to finalise the criteria before the 13th Meeting of the Council.
(EAC/C,M12/Directive 05)

2.6 REPORT ON THE SECTORAL COUNCIL ON LEGAL AND JUDICIAL AFFAIRS

The Sectoral Council on Legal and Judicial Affairs met in Entebbe on June 5th -10th 2006 and in Arusha on August 1st 4th 2006. The Sectoral Council considered the following matters.

- a) Draft Council Bills (Lake Victoria Transport Bill, 2006, East African Community Official Secrets Bill, 2006; East African Legislative' Assembly Elections Bill, 2006; and Inter University Council Bill, 2006);
- b) Progress on the Consultative Process on the Zero Draft Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice,
- c) Draft Criteria for the Establishment of the East African Community Sectoral Councils,
- d) Institutional Proposals;
- e) Progress Reports on Regional Judicial Training and Approximation of National Laws in the East African Community context,
- f) The US\$ 61,386,853 Arbitral Award against East African Development Bank,
- g) Capacity Building in the Office of the Counsel to the Community;
- h) Draft East African Community Customs Management Regulations 2006, and
- i) Proposals by the Directorate of Customs and Trade on Decision Making Process on Customs-Related issues.

The decisions on the outcome of the Meetings of the Sectoral Council are contained in Reports ref EAC/SR/22/2006 and EAC/SR/23/2006 copies of which have been circulated to the Partner States

The Council took note of the decisions of the Sectoral Council on Legal and Judicial Affairs contained in the abovementioned reports. A Summary of these decisions is attached hereto as Annex V..
(EA G/CM12/Decision 09)

2.7 CO-OPERATION IN INTERSTATE SECURITY

2.7.1 Action Plan on the Implementation of the EAC Protocol on Combating Drug Trafficking and Theft of Motor Vehicles

The EAC Police Chiefs at their meeting held on 21st April 2006 noted that the Partner States have made immense progress towards 'implementing the Action

Plan of the" EAC Protocol on Combating Drug Trafficking and controlling theft of Motor Vehicles in the region. Partner States have continued sharing experiences, information and have started conducting joint operations. The Police Chiefs organised for joint operation in Tanzania within the month of April 2006 where a total of 89 motor vehicles were impounded, 29 positively identified as stolen (3 from Kenya, 1 from South Africa and the rest from Japan), 32 have their engine or chassis numbers tampered with, 28 are still under investigation as their identification numbers read differently from their registration documents A total of 68 firearms were seized, comprising of 56 homemade guns, 1 pistol, 5 short guns and 6 rifles.

In the case of illicit drugs, 221 kgs of cannabis sativa or Bangi were seized, 853.5 grams of heroine, 1 kg of Khat, and 2 hectares of cannabis plants were destroyed, a total of 141 illegal immigrants were arrested. The same operations were organised in Kenya and Uganda and the report, of the results of the operations would be made at the next meeting of the Chiefs of Police.

2.7.2 Disaster Management and Preparedness

The meeting of the Task Force on Disaster Management and Preparedness was convened by the EAC Secretariat in November 2005 The report of the meeting including recommendations will be considered by the full meeting of the Interstate Security Committee at its next seating before presentation to the Police Chiefs for consideration and adoption

2.7.3 Draft Implementation Strategy on Regional Peace and security

The Police Chiefs were informed that, Secretariat convened the second meeting of the Task Force on Formulation of the Strategy for Regional Peace and Security on April 4th - 5th 2005. In line with the guidance from the Treaty on the scope of cooperation in regional peace and security, the Task Force formulated a total of 14 goals. The proposed draft Strategy is attached hereto as Annex VI.

The draft strategy provides for the objectives, identifies the strategies, the activities to be carried ,out and provides timeframe for implementation The Police Chiefs considered key activities that ought to be operationalised by development of the appropriate policy framework at regional level to guide the Partner States as, conflict early warning and response mechanism conflict prevention, management, resolution, and hot pursuit of criminals.

In view of the far reaching legal implications inherent in hot pursuit, it is necessary to enhance cooperation among security agencies to apprehend fugitives who seek refuge in the Partner States It was also agreed that in line with the directive of the. Council to harmonise dealing in cross cutting issues, the draft strategy and the action plan should be submitted to the Interstate Defence Sector for consideration and input.

The Police Chiefs further noted that the aspect of human trafficking as a security issue has been prevalent in the region' and there is need to include it as one of the goals. It was agreed that human trafficking would be considered for incorporation in the Draft Strategy together with comments expected from the Defence Sector.

The Chiefs of Police took note' of the report and recommendations of the Interstate Security Committee and recommended that:

- a) an EAC mechanism on conflict prevention, management and resolution (CPMR) be developed,
- b) a regional policy framework be developed to enhance cooperation among security agencies to apprehend criminals and fugitives across national borders,
- c) The EAC Secretariat to consult with the U NODC for assistance in sensitising policy makers and law enforcement agencies on the UN Model Law; and
- d) a regional framework be developed to establish databases, and exchange of criminal intelligence among the Partner States

2.7.4 Draft Protocol on Conflict Early Warning and Response Mechanism

The Secretariat reported that the meeting of Experts to review the zero draft developed by the Secretariat and formulate the first draft of the Protocol on early warning and response for the EAC region was convened in June 2005. The Police Chiefs noted that the work requires adequate consultations both at national and regional level. It was therefore agreed that in the event that certain articles of the Draft Protocol require additional expert input, then such input would be facilitated before conclusion of the same. The Draft Protocol is attached hereto as **Annex VII**.

The Secretariat explained that once the Draft protocol has received all technical input and adopted 'by the Interstate' Security Committee, it will be handed over to the Sectoral Council for Legal and Judicial Affairs to give legal input before approval for signing by the Council.

The Police Chiefs considered the first draft of the Protocol and in consideration of its importance to the region, the Committee noted that there is need for in-depth consultation with key stakeholders at national level. The main stakeholders were identified as Ministries responsible for Foreign / Regional Affairs, Local Government, Disaster Management, Internal Affairs, Defence and other relevant institutions at national level. The Committee further noted that there is need to align the draft protocol with other existing mechanisms within the region for complementarity. The other issues for further consideration were the title of the protocol and whether it should include matters of Conflict management and resolution.

The Police Chiefs considered the Plan of Action and adopted it with amendments.

Table II

Proposed Programme of Work on the Protocol on Conflict Early Warning and Response

	Activites	Responsibility	Timeframe
1	Development of the EAC first draft Protocol on conflict early warning, management and resolution	<ul style="list-style-type: none"> • Group of experts • EAC Secretariat 	<ul style="list-style-type: none"> • June 2005
2	Presentation of the first draft to meeting of EAC Interstate Security and Defence	<ul style="list-style-type: none"> • Group of Experts • EAC Secretariat 	<ul style="list-style-type: none"> • April 2006
3	National Consultative meetings with other stakeholders	<ul style="list-style-type: none"> • Police Chiefs • EAC Secretariat 	<ul style="list-style-type: none"> • September 2006
4	Regional Stakeholders workshop to brainstorm on the mechanism, Critique by experts on different components of the protocol	<ul style="list-style-type: none"> • Group of experts • EAC Secretariat 	<ul style="list-style-type: none"> • February 2007
5	Presentation of the final draft to the Interstate security Committee for adoption	<ul style="list-style-type: none"> • Group of Experts • EAG Secretariat 	<ul style="list-style-type: none"> • May 2007
6	Presentation to the meeting of the Sectoral Council on Legal and Judicial Affairs	<ul style="list-style-type: none"> • Group of Experts • EAC Secretariat 	<ul style="list-style-type: none"> • June 2007

Further, in line with the directive of the Council to harmonise dealing in cross cutting issues, the draft Protocol should be submitted to the interstate defence sector for consideration and input

The Police Chiefs recommended that:

- a) Partner States coordinate national consultations and submit their comments to the Secretariat for consideration and input, before the next meeting of the Committee,
- b) The Offices of the Chiefs of Police spear head national consultations on the draft Protocol and submit the report to the Secretariat by October 2006; and
- c) The Secretariat submits the Draft Protocol to the defence sector for their consideration and input before the next meeting of the Committee

2.7.5 Meeting of the Directors of CID, and Registrars of Motor Vehicles

The Police Chiefs noted that the meeting of Directors of CID and Registrars of Motor vehicles which was scheduled, did not take place because the Partner States delegations were not fully composed for the meeting. The Chiefs noted that the above meeting has been institutionalised as an annual meeting of the EAC. The Police Chiefs recommended that the Secretariat reviews the Calendar of Activities and convene the meeting of the Directors of CID and Registrars of Motor Vehicles before the next meeting of the Committee

2.7.6 Report of the Task Force on Anti-Terrorism / Counter Terrorism Measures in EAC

At its last meeting, the Council took note of the initiatives undertaken to combat terrorism in the region. These are Operational Programmes for Combating Terrorism, Computerization of entry and exit points, Building of databases and sharing of information on terrorism, specific legislation, capacity building and creation of public awareness on terrorism

It recalled the need to involve State Defence, State Security and Public Security in the meetings of the Committee on Interstate Security on matters of Terrorism, since it is one of the cross cutting issues. The Council identified a number of security issues as cross cutting between the Interstate Security Committee and the Interstate Defence Committee. These are Terrorism, Early Warning Mechanism (CEWARN), Disaster Management and Proliferation of Small Arms and Light Weapons. The Meeting noted that it is ideal for these issues to be handled jointly with the Committee on Interstate defence and the Interstate Security. In this respect, a side meeting of experts from both peace and security and defence was convened to take place on September 27th - 28th 2005. The meeting did not take place because the Partner States delegations were not adequately represented

The Police Chiefs recommended that the Secretariat review the Calendar of Activities with a view to rescheduling the meeting before the next meeting of the Committee

2.7.7 Smuggling of Cigarettes

The Meeting of the Police Chiefs was informed by Uganda that smuggling of cigarettes and petrol has been a perennial problem and requested the Police Chiefs to consider its incorporation on the agenda of the next meeting of the Committee on Interstate Security

The Police Chiefs further' considered the Issue and recommended that:

- a) Uganda furnishes more information on the complaint to facilitate detailed discussion at the meeting of the Interstate Security Committee, and
- b) Partner States are urged to research on commodities being smuggled within borders and present a report at the next meeting of the Committee to facilitate further discussion of the issue.

2.7.8 Joint Meeting of the Police and the Defence Chiefs

The Police Chiefs considered security issues that are cross cutting between Peace and Security and Defence sector and expressed the need to hold a joint meeting to deliberate on the best way to handle them at regional level ,

2.7.9 Meeting of The National Focal Point Coordinators on Small Arms and Light Weapons and the Regional Centre on Small Arms and Light Weapons

The Secretariat convened the meeting of the national Focal Points and the Nairobi Secretariat on Small Arms and Light Weapons on June 2006 with the following objectives:

- i) to consider the progress report on the implementation of the project on Small Arms and Light weapons, and
- ii) Develop an EAC progress report to the United National Review Conference on Small Arms and Light Weapons

The meeting was informed that the EAC Small Arms Adviser had been recruited and was due to report on 1st August 2006 The Meeting further developed the EAC Progress report on the United Nations Plan of Action of SALW, a copy of which is attached as Annex VIII

The Coordination Committee recommends to the Council to:

- a) **take note of the progress; and**
- b), **direct the Secretariat in consultation with the Defence Sector, to convene a joint meeting to deliberate on a clear way forward in dealing With peace and security , issues that are cross-cutting.**

2.8 CONTACT AND OUTREACH ACTIVITIES

During the period April August 2006, the Secretariat facilitated Contact and outreach activities shown in **Annex IX** hereto.

The Council took note of the contact and outreach activities undertaken to promote the Community during the period April- August 2006. (EAC/CM12/Decision 10)

PART III

REPORT ON THE SECTORAL PROJECTS AND PROGRAMMES FOR THE PERIOD APRIL - JULY 2006.

3.1 INTRODUCTION

This is a report on progress of implementation of sectoral projects and programmes and related activities for the period April 2006 to July 2006. The thrust over the period was the implementation of the previous decisions made by the Council at its 11th Meeting and those that have been outstanding from the previous Meetings

The summarised reports on the referred sectoral, task force, consultant and expert activities are respectively presented herein.

The Council:

- (a) took note for implementation, all general and specific recommendations contained in the reports by the sectors; (EAC/CM12/Decision 11)**
- (b) considered and approved the policy-related recommendations indicated at the end of the respective sections as Council decisions/directives. (EAC/CM12/Decision 12)**

3.2 FISCAL AND MONETARY AFFAIRS

3.2.1 Preamble

The Meeting of the Capital Markets Development Committee (report Ref EAC/TF/22/2006) was held in Arusha; that of the Monetary Affairs Committee (MAC) (Report Ref EAC/S R/10/2006) was held in Arusha on 6th May 2006 and that of the Fiscal Affairs Committee (report Ref. EAC/TF/41/2006) was held in Arusha on 1st and 2nd June 2006. The recommendations made by these Committees were considered by the Permanent Secretaries responsible for Finance as reported under sub-section 3.2.2 below

3.2.2 Pre-Budget Consultations of the Ministers of Finance Session of the Permanent Secretaries.

A meeting of the Permanent Secretaries responsible for Finance was held in Arusha, Tanzania, from 8th to 9th June 2006 [report Ref: EAC/SR/12/2006] The Permanent Secretaries considered the reports of the Capital Markets. Development Monetary Affairs and Fiscal Affairs Committees and recommended as follows:

(a) Policy on the Participation of East Africans in Capital Markets Investments

Tanzania is urged to report progress on liberalisation of its capital account at the post budget consultations of the Ministers of finance scheduled for September 2006.

(b) Measures to Support the Development of Debt Securities Markets

Uganda and Kenya are urged to implement the Council decision to reduce withholding tax on interest income on listed long-term bonds (with a maturity of three years and above) from the current rate of 15% preferably to 0% as is the case in Tanzania in the 2007/08 budget.

(c) Corporation Tax

Tanzania and Uganda are urged to implement the Council decision to reduce corporation tax for the first five years of listing for newly listed companies that offer at least 30% of their share capital to the public in the 2006/07 and 2007/08 budgets respectively.

(d) Investor Compensation Funds

Uganda is urged to implement the Council decision to exempt from tax, income accruing to all Investor Compensation Funds established for the purpose of protecting investors in the capital markets industry as is the case in Kenya and Tanzania, in the 2007/08 budget.

(e) Withholding Tax on Dividend Income from Listed Companies

Uganda is urged to implement the Council decision to harmonize withholding tax on dividend income for listed companies at 5% in line with Kenya and Tanzania, in the 2007/08 budget.

(f) Proposal to Promote Asset-Backed Securities

Uganda and Tanzania are urged to implement the Council decision to grant stamp duty exemption to the process of transferring assets to special purpose vehicles for purposes of issuing asset-backed securities, in the 2007/08 financial year, in the interest of market development in the region.

(g) Pension Sector Reforms to Broaden Ownership of Financial Securities and Savings in Financial Assets

(i) Uganda is urged to commence implementing pension sector

reforms beginning 2006/07 financial year.

- (ii) Tanzania is urged to finalise the study on pension sector reforms by the 2007/08 financial year.

(h) Policy Towards a Consolidated Financial Services Regulatory Framework

- (i) Kenya and Tanzania are urged to finalise and share their reports on consolidated regulatory framework.
- ii) Kenya and Uganda are urged to put in place Memoranda of Understanding between domestic financial regulators.

(i) Reservation of Minimum Equity Percentage Ownership for East Africans

- (i) Partner States are urged to reserve 40 percent of Initial Public Offers (IPOs) for East Africans beginning in the 2007/08 financial year.
- ii) Tanzania was urged to hasten the opening up of the capital account to ensure that Tanzanian citizens participate in IPOs.

(j) Central Depository Systems (CDS) Legislation

Tanzania and Uganda are urged to expedite the enactment of CDS legislation by July 2007.

(k) Tax Relief to Facilitate Mobilisation of Long-term Savings

Uganda is urged to grant tax relief for mortgage payments within the 2006/07 financial year.

(l) Formulation and Conduct of Monetary Policy by the Central Banks

- (i) National statistical offices should work towards greater data dis-aggregation and increase the frequency of CPI rebasing and household budget surveys to every five years, in order to keep the CPI current and reduce the proportion of CPI items that are excluded. In addition, partner states are encouraged to broaden the coverage of the CPI.
- (ii) National statistical offices should produce quarterly GDP series, on a timely basis.
- (iii) Direct the Secretariat to convene a meeting of the bureaux of

statistics to produce a program of action aimed at implementing (a) and (b) above.

(m) Legislation on Anti-Money Laundering

Partner States are urged to hasten the enactment of the AML legislation

(n) Licensing of Banks, Financial Institutions and Representative Offices

Kenya is urged to expedite the enactment of the Banking (Amendment) Bill, 2004 that among others, vests the powers of licensing and revocation of licenses with the Central Bank of Kenya

(o) Commercial Courts

After analysing the performance of commercial courts in the Partner States, the meeting agreed on the need to undertake a number of measures as outlined in the attached report [Ref EAC/SR/12/2006] These issues be forwarded to the Legal and Judicial Affairs Committee for consideration.

(p) Internet Payments, e-Commerce and e-Banking Schemes

- (i) The EAC Secretariat should invite central banks to participate in the initiatives of the East African Community in the formulation of e-commerce related laws
- (ii) Relevant authorities should be encouraged to expedite the enactment of appropriate laws to address Information and Communication Technology (ICT) issues, and central banks should participate in the process so as to ensure that the concerns of the financial sector are adequately addressed.
- (iii) Partner States should promulgate new laws and amend existing laws that can adequately govern electronic transactions and records and the admissibility of electronic evidence in courts of law

(q) Challenges in the EAC Countries

- (i) Partner States be urged to seek alternative sources of energy with a view to making energy more resilient to weather shocks
- (ii) Direct the Secretariat to convene a joint meeting involving the Ministers responsible for energy and finance during the, period July - December 2006 to address the energy crisis in the region

- (iii) Partner States be urged to strengthen their efforts in achieving the convergence criteria.
- (r) **Agreement Between the Governments of Uganda, Kenya and Tanzania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**
 - (i) Take note and adopt the draft DTA attached hereto as **Annex X**.
 - (ii) Forward the draft. DTA to the Sectoral Council on Legal and Judicial Affairs for legal input.
- (s) **Harmonisation of Policies in the Double Taxation Agreements between Partner States and other Countries**

The Secretariat be directed to convene a task force of experts meeting by end September 2006 to draft a Model DTA for EAC.

(t) Investment Incentives

- (i) Urge Kenya and Uganda to submit their current policies on capital recovery rules, incentives offered under EPZs and any other incentives to the Secretariat by 30th June 2006.
- (ii) Direct the Secretariat to convene a task force of experts by end September 2006 to harmonise the incentives referred to in (i) above.

(u) Code of Conduct for Investment Incentives and Company Income Taxation

- (i) The EAC Model Investment Code be finalised before proceeding with the Code of Conduct for Investment Incentives and Company Income Taxation
- (ii) Partner States should consider the issues raised by the International Monetary Fund and submit their responses to the Secretariat by 30th August 2006
- (iii) Secretariat be directed to convene a meeting of experts to consider comments from Partner States, referred to in (ii) above, but only after the EAC Model Investment Code has been approved by Council.

**The Council considered and adopted The above recommendations.
(EAC/CM12/Decision 13)**

3.3 INFRASTRUCTURE SECTOR

The Infrastructure Sector did not convene a Sectoral Council Meeting over the period since many of the decisions were made in April 2006. The report on the implementation of the previous Council Decisions (Part I) captures much of the activities in the sector over the period. Several Task Forces and Experts meeting were held in the period towards implementation of the previous Council Decisions.

**The Council took note of the Foregoing progress.
(EAC/CM12/Decision 14)**

3.4 PRODUCTIVE SECTOR

The Productive Sector did not convene a Sectoral Council Meeting over the period since many of the decisions were made in April 2006. Three Task Force and Expert meetings were held in the period towards implementation of the previous Council Decisions. Issues pertaining to transboundary joint project on resource mobilisation and implementation and food security following the drought which led for the preparedness meeting will be discussed at the meeting for Ministers for Agriculture and Food Security which will be held in September 2006

**The Council took note of the Foregoing progress.
(EAC/CM12/Decision 15)**

3.5 SOCIAL SECTOR

The Social Sector did not convene a Sectoral Council Meeting over the period. However, the Health sub sector held a meeting at the Committee level. Due to the urgency of the implementation of the recommendations that the Committee made and the inability to convene the meeting of the Sectoral Council on Health during the intervening period, the Council is requested to consider these recommendations and decide on them for, implementation.

The 9th Meeting of the Sectoral Committee on Health was held on 14th to 15th June 2006 in Arusha, Tanzania in, accordance with the programmed calendar of activities for the period January to June 2006. The Committee reviewed the progress of implementation of past Council decisions, considered and amended the recommendations of the East African Regional Stakeholders Workshop that was held from 14th to 16th November 2005 at the Uganda National Health Research Organization (U N H R O) Headquarters in Entebbe, Uganda on the final draft protocol on the establishment of the East African Health Research Council (EAHRC), reviewed the recommendations of the EAC Multi-Sectoral Task Force on the Avian Influenza (Bird Flu) Emergency Preparedness and Response in East Africa, a progress report on the harmonization of medical practice and health services provision in East Africa and also discussed preparations and budget for the convening of the 1st EAC

Annual Health and Scientific Conference - the "EAC Health Summit" scheduled for 25th to 27th October 2006 in Kampala, Uganda.

The Council:

- a) referred the Final Draft Protocol on the establishment of the East African Health Research Council (EAHRC) to the EAC Sectoral Council on Legal and Judicial Affairs for review of the legal content of the Protocol and clear the same for signature;
(EAC/CM12/Decision 16)
- b) requested the Government of the Republic of Uganda through her National Ministry of Health, the Uganda National Health Research Organization (UNHRO) and the Uganda Medical Association (UMA) to host the convening of the 1st EAC Annual Health and Scientific Conference - the "EAC Health Summit" from 25th to 2ih October 2006 in Kampala, Uganda; *(EAC/CM12/Decision 17)*
- c) requested the Government of the United Republic of Tanzania through her National Ministry of Health and Social Welfare, the. National Institute of Medical Research (NIMR) and the Medical Association of Tanzania (MAT) to host the convening of the 2nd EAC Annual Health and Scientific Conference - the "EAC Health Summit" next year 2007; *(EAC/CM12/Decision 18)*
- d) requested the Government of the Republic of Kenya through her National Ministry of Health, the Kenya Medical Research Institute (KEMRI), and the Kenya Medical Association (KMA) to host the convening of the 3rd EAC Annual Health and Scientific Conference - the *UEAC Health Summit*" in the year 2008.
(EAC/CM12/Decision 19)

3.6 CONSULTATIVE, EXPERT AND TASK FORCE ACTIVITIES

3.6.1 Energy

- a) **4th Meeting of the Steering Committee on the 3rd Petroleum Conference**

The 4th Meeting of the Steering Committee on the 3rd Petroleum Conference scheduled for March 2007 in Arusha, Tanzania was held on 15th -17th May 2006 in Nairobi Kenya. The meeting considered status of preparations generally and discussed issues with regard to contributions, finance and budget and venue of the conference in particular. The meeting also discussed matters relating to publicity of the conference. The meeting noted that no hitches so far have been experienced in the preparation of the conference.

b) 2nd Meeting of the Standing Committee on the Implementation of the East African Power Master Plan

The 2nd Meeting of the Standing Committee on the Power master Plan was held on 5th -6th June 2006 and reviewed status of the implementation of the Plan. The meeting was also attended by Eng. Kwawu Gaba of the World Bank who had come to participate in the update and revision of the Action Plan.

The Action Plan was restructured to highlight cost requirements in the following areas:

- a) Generation capacity additions and upgrades;
- b) Transmission capacity additions and reinforcements;
- c) Operational and institutional support, and
- d) Consultancy services

The Power Plan will cover generation and transmission projects with an estimated total cost of US\$2.0 billion over a period of seven years.

c) 5th Meeting of the Steering Committee for the Preparation of the 3rd East African Petroleum Conference (EAPC'07)

The 5th Meeting of the Steering Committee (SC) for the preparation of the 3rd East African Petroleum Conference (EAPC '07) was held on 16th - 18th August 2006.

The meeting reviewed the status of preparation of the Conference. It particularly addressed matters pertaining to conference financing, publicity, venue and hotel accommodation as well as compilation of the 2nd circular and circulate to the Partner States by end of August 2006.

As regards to national government contributions, Tanzania informed the meeting that the Country was already in the final stages of processing payment worth US \$ 40,000 as contributions towards the EAPC '07 and that in addition to the country, contribution, Tanzania was also processing US \$ 20,000 as sponsorship for the Conference Dinner.

Uganda informed the meeting that the first instalment worth US \$ 15,000 had already been made. A balance of US \$ 25,000 would be paid at a later date possibly before the stipulated deadline.

3.6.2 Meeting of Experts on Agriculture and Food Security

The Experts on Agriculture and Food Security and legal affairs met twice

on 19th -23rd June and 24th -28th July 2006 to consider and edit agriculture documents as per Council decision.

The meeting refined and edited the following documents which are now ready for printing

- a) East African Community Agriculture and Rural Development Policy;
- b) East African Community Agriculture and Rural Development Strategy; and
- c) Requirements for Farm Inputs (Pest Control Products):
 - (i) Application Forms for registration of Conventional Pest Control Products;
 - (ii) Procedure For Evaluating the Efficacy of Pest Control Products for Plants; and
 - (iii) Labeling Requirement for pest Control Products.
- d) Harmonised Sanitary and Phytosanitary Standards, Measures and Procedures:
 - (i) Volume I: Phytosanitary Standards
 - (ii) Volume II. Sanitary Standards for mammals, birds and bees
 - (iii) Volume III: Sanitary Standards for Fish and Fishery Products.

3.6.3 10th Meeting of the Panel of Experts on Standardisation and Classification of Hotels

The 10th Meeting of the Panel of Experts on Standardisation and Classification on Hotels, Restaurants and other Tourist facilities met on 7th -10th August 2006.

It deliberated on the outstanding issues in the completion of the criteria and the preparation of the classification assessment and scoring sheet.

The Panel has recommended to meet again during the second week of September 2006 in Tanzania as well as hold a twelve days pilot exercise of implementing classification during the third week of October 2006.

3.6.4 Social Sector

During the period under review, the following Expert/Technical meetings were held under the Health Section:

a) Meeting of EAC Regional Expert Task Force on Avian Influenza (Bird Flu) Emergency Preparedness and Response in East Africa

As per the decision of the 11th Meeting of the Council that was held on 3rd April 2006 (*EAC/CM 11/Decision 74*), a follow-up meeting of the EAC Regional Expert Task Force on Avian Influenza (Bird Flu) Emergency Preparedness and Response was held from 12th to 16th June 2006 in Arusha, Tanzania. The main purpose of the meeting was to prepare a Regional Plan of Action and detailed budget for Avian Influenza (Bird Flu) emergency preparedness and response in East Africa as per decision and directives of the 11th Council.

The meeting was, attended by high-level representatives of the EAC Partner States' National Health Research Institutes and Ministries responsible for Agriculture, Animal Resources, Health, Tourism and Wildlife. In addition, two representatives from FAO and the AU Inter-African Bureau for Animal Resources (IBAR) also attended the meeting.

The report (**Ref: EAC/TF 51/2006**) of this meeting and the draft EAC Regional Plan of Action and Budget on Avian Influenza (Bird Flu) Emergency Preparedness and Response will be presented for consideration by the forthcoming meeting of the EAC Multi-Sectoral Council of Ministers responsible for Agriculture, Animal Resources/Livestock, Health, Wildlife, Tourism and Information that is scheduled to be held from 4th to 7th September 2006 in Arusha, Tanzania.

b) EAC - UNFPA Regional Advocacy Capacity Building Workshop on Reproductive Health Commodity Security (RHCS) for Parliamentary Health Committees and Senior Government Officials from East and Central Africa

An EAC - UNFPA regional advocacy capacity building workshop on Reproductive Health commodity Security (RHCS) for parliamentary health committees and senior government officials from East and Central Africa was held from 12th to 16th June 2006 at the Arusha International Conference Centre (AICC) in Arusha, Tanzania. The delegates at this regional workshop were drawn from twelve (12) countries in East and Central Africa namely; Burundi, Cameroon, Central Africa Republic, Chad, Congo, Democratic Republic of Congo, Eritrea, Ethiopia, Gabon, Kenya, Uganda and Tanzania including nine (9) Members of the East African Legislative Assembly (EALA)

During the workshop, the participants discussed various issues and challenges concerning reproductive health services delivery in East and Central Africa and they also learnt more advocacy skills which is a critical asset for influencing governments' policies and programmes and

ensuring sustained political commitment to reproductive health care services and reproductive health commodity security in the region.

The report and relevant recommendations of this regional workshop will be further reviewed by the EAC Technical Working Group on Reproductive, Child, Adolescent Health and Nutrition with a view to develop appropriate policies and legislation since reproductive health remains a critical factor for alleviating poverty particularly for achieving the Millennium Development Goals (MDGs) targets which most of our countries in East Africa are still far from achieving.

3.6.5 Transport, Communications and Meteorology

- a) Meetings of Experts on the Harmonisation of the Civil Aviation Regulations April 24th to 26th 2006, and 12th to 23rd June 2006 in Arusha to incorporate the stakeholders comments and compile the final draft regulations for promulgation by the Partner States. The Final draft has already been forwarded to the Partner States Ministries responsible for civil aviation for promulgation by December 2006.
- b) Meeting of the Heads of Civil Aviation and Airport Authorities on April 28th 2006 to consider the progress made in the revision and harmonisation of the civil aviation regulations and the preparations towards the establishment of the East African Civil Aviation Safety and Security Oversight Organisation.
- c) Meetings of Experts on the Global Navigation Satellite System (GNSS) Pilot Study to review and give final comments on the Study May 9th to 10th 2006 and June 12th to 14th 2006 in Arusha. The Pilot Study has been finalised and copies of the final report received at the Secretariat.
- d) Meetings of Experts on the Development and Harmonisation of EAC Aviation Security and Aerodromes Regulations 24th - 26th May 2006 in Arusha, 12th to 24th June 2006 in Kampala, 26th - 30th June 2006 in Arusha and 10th to 15th July 2006 in Arusha. Following the series of meetings a draft EAC Aviation Security and Aerodromes Regulations has been compiled and is undergoing stakeholders' commentary.
- e) Meetings of Experts on the Development of the Technical Guidance Materials for the Implementation of the Revised Civil Aviation Regulations 22nd May - 2nd June 2006 in Arusha and 24th July - 4th August 2006 in Dar Es Salaam.
- f) Meetings of Experts on the Establishment of the EAC Civil Aviation Safety and Security Oversight Organisation 6th to 8th June 2006 in

Dar Es Salaam and 12th to 14th July 2006 in Arusha to progress the preparations towards the establishment of the Organisation.

- g) Meeting of Maritime and Communications Stakeholders on 20th April 2006 in Arusha to consider the Report of the Study on the Technical Solution for Maritime Communications for Safety on Lake Victoria
- h) Regional Stakeholders Consultative Workshops on Cyber Laws and Information Security 25th - 28th April 2006 in Kampala. The Workshop developed Draft frameworks for EAC Cyber Laws and Information Security Framework.
- i) A Meeting of the Task Force on the East African Railways Master Plan was held on 14-16 May 2006 in Arusha to prepare an advert for Expressions of Interest (EOIs) and a detailed Request for Proposal (RFP) document for consultancy services.
- j) A Meeting of the coordinating Team for the Arusha Namanga Athi River Road Project was held on 11- 14 July 2006 to review the Draft Final Reports for Phase II of the Study and to consider the Consultant's Fee Note No.5.
- k) Meeting of the Task Force on the Preparation of the Mid-Term Review of the East African Road Network Project held on 9th - 11th May 2006. The meeting: (i) Updated the matrix of recommendations of the EAC Roads Development Partners Consultative Meeting held in April 2003; (ii) Prepared detailed project profiles for all the 94 road links in the network; (iii) Developed project progress indicators; and (iv) Action plan for the mid-term review
- l) Meeting of High Level Policy Advisors, Regulators and operators on 1st August 2006 in Arusha to deliberate on the development of ICT Broadband Connectivity in East Africa.
- m) A Meeting of the Task Force to evaluate bids for the provision of consultancy services to carry out the East African Railways Master Plan Study was held from 1st to 5th August 2006. The recommendations of the Evaluating Team were presented to the meeting of the EAC Committee on Contracts which approved the Request for Proposal.

The Council:

- a) took note of the consultative, experts, and task force activities (as reported in Section 3.6 above) that will form the basis of future Council decisions; (EA C/CM12/Decision 20)**
- b) directed the Secretariat to avail the Partner States, upon**

printing, copies of the following documents:

- i) East African Community Agriculture and Rural Development Policy;**
- (iii) East African Community Agriculture and Rural Development Strategy;**
- (iv) Requirements for Farm Inputs (Pest Control Products); and**
- (v) Harmonised Sanitary and Phyto-sanitary Standards, Measures and Procedures**

by the next Meeting Ordinary Meeting of the Council (*EA C/CM12/Directive 06*).

PART IV

PROGRESS REPORT ON FAST TRACKING THE EAST AFRICAN POLITICAL FEDERATION

4.1 BACKGROUND

Pursuant to Article 15 (1) of the Treaty, the Chairperson of the Council convened a Meeting of the Ministers responsible for East African Community Affairs in Arusha on 17th July 2006 to follow-up on the decisions of the Summit of Heads of State to wit, that national consultations and the sensitization of the people of East Africa on the Political Federation should commence immediately. The Ministers reviewed the background leading to the process of fast tracking the East African Political Federation as follows:

In Article 5(2) of the Treaty for the Establishment of the East African Community, the Partner States undertook "to establish among themselves a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities, the benefits of which shall be equitably shared".

In the discharge of the functions of the Summit as provided under Article 11 (1) of the Treaty, the Heads of State during their Extraordinary Summit Meeting held in Nairobi on 27-29th August 2004, undertook a broad review of the status of the EAC integration process and "concerned about the tardiness therein resolved to expedite the process of integration so that the ultimate goal of a Political Federation is achieved through a fast track mechanism". To this end, the Summit appointed a Committee whose mandate was to examine how the fast track mechanism could be achieved.

The Committee on Fast Tracking East African Political Federation presented its Report to the Summit during its meeting on 26th November 2004 whereupon it was decided to hold an Extraordinary meeting of the Summit in May 2005 to consider the Report of the Committee.

At its Extraordinary Meeting held on May 29th - 30th 2005, the Summit of the East African Community Heads of State issued a Joint Communiqué directing the Council of Ministers to, among other things, establish a new post of Deputy Secretary General to oversee and co-ordinate the process of fast tracking the East African Political Federation.

Pursuant to the directive of the Summit of Heads of State, the Council at its 10th Meeting held on 8-9th August 2005, established the post of Deputy Secretary General (Political Federation) and approved the following job description for that position:

- a) In accordance with Article 5(2), of the Treaty for the Establishment of the East African Community, oversee and co-ordinate the process of fast tracking the East African integration towards Political Federation,
- b) To co-ordinate national and regional level consultative mechanisms and collecting of views from the people of East Africa in the process towards establishment of the East African Federation,
- c) To canvass support and collect views from a broad range of stakeholders including the dissemination of relevant information about East African Federation;
- d) In the Transitional Stage towards East African Federation, initiate and co-ordinate programmes in the core and strategic areas in the development and promotion of a sustainable East Africa Federation with respect to the consolidation of the East African Legislative Assembly, the East African Court, of Justice, governance issues, establishment of common defence and foreign policy, among others; and the structures and organization of the East African Federation,
- e) Preparation of relevant policy documents for consideration by the Council of Ministers and the Summit of Heads' of State; and
- f) Implementation of the decisions of the Council of Ministers and the Summit of Heads of State.

Subsequently, the Summit of Heads of State, at its 7th Meeting held on 5th April 2006, appointed a Deputy Secretary General to be responsible for fast tracking the process of East African Political Federation

The Ministers noted that this being the first meeting following that appointment, it was important for the meeting to provide guidance on how to progress the national consultations on, among other things, fast tracking the East African Political Federation.

4.2 PROPOSED MODALITIES FOR THE NATIONAL CONSULTATIVE PROCESS

Taking account of the urgent need to implement both the Summit and Council decisions on the process of fast tracking the EAC Political Federation the Ministers deliberated on the following modalities for the national consultative process:

4.2.1 National Consultative Process

Recalling the decision of the Council at its 10th Meeting held in August 2005, the meeting observed that the national consultative process to sensitize and collect views from the people of East Africa on fast tracking the establishment of the East African Federation should be coordinated by the EAC Secretariat. It was noted that a regional approach would facilitate the application of common benchmarks while, at the same time, giving Partner States some room for flexibility, for instance, in identifying stakeholders to participate in the national consultations. The common features to this approach would include.

4.2.1.1 Appointment of National Consultative Committees on Fast Tracking the Political Federation

As a basis for giving a high profile to the national consultative process, the meeting approved the establishment of National Consultative Committees in each of the Partner State. The Committees will comprise senior officials with expertise/representing the following key areas

- a) Economics (regional integration specialist);
- b) Law,
- c) Trade Union/Workers Association;
- d) Youth,
- e) Civil Society/NGO's/Women, and
- f) Private sector,

The Committees will conduct business through media, public meetings, consultations, brainstorming sessions with experts and through any other mode it determines. The Committees may also receive written memoranda from the general public. At the end of the assignment, the Committees will prepare and submit comprehensive Reports on the national consultative process to the Ministers responsible for East African Community affairs

The Ministers also adopted the following Terms of Reference for the National Consultative Committees:

- a) To coordinate the national consultations on fast tracking EAC Political Federation;
- b) Using the instruments that will have been developed for information dissemination and collection of views, organize meetings, workshops and other fora as may be deemed necessary for the efficient and effective execution of this assignment, and

- c) To receive memoranda/written submissions of views on the fast tracking of the East African Political Federation.

4.2.1.2 Identification of Target Groups

The Ministers noted the need to consult key stakeholders in accordance with the Summit directive of May 2005. The consultations should as much as possible go down to the grassroots. In view of this, the Ministers adopted the following list, among others, as target groups:

- a) The Cabinet;
- b) National Political leaders including the opposition parties,
- c) The National Parliament/House of representatives,
- d) Local Government/ Authorities;
- e) Academia/researchers/scholars;
- f) Business Community;
- g) Religious institutions;
- h) Farmers/Community-based organizations;
- i) NGOs and Civil Society representatives,
- j) Media;
- k) Formal and informal sectors; and.
- l) General public.

4.2.1.3 Core Issues for the National Consultative Process

The Ministers deliberated on the core issues for the national consultations and agreed that the following be addressed, among others

- a) benefits so far realized under the EAC integration process;
- b) benefits/expectations from the Political Federation;
- c) fears or concerns and possible solutions,
- d) organizational structures of the Federation/ functions and responsibilities within the Federation,
- e) Roadmap - timing and sequencing of events for the process of establishing the Political Federation within the context of the recommendations of the Wako Committee

4.2.1.4 Sensitization by Key stakeholders

The Ministers observed that key stakeholders may engage in the process of sensitizing the public on their own volition or through public debates/ under sponsorship.

4.2.1.5 Regional Consultative Process

The Ministers agreed that, at the end of the national consultative

process, Partner States will submit a Final Report to the EAC Secretariat in both hard and soft copies to enable the Secretariat prepare a background paper for consideration by the Senior Officials, the Coordination Committee, the Council and subsequently, the Summit of Heads of State.

4.3 RESOURCE REQUIREMENTS

4.3.1 Human Resources

The Meeting deliberated on the human resource requirements to support the work of the EAC Secretariat in the discharge of its mandate in regard to political cooperation and agreed as follows:

4.3.1.1 Short term Experts

There will be need for short-term consultants to, among other things, do the following

a) Planning and Data Management Expert

- i) To develop a framework and strategy for the collation and analysis of data in relevant to the fast tracking process;
- ii) In particular, to develop an instrument of the collection of information during the national consultative process; and
- iii) To analyze data collected from the national consultative process and prepare a consolidated report on findings.

b) Information and Communications Expert

- i) To develop a strategy for information dissemination about the fast track process;
- ii) To develop an instrument for use in the sensitization of the general public during the national consultative process;
- iii) To prepare sample publicity' materials including posters, pamphlets, radio message, brochures' etc. for use during the national consultative process and beyond.

The Ministers noted that Article 71 of the Treaty for the Establishment of the East African Community empowers the Secretariat to, among others, initiate studies and research and therefore:

- i) Urged the Secretariat to urgently engage the above

Experts, and'

- ii) Endorsed the reallocation of US\$ 40,000 from the Consultancy budget line for the engagement of Experts.

4.3.1.2 Medium Term

The Meeting noted that the EAC Secretariat would prepare a comprehensive proposal for an optimal staff complement for the Department of Political Federation which would be presented for consideration at the 12th Ordinary Meeting of the Council scheduled for 21st- 25th August 2006.

4.4 LAUNCHING THE NATIONAL CONSULTATIVE OF PROCESS

The Meeting deliberated on the modalities for launching the national 'consultative process on fast tracking East African Political Federation. The meeting was of the view that the process should deliver as much impact as possible and therefore adopted the option of launching the national consultative process simultaneously in all the Partner States. It was also agreed to consult with the EAC Heads of State with a view to seeking their concurrence to announce the 13th October 2006 as the date for the launching of the national consultative process as well as to officiate at the launching of the national consultations

4.5 TIME FRAME FOR THE CONSULTATIVE PROCESS

The Ministers deliberated on road map to actualize the process and adopted the following time frame for the national consultative process. The Ministers also directed that an Extraordinary meeting of the Council of Ministers be held to approve the instruments/proposals to be made by the Communications and Information Expert and the Planning and Data Management Expert

Table III**TIME FRAME FOR THE CONSULTATIVE PROCESS**

S/N	ACTIVITY	COMPLETION DATES
1.	Meeting of the Ministers responsible for East African Community affairs	17 th July 2006
2	Constitution of National Consultative Committees	15 th August 2006
3	Recruitment of Short-term Experts	1 st September 2006
4	Extra-ordinary Meeting of the Council of Ministers	3 rd - 5 th October 2006
5	Printing and distribution of publicity materials	6 th - 12 th October 2006
6	Launching of the national consultation process	13 th October 2006
7.	Regional Workshop for the National Consultative National Committees to harmonize and synchronize their programs and methodology of work	26 th - 28 th October 2006
8	Collection of national views on fast tracking the Political Federation	27 th October 2006 - 29 th April 2007
9	Progress Report to the Summit of Heads of State	30 th November 2006
11	Report Writing on the views collected from the national consultations on fast tracking the Political Federation (to be done concurrently during the collection of views)	29 th April - 11 th May 2007
12	Submission of Report to Ministers responsible for EAC	11 th May 2007
13.	Internal Approvals of the Reports at National level	11 th - 28 th May 2007

S/N	ACTIVITY	COMPLETION DATES
14	Submission of National Reports to EAC Secretariat	31 st May 2007
15	Review of National Report and Preparation of background paper by Task force of EAC Secretariat	3 rd - 8 th June 2007
16	Submission of Background paper and Agenda for Extraordinary Meeting of the Council of Ministers to the Partner States	15 th June 2007
17	Extra-Ordinary Meeting of the Council of Ministers to discuss outcome of consultations	<ul style="list-style-type: none"> . Officials - 2nd - 3rd July 2007 . PS' - 12th - 4th - 5th July 2007 . Ministers 6th - 7th July 2007
18.	Extraordinary Summit of Heads of State to consider outcome of national consultations on Political Federation	9 th - 10 th July 2007

The Council

- a) took note of the progress made in regard to fast tracking the East African Political Federation; (*EAC/CM12/Decision 21*)
- b) urged Tanzania and Uganda to submit the lists of members of the National Consultative Committee to the Secretariat by 7th September 2006;
(*EA C/CM12/Decision 22*)
- c) urged the Partner States to offer the necessary support towards the success of the consultative process and actively participate in the sensitization of the people of East Africa;
(*EA C/CM12/Decision 23*)
- d) directed the Secretariat to play an active role in the sensitization and monitoring of the national consultations. (*EA C/CM12/Directive 07*)

PART V

REPORT OF THE DIRECTORATE OF CUSTOMS AND TRADE

5.1 Introduction

The Sectoral Council on Trade Finance and Investment met on 17th 18th July 2006, in accordance with the decision made by the Council at its 11th Meeting held in Arusha on 3rd April 2006. The meeting considered among other progress report on implementation of the Customs Union, Non tariff barriers (NTBs) and report of the Verification Committee on Uganda list of raw materials and Yuasa Batteries

Furthermore, the Sectoral Council took note that the Ministers of Finance at their consultative meeting held on 8th June, 2006 in Arusha had agreed on a number of Policy issues regarding the implementation of the Customs Union

5.2 Report of the Sectoral Council

This report contains a tabulated summary of the decisions of Sectoral Council on the status of the implementation of the Customs Union covering both work done and that still in progress.

Table IV:

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
1	Non Tariff Barriers	(a) Multiple charges and levies at border crossing points	a) urged Kenya and Uganda to expeditiously finalise consultations on multiple charges/levies charged at the port of Mombasa; b) Took note of Kenya's decision to stop imposing demurrage charges with effect from 1 st September 2006	The Council took note of the decisions (a)-(e) of the Sectoral Council on Trade, Finance and Investment (EA C/CM12/Decision24).

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
			<p>c) took note that Tanzania had administratively removed US \$ 50 Business visa for East Africans and availed the, administrative instrument</p> <p>d) took note that Tanzania will publish a legal instrument on removal of the business visa of US \$ 50,</p> <p>e) decided that the Secretariat in liaison with Partner States involve other institutions/agencies identified in the study on the NTBs in the meetings of the Sectoral Council</p>	
	<p>(b) Introduction of new fees on export of pre-packed food into Tanzania</p>	<p>(b) Introduction of new fees on export of pre-packed food into Tanzania</p>	<p>a) to refer the matter of harmonisation of inspection fees on food and drugs to the Sectoral Council for Health for consideration by October 2006</p> <p>b) that all regulatory authorities responsible for administration of drugs and food should participate in the harmonisation exercise</p>	<p>The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 25)</p>

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
		(c) Exclusion in Issuance of Tea Import Licenses by Tanzania Tea Board	<p>a) took note Tanzania's explanation matter,</p> <p>b) directed the Secretariat to circulate the guidelines on the tea imports to Partner States to be submitted by Tanzania by end of July 2006</p>	<p>The Council took note of the on the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (<i>EAC/CM12/Decision 26</i>).</p>
		(d) Restriction on import of Beef Products	<p>urged Uganda to take action as soon as Kenya submits authentic documents</p>	<p>The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (<i>EAC/CM12/Decision 27</i>)</p>
		(e)Transportation of goods originating from Kenya to Uganda and from Uganda to Kenya by Kenyan registered trucks only	<p>a) took note of the above development</p> <p>b) took "note Kenya's submission subject to axle load traffic requirements Uganda's registered vehicles are free to transport goods from Uganda to Kenya,</p>	<p>The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance that and Investment road (<i>EAC/CM12/Decision and 28</i>).</p>

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
		(f) Import Declaration Fees (IDF)	took note of Kenya's undertaking to phase out the fee in three years beginning with Fiscal Year 2007/08	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 29)</i> .
		(g) Introduction of Temporary Assignment Visa fee by Tanzania	a) took note of Tanzania's decision allowing East Africans on temporary visit to enter Tanzania free of charge b) referred the matter of waiver of temporary permit fees for three months to the Sector responsible for immigration for consideration by October 2006	The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 30)</i>
		(h) Discriminatory fares charged by ferry owners to Kenyans sailing from Dar es Salaam Zanzibar route and vice versa.	took note of Tanzania's undertaking to resolve the matter by August 2006	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 31)</i> .
		(i) Holding of Timber at Moshi and Holili Border Posts	took note of Tanzania's clarification that the incident was a temporary measure by the authorities 'to check the export of timber from Tanzania to curb deforestation and illegal trading of the restricted timber	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 32)</i> .

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
		(j) Harmonisation of Excise Duty Structures	<p>a) took note of the Issue;</p> <p>b) urged Uganda to be represented at the meeting;</p> <p>c) directed the Secretariat to convene a meeting of the working group to undertake the harmonization of excise structures and submit its report to the Council for consideration by November 2006.</p> <p>d) directed the Secretariat to facilitate the meeting of experts</p>	<p>The Council took note of the decisions (a)-(d) of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 33)</i></p>
		(k) Road Toll charged at the border posts	<p>a) took note Tanzania's clarification that the 7 days grace period is granted by law and therefore the bona fide traveler can claim a refund if he/she paid the fee.</p> <p>b) urged Partner States to remind Border Stations to implement the instruments and decisions agreed at the Community level</p>	<p>The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 34)</i></p>
		(l) Road blocks	<p>a) urged Partner States to address the issue of the road blocks urgently</p> <p>b) directed the Secretariat to bring the issue to the attention of the EAC forum of Police Chiefs.</p>	

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
			c) took note of Tanzania's concern on the presence of road blocks which hamper trade facilitation and Kenya's undertaking to address the proliferation of road blocks by next Council	The Council took note of the decisions (a)-(c) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 35).
2	Mechanism in for administration of Uganda List	Developing Mechanism for Administration of the Uganda List of Raw Materials	a) decided that Uganda's list of raw materials be implemented under the framework of the remission scheme provided for under section 140 of the EAC-CMA 2004, b) directed the Secretariat to finalise the EAC duty remission scheme regulations by 31 st August 2006.	The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (EAC/CM/Decision 36).
3	EAC Certificate of Origin	Consideration of Directorate's Report on Issuance of the EAC Certificate of Origin.	a) adopted institutional framework of issuing the EAC Certificate of Origin by Customs Department in Kenya and Uganda, and Chamber of	The Council took note of the decisions (a)-(c) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 37).

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
			<p>Commerce in Tanzania</p> <p>b) decided that harmonised maximum charge of US \$ 3 be adopted for the EAC Certificate of Origin,</p> <p>c) decided that Customs authorities issue the simplified Certificate of Origin to cater for informal traders free of charge</p>	
4	EAC Customs Regulations and Forms	Consideration of the Draft Customs Management Act Regulations	<p>a) adopted the Customs Regulations,</p> <p>b) decided to forward the draft Regulations and Forms to the Sectoral Council on Legal and Judicial Affairs for legal input and thereafter be operationalised in the Partner States;</p> <p>c) decided that the Sub Committee on Customs participates in the meetings of the Sectoral Council on Legal and Judicial Affairs to provide technical guidance;</p>	The Council took note of the decisions (a)-(d) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 38)

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
			d) directed the Secretariat to reconvene meetings of the Working Group by August 2006 to work on the regulations on duty remission schemes, assemblers, information technology and any other new areas in the EAC CMA.	
5	Report of the Trade Remedies Committee	Consideration of the Report of the Trade Remedies Committee on Uganda List of Raw Materials and Industrial Inputs	<p>a) decided to defer this matter to enable Partner States consult and submit their comments on the recommendations of the Verification Committee by the end of July 2006,</p> <p>b) directed the Secretariat to compile the comments submitted by Partner States and prepare a simplified analytical matrix" of recommendations</p> <p>c) directed that the ou above should be ready for consideration by Council in August 2006.</p>	The Council took note of the decisions (a)-(c) of the Sectoral Council on Trade, Finance and Investment (EA C/CM12/Decision 39).

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
6	Report of report on verification of Yuasa Battery	Consideration of the Report of the Verification of Yuasa Battery (EA) Ltd.	<p>a) took note of the above findings of the Verification</p> <p>b) decided that the company imports scrap batteries under the Duty Remission Scheme as decided by the Sectoral Council subject to fulfillment of the above stated customs stated requirements and import regulation,</p> <p>c) decided that the facility of duty remission on imported scrap batteries is extended to other manufacturers with similar smelting plants in Partner States.</p>	The Council took note of the decisions (a)-(c) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 40).
7	Report of the Joint Meetings of Customs, Port and Plant Protection Authorities	Consideration of the report of the Joint Meeting of Heads of Customs, Bureaux of Standards, Ports Authorities and Plants Protection Services	<p>a) took note of the progress on implementation of the above,</p> <p>b) directed the Secretariat to provide legal interpretation of the Crop Protection Levy in the context of the EAC Customs Union Protocol after receiving the instrument from Kenya</p>	The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 41).

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
8	Report of Sensitization of Stakeholders	Sensitisation of Stakeholders at Border Stations	Took note of the status of sensitization of stakeholders at border towns	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM 12/decision 42)</i> .
9	Training	a) Training of Trainers in Customs union b) Training on EAC Rules of Origin c) Development of EAC Customs curriculum	took note of the progress on training	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM 12/Decision 43)</i> .
10	Issues on CET	(a) Proposed Tariff splits for Tyres	decided to defer consideration of the explanatory note on tyres until adequate consultations have been made by the Partner States and submitted for Council to consider during their meeting of August 2006	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment <i>(EAC/CM12/Decision 44)</i> .

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
		(b) Additional notes on Khanga, Kitenge and Kikoi	urged Tanzania to submit a technical input on Khanga, Kitenge and Kikoi to guide the development of additional notes in CET	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 45)
		(c) Tariff line 3921.12: Of Polymers of Vinyl Chloride	Decided to amend the EAC CET by inserting tariff lines 3921.12 10 (unprinted) 3921 12 90 (other)	The Council took note of the decision of the Sectoral Council on Trade, Finance Investment (EAC/CM12/decision 46).
11	Duty Remission scheme	Application of Duty Remission on Sugar for industrial use and Paper for manufacture of exercise books, test books, examination papers and covers	<p>a) took note of the above status on the submission and undertaking by Partner States to provide the information;</p> <p>b) directed the Secretariat to gazette the information already submitted as soon as possible but not latter than August 2006</p>	The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 47).
12		Request by Kenya to exempt duty on new Motor Vehicles of returning Diplomats from Countries using Left-hand Vehicle	Took note of Kenya's reviewed position withdrawing the request	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 48)

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
13	Verification of Plastics Manufactures	Verification of Plastic Manufactures in Kenya and Uganda by Tanzania	(a) took note of the above (b) urged Uganda to provide the requisite information on the manufactures of plastics by 15 th August 2006 to enable Tanzania carry out the verification exercise	The Council took note of the decisions (a)-(b) of the Sectoral Council on Trade, Finance and Investment (<i>EAC/CM12/Decision 49</i>)
14	Manual on EAC Rules of Origin	Manual on Application of EAC Rules of Origin	adopted the Manual on Application of EAC Rules of Origin	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (<i>EAC/CM12/Decision 50</i>)
15	Trade arrangement between COMESA/SADC and EAC	Harmonization of Trade Arrangements with COMESA and SADC	a) took note of the Secretariat's Initiatives on the preparatory framework for the mechanism of trade arrangements with	The Council took note of the decisions (a)-(d) of the Sectoral Council on Trade, Finance and Investment (<i>EAC/CM12/Decision 51</i>)

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
			<p>COMESA and SADC;</p> <p>b) directed the Secretariat to develop a comprehensive plan of action for the exercise by November 2006;</p> <p>c) directed the secretariat to develop a concept paper detailing EAC negotiating position and options available by November 2006,</p> <p>d) decided to table a proposal to EALA amending Section 112 of the EAC CMA 2004 extending the period of preferential tariff treatment under COMESA and SADC up to 31st December 2008</p>	
16		Duty Rate on Almonds	The Sectoral Council decided that it did not need to address itself on the matter where USA was requesting for reduction of import duty rates on Almonds	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 52)
17	Pre-budget Consultation's Meeting of the Ministers of Finance	(a) Consideration of the Report of the Permanent Secretaries on Pre-budget Consultation meeting held on 8th – 9th June 2006	(Took note of the report)	The Council took note of the decision of the Sectoral Council on Trade Finance Investment (EAC/CM12/Decision 53)

S/N	Area	Issue	Decision of the Sectoral Council	Decision of the Council
		(b) Consideration of the Report on Pre-budget consultation meeting of the Ministers of Finance held on 8 th June 2006	(a) adopted the decisions of the Ministers of Finance on the budget proposals subject to authentication of the report by the Ministers of Finance to be finalized by 25 th July 2006; (b) the above proposals are effective 1 st July 2006	The Council took note of the decision of the Sectoral Council on Trade, Finance and Investment (EAC/CM12/Decision 54)

The Council noted the following developments arising out of the above decisions

- a) Kenya Ports Authority will, on 1st September 2006, stop imposing the demurrage charges on transit goods after 21 days, Kenya will issue guidelines on this matter
- b) Kenya proposed to hold a meeting on 8th September 2006 of all stakeholders involved in the conveyance of Cargo from Kenya, Uganda, Tanzania, DRC, Rwanda, Southern Sudan and Burundi. The purpose of the meeting was to conclusively address the delays in off take of Cargo from Mombasa Port;
- c) Uganda requested that a bilateral consultation meeting of Ministers of Finance as agreed on earlier be held to discuss the matter within the EAC framework;
- d) Guidelines on requirements for tea imports to Tanzania were submitted by Tanzania.
- e) Uganda reported that the problem of VISA fee of US\$ 100 imposed by Tanzania was still in existence. Tanzania undertook to remind border officials to implement the decisions of the Chiefs of Immigration and the Sectoral Council on Trade, Finance and Investment. Tanzania requested Partner States to immediately bring such incidents to its attention whenever they occurred;
- f) A consultation meeting of owners of ferries was held in early August 2006 to address the issue of discriminatory charges to Kenyans and Ugandans moving between Dar es Salaam and Zanzibar. Another meeting will be held to finalise the matter;
- g) The Partner States undertook to report on the issue of road blocks at the next Council Meeting; the Secretariat shall coordinate this matter;
- h) The Meeting of the Working group on Regulation of Duty Remission Schemes would commence on the second week of September 2006;

- i) Submission of comments by Partner states on the report of the Verification Committee on Uganda's list of Raw Materials and Industrial Inputs are still awaited and the Implementation of the administrative mechanism will be effected after Council has cleared the outstanding issues as decided by the Sectoral Council on Trade, Finance and Investment;
- j) Tanzania reported that the exercise of verifying the Plastic firms in Kenya would be undertaken in early September 2006. Tanzania undertook to indicate the type of plastics they are interested in during the exercise

The Council also noted that the decisions of the Sectoral Council on Trade, Finance and Investment had been communicated to the Partner states indicating actionable areas by Partner States and the Secretariat. An update on the status of implementation of the decisions will be presented to the Meeting of the Sectoral Council which is to be scheduled in October 2006

Kenya notified the Council of her need to continue importation of rice from Pakistan in view of Pakistani's continued insistence to ban importation of tea from Kenya. Kenya will submit a formal request in this regard.

**The Council took note of the above developments.
(EAC/CM12/Decision 55).**

5.3 EAC CUSTOMS UNION FLAG

At its Meeting held on 2nd – 4th August 2006, the Sectoral Council on Legal and Judicial Affairs, noting that the Directorate of Customs and Trade had designed a proposed Customs Flag as provided for under EAC Customs Management Regulations, directed that the flag be presented to the Council for consideration and adoption. The design of the EAC Customs Union Flag is here to attached as **Annex XI**.

The Council:

- (a) **considered and adopted Option (a) of the design of the EAC Customs Flag as a schedule of the EAC Customs Management Regulations;
(EAC/CM12/Decision 56)**
- (b) **directed the Secretariat to substitute the words "Umoja wa Forodha" for the words "East African Community Customs Union" in the flag;
(EAC/CM12/Directive 08)**
- (c) **directed the Secretariat to publish and circulate the Customs Management Regulation by 31st October 2006.
(EAC/CM12/Directive 09)**

5.4 TRADE, INDUSTRY AND INVESTMENT

5.4.1 Background

A Meeting of the Trade, Industry and Investment Committee was held on 13th - 16th June 2006 to consider the following issues.

- a) Report on the study on the EAC Joint Trade Negotiation Mechanism,
- b) Report on Mechanism on Monitoring Non Tariff Barriers (NTB's);
- c) EAC Private Sector Development Strategy;
- d) EAC model Investment Code,
- e) Joint Investment and Export Promotion strategy;
- f) Report on Jua Kali/Nguvu Steering Committee.

5.4.2 Recommendations of the Committee

The Committee recommended as follows on the following matters;

(a) EAC Joint Trade Negotiation Mechanism;

- (i) the study on Joint Trade Negotiations Mechanism be subjected to further consultations by Partner States;
- (ii) the Partner States submit their comments to the Secretariat by 15th July 2006,
- (iii) the Secretariat convenes a meeting of experts to study the comments and prepare the mechanism; and
- (iv) the Secretariat be urged to convene a meeting of experts to harmonise trade negotiation positions under SADC-EPA and ESA-EPA as previously directed by the Council.

The study was sent to Partner States for further consultations. The Partner States have not yet sent their comments and the Secretariat is following up.

(b) Mechanism for Monitoring Non Tariff Barriers (NTB's)

- (i) the Secretariat ensures that the meeting that will be convened to consider the Partner States comments on EAC Joint Trade Negotiations Mechanism also harmonise the already identified benchmarks for monitoring NTBs.

- (ii) the Secretariat prepares an action plan to operationalise the Monitoring Plan, which will specify and identify all tasks to undertake responsibilities, timings and related budgets
- (iii) the Secretariat translates the NTBs forms into Swahili language and develop glossary for all abbreviations used in the document; and
- (iv) the Council considers and adopts the EAC Mechanism on Monitoring of NTBs.

Since the comments for the study on EAC Joint Trade Negotiation Machinery has not been received, the Secretariat could not convene the meeting for harmonizing the identified benchmarks. However the meeting has been scheduled in the EAC calendar of activities. The NTB forms have been translated into Kiswahili and glossary for abbreviations developed.

(c) EAC Private Sector Development Strategy

- (i) the Secretariat prepares the abridged version of the EAC Private Sector Development Strategy 2006 before the next meeting of the Council.
- (ii) the Secretariat updates all the statistics in the PSDS up to 2004;
- (iii) the Council considers and adopt the EAC PSDS after completion of (a) and (b)

The Secretariat has prepared the abridged version of the PSDS report and updated the statistics upto 2004.

(d) EAC Model Investment code

The scope of the EAC Model Investment remains as a guiding instrument to Partner States as they prepare their investment laws and policies. Legally it has no binding effect on any Partner States but it should be used to assist Partner States adopt EAC regionally accepted standards.

(e) Joint Investment and Export Promotion Strategy

- (i) The Partner States updates the statistical date and submit to the Secretariat by 15th July 2006;
- (ii) The Secretariat updates and re-arrange the structure of the document in the context of past EAC Strategy documents before the next meeting of the Council.
- (iii) The Council considers and adopts the EAC Joint Export and Investment Strategy.

The Secretariat updated the statistics and re-arranged the report.

(f) Report on Jua Kali/Nguvu Kazi Steering Committee

- (i) Consider and approve the 8th Jua Kali/Nguvu Kazi exhibition be held at Mnazi Mmoja showground in Dar es Salaam.
- (ii) Urge Partner States to launch and publicize the exhibition in good time,
- (iii) Urge the Secretariat to request British American enable the Steering Committee to plan and carry out the necessary logistical arrangements of the exhibition on time;
- (iv) Direct the Secretariat to inform the host country two months in advance on the date of the cheque presentation.

The Secretariat has requested BAT to submit funds in good time and they are working on date for cheque presentation. The full report of the Meeting of the Sectoral Committee is contained in the report EAC/SR/17/2006.

The Council:

- a) **considered and adopted the EAC Mechanism on Monitoring of NTBs attached hereto as Annex XII; (EAC/CM12/Decision 57)**
- b) **considered and adopted the EAC PSDS attached hereto as Annex XIII; (EAC/CM12/Decision 58)**
- c) **considered and adopted the EAC Model Investment Code attached hereto as Annex XIV (EAC/CM12/Decision 59)**
- d) **considered and adopted the EAC Joint Export and Investment Strategy attached hereto as Annex XV; (EAC/CM12/Decision 60)**
- e) **approved the 8th EAC Jua Kali /Nguvu Kazi Exhibition be held at Mnazi Mmoja showground in Dar es Salaam from 1st – 8th December 2006; (EAC/CM12/Decision 61)**

5.6.3 Standardisation, Quality Assurance, Metrology and Testing.

The EAC Committee on Standard held its meeting between 11th – 12th May 2006 and considered the report of its four subcommittees and discussed annual plans. The meeting

furthermore discussed the progress of standards activities in Partner States.

The Standardisation, Quality Assurance, Metrology and Testing Bill was passed into the EAC Standardisation, Quality Assurance Metrology and Testing Act 2006 in the May 2006 by the East African Legislative Assembly The Act is waiting assent by the Heads of State.

The full report of the Meeting of the Sectoral Committee is contained in the report EAC/SR/13/2006

**The Council took note of the above progress.
(EAC/CM12/Decision 62)**

5.4.4 Evaluation of Trade performance of the EAC Customs Union in 2005

The evaluation of trade performance of the EAC Customs Union for the year 2005 is being undertaken by a team of experts from Partner States coordinated by the Statistics Unit and the Directorate of Customs and Trade and have developed a draft EAC Trade Report. The EAC Trade Report will be published and distributed to Partner States and stakeholders in October 2006 Publication of the EAC Trade Reports analyzing the performance of trade will be on annual basis The inaugural issue of the trade report is to be launched at the next Summit

**The Council took note of the above progress
(EAC/CM12/Decision 63)**

PART VI

FINANCE AND ADMINISTRATION REPORT

6.1 FINANCE MATTERS

6.1.1 STATUS OF PARTNER STATES' CONTRIBUTIONS AS AT 18TH AUGUST, 2006

Table V

**STATUS OF PARTNER STATES CONTRIBUTIONS AS AT 18TH AUGUST 2006
SECRETARIAT**

All in USD

PARTNER STATE	CONTRIBUTION DUE 2005/206	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	1,862,186	1,420,779	441,407	2,085,407	-	2 525 814
The United Republic of Tanzania	1,862,186	1,625,035	237,151	2,085 407	-	2,322,558
Republic of Uganda	1,862,186	1,779,761	82,425	2,085 407	-	2 167 832
Total	5,586,558	4,825,575	760,983	6,256,221	-	7,017,204

**Table VI
DEFENCE LIAISON OFFICE**

PARTNER STATE	CONTRIBUTION DUE 2005/206	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Public of Kenya	129,068	129,068	-	126,422	3,833	122,589
The United Republic of Tanzania	129,068	112,751	16,317	126,422	-	142,739
Republic of Uganda	129,068	126,480	2,588	126,422	-	129,010
Total	387,204	368,299	18,905	379,266	3,833	394,338

**Table VII
LAKE VICTORIA BASIN COMISSION**

PARTNER STATE	CONTRIBUTION DUE 2005/06	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	224 392	224 352	40	236 260	-	236,300
The United Republic of Tanzania	224 392	196 044	28 348	236,260	-	264,608
Republic of Uganda	224,392	219 898	4 494	236,260	-	240,754
Total	673,176	640,294	32,882	708,780	-	741,662

**Table VIII
CUSTOMS UNION DIRECTORATE**

COUNTRY	CONTRIBUTION DUE 2005/06	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	469,286	369,246	40	390,647	-	390,687
The United Republic of Tanzania	369,286	322,873	46 413	390,647	-	437 060
Republic of Uganda	369,286	361,908	7,378	390,647	-	398,025
Total	1,107,858	1,054,027	53,831	1,171,941	-	1,225,772

**Table IX
EAST AFRICAN COURT OF JUSTICE**

COUNTRY	CONTRIBUTION DUE 2005/06	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	221,649	221,544	105	241,528	-	241,533
The United Republic of Tanzania	221,649	193,697	27,952	241,528	-	269,480
Republic of Uganda	221,649	217,223	4,426	241,528	-	245,954
Total	664,947	632,464	32,483	724,584	-	757,067

**Table X
EAST AFRICAN LEGISLATIVE ASSEMBLY**

COUNTRY	CONTRIBUTION DUE 2005/06	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	884,416	884,367	49	974,709	-	974,758
The United Republic of Tanzania	884,416	772,442	111,974	974,709	-	1,086,683
Republic of Uganda	884,416	866,646	17,770	974,709	-	992,479
Total	2,653,248	2,523,455	129,793	2,924,127	-	3,053,920

**Table XI
CONSOLIDATED – EAST AFRICAN COMMUNITY**

COUNTRY	CONTRIBUTION DUE 2005/06	CONTRIBUTION PAID 2005/06	BALANCE OUTSTANDING 2005/06	CONTRIBUTION DUE 2006/07	CONTRIBUTION PAID FOR 2006/07	TOTAL OUTSTANDING
Republic of Kenya	3,690,997	3,249,356	441,641	4,054,973	3,833	4,492,781
The United Republic of Tanzania	3,690,997	3,222,842	468,155	4,054,973		4,523,128
Republic of Uganda	3,690,997	3,571,916	119,081	4,054,973		4,174,054
Total	11,072,991	10,044,114	1,028,877	12,164,919	3,833	13,189,963

The Republic of Uganda promised to pay the outstanding contribution in respect of 2005/06 budget and for the first quarter of the 2006/07 budget by October 2006

Both the Republic of Kenya and the United Republic of Tanzania reported that they are in the processing of remitting outstanding contributions in respect of the 2005/06 budget and for the first quarter 2006/07 budget; the funds shall be remitted by mid September 2006.

The Council took note of the status of Partner States' contribution and urged Partner States to settle the outstanding budgetary contributions for 2005/06 as well as for first quarter for 2006/07. (EAC/CM12/Decision 64)

6.1.2 BUDGET REALLOCATION – SECRETARIAT

The Council noted that a Meeting of Ministers responsible for EAC Affairs on the Consultative Process for Fast Tracking the East African Political Federation, held on 16th June 2006 at Arusha, discussed among other issues, the human resource requirements to support the

work of the EAC-Secretariat in discharging its mandate in regard to political federation. The meeting recommended the engagement of two short-term experts namely: a Planning and Data Management Experts

The Council:

- a) **considered and approved immediate engagement of the above Experts;**
(EAC/CM12/Decision 65)
- b) **approved re-allocation of US\$40,000 for the engagement of the Experts from the Consultancy budget line.**
(EAC/CM12/Decision 66)

6.1.3 STATUS OF REVENUE FLOAT

The Council recalled that at its 11th Meeting, it approved the opening of a General Reserve Fund bank account where cash surpluses would be deposited. In compliance with this approval, the Secretariat has already opened an EAC General Reserve account with an initial deposit of USD 2,000,000. The Secretariat was unable to deposit the total surplus as at 30th June 2005 amounting to US Dollars 3,872,764 because Partner States had not paid all the contributions for the financial year 2005/06 and the first quarter of 2006/07 and therefore the revenue float is used as a bridging finance to administer the budget for 2006/07.

The Council took note of the status of the Revenue float and the opening of a bank account called General Reserve Bank Account.
(EAC/CM12/Decision 67)

6.1.4 STATUS OF PARTNERSHIP FUND

The Rules and Regulations on the management of EAC Partnership funds which were adopted by representatives of the Development Partners, Partners States and EAC Secretariat were presented to the 11th Meeting of the Council held from 28th March to 4th April 2006. The Council adopted them with some amendments. The amendments raised concern from Development Partners, which prompted the Secretary General to propose to Ministers and Permanent Secretaries in charge of East African Community to revert back to the ones prior to the amendments. They accepted the proposal, with a recommendation that the position be submitted to the Council for ratification.

The Council approved the Rules and Regulations on the management of EAC Partnership fund as agreed by the Partners in August 2005 and attached hereto as Annex XVI.
(EAC/CM12/Decision 68)

6.2 STAFF MATTERS

6.2.1 RECRUITMENT OF STAFF AS APPROVED BY THE 11TH MEETING OF COUNCIL

The Council recalled that at its 11th Meeting held on 28 March – 4 April 2006, it approved recruitment of the following staff: Economist (Sectoral), Project Accountant and Budget Assistant for the RISP Programme. Consequently, the Secretariat placed an advert in the major newspapers in East Africa in May 2006 with a closing date of 7 June 2006.

The evaluation of applications is ongoing and interviews are scheduled for 20 – 22 September 2006.

The Council took note of the above developments.
(EAC/CM12/Decision 69)

6.2.2 RECRUITMENT OF AN EXPERT ON SMALL ARMS

The Council recalled that at its 11th Meeting held in April 2006, it approved the recruitment of a suitably qualified East African National to fill the position of Small Arms Expert to be funded by GTZ. The recruitment process is now complete and Mr. Leonard Onyonyi from Kenya has been appointed. He reported for duty on 1 August 2006.

Mr. Onyonyi's Curriculum Vitae is attached hereto as Annex XVII.

The Council endorsed the appointment of Mr. Onyonyi as Small Arms Expert.
(EACC/CM12/Decision 70)

6.2.3 APPOINTMENT OF RESEARCH OFFICER FOR THE EAST AFRICAN LEGISLATIVE ASSEMBLY

The Council recalled that at its 11th Meeting held in April 2006, it appointed Mr. Charles Kadonya (Tanzania) as Research Officer for the East African Legislative Assembly. Mr. Kadonya reported for duty on 3 July 2006.

The Council took note of this development.
(EAC/CM12/Decision 71)

6.2.4 Recruitment of staff for the Lake Victoria Basin Commission

The Council noted that, at its 11th Extra-ordinary Meeting held on the 23rd May 2005 (EAC/CME/11/2005) it directed that the contracts of the Projects Officer and Maritime Safety Officer for the Lake Victoria Development Programme for a period of six (6) months with effect from July 1st 2005 and thereafter the positions be advertised.

Consequently, an advertisement on the vacancies was placed in the major newspapers in the Partner States during the month of January 2006 with a closing date of 10 February 2006. Interviews are now scheduled for 20 – 22 September 2006

The Council took note of the progress made in the process of filling in the positions of Projects Development Officer and Maritime Safety Officer.
(EAC/CM12/Decision 72)

6.2.5 RECRUITMENT OF PROJECT COORDINATOR, EAST AFRICAN LEGISLATIVE ASSEMBLY

The Council noted that the Secretariat had successfully negotiated funding by African Capacity Building Foundation (ACBF) for a total of US\$ 1,500,000 to build and strengthen the Capacity of the EALA for the period 2006-2010

One of the conditions of the grant agreement is to recruit a Project Coordinator and Project Assistant to oversee the management and implementation of the project before release of funds. The Project Coordinator and the Assistant will be financed by ACBF and EAC. The Secretariat placed an advert in the major newspapers in East Africa in June 2006 with a closing date of 30 June 2006. The contract of the Project Coordinator will be tied to the duration of the project.

The evaluation of the applications is ongoing, and interviews are scheduled for September 2006.

The Council took note of this development
(EAC/CM12/Decision 73)

6.3 CONSTRUCTION OF EAST AFRICAN COMMUNITY HEADQUARTERS

The Council was informed that since the 11th Meeting that was held on March 28th – April 4th, 2006 the following developments had taken place

- a) Advertisements for the procurement of the services of the General Building Consultant (GBC) were placed in the major papers in the East Africa region and internationally with a deadline of 21st April, 2006;

- b) The Pre-qualification Documents were received on 21st April, 2006 and detailed evaluation started thereafter. Seventeen (17) applications were received and after evaluation by the Project Management Consultants (PMC) in collaboration with East African community Secretariat and Project Management Team (PMT), five (5) firms were shortlisted. The shortlisted firms included were:
- i) BGS Ingenieurconsult international GmbH (Germany in association with ARCHIS Architekten + Ingenieure GmbH (Germany), Runji & partners Consulting Engineers and Planners Ltd. (Kenya);
 - ii) K & M Archplans Limited (Kenya) in association with K & M Archplan (T) Limited (Tanzania) for the "Consortium of Partnership";
 - iii) Lippsmeier + Partner Architekten GbR (Germany in association with Howard Humphreys (East Africa) Ltd. (Kenya); Symbion Architects (Kenya) and YMR Partnership (Kenya),
 - iv) Planning Systems Services Ltd (Kenya) in association with Mangat, I. B. Patel & Associates (Kenya); and
 - v) TRIAD Architects Limited (Kenya);
- c) The request for Proposals (RFP) documents was sent to the shortlisted applicants on 1st June, 2006 with a deadline of 18th August, 2006 for receipt of Technical and Financial Proposal;
- d) In order to answer questions and clarify on issues that had been raised by the applicants, a site visit including a short meeting in Arusha took place on 12th June 2006 with representatives of all applicants present;
- e) Once the General Building Consultant is on board, it will be responsible for, inter alia, overseeing the preparation of detailed architectural designs and drawings, Bills of Quantities and Tender Documents for the Contractor

**The Council took note of the progress made in regard to the construction of EAC headquarters.
(EAC/CM12/Decision 74)**

6.4 JOB EVALUATION REPORT

The Council recalled that at its 10th Extraordinary Meeting held on 22 January 2005, it directed the Secretariat to undertake a job evaluation of all posts of the Community by the end of June 2005. The exercise was to be undertaken in respect to the posts that were approved at the same Meeting.

The Council further recalled that at its 11th Meeting held in April 2005, it directed that the consultants complete the exercise in light of the concerns that had been raised by Partner States Experts and that the revised report be subject to further comments and analysis by the same experts before the report could be finally considered by the Council.

The Council noted that the Secretariat had undertaken an internal review of the Consultant's Report. It also noted that the report by the Consultant had been subjected to an assessment by an independent review team composed of a three-person team, one from each Partner State. The review team proposed a way forward in light of the comments that had been made by Partner States.

The Council observed that following the urgent need to resolve the long outstanding organisation and Staff Matters of the Community and taking into consideration all the different views that had been expressed, the Secretariat hired the services of an independent Consultant to support and facilitate the process of finalizing the exercise.

The Consultant made proposals in respect of the Organisation Structure, Job Grading, Salaries and Allowances and Functional and Job Descriptions.

6.4.1 ORGANISATION STRUCTURE

In considering the proposed Organisation Structure, the Council recalled the decisions it took at its 10th Extraordinary Meeting held in January 2005 and decided as follows:

6.4.1.1 Office of the Secretary General

- a) Re-designation of the position of Principal Personal Assistant under the Office of the Secretary General to Chef de Cabinet (P3);
- b) Establishment of positions of Chief Internal Auditor (P4) and Resource Mobilisation Coordinator (P3) under the Office of the Secretary General; and

- c) Re-designation of the present Information and Public Relations Section as Corporate Communication and Public Affairs.

6.4.1.2 Office of the Deputy Secretary General (Project and Programmes)

In order to rationalize the structure and improve the span of control under the Deputy Secretary General Projects and Programmes, create two (2) Directorates under the Office of the Deputy Secretary General, Project and Programmes; one in charge of Planning and Infrastructure and the other in charge of Productive and Social sectors.

6.4.1.3 Office of the Deputy Secretary General (Finance and Administration)

Similarly, in order to rationalize the structure and improve the span of control under the Deputy Secretary General, create two (2) Directorates under Finance and administration; one in charge of Finance and the other in charge of Human Resources and Administration.

The proposed Organization Structure is attached hereto as **Annex XVIII**.

The Council considered and approved the Functional Structure of the Community attached hereto as Annex XIX (*EAC/CM12/Decision 75*)

6.4.2 JOB GRADING

The Council recalled the decisions it took at its 10th Extraordinary Meeting in regard to Job Grading and made the following observations.

- a) According to the Consultants' proposals, some jobs had been downgraded, yet the same faulty weighting used by PricewaterhouseCoopers in arriving at its proposed grading had been applied
- b) There was a need to make EAC positions competitive in terms of grading so as to attract the right caliber of personnel and therefore issues of downgrading jobs had to be approved with caution and clear justification

Based on the above observations, the Council moderated, rationalised and harmonised the structures by various consultants and recommended that the Community should adopt the following Job Grading;

D2	Secretary General
D1	Deputy Secretaries General and Director General (Customs and Trade)
P5	Counsel to the Community, Registrar, Clerk, Directors and Defence Liaison Officers.
P4	Assistant Directors
P3	Principal Officers
P2	Senior Officers; and
P1	Officers
G5-G1	General Staff

The Council noted that the Grading Structure does not entail any upgrading or distortion of the current positions. It is merely realignment and conversion in conformity with international grading and nomenclature as indicated here below

Table XII:

Current Grade	Recommended Grade
D1	D2 – SG
D2	D1 – DSG
P1	P5 – Counsel to the Community, Registrar, Clerk, Directors and Defence Liaison Officers
-	P4 – Chief Internal Auditor, Legislative Draftsman, Deputy clerk, Deputy Registrar, Assistant Directors
P2	P3 – Principal Officers
P3	P2 – Senior Officers
-	P1 – Officers
G1	G5
G2	G4
G3	G3
G4	G2
G5	G1

The proposed Staff Establishment and Grading is attached hereto as **Annex XX**.

The Council approved the Grading Structure for the Community attached hereto as Annex XXI (EAC/CM12/Decision 76)

6.4.3 REVIEW OF SALARIES AND ALLOWANCES

6.4.3.1 Proposed Salary Structure

The Council considered the Proposed Structure and noted that the proposed structure has been developed taking into consideration the following issues.

- a) The last EAC Salary Review was done over ten years ago,
- b) The accelerated developments in the overall mandate of EAC and its different component portfolios;
- c) No evaluation of jobs has since been conclusively undertaken,
- d) The Community was facing difficulties in recruiting the caliber of high level professionals required to execute its mandate because of its uncompetitive and unattractive employment terms,
- e) The current uncompetitive terms.
- f) The need to develop a Salary Structure that is motivational, performance-based and capable of not only retaining the existing Professionals, but also attracting new candidates from the open market,
- g) Employment terms obtaining in other similar organizations such as SADC and COMESA as well as Kenya's Diplomatic service within East Africa.
- h) The need to enable the Community to adopt the fixed term remuneration policy in line with the Staff Rules and Regulations,
- i) The need to adopt a Result-Oriented Management approach to Performance Management; and
- j) To facilitate implementation of the fixed term contract policy and evaluate performance against specific outputs and performance indicators outlined in the performance contracts.

The Council noted the new Salary Structure, attached hereto as Annex XXII.

(EAC/CM12/Decision 77)

6.4.3.2 Proposed allowances

The Council noted that the current terms and conditions of service were set way back in 1996 and were long overdue for review, and recommended modest increases in the following allowances;

- a) Housing Allowance;
- b) Transport Allowance;
- c) Education Allowance;
- d) Entertainment Allowance; and
- e) Spouse Allowance

Table XIII:

GRADE	ALLOWANCE	CURRENT RATE (IN USD)	RECOMMENDED RATE (IN USD)
D2	Housing	1,800 pm	3,000 pm
	Education	1,500 p a	2,000 p a
	Entertainment	250 pm	350 pm
	Spouse	300 p a	1,200 p a
	Furniture (payable once)	18,000	18,000 (current rate)
D1	Housing	1,500 pm	2,500 pm
	Education	1,500 p a	2,000 p a
	Entertainment	200 pm	300 pm
	Spouse	200 p a	800 p a
	Furniture (payable once)	15,000	15,000 (current rate)
P5	Housing	800 pm	1,400 pm
	Transport	200 pm	250 pm
	Education	1,500 p a	2,000 p a
	Spouse	150 p a	350 p a
P4	Housing	800 pm	1,400 pm
	Transport	200 pm	250 pm
	Education	1,500 p a	2,000 p a
	Spouse	150 p a	350 p a
P3	Housing	800 pm	1,000 pm
	Transport	200 pm	250 pm
	Education	1 500 p a	2,000 p a
	Spouse	150 p a	350 p a
P2	Housing	-	1,000 pm
	Transport	-	250 pm
	Education	-	2,000 p a
	Spouse	-	350 p a
P1	Housing	-	1,000 pm
	Transport	-	250 pm
	Education	-	2,000 p a
	Spouse	-	350 p a
G5 - G3	Housing	300 pm	400 pm
	Transport	100 pm	150 pm
	Education	750 p a	1,000 p a
	Spouse	150 p a	150 p a

- d) in the event that Partner States are not able to meet the entire cost of the proposed salaries and allowances, they may consider a phased implementation approach
- e) The cost of implementing the proposed salaries and allowances for the current establishment of (87 is US 12, 981,669;
- f) The cost of implementing the proposed salaries and allowances for the current staff plus the thirty eight additional staff as approved by the Council at its 11th Extraordinary Meeting is US\$ 9,655,965;

- g) The total cost of implementing the structure of two hundred twenty three (223) staff as proposed is US\$ 12,981,669

The Council:

- a) **directed the Secretariat to expedite the finalization of the consultative process by visiting Tanzania in the same way as was done with Kenya and Uganda;**
(EAC/CM12/Directive 14)
- b) **directed the Secretariat to facilitate the Finance and Administration Committee in order to handle the following:**
- i) **reviewing of the different scenarios for implementing the proposed structure attached hereto as Annex XXIII with emphasis on option 2;**
 - ii) **reviewing of the EAC budget with a view to identifying areas of savings;**
 - iii) **examining of the option of using the float;**
 - iv) **examining of the option of using a phased approach towards meeting the expected budget increase;**
 - iv) **looking into the possibility of elevating the post of Counsel to the Community from P5 level to DI level;**
(EAC/CM12/Directive 15)
- c) **directed the Secretariat to immediately handle the recruitment process for the 22 priority positions as approved by the Council;**
(EAC/CM12/Directive 16)
- d) **directed the Secretariat to facilitate the Finance and Administration Committee to complete the exercise by 12th September 2006 for consideration by the Permanent Secretaries during the first week of October 2006.**
(EAC/CM12/Directive 17).

PART VII

REPORT ON THE ACTIVITIES OF OTHER EAC ORGANS

7.1 REPORT ON THE ACTIVITIES OF EAST AFRICAN LEGISLATIVE ASSEMBLY FOR THE PERIOD JANUARY - JULY 2006

7.1.1 Introduction

The East African Legislative Assembly (EALA) is the one of the seven organs of the EAC established under Article 9 of the Treaty. EALA is the legislative arm of the Community and has a five year life span; which will end in November 2006. this is therefore EALA's fifth year in existence.

The EALA operates within the overall purview and strategic goals of East African Community. Under the Provisions of Article 49 of the Treaty, the EALA is mandated to exercise both legislative and oversight functions on all matters related to the Community. The mission of EALA therefore is to support, through legislation and oversight roles, the overall mission of the EAC which aims at widening and deepening cooperation among Partner States in political, economic, social, cultural, defense etc for their mutual benefit

The activities of EALA for the period under review were carried out in conformity with the overall mission of EAC and in fulfillment of its functions as stipulated under Article 49 of the Treaty.

7.1.2 Legislative Business

The Assembly held two meetings in the period under review as follows; 6th – 17th March and from May 22nd – June 2nd 2006. the main business transacted during these meetings was as indicated below

7.1.2.1 Bills

- a) Upon the approval of the EAC budget in May, the Assembly subsequently passed the East African Community Appropriation Bill on 31st May, 2006
- b) The East African Community Standardization, Quality Assurance and Testing Bill, 2006 was passed on May 24th 2006

The two Bills have been forwarded to the Heads of state for assent.

7.1.2.2 Committee Activities

As provided for under its Rules of Procedure and in conformity global with parliamentary practice; EALA undertakes detailed consideration of business through its Committees. In the period under review, the most notable business transacted by Committees was as follows

- a) The Committee on General Purpose convened in January for the pre-budget input of EALA on the EAC budget for the year 2006/2007.

- b) The Committee on Communications, Trade and Investments conducted Public Hearing Workshops in three capitals of Nairobi, Dar es salaam and Kampala in April and May on the aspects of the common Market.

As a response to the cries of the business Community, the Committee with facilitation from Frederick Ebert Foundation, conducted a tour of all the major customs Border posts in East Africa to assess the operations of the Customs Union in late July. The Committee met and interacted with customs Officials, the representatives of the business Community and local political leadership and submitted its report.

- c) The Committee on Legal, Rules and Privileges has held a number of workshops on the proposed amendment of the Treaty that might be necessary in light of the increasing mandate of the Community and the need to fast the Political Federation.
- d) The Committee on Agriculture, Tourism and Natural Resources made inspection tour of the Lake Victoria Basin to assess the impact of declining water levels. The main objective of the tour was to provide members with first hand information on the impact of declining water levels on key economic activities in the lake region. The Committee released its findings at a seminar for EALA, Members of the National Assemblies and other Stakeholders held in Kisumu on 30th June – 1st July 2006.

The reports of all the Committees will be formally presented to the Assembly for adoption in the September meeting of the Assembly and they will thereafter be widely circulated to all stakeholders

7.1.3 Outreach Programmes

In keeping with its earlier decision of taking the Assembly and the Community to the people of East Africa, the Assembly undertook its fifth tour of the Republic of Kenya from 18 – 23 June, 2006. The focus this time was on the receding levels of Lake Victoria and its impact on the economic activities and livelihoods of the over 30 Million people around the lake basin. The tour was thus conducted mainly in the lake region of Kisumu and other surrounding areas. Apart from using the opportunity to explain to the citizens of East Africa about the objectives of the EAC, the Assembly also used this opportunity to physically see and to learn first hand the challenges faced by the people as a result of the declining water levels at seminar held with key stakeholders in Kisumu.

7.1.4 Relations with Others

The EALA is now associated to or recognized by all the major groupings of the Parliaments both at regional and international levels. It is on the basis of this recognition that EALA continues to receive invitations to participate in many a meetings abroad. In the period under

review, the EALA participated in a number of meetings/conferences as outlined below

- a) The 114th Assembly of the Inter – Parliamentary Union held in Nairobi, Kenya from May 7 – 12, 2006. The Inter- Parliamentary Union is the global association of Parliamentarians of sovereign states. It is the focal point for world wide dialogue and works for peace and cooperation among the peoples and for the firm establishment of representative democracy. Through regular meetings, the IPU helps to contribute to better knowledge of representative institutions and to the strengthening and development of their means of action as Members of Parliament.
- b) The Nile Basin Initiative Workshop held in Entebbe, Uganda in mid July for major stakeholders on the challenges of achieving socio – economic development through the equitable utilization of and the benefits from the common Nile Basin water resource.
- c) The second conference of the Great Lakes and Horn of Africa Region Inter – Parliamentary Forum which was held in Khartoum, Sudan at the end of July. The meeting discussed the role of Parliaments in building sustainable peace and security and in the promotion of good governance and democracy in the region.
- d) The 7th Workshop of Parliamentary Scholars and Parliamentarians held in London at the end of July. The purpose of these workshops is to bring together scholars and parliamentarians in order to discuss research findings that are deemed useful to parliamentarians in the course of their work.
- e) The 37th Commonwealth Parliamentary Association (CPA), Africa Region Conference held from 28th July – 5th August, 2006 in Accra, Ghana. The CPA is an association of Commonwealth Parliamentarians who are united by common interest in the ideals of parliamentary democracy. The meetings provide a platform to parliamentarians to share and promote knowledge and understanding of parliamentary democracy, respect for the rule of law and individual rights and freedoms.

7.15 Term of the Assembly

The term of the current Assembly ends on 29th November 2006. Partner States, National Assemblies have been informed to elect members to the second Assembly and submit the list to the Secretary General by end of October 2006.

**The Council took note of the Report on the activities of the East African Legislative Assembly.
(EAC/CM12/Decision 80)**

7.2 ACTIVITIES OF THE EAST AFRICAN COURT OF JUSTICE

During the period under consideration the Court attended to, among other things, preliminary and procedural issues pertaining to the case that was filed in December 2005. A Scheduling Conference was held in June 2006 and hearing of the case was conducted on 8th – 18th August 2006 according to the Court Rules of Procedure. The judgment will be delivered on a date to be communicated to the parties by the registrar.

Also, The Court continued to implement its capacity building programme in a bid to equip the Judges with necessary skills for effective discharge of duty and execution of their arbitration mandate. A special tailored course in arbitration was held in Mombasa on 25th June – 1st July 2006. The training, which was conducted by Prof Julian Law QC of the School of International Arbitration, Queen Mary, University of London, aimed at familiarizing the judges with International Arbitration. This particular training was followed by an international Conference on Alternative Dispute Resolution (ADR) in London on 26th – 28th July 2006, which was also attended by Judges of the East African Court of Justice. It was in the same spirit, that the Court Administrator attended a two week training in Court Administration and Judicial Record Management at RIPA (Royal Institute of Public Administration”), London 8th – 23rd June 2006.

The council took note of the report on the activities of the East African Court of Justice. (EAC/CM12/Decision 81)

PART VIII

REPORT OF EAC INSTITUTIONS

8.1 INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

8.1.1 A Brief Background

The Inter-University Council for East Africa (IUCEA) is an institution of the East African Community established in 1980 by the three Partner States of Kenya, Tanzania and Uganda with the objectives of facilitating contact and academic collaboration amongst the universities in East Africa. The IUCEA is a successor to the former Inter-University Committee for East Africa that was created in 1970 under the then East African Community (EAC) to facilitate academic collaboration among the then three national universities – Nairobi, Makerere and Dar es Salaam.

8.1.2 IUCEA Objectives

The Objectives of the Council are, among others, to.

- a) strengthen regional communications through networks which link members to relevant sites in the region and the world,
- b) encourage regional research collaboration and thereby assist universities to develop centres of advanced study and research on a rationalized basis;
- c) promote curriculum reform so that graduates are equipped with the skills and knowledge which meet the needs of employers and the development plans of the region, and which mobilize universities for the production of graduates of quality especially in scientific and technological disciplines, business and commerce;
- d) develop quality assurance processes in order to ensure that teaching and research achieve and maintain international institutions;
- e) encourage the exchange of staff and students between member institutions;
- f) conduct subject meetings, conferences and workshops, and meetings of specialized committees;
- g) solicit for funds from both local and foreign sources for strengthening its activities.
- h) promote, through relevant activity in the universities, the meaning and value of the concept of "East Africanness";

- i) Strive for excellence in all its undertakings.

8.1.3 Protocol on the Establishment of the Inter-University Council for East Africa and Headquarters Agreement between the Government of the Republic of Uganda and the Inter-University Council for East Africa.

The Protocol on the Establishment of the Inter-University Council for East Africa as well as Headquarters Agreement between the Government of the Republic of Uganda and the Inter-University Council for East Africa were signed by the respective authorities in Arusha on 13th September, 2002. The Protocol gives the Inter-University Council for East Africa the status of a body corporate recognized by all three Partner States of the East African Community. The Headquarters Agreement assigns the seat of Council as Kampala, Uganda and accords diplomatic status to the Council. The Protocol has since been ratified by all the three EAC Partner States.

8.1.4 The IUCEA Secretariat

The IUCEA Secretariat is located in Kampala, Uganda and has an establishment of 15 East Africans holding the following positions

- a) Executive Secretary,
- b) Deputy Secretary (Academic Affairs),
- c) Accountant;
- d) Projects and Programmes Officer,
- e) Internal Auditor and Systems Control Officer,
- f) Electronic Database Specialist,
- g) Corporate and Public Relations Officer;
- h) Administrative Officer;
- i) Personal Secretary;
- j) Secretary,
- k) Accounts Assistant;
- l) Registry/Receptionist
- m) Chauffeur,
- n) Driver
- o) Office Attendant,

8.1.5 IUCEA Governance

In order to conduct its business effectively, the IUCEA is made up of the following Governing Structures:

8.1.5.1 The Annual General Meeting (AGM)

The AGM is the Apex Governance Organ of the Council. It comprises:

- a) 3 Permanent Secretaries responsible for Higher Education;
- b) 6 Public/Private Corporate Members from National Councils for Science and Technology and the Private Sector;
- c) 3 Heads of the Councils for Higher Education in East Africa;
- d) 3 Senate Representatives;

- e) The Secretary General of the East African Community;
- f) 2 Representatives from International Organisations – DAAD and JICA, and
- g) 43 Vice-Chancellors of both Public and Private IUCEA member universities in East Africa.

8.1.5.2 The Governing Board

The Governing Board comprises 27 members as follows

- a) 9 Vice-Chancellors 2 from each country – one representing Public universities in the three partner States;
- b) 3 Permanent Secretaries responsible for Higher Education (one from each Partner State),
- c) 3 Commissioners for Higher Education, (one from each Partner State),
- d) 3 Senate Representative, (one from each Partner State);
- e) 3 Representatives of Commerce and Industry (one from each Partner State),
- f) Chief Executive Officers of the National Councils for Science and Technology (one from each Partner State);
- g) The Secretary General of the East African Community,
- h) 2 Representatives of International Organisations

8.1.5.3 The Executive Committee

The Executive Committee comprises of 9 members as follows -

- a) 3 Permanent Secretaries of the Ministries responsible for Higher Education,
- b) 3 Vice-Chancellors of Public Universities (one from each Partner State);
- c) 3 Vice-Chancellors of Private Universities (one from each partner State)

8.1.6 IUCEA MEMBER UNIVERSITIES AS AT AUGUST, 2006

A. KENYA

I) Public Universities

- 1. Egerton University
- 2. Jomo Kenyatta University of Agriculture and Technology

- 3 Kenyatta University
- 4 Maseno University
- 5 Moi University
- 6 University of Nairobi
- 7 Western University College of Science and Technology

II) Private Universities

- 1 Africa Nazarene University
- 2 Daystar University
- 3 Kenya Methodist University
- 4 Kiriri Women's University of Science and Technology
- 5 Scott Theological College
- 6 Strathmore University
- 7 St Paul United Theological College
- 8 The Catholic Univ. of Eastern Africa
- 9 United States International University
- 10 University of Eastern Africa, Baraton

B TANZANIA

I) Public Universities

- 1 Mzumbe University
- 2 Sokoine University of Agriculture
- 3 The Open University of Tanzania
- 4 The State University of Zanzibar
- 5 University College of Lands and Architectural Studies
- 6 University of Dar es Salaam
- 7 Muhimbili University College of Health Sciences

II) Private Universities

- 1 International Medical and Technological University
- 2 St Augustine University of Tanzania
- 3 The Hubert Kairuki Memorial University
- 4 Tumaoni University
- 5 Zanzibar University

C UGANDA

I) Public Universities

1. Gulu University
2. Kyambogo University
3. Makerere University
4. Makerere University Business School
5. Mbarara University of Science & Technology

II) Private Universities

1. Bugema University
2. Busoga University
3. Islamic University in Uganda
4. Kampala International University
5. Kampala University
6. Ndejje University
7. Nkumba University
8. Uganda Christian University
9. Uganda Martyrs University

8.1.7 Projects and Programmes

Currently, IUCEA runs the following Projects and Programmes

8.1.7.1 East African Varsity Net Project

This initiative is supported by the Economic Commission for Africa (EAC) in collaboration with the Ford Foundation. The project aims at enhancing the role of universities as centres of excellence in research, specifically with respect to the development of innovative ICT solutions to national and regional challenges. The inter-University Council for East Africa (IUCEA) is coordinating this initiative amongst the universities in Kenya, Tanzania and Uganda. The project has so far completed two phases, and is now developing a third phase.

During the first phase, the team developed a unique methodology to undertake a needs assessment at the East African Community (EAC) and conducted the survey. The result revealed the focus areas where e-government initiatives would most effectively address the challenges. The team chose to develop a prototype application to demonstrate how an activity application based on open software (OSS), that supports the International Fellowships Programme (IFP) for East Africa, was successfully developed and implemented.

The second phase scaled up the project into a wider context. During this phase, the IUCEA VarsityNet team successfully developed an Inter-University Information System based on Open Source Software to manage students' academic records within the universities in East

Africa This system has now been tested at selected universities in East African and preliminary feedback indicates that most of these institutions are finding the system appropriate and useful for their activities

The next phase of the project will aim at promoting the establishment of at least one software incubation centre in each of the three East African Partner States with a regional headquarters at a university with adequate commitment to the project and capacity in terms of infrastructure and skilled human resources. The phase will also propose movement into the development of suitable e-learning environments for the region

Overall, this project has enabled most universities to start putting mechanisms in place to ensure sustainable development of various information systems to manage the key academic and administrative processes at the respective institutions. Under the umbrella of the initiatives being undertaken by the East African Community, especially in e-government, the team expects to create synergies will to ensure harmonization of these activities for the benefit of the East African region

8.1.7.2 The Bio-Earn Programme

The East African Regional Programme and Research Network for Biotechnology, Biosafety and Biotechnology Policy Development (BIO-EARN) is supported by the Swedish International Development Co-operation Agency (Sida) / Department for Research and Co-operation (SAREF). The Programme includes research for development activities (R & D) involving partner institutions from Uganda, Kenya, Tanzania, Ethiopia and Sweden. Government and four Eastern Africa Countries of Kenya, Uganda, Tanzania and Ethiopia. With a network of 47 scientists from the region, 23 collaborators from outside the region and 27 network institutions under the R4D phase, BIO-EARN Programme has a vision of developing into a strong Network with the capacity to carry out research for development that could contribute significantly to improve food security, productive agro-industries, sustainable environment management, viable bio-resource economies and enhanced livelihoods in Eastern Africa

BIO-EARN is hosted by the IUCEA and is headed by a Programme Coordinator assisted by a Programme Assistant

8.1.7.3 The Lake Victoria Research (VicRes) Initiative

VicRes is a research Programme which was started in November 2003 and is implemented by the Inter University Council for East Africa (IUCEA) to support staff of Universities and other institutions in the EAC to undertake research in the Lake Victoria basin. The VicRes programme is funded by Sida/SAREC. The objectives of the programme are to

- a) Improve knowledge of land-human-environment interactions so as to justify interventions meant to improve the living conditions for the local population and,
- b) Disseminate research findings and results to individuals and institutions in the Lake Victoria Basin and outside

Every year, since 2003, a call for proposals competition is advertised throughout the region from which proposals to be funded are selected. The VicRes Project has taken the multi-disciplinary approach to research.

The project now funds 240 researchers in the region. The first 13 projects of 2003 are in their 2nd year of funding. Currently, VicRes is funding 57 research projects in the region.

Funds are disbursed through host institutions of the researchers and a progress report is expected from the team leader every 6 months. Over USD 2.5M has been released to various institutions since 2003. The table below shows the participation in VicRes research of various IUCEA Member Universities and other research institutions in the region.

Table XII:

Member Institution participation in CicRes Research

Country	University	No. of Researchers				
		2003	2004	2005	Total	
KENYA	African Nazarene University	0	0	0	0	
	Catholic Univ of Eastern Africa	0	1	0	1	
	Daystar University	0	0	0	0	
	Egerton University	3	2	0	5	
	Jomo Kenyatta University of S & T	3	3	3	9	
	Kenya Methodist University	0	1	0	1	
	Kenyatta University	7	9	9	25	
	Kiriri Women's University of S & T	0	0	0	0	
	Maseno University	1	8	3	12	
	Moi University	3	3	12	18	
	Scott Theological College	0	0	0	0	
	Strathmore University	0	0	0	0	
	United States International Uni	0	0	0	0	
	Univ of E/Africa, Baraton	0	1	0	1	
	University of Nairobi	2	4	5	11	
	Bugema University	0	0	3	3	
	Busoga University	0	0	0	0	
	Gulu University	0	0	0	0	
	Islamic Univ in Uganda	0	0	0	0	
	UGANDA	Kampala Inter University	0	0	0	0
Kampala University		0	0	0	0	
Kyambogo University		1	2	3	6	
Makerere Univ of Bus School		0	0	0	0	
Makerere University		17	9	10	36	
Mbarara Univ of S & T		1	2	3	6	
Ndejje University		0	0	0	0	
Nkumba University		0	1	2	3	
Uganda Christian University		0	0	1	1	
Uganda Martyrs University		0	0	1	1	
Inter Medical & Techn Univ		0	0	0	0	
Muhimbili Univ Coll Of HS		0	1	1	2	
Mzumbe University		0	0	2	2	
Sokoine Univ of Agriculture		3	4	8	15	
St Augustine Univ of Tanzania		1	1	0	2	
TANZANIA		The Hubert Kairuki M Univ	0	0	0	0
		The Open Univ of Tanzania	1	0	0	1
		The State Univ of Zanzibar	0	0	0	0
		Tumaini University	0	0	0	0
		Univ Coll of Lands & Arch S	1	3	6	10
	Univ of Dar es Salaam	7	9	10	26	
	Zanzibar University	0	0	0	0	
Other Research Institutions				43		

8.1.8 Establishment and Development of M.A Programme in Higher Education.

The Inter-University Council for East Africa (IUCEA), the Centre for Higher Education Transformation (CHET), the Centre for the Study of Higher Education (CSHE – based at University of Western Cape, SA) and the Association of African Universities (AAU) have been working on a joint proposal for the establishment and development of a Masters and PhD Programmes in higher education. Along with this, there is a great need to build leadership and management capacity at various levels of African higher education and to strengthen the field of higher education studies.

In November 2005, a proposal was written by IUCEA and was forwarded to CHET office in South Africa for consideration to provide funds that would facilitate the commencement of the programmes.

In principle donors agreed to accept the proposals and are finalizing arrangements to fund the MA and, later, PhD programmes in higher education at Makerere University.

8.1.9 The General Academic Exchange Service (DAAD)

IUCEA is in close collaboration with the German Academic Exchange Service (DAAD). A number of lecturers have been sponsored by the programme to visit and lecture in universities outside their countries. DAAD has in collaboration with IUCEA funded a number of meetings on Quality Assurance in Higher Education and Curriculum design with the aim of developing sustainable QA systems in higher education in universities in East Africa as well as facilitate mobility and employability of those who go through universities.

8.1.10 Workshops and Conferences: 2005/2006

The IUCEA facilitates a number of academic Workshops and Conferences with the objective of bringing together university deans and other academicians to discuss matters pertaining to academic excellence in higher education and how best to enhance collaboration between faculties in IUCEA member universities. Facilitated, among others, during the period highlighted were:

- a) Plant Science Conference, Makerere University, Kampala, Uganda, February 20-26, 2005
- b) Specialized Committee on Legal Education, Dar es Salaam, Tanzania, July 4 – 5, 2005
- c) Specialized Committee on Engineering Education, Jinja, Uganda, July 18 – 19, 2005
- d) Regional Conference on the Role of African Universities in the Attainment of Millennium Development Goals, Kenyatta University, Nairobi, Kenya, November 14 – 18, 2005

- e) Specialized Committee on Science Education in East Africa, Nairobi, Kenya, January 30-31st 2006
- f) Specialized Committee on Adult and Distance Education in East Africa, Dar es Salaam, Tanzania, May 18 – 19th, 2006

8.1.11 Conclusion

The Inter-University Council for East African wishes to re-affirm its support of the East African Community as the Community aspires to enhance socio-economic and political developments in the three East African Partner States of Kenya, Tanzania and Uganda

The Council took note of the Report of the activities of the Inter-University Council of East Africa (EAC/CM12/Decision 82).

8.2 EAST AFRICAN DEVELOPMENT BANK

8.2.1 Status of Measures for Transforming the East African Development Bank into the Lead Agency for Promoting Regional Integration and Development

8 2 1 1 In January 2006 EADB's Board of Directors and Governing Council approved the Bank's Five Year Strategic Plan for the period 2006-2010. The Plan encompasses strategies designed to enhance the Bank's capacity to play a more substantive and sustainable role as a regional development finance institution. The thrust of the new strategy is essentially threefold" (i) adjusting to the changed operating environment to ensure the Bank's continued relevance and sustainability as a development finance institution, (ii) growing the Bank to achieve a critical mass in its operations in order to increase its development impact, and (iii) improving the Banks' financial performance. Implementation of the Plan began immediately after approval

8 2 1 2 As part of the discussions held during the East African Community Summit held in Arusha, Tanzania on March 5, 2006 the Heads of State of the Summit directed "*the East African Development Bank to carry out a reorganization exercise that would transform the Bank into the leading agency for facilitation of East African regional integration and development*" In effect this directive requires scaling

up of the level and nature of Operations targeted by the Bank's current Strategic Plan. It is envisioned that the Heads of State expected feedback on the status of implementation of this directive at the next Summit currently scheduled for November 2006

8 2 1 3 Transformation of the Bank to play an expanded role in promoting regional integration and development, beyond what is envisaged in the existing Strategic Plan would entail major resource implications. Therefore at Bank Management's request the Board of Directors and

the Government Council² met in Entebbe, Uganda on May 5, 2006 to consider possible approaches to complying with the Summit Heads of State directive. To facilitate Board and Governing Council consideration of this important matter, management presented the following five possible approaches along with estimated resource implications for discussion:

- a) Creation of a regional institution solely dedicated to the promotion of Housing Finance and Development,³
- b) Creation of a Venture Capital Fund for East Africa,
- c) Expansion of EADB's Existing Equity Fund,
- d) Promotion of Infrastructure Development in East Africa's Cities and Municipalities, and
- e) Expansion of the Bank's Asset Leasing Operations

8.2.1.4 To implement the above interventions in order to "scale up" its operations as a means of carrying out the East African Community Heads of State directive, Management estimated that EADB would need a further capital infusion of USD 190 million over five years as shown in the table below:

Table XIII:

Areas of Intervention	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Promotion of Housing Development	30	30				60
Establishment of Venture Capital Fund	15					15
Expansion of Equity Fund	7.5	7.5				15
Expansion of Asset Lease Operations	10	10	10	10	10	50
Urban Infrastructure Development	10	10	10	10	10	50
Total	72.5	57.2	20	20	20	190

8.2.1.5 The funding provided by the Member States would be leveraged to mobilize additional resources to support the proposed initiatives. For example, the USD 60 million put up by the Member States as seed capital to kick-start the setting up of a regional institution to spearhead housing finance and development in East Africa could be leveraged to attract an additional capital injection of USD 60 million from the private

² The Governing Council – the Bank's supreme policy making body comprises the Ministers of Finance of the three Member States.

³ A separated detailed proposal on the creation of a regional financial institution to spearhead housing finance and development is under preparation and will shortly be discussed with the Member States and other stakeholders.

sector With a capital based of USD 120 million the proposed regional institution could in turn leverage this capital to raise as much as USD 700 million in debt (mainly housing bonds and long-term lines of credit from external sources) to support housing finance and development throughout the region with a total population of close to 100 million

8.2.1.6 While there was overall support for the above proposals it was recognized that provision of the necessary funding would require strong commitment by the Member States, including resetting or priorities in their budgets The Governing Council instructed Bank management to consult and get the views of each Member States on the proposed interventions and related funding needs and to report its findings to the Council before the next EAC Heads of State Summit

8.2.1.7 EADB management has already discussed the proposals with the Governments of Uganda and Kenya and is scheduled to hold discussions with the Government of Tanzania shortly Following the meetings with Tanzanian authorities, Bank management will prepare a report and request a meeting of the Board of Directors and Governing Council in October 2006 to consider the report and decide on an appropriate response to the Summit Heads of State.

8.2.2. Update on the USD 61 Million Arbitral Award Against the East African Development Bank

8.2.2.1 Background

- a) During the 11th Meeting of the Council of Ministers of the East African Community held in Arusha, Tanzania in April 2006, the Director General of the East African Development Bank (EADB), informed the Council of an arbitral award that had been made against EADB to pay a Tanzanian registered company known as Blueline Enterprises Limited a staggering amount of approximately USD 61 million (TAS 68 billion) The arbitral award arose out of EADB's attempt to enforce its security for a loan initially in the amount of SDR 2.279 million (approximately USD 3 million), earlier extended by EADB to the said Blueline Enterprises Limited in 1990 The borrower was in default of its loan repayment obligations at the time EADB attempted to enforce the loan security by appointing a receiver of the borrower's assets Unfortunately and rather paradoxically, the borrower secured an Order of the High Court of Tanzania stopping the EADB appointed receiver from realizing the loan security, and directing the parties to proceed to arbitration to determine their differences.
- b) The first round of arbitration conducted by retired Chief Justice Francis Nyalali (RIP) was concluded in favour of EADB, with the arbitrator confirming EADB's entitlement to recover its outstanding loan, interest and charges from Blueline Enterprises Limited When Justice Nyalali passed away soon after making the award in favour of EADB, Blueline Enterprises Limited

successfully challenged his arbitral award and obtained a Court Order directing that fresh arbitration proceedings be conducted before an alternate arbitrator by the name of Mr Mwakyusa, an architect by profession. EADB initially objected frantically to the fresh arbitration by Mr Mwakyusa on grounds of, amongst others, his perceived incompetence to try a finance-related dispute, but eventually was forced to accept the Court Order. The arbitration process before Mr Mwakyusa was legally flawed in many respects, including an obvious show of bias throughout the proceedings, even though EADB was represented in the proceedings by three very senior legal practitioners, one from each of the EADB Member States.

In the end, Mr Mwakyusa came out with the outrageous award of USD 61 million (TAS 68 billion) against EADB without presenting any rational basis for such an award. EADB took the matter back to the High Court of Tanzania, challenging the award on the grounds of the various flaws in the proceedings. The matter is still in Court, at the very preliminary and technical stage. The next Court appearance is scheduled for September 2006.

- c) The brief by the EADB Director General to the Council of Ministers in April revealed that the arbitral award against EADB exposed the Bank to potential liquidity problems, raised concern among the Bank's class B shareholders, creditors and lenders, and necessitate the need to consider enhanced immunity for the Bank and its assets in the region against seizure.
- d) Following the brief by the Director General, Council of Ministers directed that:
 - i) A Meeting of the Ministers responsible for Finance and the Attorneys General of the EAC Partner States be convened as soon as possible to address this matter (*EAC/CM11/Directive 46*); and
 - ii) The matter be brought to the attention of the Summit of Heads of State during the 7th Summit then scheduled for April 5th, 2006 (*EAC/CM 11/Directive 47*).

8.2.2.2 Subsequent Developments

EADB Government Council Deliberations

- a) Taking a cue from the directive of the EAC Council of Ministers, EADB Management took advantage of the composition of its Governing Council, made up of the Hon Ministers of Finance of the EADB Member States, and invited the Attorneys General of the EAC Member States to 31st EADB Governing Council Meeting held in Entebbe, Uganda on the 5th May 2006. The Hon Attorney General of the United

Republic of Tanzania, Mr Johnson Mwanyika, attended in person, whilst the Attorneys General of Kenya and Uganda were represented by their senior technical staff. The Hon. Counsel to the East African Community, Mr. Wilbert Kaahwa, was also invited to the meeting and attended in person

- b) The EADB Governing meeting deliberated on the matter at length, with the Governing Council receiving considered legal options suggesting that EADB's petition challenging the arbitral award was most likely to succeed. During the meeting, the Attorney General of the United Republic of Tanzania undertook to appeal administratively to the judiciary in Tanzania, without compromising the Judicial Independence, to expedite the resolution of the matter, while the Counsel to the East African Community reiterated the EAC Council of Ministers' grave concern at the award and confirmed the EAC Secretariat's decision to join the legal dispute in support of EADB, the latter being an institution of the Community under the Treaty establishing the Community. The representatives of the Attorneys General of the Republics of Kenya and Uganda, on their part, undertook to initiate and expedite the passing of protective legislations for the benefit of EADB in their respective countries along the lines already concluded by Tanzania through the Finance Act 2005. The meeting was comforted that these legislation would assist to negate the possibility of reciprocal enforcement of unfair judgments against EADB within the EAC Member States
- c) The Governing Council meeting finally agreed that the dispute would once again be discussed by the EAC Sectoral Council on Legal and Judicial Affairs, during its meeting then scheduled to be held in June 2006

EAC Sectoral Council on Legal and Judicial Affairs Deliberations

1. In June 2006, the EAC Sectoral Council on Legal and Judicial Affairs met in Entebbe, Uganda, and affirmed that both Kenya and Uganda had made substantial progress towards passing legislations that will strengthen EADB's immunity from judicial process and enforcement in the two countries, along the lines already enacted by Tanzania in 2005. The Attorney General's Chambers in Kampala, Uganda, has advised that a draft legislation named the East African development Bank (Amendment) Bill is currently with the Cabinet, while the Kenyan equivalent of the proposed amendment was expected to come out in the Finance Act, 2006;
2. At its Meeting held on August 4th 2006, the Sectoral Council on Legal and Judicial Affairs received reports from the Partner States on the progress made in enacting legislation to protect such institutions as the East African Development Bank against enforcement of unfair judgements⁴

⁴ Refer to section 2.4 of this Report

The Council:

- b) took note of the Report on the activities of the East African Development Bank;
(EAC/CM12/Decision 83)**
- c) urged Kenya to expedite the enactment of The Statute Law (Miscellaneous Amendment) Bill, 2006;**
- d) urged Uganda to expedite the enactment of the East African Development Bank Act (Amendment) Bill, 2006.
(EAC/CM12/Decision 85)**

8.3 LAKE VICTORIA FISHERIES ORGANIZATION

Background

- 8.3.1 The Lake Victoria Fisheries Organization (LVFO) was established in June 1994 by a Convention signed by the three EAC Partner States. It became a specialized institution of the East African Community in 1999. The main objective of the Organisation is to: Foster cooperation among the contracting parties; harmonize national measures for the sustainable utilization of living resources of Lake Victoria, and, develop and adopt conservation and management measures.
- 8.3.2 The functions of the LVFO are to. Promote the proper management and optimum utilization of fisheries and other resources of the lake, Enhance the capacity of existing fisheries Institutions, Provide a forum for discussion of the impacts of initiatives on the lake; Provide for the conduct or research on the living resources of the lake and its environment; coordinate and undertake training and extension in all aspects of fisheries; Consider and advice on the impact of introductions of non-indigenous organisms into the Lake Victoria, Serve as a clearinghouse and a data bank for information on the fisheries of the lake, and Promote the dissemination of information,
- 8.3.3 The Organs of the Organisation are the LVFO Council of Ministers, The Policy Steering Committee, The Executive Committee, The Fisheries Management Committee; The Scientific Committee; National Committees, and Other Committees formed by the Executive Committee
- 8.3.4 The activities of the Lake Victoria Fisheries Organization during the period under review centred on. implementation of the decisions of the LVFO Council of Ministers; implementation of approved work program of the Organization, Staff matters and financial matters of the Organization.

The details are given in the report of the Sixth Regular Session of the Council of Ministers, held at Speke Resort Munyonyo on 30th June 2006. Implementation of the work program of the Organization has mainly been facilitated through a grant from the European Union (EU) through the Implementation of a Fisheries Management Project (IFMP). High lights are outlines below

Research and Resource Monitoring

- 8 3 5 Standard Operating Procedures (SOPs) for implementation of fisheries activities on Lake Victoria in a harmonized manner were developed and adopted for most of the field operational areas of the Organization
- 8 3 6 The Partner States continued monitoring fish catches, fishing effort, fish stocks, the environment and Socioeconomic factors of the Lake Victoria fishery through frame surveys, catch assessment surveys, trawl surveys, hydro-acoustic surveys, gill net surveys and long lines. Although there are signs of declining trends of the fisheries resources, the fish stocks are generally stable. Historical and recent data is being used to develop a Fisheries Management Decision Support Tool (FMDST) to guide managers to make fisheries management decisions to sustain the fish stocks
- 8 3 7 The Partner States continued to undertake frame surveys on the lake every two years to monitor the status of the fishery. The results indicate that the fishing effort on the lake has continued to increase. Consequently the Partner States are developing a Regional Plan of Action to control fishing capacity in Lake Victoria in collaboration with FAO
- 8 3 8 The importance of Dagaa (*Rastrineobola argentea*) on the lake has increased. Suitable mesh sizes for exploiting Dagaa have been investigated and are being finalized. Processing methods are being developed to improve the quality of Dagaa into human food other than for animal feed

Management of Fisheries Resources

- 8 3 9 The Partner States enforced compliance to agreed measures through inter-district, national and joint regional patrols during which illegal gears, fishing crafts and immature fish were seized and suspects apprehended. Joint regional patrols were conducted to share experience between the Partner States
- 8 3 10 The Partner States adopted and are enforcing the 5 inch minimum mesh size of gillnets and the slot size of 50 cm to 85 cm for Nile perch harvest as a measure for managing the Nile perch fishery
- 8 3 11 Community participation in management of the fisheries has been promoted through re-organisation formation and harmonisation of Beach Management Units. 349 BMUs were formed in Uganda, 280 in Kenya and 450 in Tanzania. Capacity building of the BMUs is being undertaken through training.
- 8 3 12 The Organization is promoting Aquaculture in the Lake Victoria Basin through development of user manuals and a strategy for aquaculture development as an alternative livelihood for fishery dependent communities to release pressure on the capture fisheries
- 8.3 13 LVFO participated in preparation of a Code of Practice for Fish and Fishery Products within the East African Community, Fish Inspectors Guide for Assessing Compliance to the Code of Practice for Fish and Fishery Products and the Manual of Standard Operating Procedures for Inspection and Quality

Assurance in Capture Fisheries and Aquaculture that were coordinated by the EAC Secretariat.

- 8.3.14 A consultative meeting was held between the LVFO and the fish processors to promote dialogue with Industrial fish processors and to involve them as partners in management of the fisheries resources

Database Development and Management

- 8.3.15 A fisheries database called SAMAKI has been developed and has so far got seven modules to facilitate data storage, analysis and reporting. The Organization is developing a policy on fisheries data ownership and sharing within the LVFO

Information Dissemination

- 8.3.16 A number of outreach activities were undertaken. An Information, Communication and Outreach (ICO) Strategy and Action Plan were developed. The proceedings of the Lake Victoria Regional conference and the conference declaration were published. A workshop was held on empowering women of Lake Victoria fisheries and another to review and develop a strategy for combating the high incidences of HIV/AIDS among fishers. The staff of the Secretariat and LVFO institutions participated and presented papers in major regional and international conferences

Capacity Building

- 8.3.17 A draft Human Resources Development (HRD) Strategy and Action Plan has been developed and a number of training activities undertaken especially for BMUs. The staffs of the LVFO Secretariat and from LVFO institutions were facilitated to undertake a variety of courses including PhD.
- 8.3.18 Considerable progress was made in infrastructure capacity building provided for under IFMP. The tendering process for supply of five patrol boats to Partner States was completed and a supplier selected and that for two research vessels is well advanced. Architectural work for construction of the LVFO Secretariat headquarters is in progress. Rehabilitation of fisheries research and management institutions is in progress in five out of six institutions. The fish landing sites and social infrastructure to be constructed / rehabilitated were identified

Staff Matters

- 8.3.19 A number of vacant posts at the LVFO Secretariat including Finance and Administrative Officer and an Information and Database Office (IDO) were filled. Personnel to assist in implementation of IFMP including an Internal Auditor, Information, Communication and Outreach Officer and a Civil Engineer were hired. Arrangements were agreed upon to fill the posts of the Executive Secretary and Deputy Executive Secretary which will fall vacant before the next LVFO Council of Ministers meeting.

8 3 20 A proposal was made to improve the staffing position and financing of the LVFO Secretariat and to review the conditions of service of the staff of the LVFO to bring them in line with those of other EAC institutions. The LVFO Council of Ministers directed that a functional and institutional analysis of the Organization be undertaken. A consultancy has been commissioned to carry out the analysis and Council will meet in January 2007 to review the report. Another consultancy has been commissioned to suggest sustainable funding mechanisms for the LVFO.

Financial Matters

8 3 21 The financial matters of the organization including the Status of LVFO Accounts, Partner State contributions as and receipts from Development Partners were reviewed and audited.

Other Issues

8 3 22 The work program of the LVFO for the financial years 2006/07 and 2007/08 were presented and approved by the Sixth Session of the LVFO Council of Ministers and a request was made for funding a follow on project to IFMP by the EU.

**The Council took note of the Report of the activities of the Lake Victoria Fisheries Organisation.
(EAC/CM12/Decision 86)**

PART IX

SPECIAL REPORTS

9.1 PROGRESS REPORT ON THE FORMULATION OF THE EAC DEVELOPMENT STRATEGY 2006 – 2010

9.1.1 BACKGROUND

Following evaluation of technical and financial bids from several firms, the formulation of the EAC Development Strategy 2006-2010 was awarded to a consortium of firms comprised of Economic and Social Research Foundation of Tanzania in collaboration with International Development Consultants Ltd of Uganda and African Development and Economic Consultants Ltd of Kenya

The Consultants presented an Interim report to a Stakeholders' Meeting that was held at Ngurdoto Mountain Lodge on 4th February 2006 based on the comments from that meeting, the Consultants produced a Draft Strategy that was presented to a Stakeholders Meeting on 11th March 2006 at AICC, Arusha, Tanzania. After incorporating the additional comments, the Consultants produced a draft final EAC Development Strategy 2006-2010 that was presented to the 11th Meeting of the Council that was held at AICC, Arusha, Tanzania from 28th March to 4th April 2006

The council considered the draft EAC Development Strategy 2006-2010 but observed that the Partner States had not been given sufficient time to undertake country consultations on the Strategy

The council:

- a) took note of the draft EAC Development Strategy 2006-2010;**
- b) urged the Partner States to submit their written comments on the draft Strategy to the Secretariat by 21st July 2006;**
- c) directed the Secretariat to convene a Stakeholders Meeting on the draft Strategy by 31st August 2006.**

9.1.2 Current Status

In the intervening period, the Consultants have continued to refine the document. Secretariat was also invited and participate in a consultative workshop on the Strategy that was held in Nairobi on 14th July 2006. During the Session, the Secretariat reported that it has just received comments on the EAC Development Strategy from all the three Partner States

**The Council directed the Secretariat to convene a Stakeholders Meeting to finalise the Strategy by 30th September 2006.
(EAC/CM12/Directive 18)**

9.2 TERMS OF REFERENCE FOR A CONSULTANCY STUDY ON THE EAST AFRICAN COMMUNITY INDUSTRIALISATION STRATEGY

9.2.1 Introduction

The East African Community is a regional organization mandated by the governments of Kenya Tanzania and Uganda to spearhead the East African economic, social and political integration agenda. The Treaty for the Establishment of the East African Community was signed in November 1999 and entered into force in July 2000. The key building blocks towards economic, social and political integration of the East African Community are clearly articulated in the Treaty for the Establishment of the East African Community. The Treaty sets out a bold vision for the eventual unification of the EAC Partner States.

The Council at its 10th Meeting, held on August 8th – 9th 2005, noted the need to formulate an EAC regional industrial development strategy. The Council directed the secretariat to prepare a concept paper including for a study taking into account comparative advantage, competitiveness and equity and report at the 11th meeting of the Council. The Concept paper was adopted at the 11th Council meeting (EAC/CM/Decision 148) and further directed the secretariat to prepare ToRs for a Consultancy Study on the same.

The Treaty provides that the “... *The Community shall ensure (a) the attainment of sustainable growth and development of the Partner States by the promotion of a more balanced and harmonious development of the Partner States (b) the strengthening and consolidation of co-operation in agreed fields that would lead to equitable economic development within Partner States and which would in turn, raise the standard of living and improve the quality of life of their populations (c) the promotion of sustainable utilization of the natural resources of the Partner States and the taking of measures that would effectively protect the natural environment of the Partner States*”⁵

Article 79 of the Treaty spells out co-operation in industrial development, In order to promote the achievement of the objectives of the Community as set out in Article 5 of the Treaty, the Partner States shall take such steps in the field of industrial development that will: a) promote self-sustaining and balanced industrial growth; b) improve the competitiveness of the industrial sector so as to enhance the expansion of trade in industrial goods from the Partner States in order to achieve the structural transformation of the economy that would foster the overall socio-economic development in the Partner States; and c) encourage the development of indigenous entrepreneurs.

9.2.2. EAC regional industries

The idea behind the regional industries is to give agreed incentives to the promotion of certain important industries that will be located in East Africa based on comparative and competitive advantages, and also having backward and forward linkages at the East African market as a whole. One can

⁵ Article 5 (3)

therefore say that an East African Industry in an industry that is economically feasible, its products access the entire market of East Africa and one which sources the bulk of its inputs from the East African region

9.2.3 Mandate from the Treaty

The mandate to establish EAC regional industries is derived from Article 5(2) of the Treaty (stated above) and more specifically from Articles 79 and 80 of the Treaty. Article 80 deals with the strategy and priority areas which states that for the purpose of Article 79 of the Treaty, the Partner States shall take measures to among others, promote linkages among industries within the Community through diversification, specialisation and complementarities, in order to enhance the spread effects of industrial growth and to facilitate the transfer of technology. In addition, Article 80 gives a strategy and priority areas as to rationalize investments and the full use of established industries so as to promote efficiency in production

9.2.4 Purpose of the Consultancy

The objective of the consultancy is to undertake a comprehensive study that would clearly specify the scope of coverage of the EAC regional industries, identify key areas for promotion, analyse what kind of investment are needed, indicate the necessary institutions that may have to be set up to support the regional industries and suggest the monitoring mechanisms

In undertaking this work, the consultant would identify the status of implementation of various aspects of the Protocol and based on this finding would draw up a Program of Action (with timelines and necessary resources) that would guide setting up or supporting the regional industries

9.2.5 Methodology

The Consultant shall conduct wide literature review on the subject matter of regional industries and consult relevant institutions, organs and departments of the East African Community including holding stakeholders' meetings in the Partner States. In collaboration with the EAC Secretariat, the Consultant will organize and facilitate workshops, meetings and informal discussions in order to identify the need and modalities of setting these industries and identify the key issues and propose policy options that would guide the establishment / designating of regional industries

The consultant will draw heavily from the experiences of other regional economic groupings that have a common policy on promotion of regional industries

9.2.6 Terms of Reference

Specially, the Consultant will be required to undertake the following

- a) To define and clearly indicate the scope of coverage of the EAC regional industries drawing heavily from other regional economic groupings,

- b) To develop and evaluate lists of “East African Industries” in accordance with economic feasibility which is based on access to entire EAC market and backward and forward linkages,
- c) To identify key issues that needs considerations for establishing the industries and propose policy options that would guide this selection of the regional industries;
- d) To identify the critical institutions and structures that may have to be set up and / or strengthened for the smooth functioning and monitoring of regional industries;
- e) To draw up a Program of Action (with timeliness and necessary resources) that would guide establishment / selection of the industries with emphasis to such factors; enhancement of employment opportunities in the region; enhance cross border trade, cost effectiveness (that is they do not depend to a large extent on government subventions for their existence) etc,
- f) To examine the basis for distribution of these industries giving particular regard to economic feasibility, need for equitable distribution, advising measures for achieving rapidly an equitable pattern of industrial location

In undertaking the above TORs, the consultant shall use (but not limited to) the following documents The Treaty for the Establishment of the East African Community, the Protocol on the Establishment of the East African Community Customs Union; the Mission and Vision of the Community, the EAC Development Strategy 2006 – 2010; The private Sector Development Strategy; Concept paper for this study, the Report of the Committee on Fast Tracking East African Federation; Summit and Council decisions and any other relevant documents.

The Consultant shall work closely with the coordinating ministries in the Partner States and organs / institutions of the Community including the Secretariat, EALA and EACJ The Consultant shall report to the Director General (Customs and Trade) who will be responsible for supervising this work

Consistent with the above Terms of Reference, the Consultant shall produce a clearly written and reader friendly document on the EAC Regional Industrialization

9.2.7 Reports and Timeframe

The Consultants shall produce six hard copies spiral bound and in electronic form (Micro Soft Word Version) for the following reports as per the following timeframe:

- (a) Inception report by December 2006
- (b) Interim report by January 2007
- (c) Final Report by March 2007

The Council

- a) **took note of the foregoing progress;**
(EAC/CM12/Decision 87)
- b) **urged Partner States to facilitate wide consultations on the Terms of Reference and submit comments to the Secretariat by end of September 2006.**
(EAC/CM12/Decision 88)

9.3 REPORT OF THE 1ST REGIONAL WORKSHOP FOR CIVIL SOCIETY ORGANISATIONS IN EAST AFRICA

9.3.1 Introduction

The workshop, a first of its kind was a fulfillment of a long overdue plan for the Community to fulfill its mandate of providing a forum for consultations between the private sector, civil society organizations and other interest groups as provided for in article 127 (4) of the Treaty

9.3.2 Treaty Provisions in Relation to Civil Society Participation and Involvement in EAC

Articles 127-129 of the Treaty provides for the creation of an enabling environment for the Private Sector, the Civil Society and the strengthening of co-operation among business organizations and Professional bodies. These positions specifically provide that:-

- a) *The Partner States agree to promote an enabling environment for the participation of civil Society in the development activities within the Community; and*
- b) *The Secretary General shall provide the forum for consultations between the private sector, civil society organizations, other interest groups and appropriate institutions of the Community⁶*

9.3.3 Objectives of the Regional Workshop

The objectives of the workshop were to:

- a) discuss the EAC background paper on Civil Society participation in East Africa;
- b) to review civil society status in East Africa, the need to build synergies and networks;
- c) to discuss and recommend an appropriate consultation and involvement mechanism for Civil Society within EA;
- d) to draw a roadmap on the establishment of an East African NGO Forum; and

⁶ Articles 127 (3) and 127 (4)

- e) Make recommendations for future national and regional actions

The Workshop was attended by 72 delegates drawn from national NGOs' from the 3 Partner States, 14 regional Civil Society organizations, coordinating Ministries and the ministries responsible for NGO affairs in each state

9.3.4 Recommendations of the Workshop

Guided by the consensus on the need to establish a comprehensive and viable consultative and involvement mechanism for Civil Society Organisations in East African Community, its organs and institutions, the following policy recommendations arising from the 1st Regional Civil Society Workshop (**Report Ref: EAC/01/CSO/2005**) are therefore, being brought to the attention of the Council for consideration, adoption and guidance

- a) An Economic and Social Committee (ECOSOC) be established within the structures of the EAC to provide for a consultative and involvement mechanism for the participation of Civil Society,
- b) A Forum which will be known as the EAC NGO/CSO Forum be established as an autonomous body to serve as an umbrella body of all NGOs and CSOs in the region,
- c) Such forum be mandated to facilitate for a better avenue for active engagement between Civil Society and the Community and its organs;
- d) Such forum be formally recognized by the Partner States and the EAC;
- e) An EAC NGO/CSO Steering Committee be established at National and Regional level by December 2005, and be composed of the following:
 - (i) At the National level to comprise nine (9) representative from the National NGOs/CSOs, and three (3) representatives from the relevant Government Ministries
 - (ii) At the Regional level to comprise three (3) NGO/CSO representatives from each Partner State, two (2) NGO/CSO representatives from Zanzibar, one (1) representative from the East African Community Secretariat and three (3) representatives of Regional CSOs
- f) A Secretariat be established in Arusha to co-ordinate the activities of the EAC NGO/CSO Forum;
- g) A People's Forum be convened at National level comprising all civil society groups and non-state actors to participate in the consultation process towards the formation of the East African Political Federation as stipulated in paragraph 9 of the Joint Communiqué issued by the Summit held in Dar es Salaam on 29th – 30th May, 2005,
- h) An annual meeting of the Civil Society Organisations be institutionalised in the EAC Calendar of Activities.

- i) That the EAC considers broadening participation within its meetings and other fora by introducing a “Consultative Status” for NGOs and Civil Society Organisations which do not have to be subjected to the requirements outlined in the observers status criteria.

The Council

- a) **took note of the recommendations of the Civil Society Forum;**
(EAC/CM12/Decision 89)
- b) **directed the Secretariat to prepare a background paper to clarify and justify the recommendations of the Civil Society Forum and circulate the paper to the Partner States for comments and consideration;**
(EAC/CM12/Directive 19)
- c) **directed the Secretariat to convene a meeting of relevant experts from the Partner States and Civil Society to consider the paper before the 13th Meeting of the Council scheduled for November 2006.**
(EAC/CM12/Directive 20)

9.4 REGIONAL STRATEGY FOR SCALING UP MODERN ENERGY SERVICES IN EAST AFRICA

The United Nations Commission on Sustainable Development (CSD-14) was held from 1 to 12 May 2006 at the United Nations Headquarters in New York. As a review session, CSD – 14 was tasked with identifying barriers and constraints, lessons learned and best practices in implementation in the thematic cluster of energy for *sustainable development, industrial development, air pollution/atmosphere and climate change*.

Partner States attended and fully participated in the CSD-14 session along side the Secretariat’s delegation which was led by the Deputy Secretary General, Projects and Programmes. This was in conformity with the Decision by Council that the EAC attends and participates in the 14th Session.

The Secretariat attended all the meetings and relevant side events according to the programme of the CSD-14. It also held official discussion on 3rd May 2006 with H. E Gilbert Hougbo, Assistant Secretary-General and Regional Director, Regional Bureau for Africa and other Senior UNDP Officials. During the discussion, it was agreed that there is need for the UNDP and EAC to sign a MoU to formalize the working relationship between the UN Assistant Secretary General and the EAC Secretary General on modalities of concluding the MoU and other cooperation matters including finalization of an EAC Strategy of Scaling up Access to Modern Energy Services in East Africa to meet the following four main energy targets by 2015

- a) **Target 1:** Enable the use of modern fuels for 50% of those who are at present using traditional biomass for cooking – improved cook stoves, reduce indoor air pollution, increase sustainable biomass production,

- b) **Target 2:** Access to reliable modern energy services for all **urban** and **peri-urban** poor.
- c) **Target 3: Electricity at community level** for services such lighting, refrigeration, ITC, and water treatment and supply for all schools, clinics, hospitals and community centres; and
- d) **Target 4:** Access to mechanical power at community level for all communities for productive uses

EAC's Presentation

The Deputy Secretary General presented a Power-Point situational paper and roadmap on "*Regional Energy Access to Modern Energy Services in the EAC*" on Thursday 4th May 2006, under a theme. *Energizing the Millennium Development Goals Increasing Access to Energy Services for the Poor*". He made reference to the decisions by Council at its 11th Council and informed the meeting on the process ahead including preparation of the Strategy and to ensure that this is concluded before the next Council.

The Strategy will entail the milestones to be achieved by 2015 and will play a critical role in the improvement of the conditions and well being of the people of East Africa in rural and peri-urban areas. These populations jeopardize their health and that of their children by burning harmful domestic fuels, they spend a great part of their time trekking several kilometers with heavy loads, they give birth in semi-darkness, in short, they are deprived of economic opportunities because they do not have access to or cannot afford adequate energy services. In short it is needless to say that our populations deserve better and we have a duty to free them from these hardships.

The presentation was acknowledged with appreciation and keen interest by the international community in the work of the EAC

The process of developing the Regional Strategy is on-going and is expected to be completed for consideration and approval at the Council meeting in November 2006

The council:

- a) **took note of this development**
(EAC/CM12/Decision 90)
- b) **directed the Secretariat to ensure that the Regional Strategy for Scaling up Modern Energy Services in East Africa is prepared and completed according to plan for consideration at the next Council.**
(EAC/CM12/Directive 21)

PART X

ANY OTHER BUSINESS

10.1 Delays in Gazetting Decisions made at Pre-Budget Consultations of Ministers of Finance

The Council noted reports by the Partner States that there are delays in the publication of Legal Notices on the Budget proposals in the EAC Gazette. This causes delays in the implementation of the decisions. The Council was informed that these delays emanate from the scheduling of the meetings on pre-budget consultations and the Sectoral Council on Trade, Finance and Investment

The Council took note of the above reports.
(EAC/CM12/Decision 91)

10.2 Availability of EAC Publications

The Council was informed by the Secretariat that Publication of EAC Customs Union and other official documents could be done by the Government Printers in Partner States under authorization by the Secretariat.

The Council took note of the above reports.
(EAC/CM12/Decision 92)

10.3 Submission of applications for posts in the East African Community

In response to concerns raised by one of the Partner States on the practice whereby the Secretariat does not respond to or acknowledge applications for the jobs advertised, the Session was informed that due to the large numbers of applications received, it was practically impossible for the Secretariat to individually respond to all of them.

On the issue of having applications routed through the Coordinating Ministries, the Co-ordination Committee was informed that Regulation 23(2) of the Staff Rules and Regulations provides that all applications for advertised positions be submitted directly to the Secretariat by applicants.

The Council took note of this information.
(EAC/CM12/Decision 93)

10.4 Submission of Tenders

The Council noted the Partner States' observation on the need to ensure more transparency in the handling of tenders submitted to the Secretariat for purposes of the Community's acquisition of goods and services. In this regard there is need for the Secretariat to acknowledge receipt of submitted tenders

The Council took note of the above matter.
(EAC/CM12/Decision 94)

10.5 Development of the EAC Anthem

The Council noted a report by the Secretary General that the development of the EAC Anthem required a further US \$ 161,000 input. The Council observed the need to expedite the development of the anthem for presentation to the Heads of State at its next Extraordinary Summit to be held in July 2007

The Council directed the Secretariat to spend US \$ 161,000 from the float for this purpose.

(EAC/CM12/Directive 22)

10.6 Goodwill Ambassadors for the East African Community

The Council noted a proposal by the Secretary General that for the purposes of enhancing the Community's image visibility and outreach purposes, there is need for the Council to nominate Goodwill Ambassadors for the Community. The role of such Ambassadors would be to augment the Community's outreach activities.

The Council directed the Secretariat to study financial and other policy aspects of this matter for its (Council) further consideration.

(EAC/CM12/Directive 23)

10.7 Report on East African Court Reference No. 1 of 2005 (Calist A. Mwatela and Others vs East African Community).

The Council was informed by the Secretariat that three members of the East African Legislative Assembly, namely, Hon. Isaac A. Sepetu, Hon. Calist A. Mwatela and Hon. Lydia W Mutende, filed a reference against the East African Community in the East African Court of Justice seeking an interpretation of the Treaty regarding the handling of the East African Immunities and Privileges Bill, 2004, The Inter-University Council for East African Bill 2004, and the East African Joint Trade Negotiations Bill, 2003.

The background to the reference is that at the three members had, by way of private members' motions, introduced the said Bills into the East African Legislative Assembly for enactment into law. Before substantive debate began these members agreed with the Chairperson of the Council that these Bills, being policy oriented, should be introduced by the Council into the Assembly. The Council therefore assumed responsibility over these Bills. However, subsequently the Council, through the Sectoral Council Legal and Judicial Affairs, concluded that the East African community Immunities and Privileges Bill and the Inter-University Council for East Africa Bill were unnecessary and that the matters they sought to cater for could be handled under protocols. The Council therefore withdrew the Bills. The East African Community Trade Negotiations Bill 2003 has been subjected to an on-going consultancy study and its progress awaits the outcome of that study.

The purpose of the reference was to determine the legality of the said decisions of the Council. The said members alleged that the decisions of the Council and the Sectoral Council infringed on the Legislative Assembly's

legislative functions, frustrated the legislative Assembly's legislative functions, frustrated the legislative process and were to that extent "illegal". They therefore sought the Court of Justice's interpretation of the Treaty in this regard and a declaration that the decision of both the Council and the Sectoral Council were not within the law as stipulated in the Treaty

The Secretariat's efforts to settle the matter out of court failed, the said members were keen on a judicial interpretation of the relevant provisions of the Treaty and Rules of Procedures for the East African Legislative Assembly

The Co-ordinating Ministries and the Offices of the Attorneys General were kept posted of all developments in this matter from filing of the reference and the pleading up to the hearing

The reference was heard by the Court on 8th – 17th August 2006. The issue in dispute and in respect of which Counsel for the Applicants and Counsel for the Respondents adduced evidence and made submissions are attached hereto as **Annex XXIV**. Judgment will be delivered on a date to be communicated to the parties.

The Council took note of the report on the Court Reference. (EAC/CM12/Decision 95)

10.8 EACT Trade Policy Review

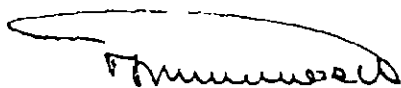
The Council was informed that a workshop on the EAC trade policy was held on 21st – 23rd August in Arusha, Tanzania. The summary of the workshop recommendations is provided below:-

- (a) There is need for sharing information on pertinent issues between the Partner States, their representatives in Brussels and Geneva and the EAC Secretariat. A follow up team should be established that include EAC Secretariat and at least two representatives from the capitals and one representative from each of the Brussels and Geneva missions. The team should meet regularly on quarterly basis under the auspices of the EAC Secretariat;
- (b) On trade facilitation the EAC Partner States should pursue the regional approach on trade facilitation issues;
- (c) On Non Agriculture Market Access (NAMA) the EAC Partner States should identify common Non Tariff Barriers (NTBs) facing their products and develop a harmonized approach on this issues. The horizontal approach should be adopted as the basis for the resolving NTBs issues;
- (d) On services a regional framework for the development of offensive interests need to be considered. The EAC should raise the profile of services industries and exports including integrated vision of linkages across sectors in the negotiation;

- (e) Concerning Economic Partnership Agreements (EPAs) EAC Partner States should assess the implication on EPAs of the EAC Custom Union. They should urgently harmonize the positions in both ESA configuration and SADC in order to ensure that EAC integration objectives are no compromised. EAC secretariat should be more involved in EPA negotiations. The EAC Secretariat should take urgent measures to comprehensively inform the Heads of State about the non implementation of the 2002 Summit decision and seed guidance from them,
- (f) On EAC trade Policy Review the workshop outline the way forward to 25th – 27th October when EAC and the Partner States will answer questions from WTO members about the EAC Trade Policy Review. The EAC Secretariat will coordinate the process and also convene preparatory meeting scheduled for late September or early October to address the questions. Factual amendments of the WTO report are to be made by 1st September 2006. The mission is to be led by high level delegates and EAC Secretariat together with Partner States will make statements and jointly respond to questions.

**The Council took note of this development.
(EAC/CM12/Decision 96)**

SIGNED by the Leaders of Delegation this 25th day of August, 2006



.....
Hon John Arap Koech, EGH, MP
Minister of East African
Community
Republic of Kenya



.....
Hon. Andrew J. Chenge, MP
Minister for East African
Cooperation
The United Republic of
Tanzania



.....
Hon. Sam K. Kutesa, MP
Minister of Foreign Affairs
Republic of Uganda

ANNEX I



EAST AFRICAN COMMUNITY

12th MEETING OF THE COUNCIL OF MINISTERS

AICC, Arusha, Tanzania August 21st - 25th, 2006

AGENDA

(Ref: EAC/CM 12/A/2006)

- 1.0 CONSIDERATION OF A REPORT ON THE IMPLEMENTATION OF PREVIOUS DECISIONS OF THE COUNCIL**
- 2.0 CONSIDERATION OF THE REPORT OF THE OFFICE OF THE SECRETARY GENERAL**
 - 2.1 Progress Report on the Implementation of the Treaty for the Establishment of the East African Community**
 - 2.2 Institutional Matters**
 - 2.2.1 Progress on the High Level Negotiations for the Admission of Burundi and Rwanda to the East African Community**
 - 2.2.2 Progress Report on the development of Criteria on the Establishment of Sectoral Councils**
 - 2.2.3 Initiation of Bills to the Legislative Assembly (Lake Victoria Basin Commission Bill, 2006, East African Community Customs Management (Amendment) Bill, 2006)**
 - 2.2.4 Institutional Arrangements and Programme for the Ministries responsible for East African Community**
 - 2.3 Legal and Judicial Affairs**
 - 2.4 Interstate Co-operation in Peace and Security**
 - 2.5 Contact and Outreach Activities**

- 3.0 CONSIDERATION OF A REPORT ON SECTORAL PROJECTS AND PROGRAMMES**
 - 3.1 Capital Markets Development**
 - 3.2 Fiscal and Monetary Affairs**
 - 3.3 Infrastructure (Transport, Communications and Meteorology)**
 - 3.4 Productive Sectors**
 - 3.5 Social Sectors**
 - 3.6 Consultative, Expert and Task Force Reports**
- 4.0 CONSIDERATION OF THE PROGRESS REPORT ON FAST TRACKING THE POLITICAL FEDERATION**
- 5.0 CONSIDERATION OF A REPORT OF THE DIRECTORATE OF CUSTOMS AND TRADE**
- 6.0 CONSIDERATION OF THE FINANCE AND ADMINISTRATION REPORT**
 - 6.1 Finance**
 - 6.1.1 Status of Partner States Contributions
 - 6.1.2 Revenue Float
 - 6.1.3 EAC Partnership Fund
 - 6.2 Human Resources**
 - 6.2.1 Job Evaluation
 - 6.3 . Administrative Matters**
- 7.0 CONSIDERATION OF A REPORT ON THE ACTIVITIES OF OTHER EAC ORGANS**
 - 7.1 Activities of the East African Legislative Assembly
 - 7.2 Activities of the East African Court of Justice
- 8.0 CONSIDERATION OF A REPORT ON EAC INSTITUTIONS**
 - 8.1 East African Development Bank
 - 8.2 Inter-University Council for East Africa
 - 8.3 Lake Victoria Fisheries Organisation
- 9.0 CONSIDERATION OF SPECIAL REPORTS**
 - 9.1 Progress Report on the East African Community Development Strategy 2006 - 2010
 - 9.2 Terms of Reference for the Study on an EAC Industrialisation Strategy
 - 9.3 Report of the 1st Regional Workshop for Civil Society Organisations in East Africa held on 28th - 29th July, 2005
 - 9.4 Report on Energy Scaling up Strategy
- 10.0 ANY OTHER BUSINESS**

ANNEX II

ANNEX III

EAST AFRICAN COMMUNITY



12th MEETING OF THE COUNCIL OF MINISTERS

**AICC, Arusha, Tanzania
August 21st - 25th, 2006**

**A Bill for an Act
Entitled**

**THE EAST AFRICAN COMMUNITY
CUSTOMS MANAGEMENT (AMENDMENT) ACT, 2006**

**EAC SECRETARIAT
Arusha, Tanzania
August, 2006**

A Bill for an Act

ENTITLED

**THE EAST AFRICAN COMMUNITY
CUSTOMS MANAGEMENT (AMENDMENT) ACT, 2006**

An Act of the Community to make provision for amendments to the East African Customs Management Act, 2004 for purposes of facilitating the discharge of the functions of the Directorate of Customs and the implementation of the East African community Customs Management Act, 2004 and to provide for related matters.

ENACTED by the East African Legislative Assembly and assented to by the President of the United Republic of Tanzania, the President of the Republic of Kenya and the President of the Republic of Uganda as follows

- (a) in Section 48(4), by inserting the words *"from the release of the goods to the owner"* between the words *"days"* and *"be"* in the second line of the subsection,
- (b) in Section 57(1), by replacing the word *"three"* with *"six"* in the second line,
- (c) in Section 110, by inserting a subsection (3) providing
"The Council may by notice in the Gazette amend the rates referred to in subsection (1)",
- (d) in Section 112(2) by substituting the date *"31st December, 2008"* for the date *"31st December 2006"*;
- (e) in Section 243, by inserting the word *"not"* between the words *"shall"* and *"apply"*;

MEMORANDUM OF POLICY, OBJECTS AND REASONS FOR THE BILL

The East African Legislative Assembly enacted the East African Community Customs Management Act, 2004 on December 9th, 2004. The Act which provides for the management and administration of customs and for related matters came into force on January 1st, 2005

In the course of the operationalisation of the East African Community Customs Union on the basis of the Act, the need to amend some provisions of the Act has been identified for the purposes of:

- (a) facilitating the implementation of the Act; and
- (b) facilitating the discharge of the functions of the Directorate of Customs as provided under Part II of the Act;

The proposal for amendment is brought within the context of.

- (a) The legislative functions of the East African Legislative Assembly under Article 49(1) of the Treaty for the Establishment of the East African Community.
- (b) The legislative procedure provided under The Acts of the East African Community Act, 2004; and.
- (c) Section 41 of the Laws of the Community (Interpretation) Act, 2003.

An amendment of Section 110, which provides for payment of duty on goods at the rate and in the circumstances specified in the Protocol on the Establishment of the East African Community Customs Union, is necessary to enable the Council amend the duty rates whenever such amendment is deemed necessary within the spirit and meaning of Article 12(3) of the Protocol. The amendment of Section 243 is intended to ease recovery of taxes on abandoned, overstayed or forfeited goods.

Section 112 of the East African Customs Management Act, 2004 provides that:

"112.(1) *Preferential tariff treatment shall be applied to goods:*

- (a) *Imported under the COMESA and SADC arrangements in the Partner States as prescribed in the Partner States' legislation.*
 - (b) *Imported under any other tariff arrangement that may be approved by the Council.*
- (2) *Preferential tariff treatment shall not be applied to goods referred to in subsection (1) (a) after 31st December, 2006."*

The development of a framework for trade arrangements between the Community, COMESA and SADC taking into account the Partner States' multiple memberships and the planned COMESA Customs is yet to be finalized. Given the intensity of the process of negotiations and in order to align the trade arrangements to transitional timeframe of the tariff elimination

programme, the time provided in the Act may not be adequate to put in place a comprehensive mechanism for trading arrangements with COMESA and SADC. It is therefore necessary to consider extending the period through an amendment of the Section 112(3) to 31st December 2008 within which the preferential tariff treatment under COMESA and SADC shall be accorded. This time period will enable comprehensive negotiations with the two regional bodies on a mutually agreed trading arrangement that are beneficial to all the three regional communities.

Accordingly the Council has decided to table before the East African Legislative Assembly a proposal to amend Section 112 of the East African Community Customs Management Act for purposes of extending the period of preferential tariff Treatment under COMESA and SADC up to 31st December 2008.

DATED this 21st day of August, 2006

HON. JOHN ARAP KOECH, EGH, MP

Minister of East African and
Regional Co-operation

Chairperson
East African Community
Council of Ministers



EAST AFRICAN COMMUNITY

DRAFT CRITERIA FOR ESTABLISHMENT OF EAC SECTORAL COUNCIL

**EAC SECRETARIAT
Arusha, Tanzania
June, 2006**

ANNEX IV

EAST AFRICAN COMMUNITY SECRETARIAT PROPOSED CRITERIA FOR THE ESTABLISHMENT OF SECTORAL COUNCILS

Introduction

1.1 Basis for Sectoral Councils

The Treaty for the establishment of the East African Community (hereinafter referred to as "the Treaty") establishes, under its Article 9, institutional framework for the East African Community. Among the organs of the Community established under the treaty is the Council of Ministers ("the Council") consisting of "the Minister responsible for regional co operation of each Partner State and such other Ministers of the Partner s State as each Partner States may determiner (Article 9 (i) (a, 13)

The Council is charged with making policy decision for the efficient and harmonious functioning and development of the Community.

The Treaty also provides that the Councils shall, in the discharged of its functions, as the policy organ of the Community, establish from among its members Sectoral Councils to deal with such matters that arise under this Treaty as the Council may delegate or assign to them and the decisions of such Sectoral Councils shall be deemed to be decisions of the Council" (Articles 14(3) (i)

The basis for the Treaty's establishment of Sectoral Councils, within the Community's Institutional framework is to facilitate decision making while at the same time maintaining the position of the Council as a policy organ.

1.2 Existing Sectoral Councils

Pursuant to the provisions Co-operation of the Treaty, the Council has to date established the following Sectoral Councils:

- (a) Sectoral Council on Co-operation in Defence
- (b) Sectoral Council on Education Culture and Sports:
- (c) Sectoral Council on Co-operation in Health Affairs:
- (d) Sectoral Council on the Lake Victoria Development Programme
- (e) Sectoral Council on Legal and judicial affairs
- (f) Sectoral Council on Trade, Finance and investment and
- (g) Sectoral Council on, Transport, Communications and Meteorology

The establishment of the existing Sectoral Council has been through recommendations by the relevant Sectoral Committees to the Council

At its third meeting held on September 13th, 2002 the Council directed that the Secretariat prepares a proposal on the criteria for the establishment of Sectoral Councils as a basis for the establishment of Sectoral Councils.

2.0 Legal Basis for Decision Making by the Council

Pursuant to the Treaty provision enabling the Council, in the discharge of its functions as the policy organ of the Community to delegate or assign matter to the Sectoral Councils, it is imperative to consider the areas requiring decisions of the Council.

On the basis of the Treaty provisions, a Protocol on Decision making by the Council of the East African Community (hereinafter "the protocol") was concluded and came into force on 21st April 2001.

Article 2 of the protocol provides as follows:

"Decision of Council"

The decisions of Council are on the following matters:

- a granting of observer status to an inter- governmental organisation or civil society organisation
- b making of financial rules and regulations for the Community
- c submission of the annual budget of the Community to the East Africa Legislative Assembly,
- d approval of the expenditures of the Community;
- e establishment of any sectoral council or committee under the Treaty
- f submission of Bills to the East African Legislative Assembly.
- g policy decisions made pursuant to Article 14 (3) (a) of the Treaty:
- h decisions on what should be recommended to the summit on ,
- i amendment to the Treaty,
- ii approval or amendment of any protocol
- iii admission of new members
- iv granting of observer status to foreign countries
- v imposition of sanctions
- vi suspension of a member
- vii transformation into the a political federation and
- viii expansion areas of cooperation”

3.0 Proposed Criteria

3.2 Guiding Principles

The following broad principles should form the basis for the criteria

- (a) Facilitation of decision- making –the need to expedite the implementation of the Treaty in a timely, Purposeful and cost effective manner
- (b) Demand driven and result oriented and based on the need to satisfy all relevant stakeholders in a balanced and ideal cost effective manner,
- (c) Subsidiarity – multi-level and wider stakeholders participation in decision making and
- (d) Enhancement of specialised approach to the handling of co-operation in the integration process.
- (e) Avoidance of duplication on the handling of EAC projects and programmes

3.2 Applicable Criteria

The following broad criteria are recommended.

- (a) Expanding nature of the area of co-operation whereby fast decision-making is required on a regular basis in order to:
 - (i) Expedite and sustain the momentum of projects and programmes implementation,
 - (ii) Maintain agreed schedules with all stakeholders, other regional and international organisation and the development partners:
- (b) technical expertise is required in the handling of the area of co-operation
- (c) Financial expediency and the need to ensure effective and rational management of resources in the conduct of sectoral meetings and consultations.
- (d) Frequency of convening meetings of that respective sector.

4.0 Administrative procedures

- 4.1 Whenever need to establish a Sectoral Council is identified the secretary General or the relevant Sectorral Committee shall inform the Council! after ensuring that the laid down criteria have been fulfilled.

- 4 2 The Secretary General shall bring the proposal to the Sectoral Council to the Finance and Administration committee and the Sectoral Committee on Legal and Judicial Affairs
- 4 3 The secretary General shall present the proposal together with Report of the Finance and Administration Committee and the Sectoral Committee on Legal and Judicial Affairs to the Council at its next convenient sitting for a decision
- 4 4 The Council shall using the applicable criteria pronounce itself on the establishment of a proposed Sectoral Council
- 4 5 The Rules of Procedure for the Council of Ministers of the East African Community shall apply mutatis mutandis to all Sectoral Councils.

5.0 Operational Procedures

- 5 1 In accordance with Rule 12 of the EAC Rules of Procedure for Council Meetings which provides that the Council of Ministers allows the Council to delegate the exercise of its functions, subject to any condition which may think fit to impose, to a Sectoral Council and the decisions of such Council shall be deemed to be the decision of the Council
- 5 2 In order to ensure complementarity and linkages with the work of the Council as stipulated in the Treaty the Sectoral Councils shall consider in the following in the conduct of their deliberations:
 - a address any issue referred to them by the Councils at the preceding session
 - b examine technical issue with respect to specific project requiring specialized technical expertise.
 - (c) defer decision making to the Council on matters that have financial implications on the Community.
 - (d) defer any decision that have policy implications pursuant to Article 14 (3) (a) of the Treaty
 - (e) in order to streamline Sectoral Council decisions with those of the Council the Sectoral Council shall in collaboration with the Secretariat, ensure that their decisions are in conformity with the policy decisions taken by Council at Preceding session:
 - (f) in collaboration with the Secretariat, ensure coordination and mutual complementarity of the effort of the Sectoral Councils to promote integration: and
 - (g) Consider any other functions as may be decided by the Council.

6.0 Mandate of Sectoral Council

Rule 12 of the Rules of Procedure for the Council of Minister of the East African Community allows the Council to delegate the exercise of its functions subject to any conditions which it may think fit to impose to a Sectoral Council, and the decisions of such Sectoral council shall be deemed to be decisions of the Council

In order to ensure complementarity and linkages with the work of the Council as stipulated under the Treaty the Sectoral Council should consider the following in the conduct of their deliberations

- (a) address any issues referred to them by the Council at a preceding session;
- (b) examine technical issues with respect to specific projects requiring specialized technical expertise:
- (c) defer decision making to the Council on matters with financial implications on the Community
- (d) defer any policy –making decision to the Council Pursuant to Article 14(3) (a) of the Treaty
- (e) In order to the Streamline Sectoral Council decisions with those of the Council, the Sectoral Council shall in collaboration with the Secretariat, ensure that their decisions are in conformity with the policy decision taken by Council at its preceding sessions;

- (f) In collaboration with the Secretariat, ensure co-ordination and mutual complementarity of the efforts of Sectoral Councils to promote integration , and
- (g) Consider any other functions as may be decided by the Council.

7.0 Abolishing a Sectoral Council

The Council of Ministers may, where it deems that a Sectoral Council is no longer necessary , declare that the said Sectoral Council is abolished henceforth.

**East African Community
Arusha, Tanzania
June, 2006**

EAST AFRICAN COMMUNITY



**12th MEETING OF THE
COUNCIL OF MINISTERS**

**AICC, Arusha, Tanzania
August 21st - 25th, 2006**

**SUMMARY OF THE DECISIONS MADE BY THE
SECTORAL COUNCIL ON
LEGAL AND JUDICIAL AFFAIRS**

**EAC SECRETARIAT
Arusha, Tanzania
August 2006**

ANNEX V

SUMMARY OF THE OUTCOME OF THE MEETINGS OF THE SECTORAL COUNCIL ON LEGAL AND JUDICIAL AFFAIRS

Meeting of June 5th - 10th 2006

The Sectoral Council on Legal and Judicial Affairs ("the Sectoral Council") met in Entebbe, Uganda on June 5th - 10th, 2006. It made decisions on the following matters:

1.0 EAC Council Bills

1.1 Draft Lake Victoria Transport Bill, 2006

The Sectoral Council took note of the progress in the preparation of the Lake Victoria Transport Bill, 2006 but observed the need for more expert and drafting inputs. It, therefore:

- (a) directed the Secretariat to convene a Meeting of Maritime and Transport Experts and Legal Experts and Draftsmen on June 19th - 23rd, 2006 to finalise technical/drafting legal requirements, the final revised text should be approved by the Sectoral Council on Transport, Communications and Meteorology, and
- (b) directed the Secretariat to present the final revised Bill to the Sectoral Council for consideration and clearance at a Meeting to be convened in mid July, 2006.

1.2 New Council Bills

The Sectoral Council:

- (a) urged the Partner States to undertake national consultations with key stakeholders on The East African Legislative Assembly Elections Bill, 2006, The East African Community Official Secrets Bill, 2006 and The East African Community Statistics Bill, 2006 and submit their comments to the Secretariat by July 15th, 2006; and
- (b) directed the Secretariat to convene meeting of the Sectoral Council by mid July 2006 to consider and clear these Bills for enactment

2.0 Consultative Process on the Zero Draft Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice

The Sectoral Council took note of:

- (a) the progress in the Consultative Process on the Zero Protocol above said in respect of which two of the planned three national workshops have been conducted; and
- (b) Kenya's undertaking to hold a Consultative National Workshop on June 28th, 2006 to enable the Secretariat convene a regional consultative workshop by mid September 2006.

3.0 Draft Criteria for the Establishment of the EAC Sectoral Councils

The Sectoral Council took note of the progress in developing criteria for the establishment of Sectoral Councils; and

- (a) directed the Secretariat to include consideration of the draft Criteria for Establishment of Sectoral Councils on the agenda for the Meeting of the Ministers Responsible for EAC Affairs scheduled to take place on 15TH July 2006; and

- (b) directed the Secretariat to avail the revised draft criteria to the Finance and Administration Committee for input regarding financial and budgetary aspects and thereafter present the revised text to the Sectoral Council at its Meeting in mid July 2006 for clearance

4.0 Institutional Proposals

4.1 Preparation of EAC protocols vis a vis initiation of EAC Legislation

The Sectoral Council:

- (a) directed that the conclusion of protocols under Article 151 of the Treaty be restricted to matters of co-operation based on Partner States' policy harmonization,
- (b) directed that matters pertaining to operational needs such as institutional development in the Community be subject to enactment of appropriate legislation,
- (c) recommended to the Council to initiate legislation establishing EAC institutions; and
- (d) reviewed the decision which it made at its Meeting held on September 16th, 2005 to the effect that on the proposed establishment of the Inter-University Council of East Africa, the existing Protocol suffices, on the basis of the above guidance therefore, a Bill for the establishment of the Inter-University Council for East Africa be presented for consideration afresh

4.2 Decision-making Process on Customs-related issues

With reference to the directive made by the Council of Ministers at its 11th Meeting on this matter (EAC/CM 11/Directive 43), the Sectoral Council directed the Directorate of Customs and Trade to prepare a comprehensive paper which -

- (a) highlights the problems so far encountered; and
- (b) proposes the nature of delegation of powers sought for consideration at the next meeting of the Sectoral Council

5.0 Progress Reports of Sectoral Sub-Committees

5.1 Sub-Committee on Approximation of Laws

The Sectoral Council took note of the progress made in the Approximation of National Laws adopted the recommendations contained in the Report of the Sub-Committee on Approximation of Municipal Laws. It also:

- (a) directed Secretariat to incorporate an agenda item on presentation of progress by the Partner States in implementing decisions of the Sectoral Council to incorporate approximated principles into national laws at every meeting of the Such Committee and those of the Sectoral Council,
- (b) urged Uganda to expedite enactment of a law on EPZs taking into account the provisions of the EAC Customs Union (Export Processing Zones) Regulations;
- (c) urged Uganda to expedite enactment of a law on EPZs taking into account the provisions of the EAC Customs Union (Export Processing Zones) Regulations;

- (d) urged Kenya and Tanzania to amend their legislation on Export Processing Zone taking into account the provisions of the EAC Customs Union (Export Processing Zones) Regulations;
- (e) directed the Secretariat to write to the Partner States requesting the Attorneys-General to disseminate decisions taken during the meetings of the Sectoral Council to the relevant Ministries affected by areas of law that have been approximated at EAC level for their necessary action;
- (f) directed Members of the Task Force and the Sub-Committee on Approximation of Municipal Laws, at a personal level and during meetings held at national level to influence decision-making that takes into account the EAC policies and decisions;
- (g) directed Members of the Task Force and Sub-Committee on Approximation of Municipal Laws, at a personal level and during meetings held at national level to
- (h) directed the Secretariat to expedite gazetting of the decisions of the Council pertaining to approximation of municipal laws, to enable Partner States implement those decisions at the national level,
- (i) directed the Law Reform Commissions to communicate or through the Attorneys General as the case may be, to the relevant Ministries alerting the ministries of all decisions taken on the approximated areas of law,
- (j) established a Team of 3 persons namely Mr Peter Musyimi, Kenya, Ms Jean Lubega-Kyazze, Uganda; and Ms. Adam Mambi, Tanzania, to study the issue of the Partner States' undertaking to implement the Treaty and decisions of the Council on the basis of the following Terms of Reference:-
 - (i) to look into how Article 8 (4) and (5) of the Treaty should best be operationalised;
 - (ii) to determine the relationship between national constitutions and laws and the EAC laws, and
 - (iii) to conduct a comparative study to determine what pertains in other jurisdictions
- (k) urged the Partner States to examine laws relating to extradition and mutual assistance to cater for offences arising out of EAC Customs Management Act,
- (l) urged the Partner States to amend their laws to cater for the requirements of section 225 of the EAC Customs Management Act, 2004;
- (m) took note of the urgency in approximating the identified laws relating to the EAC Customs Management Act and directed that the identified national laws be approximated within three months from the date of this directive,
- (n) decided that the name of the Sub-Committee and the Task Force on Approximation of Municipal laws be changed to be the "Sub Committee on Approximation of National Laws" in accordance with the language of the Treaty under Article 126(2)(b), and decided that this recommendation applies mutatis mutandis to the Task Force.

5.2 Regional Judicial Training

The Sectoral Council took note of the report of the East African Judicial Education Committee on Regional Judicial Training. It also.

- (a) adopted the Report of the Task Force on Anti -Terrorism and Human Rights; and.

- (b) directed that the report in (b) be passed on the Committee on Interstate Security Defence and the Sub Committee on Approximation of Municipal laws for their respective input.

6.0 Final Draft Protocol on the Establishment of the East African Science and Technology Council

The Sectoral Council took note of the progress made in the preparation of the Final Draft Protocol on the Establishment of the East African Science and Technology Council. It revised the draft protocol from a legal point of view, and referred it (the revised draft protocol) to the Sectoral Council on Education Culture and Sports to consider and advise on outstanding policy issues as indicated in the revised text.

7.0 Terms and Conditions of Service for Temporary Employment

The Sectoral Council cleared the legal content of the approved Terms and Conditions of Service for Temporary Staff for inclusion in the EAC Staff Rules and Regulations, 2006.

8.0 Us \$ 61,386,853 Arbitral Award against East African Development Bank

The Sectoral Council took note of the developments pertaining to the above 'matter and'

- (a) directed the Secretariat to closely liaise with EADB on the Court process;
- (b) urged EADB to keep the Partner State's Ministries responsible for Finance and the Attorneys General posted on all further developments in this matter,
- (c) urged the Partner States to expedite enactment of legislation to protect EAC institutions against adverse claims,
- (d) urged the Council of Ministers to take keen interest in the functions and operations of the EAC institutions and establish effective functional relations with these institutions,
- (e) urge EAC institutions to make regular reports on their operational and administrative issues to Council of Ministers for information in line with the decision taken at the 11th Meeting of the Council of Ministers

9.0 Capacity Building in the Office of the Counsel to the Community

The Sectoral Council directed the Secretariat to:

- (a) ensure expeditious recruitment of an EAC Draftsman within the Office of the Counsel to the Community,
- (b) urgently address the issue of capacity building in the Office of the Counsel to the Community, this office needs up to 12 officers to be able to effectively handle the growing needs of a broadened mandate and activities of the Community

10.0 Tanzania's offer to host the East African Science and Technology Commission

The Sectoral Council was informed by Tanzania of her (Tanzania's) readiness to host the proposed East African Science and Technology Commission.

The Sectoral Council noted Tanzania's offer and advised her to submit a formal offer in accordance with the Rules of Procedure on the Hosting of EAC Organs and Institutions

Meeting of August 1st - 4th, 2006

The Sectoral Council met again in Arusha, Tanzania on August 1st - 4th, 2006. It made decisions on the following matters.

1.0 EAC Council Bills

1.1 The East African Community Official Secrets Bill, 2006

The Sectoral Council while appreciating the importance of a degree of confidentiality on the Community's Secrets, noted the Partner States' current tends to liberalise access to official information in accordance with constitutional provisions. In this regard, it noted reports that the Parliament of Uganda has enacted The Access to Information Act and Kenya has prepared a Freedom of Information Bill. The Sectoral Council therefore, observed the need to further study the East African Community Official Secrets Bill, 2006 with a view to harmonizing it with national legislation and best practices in liberalizing access to information

The Sectoral Council.

- (a) urged the Partner States to further study the draft East African Community Official Secrets Bill, 2006 taking into account the existing national legislation, best practices and the need for an appropriate and modern title to this Bill and submit comprehensive reports to the Secretariat by 30th September 2006; and
- (b) directed the Secretariat to thereafter convene a Meeting of Drafting Experts a to re-draft the Bill taking into account the Partner States' reports

1.2 The East African Legislative Assembly Elections Bill, 2006

The Sectoral Council noted reports by the Partner States that after a reconsideration of the Bill, they found it unnecessary since the Treaty for the Establishment of the East African Community, in its Article 50, provided for the mode of electing members of the East African Legislative Assembly. The Partner States, taking cognizance of this provision and following consultations with stakeholders at national level, expressed the view that the Bill's objectives were not clear as it seemed to seek to amend Article 50 of the Treaty.

The Sectoral Council, however, noted a report by the Secretariat that while the Treat's Article 50 (on election of members) and Article 51 (On the tenure of the members) were explicit, the two positions did not ensure uniformity of rules of procedure for the election of the members by the National Assemblies and did not provide for the life/duration of the Assembly.

Taking both position into account, the Sectoral Council was of the view that the lacuma cannot be addressed by way of enacting legislation but by reviewing and amending the Treaty itself

The Sectoral Council:

- (a) decided that the shortcomings of the Treaty on elections of members of the East

- African Legislative Assembly be addressed through a review and amendment of Articles 50 and 51 of the Treaty; and
- (b) directed the Secretariat to prepare a comprehensive paper on the review and amendment of Articles 50 and 51 of the Treaty to be ready for consideration at the next ordinary Meeting of the Sectoral Council on Legal and Judicial Affairs.

1.3 The Lake Victoria Transport Bill, 2006

The Sectoral Council directed the Secretariat to.

- (a) convene an extraordinary meeting of the Sectoral Council on Transport, Communications and Meteorology by mid August 2006 to consider and clear the revised Lake Victoria Transport Bill, 2006 from a policy point of view; and
- (b) thereafter convene an extraordinary meeting of the Sectoral Council on Legal and Judicial Affairs on 24th - 25th August 2006 to clear the Bill for submission to the East African Legislative Assembly.

1.4 The Inter-University Council for East Africa Bill, 2006

The Sectoral Council, on the basis of a Report of a Sub-Committee observed that:

- (a) the provisions of the Protocol on the Establishment of the Inter-University Council for East Africa and those of the Draft Bill are similar to those of the Protocol,
- (b) since the Bill is supposed to operationalise the Protocol, it is important that issues, which this Bill ought to address are pointed out by experts from the Inter-University Council for East African Secretariat and Partner States' Ministries responsible for Education;
- (c) there are inconsistencies in the Bill that need to be addressed in the process of reviewing or redrafting. These include the fact that the Second Schedule to the Bill contradicts Regulation 3 of the Third Schedule to the Bill, on matters of the membership of the Governing Board

The Sectoral Council directed that:

- (a) the draft Inter-University Council for East Africa Bill, 2006 be referred to the next meetings of the Sectoral Council on Education, Culture and Sports and the Inter-University Council for East Africa for review of outstanding policy issues, the relevant meetings of these organs/institutions be attended by the Sub-Committee that studied this Bill at this Meeting, and
- (b) thereafter the Bill be presented to the next Sectoral Council on Legal and Judicial Affairs at its next ordinary meeting for clearance

2.0 Draft East African Community Customs Management Regulations

The Sectoral Council noted the urgency required in concluding and adopting the East African Community Customs Management Regulations 2006 as they will enhance customs administration and management. It noted that prior to the commencement of the Regulations an EAC Customs flag has to be

designed and provided in the Second Schedule to the Regulations

The Sectoral Council:

- (a) adopted the final draft of the East African Community Customs Management Regulations, 2006;
- (b) directed the Directorate of Customs and Trade to design 3 versions of the proposed Customs flag and present them to the 12th Ordinary Meeting of the Council of Ministers scheduled to take place on 25th August 2006 for consideration; and
- (c) directed the Directorate of Customs and Trade to provide for the design of the flag in the Second Schedule to the Regulations prior to publication of these Regulations.

3.0 Progress on the Consultative Process on the Zero Draft Protocol to Operationalise Extended Jurisdiction of the East African 'Court of Justice

The Sectoral Council took note of the progress made so far and requested that in order to facilitate further national consultations prior to the regional workshop, there is need for consolidated report to be submitted well in time before the regional workshop. The Secretariat undertook to finalize the consolidated report and submit it to the Partner States by end of September 2006

The Sectoral Council:

- (a) noted this progress in the consultative process on the Zero Draft Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice, and
- (b) directed the Secretariat to finalize and submit the consolidated report to the Partner States by the end September 2006 and convene the regional workshop by the end October 2006.

4.0 Institutional Proposal on Decision-Making on Customs-related Issues

The Sectoral Council was informed by the Director General, Customs and Trade, that consultations with the relevant Sectoral Councils on this issue are ongoing. On account of this, the Directorate had not prepared a comprehensive paper as directed by the Sectoral Council. The Committee emphasized that the paper should indicate those areas where implementation- of the Protocol on the Establishment of the East African Community Customs Union the East African Community Customs Management Act, 2004 has been found difficult and therefore necessitating delegation of powers as appropriate

The Sectoral Council

- (a) noted this progress; and
- (b) urged the Directorate of Customs and Trade to expedite development of a comprehensive paper as earlier directed to enable the Sectoral Council deal with the issue at its next ordinary Meeting.

5.0 Progress Report on Selected Decisions of the Sectoral Council

5.0 Criteria for the Establishment of the EAC Sectoral Councils

The Sectoral Council was informed by the Secretariat that the Meeting of the Ministers Responsible for EAC Affairs and that of the Committee on Finance and Administration had not taken place to consider the Criteria for Establishment of the Sectoral Councils. The Sectoral Council stressed that this is a long standing issue and should be expedited and concluded. Furthermore, the Sectoral Council felt that the Meeting of the Committee on Finance and Administration should precede the Meeting of Ministers Responsible for EAC Affairs so that the Ministers may consider the matter after all technical input has been made.

The Sectoral Council directed the Secretariat to convene, within the next 3 months

- (a) a Meeting of the Committee on Finance and Administration, and
- (b) a Meeting of the Ministers Responsible for EAC Affairs to consider the draft criteria on the Establishment of Sectoral Councils

5.1 Capacity building in the Office of Counsel to the Community

The Sectoral Council recalled its decision on the urgent need to recruit more staff, including legal officers and legislative draftsmen in the understaffed Office of the Counsel to the Community. It noted with concern that although the job evaluation exercise for the Community was nearing completion, and thereafter the recruitment process should start, the lack of adequate staff continued to impact negatively on the programmes under cooperation in legal and judicial affairs. The situation is also stressful to the two officers currently serving this office whose responsibilities include service to all the Community's organs and institutions and the Partner States. In this regard, the Sectoral Council noted the need for a waiver out of Council's temporary suspension on recruitment to enable appropriate staffing of the Office of the Counsel to the Community.

The Sectoral Council

- (a) noted the fact that the Office of the Counsel to the Community is a unique one whose services are in demand by all sectors, institutions and organs of the Community; and
- (b) urged the Secretary General to seek a waiver in respect of recruitment of the Legislative Draftsmen and several other legal officers to effectively service different institutions, organs and sectors of the Community.

5.2 US \$ 61,386,853 Arbitral Award against the East African Development Bank

The Sectoral Council received progress reports from the Partner States on the progress made in enacting protective legislation in view of the arbitral award against East African Development Bank. Kenya's The Statute Law (Miscellaneous Amendment) Bill 2006 is before Parliament for debate. Uganda's East African Development Bank (Amendment) Bill 2006 is

under consideration by Cabinet.

The Sectoral Council:

- (a) urged the Republic of Kenya and the Republic of Uganda to expedite enactment of the protective legislation; and
- (b) directed the Secretariat to ensure that the East African Development Bank submits a progress report on this matter to the Council of Ministers at its 12th Ordinary Meeting.

6.0 Amendment of the East African Community Management Customs

The Sectoral Council noted that Section 251 (3) of the East African Community Customs Management Act, 2004 provides that " *the Council may, with the approval of the East African Legislative Assembly make regulations to adjust any penalty or fine under Act*". The Sectoral Council was of the opinion that this is a provision which is likely to generate potential legal problems that are tantamount to amending the East African Customs Management Act, 2004 through regulations. The Sectoral Council felt that there is need for the Partner States to contemplate the provisions of Section 251 with a view to proposing amendments in future if need be.

The Sectoral Council directed the Secretariat to:

- (a) initiate a proposal on the amendment of Section 251(3) on the East African Community Customs Management Act, 2004;
- (b) present the proposed amendment to the Sectoral Council on Trade, Finance and Investment for policy consideration within the next two months; and
- (c) present the proposed amendment to the Sectoral Council on Legal and Judicial Affairs at its next Ordinary Meeting.

7.0 Availability of EAC Publications

The Sectoral Council directed the Secretariat to:

- (a) ensure that all EAC publications are posted on the website for ease of access; and
- (b) re-print EAC Publications for use by stakeholders who may not have access to the internet

8.0 Allocation of adequate time

The Sectoral Council also emphasized the need for the Secretariat while convening meetings of legal experts, to include relevant technical experts and allocate sufficient time

The Sectoral Council directed the Secretariat to:

- (a) ensure adequate time for the meetings of the Sectoral Committee on Legal and Judicial Affairs,
- (b) initiate other relevant experts to the Meetings of the Sectoral Council Committee on Legal and Judicial Affairs.

ANNEX VI



EAST AFRICAN COMMUNITY

DRAFT STRATEGY FOR REGIONAL PEACE AND SECURITY SEPTEMBER 27TH - 29TH 2005

1.0 Introduction

Article 124 of The Treaty for the Establishment of the East African Community, recognises the need for peace and security within the East African States. The same article spells out wide-ranging approaches for implementation in order to have a stable and secure environment within the region. This kind of environment is geared towards promoting development and harmonious living of the people of East Africa.

This strategy goes a long way in enhancing the East African Community spirit of co-operation in regional peace and security, which brings into reality the collective responsibility in provision of security by the Partner States. It covers collaboration on cross border crimes, auto theft, drug trafficking, terrorism, money laundering and other crimes. This will provide a good and conducive environment in which PEACE will flourish, SECURITY of persons and property guaranteed hence fostering DEVELOPMENT.

The Strategy on Regional Peace and Security has a Vision "A **SECURE AND PEACEFUL ENVIRONMENT FOR DEVELOPMENT**" and the Mission, for which this co-operation exists, is "**TO PROVIDE SECURITY WITHIN THE REGION THROUGH ENHANCED CO-OPERATION**". In order to achieve the stated mission and realise the vision, there are fourteen goals formulated with a number of strategic objectives geared at fulfilling the goals.

Vision: A secure and peaceful environment for development.

Mission: To provide security within the region through enhanced cooperation

2.0 GOALS FOR REGIONAL PEACE AND SECURITY

There are fourteen (14) goals, which the regional strategy aims to achieve. Each of these goals has a number of objectives and strategies for implementing them. These goals are:

- 1 Enhance the exchange of criminal intelligence and other security information between partner states,
- 2 Enhance joint operations and patrols,
- 3 Install common communication facilities for border and interstate security;
- 4 Adopt the U N model law on mutual assistance on criminal matters,
- 5 Implement protocol on combating illicit drug trafficking,
- 6 Exchange visits by security authorities;
7. Exchange training programs for security personnel;
- 8 Establish common mechanisms for the management of refugees;
- 9 Establish regional disaster management mechanisms,
- 10 Formulate security measures to combat terrorism,
11. Establish measures to combat cattle rustling;
- 12 Establish measures to combat proliferation of illicit small arms and light weapons;
- 13 Develop mechanisms to combat security challenges on Lake Victoria, and
- 14 Develop a mechanism for conflict management and resolution.

3.0 DEVELOPMENT OF THE STRATEGY FOR REGIONAL PEACE AND SECURITY

The goals, objectives and strategies for the regional peace and security are stated herein below. Each goal contains identified Objectives, supported by background Information and strategies required for implementing the objective and the set goal.

3.1 GOAL 1: ENHANCE THE EXCHANGE OF CRIMINAL INTELLIGENCE AND OTHER SECURITY INFORMATION BETWEEN PARTNER STATES.

3.1.1 Objectives

- I. Establishment of databases by Partner States,
- II Enhance technical capacity for production of criminal intelligence;
- III Exchange criminal intelligence/information among partner states; and
- IV Incorporate intelligence in joint operations

3.1.2 ESTABLISHMENT OF DATABASES BY PARTNER STATES

Background

The collection and collation of criminal intelligence and information is an integrative process. The appropriate use and appreciation of existing information and intelligence may require the establishment of a multidisciplinary forum to take stock of existing "intelligence and information. This is imperative because intelligence and information capable of being useful to one agency may be in the possession of another agency not capable of putting it to appropriate use. Inter-agency sharing may therefore remedy this shortcoming. Establishment of a computer Network between the headquarters and other units throughout the Country would improve the management of Criminal intelligence. Establishing databases that are shared by Partner States would facilitate the exchange of criminal intelligence among these states. Databases that need to be established include the Finger print database, National ID system, Driving Permit. system and passport Management system, motor vehicle theft, anti-money laundering and bio-data. All the databases need to be linked or connected to facilitate tracking of criminals.

3.1.3 Strategies

- I. Ensure all Partner States jointly design the appropriate databases;
- II. Acquisition of hardware like computers, servers, routers etc and the necessary software,
- III. Establishment of a computer network to link all Police Units in the Partner States;
- IV. Jointly train personnel to handle the daily operations of the databases at the levels of Databases Administrators, Programmers and Data entry clerks;
- V. Provision of appropriate environment. Le dust free and uninterrupted power supply for smooth operation of computer installation,
- VI. Secure operational procedures; restrict unauthorised access to the databases and safeguard against destruction of data stored therein;
- VII. Standardisation of crime data input the Partner States in order to benefit from uniformity, and
- VIII. Funds to be secured for the project.

3.2 TO ENHANCE TECHNICAL CAPACITY FOR PRODUCTION OF CRIMINAL INTELLIGENCE

Background

A Crime Information System is the backbone of every professional Police Agency. A successful system allows for the collection of information, its evaluation and development till it reaches the stage where it becomes intelligence, which is of value to policing. To do this requires the utmost care in the gathering of as such information as possible about crime, criminals and their associates. This finally allows the Partner States to use Police to deploy

more effectively in their efforts to combat crime.

However, the capacity for production of criminal intelligence is low due to under funding and lack of technical equipment. Indeed, this area of criminal intelligence needs to be strengthened to avoid being caught unawares, in case of incidences such as bomb blasts among others

3.2.1 Strategies

- I Strengthen gathering of information;
- II. Acquisition of surveillance equipment and facilities such as listening devices, miniature cameras, motor vehicles, telephones and Internet;
- III Ensure Partner States prioritise funding of crime intelligence;
- IV. Encourage Partner States to jointly train their manpower in analysis and handling of criminal intelligence, and
- V Employ appropriate system design, which is technically and operationally feasible

3.3 EXCHANGE CRIMINAL INTELLIGENCE/INFORMATION AMONG PARTNER STATES

Background

For any operation to be successful it must be intelligence led. Local operations mounted by both detectives and general duty officers are largely successful due to optimal use of intelligence. Information on criminals is usually gathered and analysed to identify links between crimes, associations among criminals, individuals' roles in criminal activity and the relationship between crime and other factors such as unemployment etc, and then disseminated to the end users. The end users are field officers carrying out operations or policy planners. The advantage here is that analysis is done using uniform structured methods and techniques easily understood by all analysts and can easily be demonstrated to everyone by visualisation. Exchange of information on criminals is of mutual interest among Partner States and should be encouraged, if joint operations are to succeed.

3.3.1 Strategies

- I Establishment of network connectivity by Partner States;
- II Acquisition of Surveillance equipment and other facilities necessary for sharing criminal intelligence such as computer networks, Internet, fax machines and radio communication; and
- III Jointly train more crime intelligence analysts

3.4 TO INCORPORATE INTELLIGENCE IN JOINT OPERATIONS

Background

In order to achieve the desired objectives operations must be intelligence led and must filter through rank and file operational level).

3.4.1 Strategies

- I. Involve criminal intelligence officers in planning and carrying out operations,
- II Encourage teamwork and involve detectives who acquired the criminal intelligence, when carrying out joint operations;
- III Use and application of Global Positioning System (GPS) in crime management; and.
- IV. Cross border monitoring of people, vehicles and animals

1.0 GOAL 2: ENHANCE JOINT OPERATIONS AND PATROLS

1.1 Objectives

- I. Hot pursuit of criminals and suspects in enhancement of border security and
- II Encourage joint operations against narcotics, robberies, theft of motor vehicles, smuggling etc.

4.2 HOT PURSUIT OF CRIMINALS AND SUSPECTS IN ENHANCEMENT OF BORDER SECURITY

Background

Partner States need to mount well co-ordinated joint operations and share intelligence. This approach will deny opportunities to suspects who commit offences from one state and cross the border to another state for safety. Such joint operations will lead to optimum use of resources.

4.2.1 Strategies

- I. Improve radio communication systems among security agencies of Partner States especially along the borders,
- II. Encourage cross border meetings with a view of sharing intelligence;
- III. Conduct joint training programmes; and
- IV. Allow crossing over for a reasonable distance into another Partner State territory during hot pursuit

4.3 ENCOURAGING JOINT OPERATIONS AGAINST NARCOTIC, ROBBERIES, AND THEFT OF MOTOR VEHICLES, SMUGGLING ETC.

Background

Currently there is lack of a well co-ordinated policy and framework between the Partner States authorities to institute rapid response in respect to hot pursuit incidents. These crimes are prevalent in border areas and criminals establish contacts across the borders. Apparently criminals respect no borders in their dealings hence the need for joint operations.

4.3.1 Strategies

- I. Operationalise EAPCCO Motor Vehicle Clearance certificate
- II. Strengthen cross border security;
- III. Train personnel and share information on modus operandi being used by criminals, and
- IV. Share and compare intelligence and increased surveillance

5.0 GOAL 3: INSTALL, COMMON COMMUNICATION FACILITIES, FOR BORDER AND INTERSTATE SECURITY

5.1 OBJECTIVES

- I. To install common radio communication system at established border points, and
- II. Install a common Inter-state radio communication system between Partner States

5.2 TO INSTALL COMMON RADIO COMMUNICATION SYSTEM AT ESTABLISHED BORDER POINTS

Background

During the East African Police Chiefs Conference held in Nairobi Kenya from June 15th - 16th 1999, a resolution was passed to achieve the installation of common radio communication system at established border posts for quick information flow and response in curbing crime along the common border. The three East African Chief Signals Officers meeting held in Nairobi in July 1999 that charted the best ways of implementing the resolution made. A rapid and dedicated communication system between the police agencies of East Africa will remain a vital instrument in the fight against sophisticated cross-border criminality as well as other forms of international crime. Cross-border criminals use a variety of communication systems to pursue their criminal objectives. Of particular significance in this regard is the exploitation of information and communication technology (ICT) by cross-border criminals as well as

domestic criminals

5.2.1 Strategies

- I. Hold the chiefs of signals meeting to lay the technical ground work for implementing the resolution,
- II. Schedule call up time to be followed; and
- III. Identify suitable location for installation of the repeater stations

5.3 INSTALL A COMMON INTER STATE RADIO COMMUNICATION SYSTEM BETWEEN PARTNER STATES

Background

There is need to have consistent information flow between the Headquarters of the Partner States. This necessitates installation of an independent communication system in place.

5.3.1 Strategies.

- I. Link up the three police Headquarters by fax,
- II. Install e-mail and establish website by the three Partner States;
- III. Equip the three Police Headquarters with High Frequency (HF), Communication, and
- IV. Ensure the radio equipments installed are manned on a 24-hour basis.

6.0 GOAL 4: ADOPT U.N. MODEL LAW ON MUTUAL ASSISTANCE ON CRIMINAL MATTERS

6.1 . Objective

Partner States legislate on U N Model Law on Mutual Assistance in Criminal ,matters.

Background

The UN Model Law on Mutual Assistance, which is in conformity with the UN Convention against Transnational Crime (the Palermo Convention), is an important instrument in harnessing international cooperation among the world's law enforcement agencies, in the fight against transnational crime. It provides for assistance in relation to evidence, the identification of witnesses and the forfeiture of property.

6.2 Strategies

- I. Partner States to legislate on the U.N. Model Law on Mutual Assistance; and
- II. Incorporate the provisions of the U.N Model Law into national legislation

7.0 GOAL 5: IMPLEMENT PROTOCOL ON COMBATING ILLICIT DRUG TRAFFICKING

7.1 Objective

Partner States to promulgate and adopt the provisions of the EAC Protocol on Combating Illicit Drug Trafficking into national legislation.

Background

The problem of drug trafficking has gained special significance in the recent past not only in the East African region, but also in the whole world at large. The part played by the East Africa region is still limited and East Africa is acting as a conduit point to other destinations.

There have been a number of measures taken by the Partner States aimed at combating this problem. On the international scene, the Partner States have

partially complied with the requirements of the relevant International Conventions. The single conventions on Narcotic Drugs of 1961, which have been amended by the 1972 protocol, the **UN Convention on Psychotropic substances of 1971 and the UN Convention Against Illicit Traffic in Narcotic drugs and psychotropic substances** 1988, have been ratified by all the member states. On the national scene, each member state has established an anti-narcotic squad in their respective police. And there are a number of joint operations and meetings aimed at eradicating the problem. The effective and sustainable implementation of the protocol on combating drug trafficking may have to take into account the evolution of various mechanisms aimed at making illicit drug trade unprofitable. Such mechanisms may include nullification of money laundering strategies, asset forfeiture (criminal or civil forfeiture) where domestic legislation so allows and oversight mechanisms of the banking and money exchange industry.

7.2 Strategies

- I. Ensure each Partner State ratifies all the Protocols pertaining to drug trafficking,
- II. Establish a multi-disciplinary sub-committee of experts to oversee protocol implementation;
- III. Amendments of existing legislations to conform to the relevant provisions of the protocol,
- IV. Strengthen the existing anti-narcotic squads of the Partner States, and
- V. Conduct joint training for law enforcement agencies in the region

8.0 GOAL 6: EXCHANGE OF VISITS BY SECURITY AUTHORITIES

8.1 Objectives

- I. Periodic and reciprocal visits by Security Chiefs, Technical and Operational Personnel; and
- II. Cultural and Sports exchanges.

8.1.1 PERIODIC AND RECIPROCAL VISITS BY SECURITY CHIEFS, TECHNICAL AND OPERATIONAL PERSONNEL

Background

Good partnership involves personal contact in order to enhance relationship and confidently exchange ideas, challenges for the mutual benefit of the parties.

A successful partnership can only be achieved if players develop physical contact and get to know each other. This can best be achieved by regular exchange visits to share ideas and experiences on matters of regional peace and security.

8.1.2 Strategies

- I. Security Chiefs meet annually on a rotational basis;
- II. Technical staff (Communication, forensic science etc.) meet twice a year on a rotational basis; and
- III. Operational staff especially Directors of cm and Operations meet annually on a rotational basis.

8.2 CULTURAL AND SPORTS EXCHANGES

Background .

In East Africa, culture is modelled on good values that enhance moral behaviour, integrity and skills. The EAC culture encourages sharing, helping, supporting each other, taming the environment and acceptable social behaviour. These cultural exchanges expose unique skills that are potentially available within different cultural groupings. The result of cultural exchanges is a

widened knowledge of our people, their evolution, beliefs and mode of living. This scenario brings closer relationships amongst our people and thus intelligence sourcing and public support towards crime management becomes enormous

Sports encourage a healthy mind to live in a healthy body. Sports expose talent and promote healthy competition to excel and be above others. Competition keeps and stimulates practice to do better

Sports is very essential in exercising our bodies and keep a strength, which is vital for our services delivery. Security personnel need to keep a physically fit body that can cope with the challenges in our duties. Exchange of Sports visits and competitions within Partner States encourage practice and thus a healthy body. More to this and quite important is the element of big groups meeting and developing relationship during sporting activities. This brings our security personnel more and more closer. The result is a closer contact and partnership not only in Sports but sharing challenges and experiences in the profession. Such sharing improves on regional approaches to address crime

8.2.1 Strategies

- I. Partner States should encourage and develop drama groups that depict the rich culture available in each country;
- II. Desk officers be designated to take charge in the Partner States;
- III. Develop sporting activities, such as football, boxing, athletics, handball, rugby and rifle shooting within the security forces
- IV. Organise annual cultural and sports gala in the Partner States on a rotational basis

9.0 GOAL 7: EXCHANGE OF TRAINING PROGRAMS FOR SECURITY PERSONNEL

9.1 Objectives

- I. Exchange training syllabi,
- II. Exchange specialised instructors,
- III. Carry out joint training in identified areas; and
- IV. Harmonize training syllabi and standard operating procedures

9.1.1 EXCHANGE TRAINING SYLLABI BY RESPECTIVE COUNTRIES

Background

Aware of the fact that the Partner States have developed trainings at different paces, there is ample need to exchange the training programs in order to benefit from each other. In a bid to improve standards and cooperation within the region, Partner States require support relating to training of their *staff*. By improving training and exchanging experiences, the policing standards are improved and developed among the member states leading to good performance.

Article 6 (2), of the East African Police Co-operation, spell out agreement in respect of co-operation and mutual assistance in the field of combating crime, rendering advice, support or assistance relating to training. In this respect exchange of syllabi is very important since Partner States have reached different levels of trainings, which can benefit each other.

While considering the exchange of training programs, the raising of the security training institutions of the EAC Partner States to nationally and internationally recognized professional standards might also be worth consideration. Professional recognition may be attained through a process of accreditation of security training institutions by relevant institutions or bodies charged with such functions. Once so accredited not only do the programs offered by the training institutions become nationally and internationally recognized but also the certificates, diplomas or other form of award gain professional status commensurate with those awarded by other national/international institutions of higher learning. The accreditation of security agency training institutions is now a common practice in a number of African countries as well as other parts of the world. EAC Partner

States could take advantage of this trend and well established practice

9.1.2 Strategies.

- I. Conduct specialist trainer exchange;
- II. Share of experiences among the Partner States,
- III. Develop appropriate syllabi which measures to the standards applicable in other Partner States,
- IV. Carry out study visits within the Partner States,
- V. Work out modalities to have their police training institutions accredited by relevant national accreditation authorities; and
- VI. Establish an East African Police Academy.

9.2 EXCHANGE OF SPECIALISED INSTRUCTORS

Background

Need for expertise within the region will enhance comparative advantages for Partner States Skills development has not been uniform in all Partner States To produce acceptable standards there will be transfer of skills especially of trainer in specialised fields. Specialist trainers will be identified from Partner States to train in their areas of specialisations

9.3 Strategies.

- I Identify areas of weaknesses,
- II Identify trainers with the required skills; and
- III Develop the framework to facilitate exchange process

9.4 CARRYING OUT JOINT TRAINING IN IDENTIFIED AREAS

Background

The policing agencies of the Partner States have common training needs to address This needs carrying out joint training in identified areas Joint training will develop professional police with uniform standards across the region. Further will develop close relationships among the police within , the region leading to good working environment

9.4.1 Strategies.

- I Identify the common training needs,
- II. Asses the performance gaps, knowledge and skills available, and
- I Set up the procedures and framework for training co-operation.

9.5 HARMONIZING TRAINING SYLLABI AND STANDARD OPERATING PROCEDURES

Background

Harmonizing training syllabi and standard operating procedures is a process of providing information, which affect attitudes of police officers and will impart knowledge and skills to the personnel. In this way, the police will adopt common knowledge and standards for policing within the region.

9.5.1 Strategies.

- I Development of skilled trainers,
- II. Identify common standards for training within the region; and
- III. Provide a good and conducive environment favouring human resource development

10.0 GOAL 8: ESTABLISH COMMON MECHANISMS FOR THE MANAGEMENT OF REFUGEES

10.1 Objective

To develop a common mechanism for handling refugees

Background

Past history has shown that the region is beset with influx of refugees from neighbouring countries due to political turmoil. The large number of refugees in the region pose social, immigration and security problems to the law enforcement agencies in the region. This puts a heavy burden on the Partner States in various aspects.

It is noteworthy here that Partner States are signatories to the 1951 U N convention on Refugees and it's 1967 protocol. These same countries are also signatories to 1969 OAU convention governing the specific aspects of refugee problems in Africa. There is therefore need to have uniform national legislations governing refugee matters in the region

10.2 Strategies

- I To adequately address the problem of refugees using a multidisciplinary approach;
- II Harmonization of refugee legislation in the region;
- III Incorporation of the provisions of the 1951 Geneva Convention and the 1969 OAU Convention in to national legislations;
- IV. Establishment of uniform asylum procedures,
- V Networking and sharing information regarding asylum seekers and refugees;
- VI. Instituting a mechanism to facilitate family re-union;
- VII. Ensure that refugees who have been denied asylum in either of the Partner States should not be admitted elsewhere in region,
- VIII. Establish fora where agencies involved with refugees meet to share views and exchange experiences; and
- IX. Develop joint training modules for stakeholders in refugee management.

11.0 GOAL 9: ESTABLISH MECHANISM REGIONAL DISASTER MANAGEMENT

11.1 Objectives

- I. Identify potential disasters;
- II. Establish disaster management centres, and
- III Develop efficient and rapid disaster response teams;

11.2 IDENTIFY POTENTIAL DISASTERS

Background

East Africa is faced with natural, man-made disasters and complex emergencies such as drought, floods, famine, disease outbreaks; accidents, conflicts, fire, terrorism, Tsunami among others

The occurrences of disasters pose severe negative impacts on livelihood and environment. The dangers to human life and development are so great and cannot be under rated. The features, which distinguish a disaster from severe events, need to be clearly stated to attract attention from those outside the *affected* areas in order to mitigate the outcomes. It is pertinent to undertake measures towards disaster management from mitigation, prevention, preparedness, response and recovery.

11.2.1 Strategies

- I Develop a mechanism to put early warning system in place for some common disasters in the region,
- II. Establish data bases for disaster management;

- III Develop capacity to manage disaster situation, and
- IV. Identification of skilled human resources and employing them to analyse disaster situations in the region.

11.3 ESTABLISH DISASTER MANAGEMENT CENTRES

Background

Aware of the fact that disasters respect no boundaries, there is need to have a multi-disciplinary approach in addressing the problems. The main focus therefore should be establishment of regional disaster management mechanisms, which will harmonize technical co-operation and support.

Disaster threats are almost common to every country among the Partner States in the region. This therefore calls for need to develop a comprehensive approach to disaster management. This approach should cover all aspects of disaster cycle, prevention, mitigation factors, disaster preparedness, response, recovery and other related developments in the region.

11.3.1 Strategies

- I. Ensure each Partner State has an operational disaster management centre,
- II. Develop robust national disaster management mechanism and plan,
- III. Integrate the national disaster management centres with a regional disaster management co-ordination centre, and
- IV. Develop a legal framework for the regional mechanism to operate the regional centre,

11.4 DEVELOPING EFFICIENT AND RAPID DISASTER RESPONSE TEAMS.

Background

Effective and efficient disaster management, depend upon the policy in place and understanding the priorities of the disaster problems. This entails improving on the existing capabilities prior to the threats. An effective policy should be based upon interdisciplinary collaboration among the government, non-governmental organizations, research and training institutions, commercial sector and the public likely to be affected by the disasters. To achieve this, local, national and regional co-ordination is required.

11.4.1 Strategies

- I. Capacity building within the region.
- II. Ensuring appropriate tools and skills are put in place ready for use.
- III. Ensure Proper logistical support is planned for and put in place.
- IV. Partner States to secure funds to be used in a disaster situation.

12.0 GOAL 10: FORMULATE SECURITY MEASURES TO COMBAT TERRORISM

12.1 Objectives:

- I. Enact legislation;
- II. Enhance institutional capacity to combat terrorism;
- III Exchange information on terrorism; and
- IV. Establish EAC forensic centre.

12.2 ENACT LEGISLATION

Background .

There is an apparent large gap between political commitment, policy and legislations and practical implementation of legislation between member states in the region. This is seen in light of the U N resolution 1373 of which the African Heads of State and Governments adopted in 1999, the "Algiers convention on the prevention and combating of terrorism". This followed by "Plan of Action on the prevention and combating of terrorism" in September 2002 reflects African realities.

12.2.1 Strategies

- I. Develop a regional policy framework on suppression of terrorism in East Africa,
- II. Harmonize laws relating to suppressing terrorism, III Ratify and implement relevant provisions of international conventions on combating terrorism;
- IV Encourage interaction between the various role players in processing/amending laws; and
- V. **Promote awareness and involvement of communities in combating terrorism.**

12.3 ENHANCE INSTITUTIONAL CAPACITY TO COMBAT TERRORISM

Background

All countries within the region are making efforts in terms of human and non-human resources to enhance institutional capacity to combat terrorism. However, countries within the region may not be moving at the same pace and there is a very high possibility of duplication of the resources, which could otherwise be shared. There is urgent need to enhance capacity in the region.

12.3.1 Strategies

- I Formulate a joint training syllabus,
- II Identification of training facilities among the member states;
- III Improving on the training facilities within the member states,
- IV Standardize training on terrorism within the Region;
- V Encourage joint training and operations to enhance uniformity, and
- VI Develop capacity to combat terrorism in all its forms

12.4 EXCHANGE INFORMATION ON TERRORISM

Background .

The existing channels of exchanging information within the region are not sufficient. There is need for a regional centre fed from the various national centres on a regular basis for purposes of sharing information and operational planning. **There is need to link up with global and initiatives on exchange of information.**

12.4.1 Strategies

- I Establishment of a regional counter terrorism data centre;
- II. Procure necessary logistics for the data centre,
- III Recruit human resources to man the data centre;
- IV. Conduct specialised trainings for personnel involved in counter terrorism, and
- V Establish legal framework for exchanging information both regionally and internationally

12.5 ESTABLISH THE EAST AFRICAN COMMUNITY FORENSIC CENTRE

Background

EAC Partner States still have low capacity to conduct highly sophisticated scientific analyses. Yet this is very necessary in forensic evidence. Aware of the fact that establishing such kind of forensic centre (scientific analytical laboratories) is expensive for individual Partner States, there is need for a joint funding of a regional forensic laboratory.

12.5.1 Strategies

- I Partner States to pool resources for establishing a regional (scientific analytical laboratory) Forensic centre and appeal to like minded development partners;
- II Recruit and train personnel to man the centre; and
- III Identify a suitable location for the centre.

13.0 . GOAL 11: ESTABLISH MEASURES TO COMBAT CATTLE RUSTLING

13.1 Objectives

- I. Enact harmonized legislation on cattle rustling;
- II. Develop capacity to combat cattle rustling,
- III. Institute measures to discourage the culture and practice of cattle rustling;
- IV. Institute alternative means of livelihood to discourage the practice; and
- V Create public awareness through political, civic and clan leaders

13.2 ENACT HARMONIZED LEGISLATION ON CATTLE RUSTLING

Background

Legislative bodies from Partner States should enact uniform laws to address cattle rustling. To-date, individual Partner States have different laws that deal with cattle rustling separately but the laws do not effectively address the problem

13.2.1 Strategies

- I Enact a uniform regional law on cattle rustling that is applicable to the Partner States;
- II. Partner States to amend their laws to address the problem of cattle rustling; and
- III. To harmonise the statutory instruments and regulations that deal with cattle rustling

13.3 DEVELOP CAPACITY TO COMBAT CATTLE RUSTLING

Background

Partner States lack sufficient capacity to combat cattle rustling and therefore, the need for capacity building programmes to fill the deficiency. This is to involve training and adequate equipping of personnel tasked with the job. Infrastructure development in terms of roads and communication systems need to be developed to improve response time during incidences of rustling

13.3.1 Strategies

- I. Harmonise measures, which deal directly with cattle rustling;
- II. Conduct joint training;
- III. Proper equipping of the personnel;
- IV Enhance control trafficking of illicit arms in the region; and
- V. Enhance the presence of law enforcement agencies in cattle rustling affected areas.

13:4 INSTITUTE MEASURES TO DISCOURAGE THE CULTURE AND PRACTICE OF CATTLE RUSTLING

Background

Although cattle rustling is a cultural practice among some tribes in the region, the culture violates the rules of natural justice and conflicts with other laws and therefore should be stopped.

14.4.1 Strategies

- I Carry out well co-ordinated sensitisation programmes aimed at educating people on the negative effects of the practice,
- II Encourage branding of animals to assist in identification;
- III Encourage mass education in the communities; and
- IV. Implement regional programme aimed at curbing proliferation of illicit arms from neighbouring countries.

14.5 INSTITUTE ALTERNATIVE MEANS OF LIVELIHOOD TO DISCOURAGE THE PRACTICE OF CATTLE RUSTLING

Background

In areas where the culture of cattle rustling is practiced, cattle keeping is almost the only activity that forms the basis of livelihood. These areas are severely affected by drought, therefore very limited cultivation or no cultivation at all takes place. This is coupled with very limited social and economic infrastructure development. Instituting alternative means of livelihood for these people will go a long way in solving the problem of relying on cattle as the only source of livelihood, which will in turn solve the problem of cattle rustling.

14.5.1 Strategies

- I. Ensure an enabling environment *for* better alternatives, and
- II. Institute income-generating projects in addition to cattle keeping

14.6 CREATE PUBLIC AWARENESS THROUGH POLITICAL, CIVIC AND CLAN LEADERS

Background

During the process of creating public awareness, every stakeholder needs to be brought on board. The awareness should highlight the dangers of cattle rustling. Civic leaders, politicians and clan leaders should be directly involved during the sensitisation process.

14.6.1 Strategy

- I. Organising regular stakeholders workshops *for* change agents; and
- II. Use of community based approaches to create awareness

15.0 GOAL 12: ESTABLISH MEASURES TO COMBAT THE PROLIFERATION OF ILLICIT SMALL ARMS AND LIGHT WEAPONS

15.1 Objectives

- I. Make operational national focal points;
- II. Develop and implement national action plans,
- III. Harmonise laws relating to small arms and light weapons;
- IV. Develop and implement joint training for national focal point secretariat staff;
- V. Establish national databases
- VI. Improve the management and control of stockpiles; and
- VII. Destroy recovered/surrendered obsolete and excess/surplus firearms.

15.2 OPERATIONALISE NATIONAL FOCAL POINTS

Background.

The Nairobi Declaration and other International and Regional instruments mandate Partner States to establish national focal points as co-ordinating agencies to provide institutional mechanisms to promote and co-ordinate implementation of comprehensive measures to tackle illicit small arms and light weapons.

15.2.1 Strategies

- I. Conduct inter-departmental workshops on roles, functions and composition of the national focal point;
- II. Compile standard working procedures for the national focal point;
- III. Develop guidelines on roles, functions, responsibilities and composition of regional task force,
- IV. Conduct training on management of small arms and light weapons; and
- V. Equip the national focal point with required logistics and equipments

15.3 DEVELOP AND IMPLEMENT NATIONAL ACTION PLANS

Background

The international instruments require Partner States to develop and implement a national action plan that guide national plans to tackle problems of illicit small arms. These will include development of the national policies to strengthen and streamline the management and control of firearms.

15.3.1 Strategies

- I. Conduct a mapping exercise and analyse the data to come up with relevant information;
- II. Review the existing laws in relation to the requirement of the Nairobi declaration and protocol,
- III. Develop policy guidelines from recommendations of the mapping exercise,
- IV. Draft national action plan,
- V. Secure approval of the draft action plan, and
- VI. Print and publish the action plan.

15.4 HARMONISE LAWS RELATING TO SMALL ARMS AND LIGHT WEAPONS

Background

The international instruments require state parties to adopt such legislative measures as may be necessary to control possession and use of small arms, regulate manufacturing, trade and transfers, and measures to prohibit illicit trafficking.

There is need for harmonising the law to promote legal uniformity and set minimum standards to govern trade, transfers, manufacture and other illicit activity. This will facilitate inter-state action to combat illegal activity between Partner States.

15.4.1 Strategies

- I. Develop guidelines for formulation and review of legislations; and
- II. Conduct workshops and trainings on new legislations and regulations in regards to small arms and light weapons.

15.5 DEVELOP AND IMPLEMENT, JOINT TRAINING FOR NATIONAL FOCAL POINT SECRETARIAT STAFF

Background

The current national focal point *staff* need more skills to enable them work in a multi-sectoral environment to coordinate the implementation of the national action plan. The action plan has a wide range of activities covering multi dimensional aspects.

15.5.1 Strategies

- I. Conduct training for national focal point staff on management, and
- II. Carry regular evaluations of the training outcome.

15.6 ESTABLISH NATIONAL DATABASES

Background

Currently, there is poor management of stockpiles in the Partner States. Partner States are therefore required to establish national databases to provide a central record on all small arms and light weapons in the country.

15.6.1 Strategies

- I. Enact laws and operational guidelines to streamline usage of national databases,
- II. Procure and install computer hardware and software for data capturing, and
- III. Develop appropriate software to be used, and
- IV. Develop working procedures and database layout.

16.7 IMPROVE THE MANAGEMENT AND CONTROL OF STOCKPILES

Background

It is a common belief that government stock has been a major source of supply of illicit small arms. Partner States are required to enhance means of accounting for and securing their stock to promote proper management of stocks.

Efforts should be made to have proper and regular stocktaking by each Partner State to ensure maintenance of good databases, which are reliable and dependable in the region.

16.7.1 Strategies.

- I. Develop guidelines on stockpile management,
- II. Carry out regular national stocktaking exercises;
- III. Periodic verification of data on civilian firearm register;
- IV. Build capacity of national enforcement officials in the management of stockpiles; and
- V. Improve security and storage capacity of stockpiles.

16.8 DESTROY RECOVERED/SURRENDERED, OBSOLETE AND EXCESS/SURPLUS FIREARMS

Background

The Partner States have large numbers of uncontrolled and surplus stockpiles of firearms. The Partner States should among other things devise means and ways of destroying the excess stockpiles.

The destruction of the excess stockpiles ensures that leakages are curtailed and further reduces the demands on storage facilities.

16.8.1 Strategies

- I. Compile inventory of stockpile to be destroyed,
- II. Transport stockpile to be destroyed to a central place for destruction;
- III. Training personnel in safe destruction of firearms,
- IV. Identification and verification of firearms to be destroyed; and
- V. Collecting and transporting firearms to destruction sites.

17.0 GOAL 13: DEVELOP MECHANISMS TO COMBAT SECURITY CHALLENGES ON LAKE VICTORIA

17.1 Objectives

- I. Harmonize fisheries legislation,
- II. Enact legislation on beach management;
- III. Institute joint surveillance,
- IV. Establish inter-agency committee for security of the Lake;
- V. Combat smuggling on the Lake; and
- VI. Institute public awareness campaigns.

17.2 HARMONIZE FISHERIES LEGISLATION

Background

In East Africa, fisheries legislation has been enacted according to each individual Partner State. The laws are not uniform in spite of the Partner States sharing Lake Victoria. Lack of a uniform law poses a lot of difficulty in enforcing fisheries laws.

17.2.1 Strategies

- I. Ensure Partner States enacts consistent laws; and
- II. Establish a common standard for enforcing the laws on fisheries.

within the region.

17.3 PARTNER STATES TO ENACT LEGISLATION ON BEACH MANAGEMENT UNITS

Background

The formation of the Beach Management Units (BMU) in the Partner States has been undertaken in major landing sites on the Lake. The BMUs have formed the basis for a collaborative approach in management of fisheries resources and made it easier to enforce fisheries laws on the Lake.

17.3.1 Strategies

- I. Work in close partnership with the beach management units,
- II. Establish contact persons at each beach to co-ordinate activities thereon; and
- III. Strengthen information gathering on criminals

17.4 INSTITUTE JOINT SURVEILLANCE ON LAKE VICTORIA

Background

The need for joint operations among the Partner States on Lake Victoria is paramount and will go a long way in ensuring security on the lake. At the moment Partner States are operating independently and uncoordinated, a situation the criminals are finding very easy to exploit. Joint surveillance by Partner States will lead to sharing of information, as criminals on the lake tend to operate across the borders. It will also ensure a cost effective monitoring system.

17.4.1 Strategies

- I. Acquisition of radio communication equipments to be used for surveillance,
- II. Acquisition of patrol aircraft to be used on the Lake,
- III. Procure and deploy speedboats at strategic points for quick response, and
- IV. Jointly train personnel in the required skills

17.5 ESTABLISH INTER-AGENCY COOPERATION COMMITTEES ON SECURITY

Background

The Partner States have not fully established inter-agency security committees to handle security on the Lake. Security agencies are operating in isolation of one another and yet their roles are complimentary.

17.5.1 Strategies

- I. Centralised resources for law enforcement;
- II. Identify a lead agency to unify operations on the Lake; and
- III. Encourage regular interactions between the security agencies on the Lake in order to compare notes and share experiences.

17.6 COMBAT SMUGGLING ON THE LAKE

Background

There are smuggling activities taking place on the Lake. Many smugglers are using the lake to bring in goods and merchandise from neighbouring countries to evade taxes. Through smuggling, governments lose a lot of revenue; genuine importers fail to market their commodities, bringing a distortion in the operational market situation. This has a major impact on investment climate of the Partner States. Combating smuggling on Lake Victoria will provide a good and conducive environment for development where all the Partner States will benefit.

17.6.1 Strategies

- I. Strengthen the anti-smuggling units operating on the Lake;
- II. Increase inter-agency involvement in combating smuggling,
- III. Harmonize laws on smuggling among the Partner States; and

17.7 INSTITUTE PUBLIC AWARENESS CAMPAIGNS

Background

The formation of beach management units will go a long way in providing a good forum for public awareness campaigns. This is because it involves the local people who are staying near the Lake and whose livelihood is dependent on the Lake. Proper management of the Lake will ensure improvement in living standards.

17.7.1 Strategies

- I. Intensify public awareness campaigns by community liaison officers,
- II. Conduct programmes in local languages in both electronics and print medias, and
- III. Conduct workshops and seminars for beach management unit committees

18.0 GOAL 14: DEVELOP A MECHANISM FOR CONFLICT MANAGEMENT AND RESOLUTION

18.1 Objective

- I. Develop an EAC Protocol for conflict prevention management and resolution; and
- II. Develop a protocol on conflict early warning.

Background

The Partner States have witnessed several conflicts internally and externally and the neighbouring countries. This calls for a mechanism for peaceful resolution of disputes and conflicts amongst the Partner States and a forum under which the EAC can participate in resolution of disputes within the region.

The absence of an effective mechanism for consultations and co-operation geared towards peaceful settlement of disputes in order to maintain and consolidate peace, leads to real or imagined threats to peace and security which undermine efforts aimed at improving the well being of the people of East Africa.

Efforts aimed at conflict management and resolution requires a framework providing a clear mechanism for detecting danger signals in potential areas of conflict and the method for their management and resolution. Such mechanism should incorporate provisions that accommodate other incidental problems.

18.2 Strategies

- I. Examine and interpret relevant provisions concerning conflict management and resolution in the Treaty;
- II. Assess the role of other sub-regional organisations, which have the mandate of managing and resolving conflicts in the region;
- III. Conduct a study to determine sections and clauses to be included in the draft protocol;
- IV. Determine the structures and mode of co-ordination within the Partner States on conflict management and resolutions;
- V. Develop databases on conflict management and resolution;
- VI. Document and campaign against illicit exploitation of natural resources which perpetuate and finance conflict;
- VII. Develop coordination centre for conflict management and resolution in the region; and
- VIII. Harmonise the policies within the region to a common standard

East African Community
Arusha Tanzania
September 2005

ANNEX VII



East African Community

**1ST DRAFT OF THE PROTOCOL ON THE [ESTABLISHMENT OF A
CONFLICT EARLY WARNING AND RESPONSE MECHANISM FOR THE
EAST AFRICAN COMMUNITY]**

OR

**[THE EAST AFRICAN COMMUNITY EARLY WARNING AND RESPONSE ON CONFLICTS
MECHANISM] (EWAREC)**

We, the Partner States of the East African Community

The Republic of Uganda
The Republic of Kenya
The United Republic of Tanzania

REAFFIRMING the principles and objectives enshrined in the Treaty for the Establishment of the East African Community;

RECALLING the objectives of promoting regional peace, security and stability and creating mechanisms for the prevention, management and resolution of inter - and intra - state conflicts;

CONCERNED about proliferation of conflicts which constitute a threat, to peace and security in the East African region and undermine the efforts to improve the living standards of the people;

DETERMINED to act collectively to preserve peace, security and stability in the region, to enhance regional co-operation and to eliminate all forms of threat thereto;

ACKNOWLEDGING the international, continental and regional initiatives promoting peace and security;

CONVINCED of the need to respond early to conflicts, disasters, threats and crises in the region;
CONSCIOUS of the fact that good governance, rule of law and sustainable development are essential for peace and conflict prevention;

INSPIRED BY the need to establish an effective mechanism of consultation and cooperation for the peaceful settlement of conflicts;

CONVINCED of the need to respond early to conflicts in the region;

HAVE AGREED AS Follows:

**Article 1
Definitions**

In this Protocol:

"Analysis" means the interpretation of data in a specific context;

"EAC-CEWARN" means the Conflict Early Warning and Response Mechanism established by this Protocol;

"Council" means the Council of Ministers of the East African Community;

"Early warning" is the process of collecting, verifying and analysing information and communicating the results to decision-makers;

"Information" means raw data that has not been analysed;

"Protocol" means the Protocol Establishing the a Conflict Early Warning and Response Mechanism for East African Community Partner States;

"Response" means actions to prevent, mitigate and manage conflicts and threats;

"The Treaty" means the Treaty for the Establishment of the East African Community signed on 30th November 1999.

Other terms to be defined:

Conflict

Article 2 Establishment of CEWARN

- 1) There is hereby established a mechanism for collective peace and security to be known as Conflict Early Warning and Response Mechanism (CEWARN).
- 2) CEWARN shall become an integral part of the Treaty for the Establishment of the East African Community.

Article 3 The Legal Basis of CEWARN

- 1) In addition to the Protocol establishing CEWARN, the following shall for the legal foundation of CEWARN:
 - a) Agreements which may be concluded between CEWARN and international, regional and sub-regional organisations;
 - b) Bilateral agreements and arrangements between Partner States;
 - c) National laws on information and security subject to the provisions of this Protocol and the guidelines provided in the Annex.
- 2) Partner States shall take the necessary measures to give *effect* to this Protoespective national legislation.

Article 4 Structure of CEWARN

- 1) The decision-making structures for CEWARN established under this Protocol are complementary to those already existing in The Treaty for the Establishment of the East African Community.
- 2) The structure of CEWARN is established as follows:
 - a) The policy arm consisting of the Summit, the Council and the Committee (define the Committee in the definitions section)

- b) The administrative arm consisting of the Secretariat (under the Political and International Affairs Unit);
- c) The technical arm consisting of:
 - (i) Committee on Peace and Security;
 - (ii) CEWARN Regional Centre;
 - (iii) NEWARN Units;
 - (iv) Technical Committee
- .d) The Co-operating arms consist of:
 - (i) Inter-state structures;
 - (ii) Sub-regional structures.
- e) The Coordinating arms consist of:
 - (i) The Committee Permanent Secretaries established under Article 10 of this Protocol;
 - (ii) EAC Secretariat.

Article 5 Objectives of the CEWARN

The objective of the CEWARN shall be to strengthen EAC regional mechanism for conflict prevention, management and resolution in line with the provisions of Article 124 of the Treaty.

Article 6 Functions of CEWARN

The functions of the CEWARN shall be:

- a) To promote exchange of information and collaboration among Partner States on early warning and response on the basis of the following principles:
 - i) **timeliness**
 - ii) **transparency**
 - iii) **co-operation**
 - iv) **free flow of information**
- b) Gather, verify, process and analyse information about conflicts in the region according to the guidelines provided in the Annex to this Protocol.
- c) Communicate all such information and analysis to decision makers of EAC policy organs.
- d) **More specifically, the early warning functions of CEWARN shall include:**
 - I) **receiving information and reports from NEWARN Units;**
 - ii) **processing, analysing and verifying information;**
 - iii) **bringing that information to the attention of the Secretariat;**
 - iv) **providing the necessary feedback to the NEWARN Units;**
 - v) **disseminating such information as it is authorised, to those who are authorised, and in a manner that Partner States prescribe;**
 - vi) **updating and synthesising information;**
 - vii) **setting standards;**
 - viii) **monitoring and coordinating information collection and reporting;**
 - ix) **promoting dialogue on information and analysis;**
 - x) **networking among information gathering organisations;**
 - xi) **monitoring the implementation of this protocol; and**

- xii) Peace making, including the use of good offices, mediation, conciliation and inquiry.

Article 7
The CEWARN REGIONAL CENTRE

- 1) The CEWARN Regional Centre shall be part of the East African Community Secretariat and will be governed by the EAC Service Regulations.
- 2) The CEWARN Regional Centre may, through the EAC Secretariat, initiate cooperative arrangements with international, regional and sub-regional organisations (to form one article with 8 (7)).
- 3) The terms, conditions and modalities governing such arrangements shall be governed by agreements concluded between EAC and such other organisations.
- 4) The terms and conditions will be decided by the Co-ordination Committee.

Article 8
Functions of the CEWARN Regional Centre

The functions of the CEWARN Regional Centre shall be to:

- 1) Assist the Secretariat to administer CEWARN's Documentation Centre.
- 2) In consultation with the technical arm, identify users of the information processed by CEWARN and their needs.
- 3) Establish networks of cooperation in early warning and response among Partner States
- 4) Serve users by:
 - a) acting as a clearing house for information;
 - b) creating and managing databases or information for early warning and response;
 - c) providing a shared internet communication centre for NEWARN Units;
 - d) developing guidelines for information users in consultation with the technical arm on Early Warning;
 - e) setting Standing Operational Procedures (SOPs) and developing common practices for information collection, reporting and documentation;
 - f) establishing common formats for reporting on conflict early warning;
 - g) harmonising common information policies and systems for early warning in Partner States.
- 5) Support the development of NEWARN Units and provide technical assistance for their establishment.
- 6) Develop close cooperation among NEWARN Units.
- 7) Establish collaborative relationships, including information sharing, with similar international, regional and sub-regional mechanisms in Africa. (To form a separate article)
- 8) Train* NEWARN Units personnel and generally promote human and institutional capacity building in the area of early warning and response.

- 9) Recommend mechanisms for regional responses to cross-border and trans-border conflicts.

Article 9
Structures of Co-operation

- 1) Partner States may establish inter-state structures for cooperation in addition to the national and regional structures for co-operation in early warning provided for in this Protocol.
- 2) Such inter-state structures of cooperation may be established through bilateral agreements, memoranda of understanding, or through any other means that the cooperating members may decide.
- 3) While the right of Partner States to establish inter-state structures of cooperation in early warning is preserved, such structures should complement and strengthen the integrity and sustainability of CEWARN.
- 4) Individual Partner States experiencing common security problems, such as livestock rustling, may refer such problems to existing bilateral arrangements, and may also share information on specific peace and security related issues.
- 5) The Secretary General shall facilitate administratively periodic reports of the NEWARN Units to the CEWARN Regional Centre.
- 6) Any agreement concluded by NEWARN Units shall promote the objectives, functioning and sustainability of CEWARN.

Article 10
Co-ordinating Structures

- 1) The regional structure of CEWARN shall consist of the Technical arm, the Secretariat, the Committee, the Council of Ministers and the Summit.
- 2) There shall be a Committee composed of:
 - i. Permanent Secretaries of the Ministries responsible for Internal Affairs, Defence, Security and Foreign/Regional Affairs;
 - ii. Chiefs of Defence, Police and Intelligence
 - iii. The Secretary General, the Political and International Affairs Officer and Coordinator of the CEWARN Regional Centre shall be *ex officio* members of the Committee.
- 3) The Committee shall report directly to the Council.
- 4) The Committee shall meet at least twice a year.
- 5) There shall be a CEWARN Technical Committee composed of:
 - a) [Committee on Peace and Security];
 - b) the Heads of NEWARN Units;
 - c) One representative from civil society;
 - d) one representative from an independent research institution of each Partner State; and
 - e) The coordinator of the CEWARN Regional Centre.

- 6) **The CEWARN Technical Committee will report to the Committee of Permanent Secretaries**
- 7) **The CEWARN Technical Committee shall meet at least twice a year.**

Article 11
Functions of the coordinating structures

- 1) **The functions of the Committee are to:**
 - a) **exchange information on CEWARN; .**
 - b) **be a link between the Council and the Technical Arm;**
 - c) **harmonise coordination between CEWARN Regional Centre and NEWARN Units;**
 - d) **Consider reports and make recommendations to the Council o the following areas:**
 - i) **Potential conflicts in the EAC region and neighbouring regions that may impact on the EAC region;**
 - ii) **cooperation between governments and civil society in early warning and conflict management ; and**
 - iii) **Preventive action**
 - e) **review periodically the functioning of CEWARN;**
 - f) **approve users of information suggested by the CEWARN Regional link and coordinate the policy, administrative and technical functions.**
 - g) **link and coordinate the policy, administrative and technical functions.**
- 3) **The functions of the Technical Committee shall be to:**
 - a) **promote cooperation between NEWARN Units;**
 - b) **promote cooperation between NEWARN Units and CEWARN Regional Centre;**
 - c) **review periodically the provisions on information sharing and recommend amendments whenever necessary;**
 - d) **review methodologies and operational issues with a view to making CEWARN Regional Unit more effective**
 - e) **review the reports of the following consultative mechanisms:**
 - i) **consultations between representatives of CEWARN Regional Centre and NEWARN Units held at least twice a year;**
 - ii) **consultations between NEWARN Units and local units which will be held quarterly or at such more frequent intervals as each member state may determine.**
 - e) **liaise between civil society and the Secretariat;**

Article 12
Structure of NEWARN Units

- 1) **A NEWARN Units shall be established in the most suitable location as Partner States decide taking into account their logistical and administrative arrangements.**

- 2) A NEWARN Unit will consist of:
 - a) The Steering Committee;
 - b) Focal point;(Define)
 - c) Local committees. (Define)
- 3) The NEWARN Units steering committee shall include:
 - a) representatives of the central government;
 - b) representatives from parliament;
 - c) representatives of the provincial and district administration;
 - d) police;
 - e) military;
 - f) representatives of civil society,
 - g) academic institutions;
 - h) research institutions;
 - i) such other representatives as individual governments may designate.
- 4) NEWARN Units shall be linked to EAC through the CEWARN Regional Centre and the Ministry. responsible for Foreign Affairs/regional cooperation and shall serve as the focal point for communications between NEWARN Units and CEWARN Regional Centre.

Article 13

Functions of NEWARN Units

- 1) The functions of NEWARN Units shall include:
 - a) collecting information relevant to CEWARN;
 - b) liaising with civil society groups involved in collecting information at the grassroots and other levels;
 - c) undertaking preliminary analysis of collected information;
 - d) reviewing analyses received,
 - e) formulating response strategies;
 - f) preparing periodic conflict early warning reports;
 - g) communicating information and analysis gathered to the CEWARN Regional Centre,

Article 14

Privileges and Immunities

Partner. States shall accord designated experts and officials on special Mission for CEWARN privileges and immunities necessary for the Performance of their activities. Such privileges and immunities shall not be lesser than those accorded to officials of the EAC of comparable status.

Article 15

Resources of the Mechanism (Define mechanism)

- 1) CEWARN, through the EAC Secretariat, shall have the power to solicit and receive grants and donations related to the performance of its functions.
- 2) The resources of CEWARN shall come from:
 - a) contributions from Partner States;
 - b) grants, donations and contributions from other sources approved by the Council.

Article 16
Signature, Ratification and Accession

- 1) This Protocol shall be signed by the duly authorised representatives of the Partner States;
- 2) This Protocol shall be subject to ratification in accordance with the Constitutional requirements and practices of Partner States;
- 3) The Protocol shall remain open for accession after its entry into force.

Article 17
Entry into Force

This Protocol shall enter into force upon signature by the Heads of States, ratification and deposit of instruments of ratification with the Secretary General by all Partner States.

Article 18
Settlement of Disputes

Any dispute arising from the interpretation and implementation of this Protocol shall be settled amicably. Failing this; the dispute shall be referred to the Council.

Article 19
Amendment of the Protocol

1. This Protocol may be amended by the Partner States in accordance with the provisions of Article 150 of the treaty.
2. Subject to the provisions of paragraph 1 of this Article, the Council may:
 - 1) with the approval of the Summit, review the annexes to this Protocol and make such modifications as it deems necessary;
 - (2) submit to the Partner States proposals for the amendment of the provisions of this Protocol.

Done at Arusha, Tanzania, on theDay of..... in the year Two Thousand and Six.

IN FAITH WHERE OF the undersigned have appended their signatures hereto:

**FOR THE REPUBLIC
OF UGANDA**

**YOWERI KAGUTA MUSEVENI
PRESIDENT**

**FOR THE REPUBLIC
OF KENYA**

**MWAI KIBAKI
PRESIDENT**

**FOR THE UNITED REPUBLIC
OF TANZANIA**

**JAKAYA MRISHO KIKWETE
PRESIDENT**

Operating Guidelines for CEWARN

Part I: Mandate

- 1) CEWARN is mandated to.
 - a) receive and share information concerning potentially violent conflicts as well as their outbreak and escalation in the EAC region;
 - b) undertake and share analyses of that information;
 - c) develop case scenarios and formulate options for response;
 - d) share and communicate information, analyses and response options;
 - e) carry out studies on specific types and areas of conflict in the EAC region.
- 2) This mandate shall be carried out with the authority of the Executive Secretary in consultation with the Committee.
- 3) On receiving information under section 1 of this article, the Secretary General shall immediately bring that information to the attention of the Committee.
- 4) On receiving such information from the Secretary General, the Committee shall:
 - a) review the options, and make immediate recommendations to the Council;
 - b) decide what parts of this information or analysis should be made available in the public domain.
- 5) In performing this mandate, CEWARN may:
 - a) review existing public domain information,
 - b) conduct or commission in-depth studies,
 - c) conduct critical evaluations;
 - d) carry out risk assessments.
- 6) CEWARN may, under guidelines approved by the Committee, share the results of its activities with experts with in and outside EAC who are highly qualified to undertake critical analysis.
- 7) In performing this mandate and the duties specified in this article, due regard shall be given to the promotion of the principle of transparency.

Part II: Information

- 1) CEWARN shall rely for its operations on information that is collected from the public domain, particularly in the following areas.
 - a) livestock rustling;
 - b) conflicts over grazing and water points, c) smuggling and illegal trade;
 - d) nomadic movements;
 - e) refugees;
 - f) landmines;
 - g) banditry, and
 - h) **natural and shared** resources.
- 2) **CEWARN shall utilise** existing documentation facilities of the Secretariat.

- 3) National and local levels shall be the primary sources of data collection.
- 4) Partner States shall promote the involvement of the following partners as sources of information
 - a) other governments;
 - b) humanitarian agencies;
 - c) non-governmental organisations;
 - d) individuals,
 - e) the media,
 - f) the academic community,
 - g) Community based groups

Part III Verification and Analysis

- 1) CEWARN and its officials shall verify information within Partner States only through overt means

Partner States shall facilitate the verification and analysis of information within their territories by officials of CEWARN.

- 2 The request for permission to verify and analyse information shall be forwarded to the Partner States by the Secretary General. Officials of CEWARN shall observe the laws and regulations of Partner States during the verification and analysis of information, in particular, they shall respect the confidentiality of information and its sources as required by Partner States
- 3 CEWARN shall commission academic and research institutions to undertake analysis of information received by the CEWARN Unit.
- 4 The Steering Committee of each NEWARN shall be responsible for reviewing such reports and reporting the outcome of its review to CEWARN.
- 5 On receipt of the reports from the Steering Committees, CEWARN shall immediately forward them to the Committee
- 6 The role of CEWARN in facilitating analysis of information shall be to.
 - a). identify the relevant research institutions,
 - b) train staff,
 - c) facilitate and coordinate the access of NEWARNs to analysis.
- 7 The analysis of information and data gathered by the NEWARNs will be carried out
 - a) in-house by academic research institutions which form part of the NEWARNs,
 - b) by independent academic research institutions identified by CEWARN.
- 8 Existing analytical capacities in the 'EAC region will be used to the greatest extent possible
- 9 The analysis of information shall be carried on a continuous basis.

Part IV: Dissemination

- 1) Partner States shall have the right of access to the documentation facilities.
- 2) Information shall be shared and disseminated in such a manner, and in such places, as the Partner States will approve; Partner States should however not impose undue restrictions on the dissemination of information to authorised networks.
- 3 The use of networking shall be promoted as much as possible.
- 4 Partner States may place restrictions on free access to 'analysis only on compelling grounds of national security
- 5 The analysis carried out shall be made available to CEWARN, NEWARNs, the civil society and the public
- 6 Partner States may involve the following sectors in early warning and response:
 - a) national and regional parliaments;
 - b) provincial/region and district administrative and legislative authorities;
 - c) academic and research institutions,
 - d) religious organisations,
 - e) local non-governmental organisations,
 - f) the media
- 7) Cooperation with these sectors will be based on their ability to contribute to the following areas.
 - a) research on conflict and early warning,
 - b) raising awareness,
 - c) alerting the wider society,
 - d) conflict management and resolution at the grassroots levels e) enacting relevant by-laws.
- 8) Partner States, in collaboration with the Secretariat, shall promote the exchange of information through all practical means, including
 - a) electronic means,
 - b) mail,
 - c) conferences, seminars and workshops,
 - d) regional information networking;
 - e) field studies

ANNEX VIII



EAST AFRICAN COMMUNITY

**THE UNITED NATIONS REVIEW CONFERENCE ON THE IMPLEMENTATION
OF THE PLAN OF ACTION ON SMALL ARMS AND LIGHT WEAPONS**

UN HQs NEW YORK

JUNE 26TH - July 7th 2006

**PROGRESS REPORT ON IMPLEMENTATION OF THE UNPoA
BY THE EAST AFRICAN COMMUNITY**

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1.0 Background

East African Community is a regional intergovernmental organization of three Partner states comprising of the Republic of Kenya, the Republic of Uganda and the United Republic of Tanzania, established by virtue of the Treaty for the establishment of the East African Community signed in November 1999. The Headquarters of the organization is based in Arusha, Tanzania. The principles Peaceful co-existence, good neighbourliness, stability and peaceful resolution of disputes are regarded as a *sine qua non* for the achievement of the objectives of the East African Community and the development of the region.

The Treaty for the Establishment of the East African provides that "Peace and security is essential for the promotion of trade, investment and other development efforts. Its attainment requires a high level co-operation at the political level. Realizing that EAC cannot be stable if there are political instabilities in neighboring countries; Partner States have resolved to undertake joint measures to restore peace and security in neighboring countries. The Partner States have responded to this problem by establishing National Focal Points for SALW and developed National Action Plans. Emerging from their national activities the EAC Partner States have mandated the EAC Secretariat as per the provisions of the Treaty for the Establishment of the East African Community to address issues to the illegal proliferation SALW within the EAC region. Against this background, the EAC has continued to formulate and implement measures to create and maintain an environment of stability within the region and to ensure against risks that arise from the uncontrolled proliferation of SALW. Harmonization of laws relating handling, control and exercising of small arms control are thus an important step towards harmonization of policing, border control and customs.

1.1 Introduction

The EAC has identified the need to curb the illicit transfer and misuse of Small Arms and Light Weapons (SALW) within the region by enhancing its political, institutional and legal framework in order to control proliferation and misuse of SALW in the region. Focus has been placed on harmonization of laws and training of government officials, police, and civil society groups with the Regional Centre for Small Arms and Light Weapons being the key implementing agency.

1.2 Key policy instruments

The key policy instruments guiding implementation of the EAC activities on SALW ARE AS FOLLOWS: -

- a) The Treaty for the Establishment of the East African Community
- b) The United National Plan of Action of SALW
- c) The Nairobi Protocol on SALW and The Nairobi Declaration of SALW to which the EAC Partner States are signatories
- d) Best Practices Guidelines in line with the Nairobi Protocol

1.3 Regional Focal Point

Establishment of a regional coordinator for regional activities including the implementation of the Nairobi Protocol for the Prevention, Control and Reduction of Small Arms and Light Weapons in the Great Lakes Region and the Horn of Africa. The main purpose of the EAC Coordination Unit is as follows:

- a) To **strengthen** the EAC capacity to co-ordinate and harmonize SALW control **mechanisms** between the EAC Partner States.

- b) To support the efforts of the Partner States in preventing proliferation of illicit SALW, to complement the efforts of the Nairobi Secretariat on SALW.
- c) Develop training programmes and modules, which would provide a system for designing, testing implementation and evaluation of small arms control in the EAC region.

2.0 PROGRESS IN IMPLEMENTING THE UNPoA BY EAC

The status of implementation of the UNPoA in the EAC region is based on the progress made by the Partner States. Briefly, the EAC Partner States progress is as follows:

2.1 Progress report from Kenya

The progress report highlighted the fact that Kenya, in line with the UNPoA and the Nairobi Protocol, has implemented a number of activities. The institutional mechanisms including establishment of the Provincial Task Forces has been undertaken and training carried out and plans are underway to establish and train District Task Forces. The Kenya National Action Plan will be launched on July 14th 2006. It was reported that since 2003, destruction of 12,000 illicit arms have been undertaken with the last taking place on 29th June 2005. Voluntary surrender and forceful recoveries are meanwhile going on in the affected regions of Northern Kenya. A draft National Policy on arms management has been developed and is in the process of being subjected to stakeholders' validation. The Policy will inform legislative review process which is ongoing. A number of other activities are ongoing including awareness creation activities by Civil Society, peace building and conflict management, incorporation of the IGAD CEWARN to the operations of District level peace infrastructure as a conflict

prevention and arms demand reduction measure. In all national activities, collaboration with RECSA is critical. Kenya has been involved in many regional and international conferences on SALW including the UN Biennial Meetings of States, UN Preparatory Conference for the Review Conference, international processes on transfer control initiatives both to the state and non state actors, regional meetings towards developing the African common position, development of training manuals, among others.

2.2 Progress report from Uganda

The progress report from Uganda highlights the fact that the Uganda National Focal Point was established in 2001. The National Action Plan was developed and adopted by Government in 2004 and launched in Sept 2005. A national conference of all stakeholders was organized to coincide with the launching which, facilitated discussion on involvement of civil society and other partners in the implementation of the NAP. The NFP comprises of government ministries and civil society organizations and functions as a link between regional to national level institutions. On the status of implementing the UNPoA, the government of Uganda has adopted the National Action Plan which sets out the framework for comprehensive and coordinated action.

The Plan of Action focuses on three key areas namely, control and management of existing stock of SALW, reduction of the volume of SALW already in circulation and prevention of future proliferation of SALW. Thus the priority activities in the National work plan are capacity building of institutional framework for coordination, national policy and reviewing of legislation, training and capacity building of law enforcement agencies, stockpile management, public awareness and education, international and regional cooperation, integration of SALW in development issues and poverty reduction programmes, cooperation with civil society and research.

Development of the national policy on Arms Management is at an advanced stage and the drafting committee has been reconstituted. The draft policy is due for presentation to the

National Security Committee before submission to Cabinet. The infrastructure is in place where regional Task Forces have been established in all regions and currently training programmes are ongoing to develop capacity among members of the Task Forces. A system of coordination involving development partners, civil society organizations and local government, among others at all levels has been development. In addition Uganda has carried out destruction of over 50,000 Small Arms and all stocks of landmines in government possession. Uganda is also preparing to destroy over 300 tons of explosives and ammunitions.

Uganda has been involved in many regional and international conferences on SALW including the UN Biannual Meeting States, UN Preparatory Conference for the Review Conference, regional meetings towards developing the African common position, development of training manuals, among others.

2.3 Progress report from Tanzania

The progress report informed the meeting that Tanzania developed the National Action Plan in 2001 and has since then established the regional and district task Forces in Tanzania mainland and Zanzibar. In terms of legislation, Tanzania has the Arms and Ammunitions Act of 1991 as the primary legislation. However, the Act is not compliant with the provisions of the UN Firearms Protocols. The government has initiated a review process in order to comply with the international and regional commitments. A special Committee has been set up under the Ministry of Public Safety and security to involve all stakeholders for review and harmonization of legislation.

Through the Arms Management Committee, Tanzania has established the national Focal Point, developed a draft national policy, established the draft standard working operating procedures, established the national NGO Network throughout the country, established the Zanzibar and Regional Task Forces, established the Arms management division and the central firearms database. Tanzania has also actively participated in regional and international initiatives and conferences such as the UN Biennial Meeting of States, the Preparatory conference for the UN Review conference and regional meetings to map out the African position.

3.0 PROGRESS AT THE EAC LEVEL

In line with requirement for reporting mechanism at regional level as provided in Paragraph 24 - 31 of the UNPoA, the following is the progress made by EAC is implementing the UNPoA

3.1 Designation a focal point.

EAC through funding from the Government of Germany has established a Regional Coordinator/ Focal point based in Arusha to coordinate regional activities within the region and act as the link person with other regional initiatives and organizations on SALW. The office of the coordinator works in collaboration with the National Focal Points and RECSA as core implementing agencies for regional activities. The SALW Coordinator reports to the policy organ meetings through the East African Police Chiefs Meeting to the Council of Ministers.

3.2 Negotiating legally binding instruments to combat illicit arms

The EAC through regular meetings of the Chiefs of Police has developed a Plan of Action in line with those developed by the Partner States and successfully urged the EAC Partner States to ratify the Nairobi Protocol

3.3 Establishment of sub-regional mechanism and network for information sharing.

The EAC has established a multi disciplinary Committee which is composed of the Customs officers, Immigrations, directors of CID, directors of operations, among others. This committee has developed a plan of action that includes training activities, awareness campaigns and sharing of information to combat cross border crime and proliferation of illicit arms. The Committee works in liaison with the East African Legislative Assembly's Standing Committee on Regional peace and security which is involved in awareness programmes on SALW, cattle rustling and conflict prevention issues.

3.4 Harmonization, repeal, adherence laws and regulations and other administrative procedures.

The EAC established a Committee on harmonization of laws with a priority task of reviewing the adequacy of partner States laws relating to transfer, manufacture and trade in arms and propose a harmonized framework for the for the EAC region. In so doing, the EAC will work together with RECSA and the National Focal Points to avoid duplicity and wastage of resources. Under the EAC, law enforcement officers from the Partner States meet and where possible without amending the laws, streamline their administrative procedures in controlling SALW inflow in to the region.

3.5 Institute measures for stockpile management and support national disarmament and demobilization and reintegration programmes.

The EAC has designed projects aimed at creating awareness among communities where use of arms is prevalent in their daily livelihood to facilitate surrender of arms to the governments for destruction. These activities are focused on disarmament programmes, demobilization and reintegration. Also, the EAC has endeavoured to include the development aspects in their reintegration and the whole process of controlling proliferation of illicit arms.

3.6 Develop regional measures to enhance transparency with a view to combating Illicit Arms Trade.

The East African Community policy organ meeting has adopted the recommendation to develop a regional anti-corruption mechanism for the region which includes aspects of controlling trade in arms. This framework will consider the challenges currently experienced in within the Partner States and the gains already made to combat corruption and enhance transparency.

**East African Community
June 2006
Arusha Tanzania**

ANNEX IX

ANNEX IX

REPORT OF THE EAC CONTACT AND OUTREACH ACTIVITIES FOR THE PERIOD APRIL TO AUGUST 2006

1. INTRODUCTION

With the ongoing implementation of the Protocol on the Establishment of the East African Community Customs Union, coupled with the launching of the negotiations on EAC Protocol on the Free Movement of Persons, Labour, Services, Right of Establishment and Residence on 11 March 2006, the EAC publicity and outreach programmes were stepped up, as well as contacts with stakeholders, civil society and the development partners. As a result, there is increased coverage and visibility of the EAC in the mass media within the region.

2. EAC and Nile Basin Initiative

The East African Community Secretariat and the Nile Basin Initiative (NBI) signed a Memorandum of Understanding (MoU) on 12 July 2006 at the EAC Headquarters. According to the MoU, the co-operation between the EAC and NBI will be based on several initiatives to be conducted jointly including preparation and execution of studies, and promotion and development of projects and programmes, particularly in the fields of conservation and sustainable development of the Lake Victoria basin and engaging in dialogue with a view to assisting in defining and implementing policies and strategies aimed at the conservation of the Lake Victoria basin ecosystem and arrest of environmental degradation including taking measures for the prevention and control of the water hyacinth and other invasive weeds.

3. Launching EAC Research Vessel, RV Jumuiya

The Secretary General of the East African Community launched the East African Community Research Vessel, RV Jumuiya, on 29 May 2006 in Mwanza Port, Tanzania. The Research Vessel was donated to the EAC by the Department for International Development (DFID) UK and was initially based on Lake Nyasa. The Regional Commissioner, Mwanza, Permanent Secretaries from the Sector Ministries in the Partner States and the general public attended the launch.

The launching of the Vessel is an important milestone for the EAC integration process and particularly the implementation of the Safety of Navigation project on Lake Victoria.

4. EAC and ADB Arusha-Namanga-Athi River Road

Officials of the African Development Bank (ADB) led by the ADS Principal Transport Engineer, Eng Mumina Wa-Kyendo visited the Secretariat on 8 May 2006 and held discussion with the Secretary General and senior EAC official on the Arusha-Namanga-Athi River Road Project, which is being part funded by ADB under the EAC Road Network Project.

5. EAC and African Union

A delegation from the African Union Commission led by the Deputy Chairperson. Mr Patrick Mazimhaka visited the EAC Secretariat on 9 August 2006 and held discussions with the officials of the Secretariat led by the Deputy Secretary General, finance and Administration.

6. Meeting of the World Bank President and the Secretary General

The President of the World Bank, Mr. Paul Wolfowitz held a meeting with the Secretary General of the East African Community on 13 July 2006. The Meeting of the Coffee Lodge in Arusha was also attended by the Minister of Finance of the United Republic of Tanzania, Hon. Zakia Meghji. The two sides discussed the progress in the EAC regional integration process in the context of World Bank support to the EAC projects and programmes. The discussions centered on the EAC Development Strategy (2006-2010) East African regional infrastructure development projects and programmes with particular reference to roads and railways transportation, EAC Customs Union and trade and liberalization; Lake Victoria Development Programme. Regional Poverty Reduction Strategy and Programme, (PRSP). Regional Mechanism on Anti-Corruption and Good Governance and capacity building for the East African Community Organs and institutions Both parties agreed to develop a programme to address the identified priority areas, including the EAC Lake Victoria Basin development programme Energy and power, transport and communications infrastructure development as well as capacity building programme EAC and World Bank officials will be working out a project proposal that will relate the identified priority areas to specific projects for implementation in the short medium and long terms. These parameters will also constitute the basis for a Memorandum of Understanding that is planned to be signed between EAC and the World Bank.

The meeting in Arusha was the first that the World Bank President has held with an African regional economic community and signifies the confidence of the World Bank in the East African Community. It was the culmination of the series of consultations between World Bank and EAC on support to the EAC regional integration and development process.

7. Visit by Permanent Secretaries from Rwanda

Permanent Secretaries and other government officials from the Republic of Rwanda visited and held discussions with officials from the EAC Secretariat East African, Legislative Assembly and East African Court of Justice on 10 July 2006

8. EAC and IOM

The East African Community Secretariat and the International Organization for Migration (IOM) entered Memorandum of Understanding (MOU) on 3 July 2006 and the EAC Headquarters. The MoU spells out the areas of cooperation between the EAC and the IOM.

9. EAC and The Whitaker Group

The President and Chief Executive Officer (CEO) of The Whitaker Group, USA, Ms Rosa M. Whitaker visited the EAC Headquarters on 25 June 2006 and held talks with

the Secretary General and senior officials of the East African Community. The discussions between The Whitaker Group and the EAC officials centered mainly on the on-going East African regional projects and programmes; and the prospect of investing in the production, of ethanol as alternative source of energy as part of the overall strategy to curb the prevailing power shortage in the region; trade capacity building and facilitation.

The Whitaker Group is a premier US consulting firm that facilitates trade, investment and commerce in Africa. The WG works with African government and US, African and multinational corporations to forge alliances and capitalize on commercial opportunities.

10. EAC Strategic Retreat in Zanzibar

The East African Community Secretariat organized a two-day Strategic Retreat which was attended by the Ministers in charge of the East African Community affairs in the Partner States and their Permanent Secretaries, the Executive and Professional staff of the EAC Secretariat and the Executives of the EAC institutions, from 20 to 21 July 2006, at the Zanzibar Beach Resort H.E Amani Abed Karume, President of the Revolutionary Government of Zanzibar officially opened the Retreat on 20 July 2006. *The theme and of the Retreat was EAC after 10 years; Challenges and Opportunity ahead.* Papers were presented and discussed during the Retreat on *the Challenge of Coordination between EAC Organs and Institutions. Programmatic Challenges of the EAC, the State of East Africa Report 2006, Where EAC is going: an outsider's perception, EAC Development Strategy 2006-2010, and Fast Tracking EAC Federation.*

11. EAC Staff Retreat in Jinja

The East African Community Secretariat organized a five-day Strategic Retreat ,or its Executive Professorial and General staff from 25 to 30 July 2006 at the Jinja Nile Resort in Uganda. The First Deputy Prime Minister and Minister for the East African Community. Affairs of the Republic of Uganda, Hon. Eriya Kategaya officially opened the Retreat.

The Retreat whose theme was EAC after 10 years .Challengers and opportunity ahead aimed not to the only at strengthening the EAC corporate identity, but also introducing EAC staff to the Result Oriented Management (ROM) concept. The Retreat also aimed at strengthening the EAC planning and Monitoring function. Experts from the Ministry of Public Service of the Republic of Uganda Introduced the ROM concept to the participant and the led them though several topics including; performance measurement, planning and budget cycle, performance monitoring, evaluation and reporting.

12. EAC Workshop for Broadcasters

During the period under review the Secretariat held a workshop for the East African Broadcasters from 15 to 16 June 2006 in Kampala, Uganda. The aim of the workshop was to update the Media on the latest developments issues in the East African regional integration. and in particular to discuss the role of the broadcast media in promoting awareness the East African Community, and to concretize mechanism for collaboration. The workshop among others, adopted two instruments namely draft East African Broadcasters Association Constitution and Memorandum of Understanding (MoU) between East African Community Secretariat and the EAC

African Broadcasters Association. During the workshop Local Chapter Associations were formed and interim officials elected. A Programme of Action to operationalize the EAC-EABA Partnership was also adopted, including contacts with Kenya Broadcasting Corporation, Uganda Broadcasting Corporation and Radio Tanzania to promote sponsored programmes on EAC.

13. EAC Student Essay Writing Competition- 2006

During the period under review the East African Community Essay Writing Competition, 2006 was launched. The topic for this year's Competition was; *The peoples of East Africa are endowed with a diversity of cultures that can build or destroy the integration process of the region. Discuss*" The 2006 competition is open to East African Secondary School Student (Forms 1-4 for Kenya and Tanzania and Senior 1-4 for Uganda).

The national prize awarding ceremonies for the winners of the 2006 Competition take place September 2006 in the Partner States. The EAC Competition arises from the need to involve the students in the activities of the Community as well as foster and East African identity. Their participation would broaden their knowledge on the Community and its programme on the regional integration process.

14. Study Tours/Group Visits

During the period under review, the number of group visits to the Secretariat on study tours increase tremendously ranging from Students from Secondary School and Institution of Higher Learning, including the Military to Civil Society Organizations and Public and Local Government officials within the region. Notable among these were 65 Local Councilors from Baringo County Council Kenya in April 2006; a group of 23 officers from the Indian National Defence College on 16 May 2006 and 64 student and directing staff of the Senior Command and Staff College, Kimaka Jinja Uganda; and a group of 25 Trainee Diplomats from the Institute of Diplomacy and International Studies, University of Nairobi on 22 May 2006

The Co-ordination Committee recommends that the Council take note of these activities undertaken to promote the East African Community.

ANNEX X



EAST AFRICAN COMMUNITY

AGREEMENT

BETWEEN THE GOVERNMENTS OF

**THE REPUBLIC OF KENYA,
THE UNITED REPUBLIC OF TANZANIA AND
THE REPUBLIC OF UGANDA.**

FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME.

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The Governments of the Republic of Kenya, the United Republic of Tanzania and the Republic of Uganda, desiring to conclude an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have agreed as follows:

**ARTICLE 1
PERSONAL SCOPE**

This Agreement shall apply to persons who are residents of one or any of the other Contracting States

**ARTICLE 2
TAXES COVERED**

- 1 This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or its political subdivisions, irrespective of the manner in which they are levied
- 2. There shall be regarded as taxes on income all taxes imposed on total income, including taxes on gains from the alienation of movable or immovable property, as well as taxes on the total amounts of wages or salaries paid by enterprises
- 3 The existing taxes to which this Agreement shall apply are
 - (a) in Kenya the income tax chargeable in accordance with the provisions of the Income Tax Act, Cap 470,
 - (b) in Tanzania the tax on income chargeable under the Income Tax Act, 2004 (Act No. 11 of 2004), and
 - (c) in Uganda the tax on income chargeable under the Income Tax Act, CAP 340.
- 4 This Agreement shall apply to any other taxes of identical or substantially similar character which are imposed by any of the Contracting States after the date of signature of this Agreement in addition to, or in place of, the existing taxes
- 5 The competent authorities of the Contracting States shall notify each other of any substantial changes which have been made in their respective taxation laws, and if it seems desirable to amend any Article of this Agreement, without affecting the general principles thereof, the necessary amendments may be made by mutual consent by means of an Exchange of Notes.

**ARTICLE 3
GENERAL DEFINITIONS**

In this Agreement, unless the context otherwise requires

- 1 (a) the term "company" means any body corporate or any entity which is treated as a company or body corporate for tax purposes
- (b) the term "competent authority" means
 - (i) in Kenya, the Minister for the time being responsible for finance or his authorized representative,
 - (ii) in Tanzania, the Minister for the time being responsible for finance or his authorised representative, and
 - (iii) in Uganda, the Minister for the time being responsible for finance or his authorised representative,

- (c) the term "international traffic" means any transport by water, railway or air, operated by an enterprise which has its place of effective management in a Contracting State, except when the transport is operated solely between places within a Contracting State,
- (d) the term "national" means any individual having the citizenship of a Contracting State and any legal person, partnership, association or other entity deriving its status as such from the laws in force in a Contracting State,
- (e) the term "person" includes an individual, a partnership, a company, an estate, a trust and any other body of persons which is treated as an entity for tax purposes.

2 In the application of the provisions of this Agreement by a Contracting State, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that State in relation to the taxes which are the subject of this Agreement

ARTICLE 4

RESIDENT

1 For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of effective management, place of incorporation or any other criterion of a similar nature. This term does not include any person who is liable to tax in respect only of income from sources in that State

2 Where by reason of the provisions of paragraph 1 of this Article an individual is a resident of more than one of the Contracting States, then his status shall be determined in accordance with the following rules

- (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him. If he has a permanent home available to him in two or more States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests),
- (b) if the State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in any of the Contracting States, he shall be deemed to be a resident of the State in which he has an habitual abode,
- (c) if he has an habitual abode in two or more States or none of them, he shall be deemed to be a resident of the State of which he is a national,
- (d) if he is a national of two or more States or of none of them, the competent authorities of the Contracting States shall settle the question by mutual agreement

3 Where by reason of the provisions of paragraph 1 of this Article a person other than an individual is a resident of two or more Contracting States, then it shall be deemed to be a resident of the State in which its place of effective management is situated

ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of the enterprise is wholly or partly carried on

2 The term "permanent establishment" shall include.

- (a) a place of management;
- (b) a branch,
- (c) an office;

- (d) a factory,
- (e) a workshop,
- (f) a warehouse, in relation to a person providing storage facilities for others
- (g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources, and
- (h) an installation or structure used for the exploration of natural resources

3 The term "permanent establishment" likewise encompasses.

- (a) a building site or a construction, installation [other than the installations referred to in 2 (h)] or assembly project, or supervisory activities in connection therewith only if the site, project or activity lasts for more than 6 months,
- (b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel engaged in the other Contracting State, provided that such activities continue for the same or a connected project for a period or periods aggregating more than 6 months within any 12-month period

4 Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include

- (a) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise,
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display,
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise,
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise; or for collecting information for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character, and
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character

5 Notwithstanding the provisions of paragraphs 1 and 2 of this Article, a person acting in a Contracting State on behalf of an enterprise of any of the other Contracting States (other than an agent of an independent status to whom paragraph 6 of this Article applies) notwithstanding that he has no fixed place of business in the first-mentioned State shall be deemed to have a permanent establishment in that State if

- (a) he has, and habitually exercises, a general authority in the first-mentioned State to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise; or
- (b) he maintains in the first-mentioned State a stock of goods or merchandise belonging to the enterprise from which he regularly delivers goods or merchandise on behalf of the enterprise

6 Notwithstanding the preceding provisions of this article, an insurance enterprise of a Contracting State shall except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph 7 applies.

7 An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business

8 The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of any of the other Contracting States, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY

1 Income derived by a resident of a Contracting State from immovable property, including income from agriculture or forestry, is taxable in the Contracting State in which such property is situated

2 The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships, boats and aircraft shall not be regarded as immovable property.

3 The provision of paragraph 1 of this Article shall apply to income derived from the direct use, letting or use in any other form of immovable property and to income from the alienation of such property

4 The provisions of paragraphs 1 and 3 of this Article shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services

ARTICLE 7

BUSINESS PROFITS

1 The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in any of the other Contracting States through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3 of this Article, where an enterprise of a Contracting State carries on business in any of the other Contracting States through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment

3 In determining the profits of a permanent establishment

- (a) there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. Nothing in this paragraph shall require a Contracting State to allow the deduction of any expenditure which, by reason of its nature, is not generally allowed as a deduction under the taxation laws of that State, and
- (b) no account shall be taken of amounts charged, by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar

payments in return for the use of patents or other rights, or by way of commission for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the head office of the enterprise or any of its other offices

4 In so far as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise or its various parts, nothing in paragraph 2 of this Article shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary. The method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article

5 No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise

6 For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary

7 Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article

ARTICLE 8

SHIPPING, INLAND WATERWAYS, RAILWAY AND AIR TRANSPORT.

1 Profits of an enterprise from the operation or rental of ships, trains or aircrafts in international traffic and the rental of containers, wagons, coaches, tankers and related equipment which is incidental to the operation of ships, trains or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated

2 Profits from the operation of boats engaged in inland waterways transport shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated

3 If the place of effective management of a shipping enterprise is aboard a ship or boat, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship or boat is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship or boat is a resident

4 The provisions of paragraph 1 of this Article shall also apply to profits from the participation in a pool, a joint business or an international operating agency

ARTICLE 9

ASSOCIATED ENTERPRISES

1 Where

- a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting States,

and in either case conditions are made or imposed between the enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any income which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the income of that

enterprise and taxed accordingly

2. Where a Contracting State includes in the income of an enterprise of that State -- and taxes accordingly -- profits on which an enterprise of any of the other Contracting States has been charged to tax in that State and the profits so included are income which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on that income in determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other

3 A Contracting State shall not change the income of an enterprise in the circumstances referred to in paragraph 1 of this Article after the expiry of the time limits provided in its national laws

4 The provisions of paragraph 3 of this Article shall not apply in the case of fraud, wilful default or neglect.

5 The provisions of paragraph 9(2) shall not apply where judicial administrative or other legal proceedings have resulted in a final ruling that by actions giving rise to an adjustment of profits under paragraph 1, one of the enterprises concerned is liable to penalty with respect to fraud gross negligence or wilful default

ARTICLE 10

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of any of the other Contracting States may be taxed in that other State

2 However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged to the beneficial owner shall not exceed 10 percent of the gross amounts of the dividends The competent authorities of the Contracting States shall settle the mode of application of these limitations by mutual agreement

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid

3 The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from the shares by the laws of the Contracting State of which the company making the distribution is a resident

4 The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in any of the other Contracting States of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in any of the other States independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base In such a case, the provisions of Article 7 or Article 15, as the case may be, shall apply

5 Where a company which is a resident of a Contracting State derives profits or income from any of the other Contracting States, no tax may be imposed on the beneficial owner in that other State on the dividends paid by the company except in so far as such dividends are paid to a resident of that other State or in so far as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or

he undistributed profits consist wholly or partly of profits or income arising in such other State.

ARTICLE 11

INTEREST

1 Interest arising in a Contracting State and paid to a resident of any of the other Contracting States may be taxed in that other Contracting State

2 However, subject to the provisions of paragraph 3 of this Article, such interest may also be taxed in the Contracting State in which it arises and according to the law of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 15 percent of the gross amount of the interest.

3 Interest arising in a Contracting State shall be exempt from tax in that State if it is derived and beneficially owned by:

- (a) the Government, a political subdivision or a local authority of the other Contracting State; or
- (b) any institution, body or board which is wholly owned by the Government, a political subdivision or a local authority of the other Contracting State

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures including premiums and prizes attaching to such securities, bonds or debentures. The term

"interest" shall not include any item which is treated as a dividend under the provisions of Article 10 of this Agreement.

5 The provisions of paragraphs 1, 2 and 3 of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 15, as the case may be shall apply

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated

7 Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement

ARTICLE 12

ROYALTIES

1 Royalties arising in a Contracting State and paid to a resident of any of the other Contracting States may be taxed in that other Contracting State

2 However, such royalties may also be taxed in the Contracting State in which they arise, and according to the law of that State, but if the beneficial owner is a resident of the other Contracting State, the tax so charged shall not exceed 15 percent of the gross amount of the royalties

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films and films, tapes or discs for radio or television broadcasting), any patent, trade mark, design or model, computer programme, plan, secret formula or process, or for the use of, or the right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience

4 The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the Contracting State in which the royalties arise, through a permanent establishment situated therein or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political sub-division, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base with which the right or property in respect of which the royalties are paid is effectively connected, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the payment shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Agreement.

ARTICLE 13

MANAGEMENT OR PROFESSIONAL FEES

1. Management or professional fees arising in a Contracting State which are derived by a resident of any of the other Contracting States may be taxed in that other State.

2. However, such management or professional fees may also be taxed in the Contracting State in which they arise, and according to the law of that State; but where the beneficial owner of such management or professional fees is a resident of the other Contracting State, the tax so charged shall not exceed 15 percent of the gross amount of the management or professional fees

3. The term "management or professional fees" as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any services of a technical, managerial, professional or consultancy nature not covered under any

other Article of this Agreement.

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the management or professional fees, being a resident of a Contracting State, carries on business in the other Contracting State in which the management or professional fees arise through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the management and professional fees are effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 15 shall apply.

5 Management or professional fees shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the management or professional fees, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the obligation to pay the management or professional fees was incurred, and such management or professional fees are borne by such permanent establishment or fixed base, then such management or professional fees shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the management or professional fees paid exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Agreement.

ARTICLE 14
CAPITAL GAINS

1 Gains derived by a resident of a Contracting State from the alienation of immovable property, referred to in Article 6, and situated in any of the Contracting States may be taxed in that other Contracting State

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

3. Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

4 Gains from the alienation of any property other than that mentioned in paragraphs 1, 2 and 3 of this Article shall be taxable only in the Contracting State of which the alienator is a resident

ARTICLE 15
INDEPENDENT PERSONAL SERVICES

1 Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in any of the other Contracting States for the purpose of performing his

activities. If he has such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base. For the purpose of this provision, where an individual who is a resident of a Contracting State stays in any of the other Contracting States for a period or periods exceeding in the aggregate 183 days in any twelve-month period commencing or ending in the fiscal year concerned or was present in that other State in the fiscal year concerned and in each of the two preceding years for periods exceeding in aggregate more than 122 days in each such year, he shall be deemed to have a fixed base regularly available to him in that other State and the income that is derived from his activities that are performed in that other State shall be attributed to that fixed base.

2. The term "professional services" includes independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, accountants and economists.

ARTICLE 16

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 17, 19, 20 and 21, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in any of the other Contracting States. If the employment is so exercised, such remuneration as is derived there from may be taxed in the State in which the employment is exercised

2. Notwithstanding the provisions of paragraph 1 of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised in any of the other Contracting States shall be taxable only in the first-mentioned State if:

- (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned; and
- (b) the remuneration is paid by or on behalf of an employer who is not a resident of the other State, and
- (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated

ARTICLE 17

DIRECTORS' FEES

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of any of the other Contracting States may be taxed in the State in which the company is resident

ARTICLE 18

ARTISTES AND SPORTS PERSONS

1 Notwithstanding the provisions of Articles 7, 15 and 16, income derived by a resident of a Contracting State as an entertainer such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from his or her personal activities as such, may be taxed in the Contracting State in which these activities are exercised

2. Where income in respect of personal activities exercised by an entertainer or a sports person in his or her capacity as such accrues not to the entertainer or sportsman himself or herself but to another person, that income may, notwithstanding the provisions of Articles 7, 15 and 16, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. The provisions of paragraph 2 of this Article shall not apply if it is established that neither the entertainer or the sportsman nor persons related thereto, participate directly or indirectly in the profits of the person referred to in that paragraph.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, income derived from activities referred to in paragraph 1 performed under a cultural agreement or arrangement between the Contracting States shall be exempt from tax in the Contracting State in which the activities are exercised if the visit to that State is wholly or substantially supported by funds of any of the Contracting States or local authority.

ARTICLE 19

PENSIONS, ANNUITIES AND SOCIAL SECURITY PAYMENTS

1 Subject to the provisions of paragraph 2 of Article 20, pensions, annuities and similar payments arising in a Contracting State and paid in consideration of past employment to a resident of any of the other Contracting States, shall be taxable only in the Contracting State in which the payments arise

2. However, such pensions and other remuneration may also be taxed in any of the other Contracting States if the payment is made by a resident of any of the other Contracting States, or a permanent establishment situated therein.

3 Notwithstanding the provisions of paragraphs 1 and 2 of this Article, pensions paid and other payments made under a public scheme which is part of the social security system of a Contracting State or a political sub-division or a local authority thereof shall be taxable only in that State.

ARTICLE 20

REMUNERATION AND PENSION IN RESPECT OF GOVERNMENT SERVICE

1 Remuneration, other than a pension, paid by, or out of funds created by, one of the Contracting States or a political sub-division, local authority or statutory body thereof in the discharge of governmental functions shall be taxable only in that State. Such remuneration shall be taxable only in any of the other Contracting States creating the funds if the services are rendered in that other State and the individual is a resident of that State and

- (a) is a national of that State; or
- (b) did not become a resident solely for the purpose of rendering the services

2 Any pension paid by, or out of funds created by, a Contracting State or a political subdivision, local authority or statutory body thereof to an individual in respect of services rendered to that State or sub-division, authority or body in the discharge of governmental functions shall be taxable only in that State,

3 The provisions of Articles 16, 17 and 19 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State, or a political sub-division, local authority or statutory body thereof

ARTICLE 21
PROFESSORS AND TEACHERS

1 Notwithstanding the provisions of Article 16, a professor or teacher who makes a temporary visit to anyone of the Contracting States for a period not exceeding two years for the purpose of teaching or carrying out research at a university, college, school or other educational institution and who is, or immediately before such visit was, a resident of another Contracting State shall, in respect of remuneration for such teaching or research, be exempt from tax in the first-mentioned State, provided that such remuneration is derived by him from outside that State and such remuneration is subject to tax in the other State

2. The provisions of this Article shall not apply to income from research if such research is undertaken not in the public's interest but wholly or mainly for the private benefit of a specific person or persons

ARTICLE 22
STUDENTS AND BUSINESS APPRENTICES

A student or business apprentice who is present in a Contracting State solely for the purpose of his education or training or who is, or immediately before being so present was, a resident of any of the other Contracting States shall be exempt from tax in the (first-mentioned State) on payments received from outside that first-mentioned State for purpose of his maintenance, education and training.

ARTICLE 23
OTHER INCOME

1 Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement in respect of which he is subject to tax in that State, shall be taxable only in that State

2. The provisions of paragraph 1 of this Article shall not apply to income, other than income from immovable property, if the recipient of such income, being a resident of a Contracting State, carries on business in any of the other Contracting States through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 15, as the case may be, shall apply

3 Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing articles of this Agreement and arising in the other Contracting State may also be taxed in that other State

ARTICLE 24
ELIMINATION OF DOUBLE TAXATION

1 Where a resident of any of the Contracting States derives income which in accordance with the provisions of this Agreement may be taxed in the other Contracting States, the first-mentioned State shall allow as a deduction from the tax on the income of that resident an amount equal to the income tax paid in that other State. Provided that such deduction shall not exceed that part of the income tax as computed before the deduction is given, which is attributable as the case may be to

the income which may be taxed in that other State

2. Where in accordance with any provision of this Agreement income derived by a resident of a Contracting State is exempt from tax in that State such State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income

ARTICLE 25

NON-DISCRIMINATION

1 The nationals of a Contracting State shall not be subjected in any of the other Contracting States to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of the other States in the same circumstances are or may be subjected.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in any of the other Contracting States shall not be less favourably levied in that other State than the taxation levied on enterprises of any of the other States carrying on the same activities

3 An enterprise of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of any of the other Contracting States, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned State are or may be subjected

4. Nothing in this Article shall be construed as obliging a Contracting State to grant to residents of any of the other Contracting States any personal allowances, reliefs and deductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents

5. In this Article the term "taxation" means taxes which are the subject of this Agreement.

ARTICLE 26

MUTUAL AGREEMENT PROCEDURE

1 Where a person considers that the actions of one or more of the Contracting States result or will result for him in taxation not in accordance with this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 25, to that of the Contracting State of which he is a national. The case must be presented within two years from the first notification of the action resulting in taxation not in accordance with the provisions of this Agreement.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of any of the other Contracting States, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement

4 The competent authorities of the Contracting States may through consultations develop appropriate procedures, conditions, methods and techniques for the implementation of the mutual agreement procedure provided for in this Article. In addition, a competent authority may devise appropriate procedures, conditions, methods and techniques to facilitate the above-mentioned

actions and the implementation of the mutual agreement procedure

ARTICLE 27

EXCHANGE OF INFORMATION

1 The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic law of the Contracting States concerning taxes covered by this Agreement in so far as the taxation there under is not contrary to the Agreement, in particular for the prevention of fraud or evasion of such taxes. The exchange of information is not restricted by Article 1.

Any information so exchanged shall be treated as secret in the same manner as information obtained under the domestic law of that State and shall be disclosed only to persons or authorities (including courts or administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The competent authorities shall, through consultation, develop appropriate conditions, methods and techniques concerning the matters in respect of which such exchanges of information shall be made, including, where appropriate, exchanges of information regarding tax avoidance.

2. In no case shall the provisions of paragraph 1 of this Article be construed so as to impose on a Contracting State the obligation:

- (a) to carry out administrative measures at variance with the laws or the administrative practice of that or of any of the other Contracting States; .
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of any of the other Contracting States;

(c)	to supply information which would disclose any trade, business, industrial, commercial [or professional secret or trade process] or information, the disclosure of which would be contrary to public policy
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ARTICLE 28

ASSISTANCE IN THE COLLECTION OF TAXES

- 1 The Contracting States agree to lend each other assistance and support with a view to the collection, in accordance with their respective laws or administrative practice, of the taxes to which this Agreement shall apply and of any administrative penalties, interests and costs pertaining to the said taxes.
- 2 At the request of the applicant Contracting State, the requested Contracting State shall recover tax claims of the first-mentioned State in accordance with the law and administrative practice for the recovery of its own tax claims. However, such claims do not enjoy any priority in the requested State and cannot be recovered by imprisonment for debt of the debtor. The requested State shall not be obliged to take any executory measures, which are not provided for in the laws of the applicant State.
3. When a tax claim of a Contracting State is enforceable under the laws of that State and is

owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, that tax claim shall, at the request of the competent authority of that State be accepted for purposes of collection by the competent authority of the other Contracting State. That tax claim shall be collected by that other State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the tax claim were a tax claim of that other state

4. When a tax claim of a Contracting State is a claim in respect of which that State may, under its law, take measures of conservancy with a view to ensure its collection, that tax claim shall, at the request of the competent authority of that State, be accepted for purposes of taking measures of conservancy by the competent authority of the other Contracting State. That other State shall take measures of conservancy in respect of that tax claim in accordance with the provisions of its Income Tax law as if the tax claim were a tax claim of that other State even if, at the time when such measures are applied the tax claim is not enforceable in the first-mentioned State or is owed by a person who has a right to prevent its collection
5. Where, at any time after a request has been made by a Contracting State under paragraph 3 and 4 and before the other Contracting State has collected and remitted the relevant tax claim to the first-mentioned State the relevant tax claim shall cease to be
 - a) in the case of a request under paragraph 3, a tax claim of the first-mentioned State that is enforceable under the law of that State and is owed by a person who, at the time, cannot, under the law of that State, prevent its collection, or
 - b) in the case of a request under paragraph 4, a tax claim of the first-mentioned State in respect of which that State may, under its law, take measures of conservancy with a view to ensuring its collection

the competent authority of the first-mentioned State shall promptly notify the competent authority of the other State of that fact and, at the option of the other State, the first-mentioned State shall either suspend or withdraw its request.

5. The requested State shall not be obliged to accede to the request:
 - a) if the applicant State has not notified the requested State that it has pursued all means available in its own territory, except where recourse to such means would give rise to disproportionate difficulty,
 - b) if and insofar as it considers the tax claim to be contrary to the provisions of this Agreement or of any other agreement to which both of the States are parties;
7. The Contracting State in which tax is recovered in accordance with the provisions of this Article shall forthwith remit to the Contracting State on behalf of which the tax was collected the amount so recovered
8. The applicant State shall in any event remain responsible towards the requested State for the pecuniary consequences of acts of recovery, which have been found unjustified in respect of the reality of the tax claim concerned
9. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of the provisions of this Article.
10. In this Article the term "tax claim" means an amount owed in respect of taxes covered by this Agreement together with interest, administrative penalties and costs of collection or conservancy related to such amount

ARTICLE 29
DIPLOMATIC AGENTS AND CONSULAR OFFICERS

Nothing in this Agreement shall affect the fiscal privileges of diplomatic agents or consular officers under the general rules of international law or under the provisions of special agreements.

ARTICLE 30
ENTRY INTO FORCE

1 The Contracting States shall notify each other of the completion of the procedures required by their laws for entry into force of this Agreement. The Agreement shall enter into force on the date of the last of these notifications.

2. The provisions of this Agreement shall apply to income for any year of income beginning on or after the first day of January next following the date upon which this Agreement enters into force

ARTICLE 31
TERMINATION

1 This Agreement shall remain in force indefinitely but any of the Contracting States may terminate the Agreement through diplomatic channels, by giving to the other Contracting States written notice of termination not later than 30th June of any calendar year starting five years after the year in which the Agreement entered into force.

2. In such event the Agreement shall cease to have effect on income for any year of income beginning on or after the first day of January next following the calendar year in which such notice is given.

IN WITNESS WHEREOF the undersigned being duly authorized, have signed this Agreement

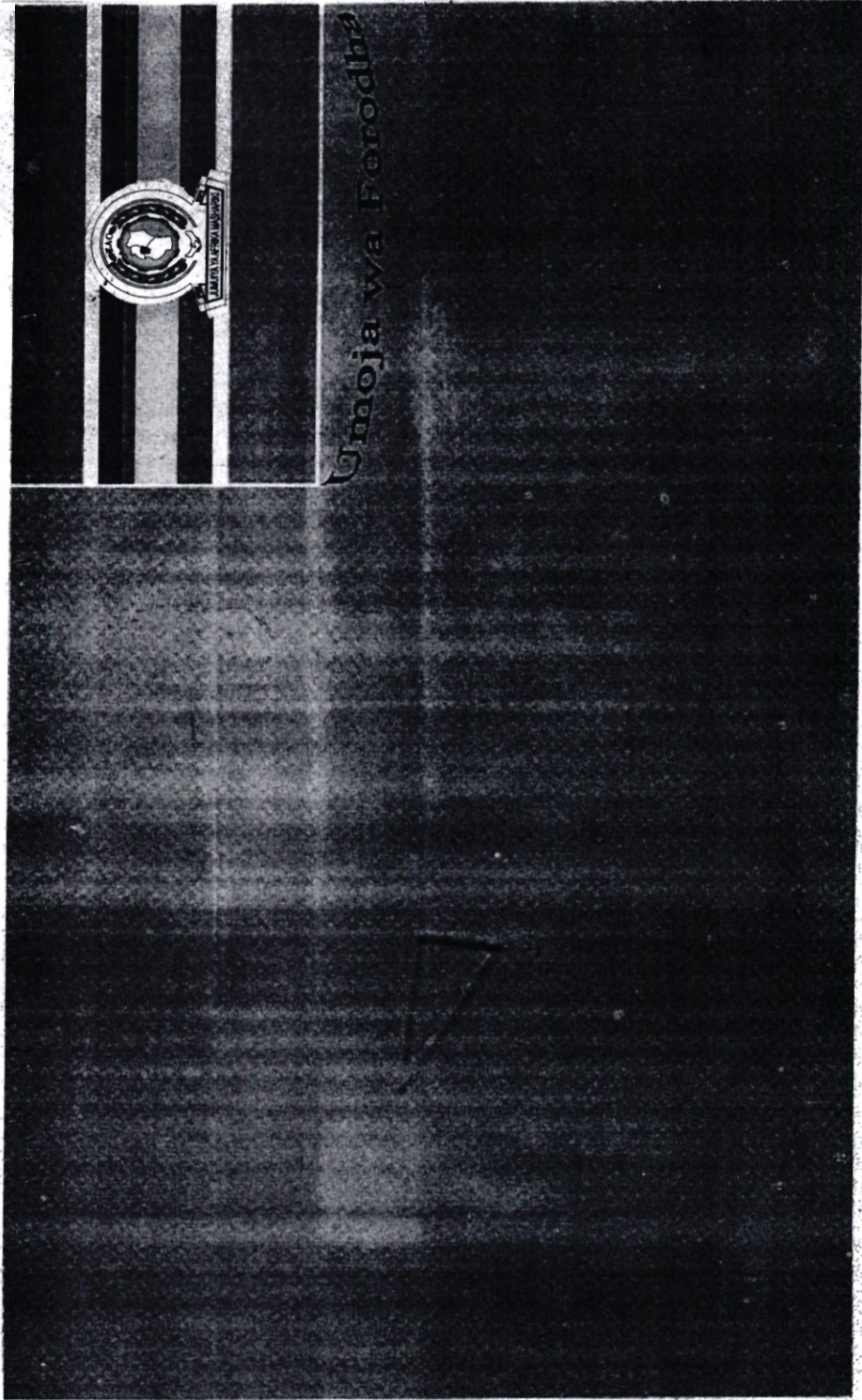
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ANNEX XI

ANNEX XI



ANNEX XII



East African Community (EAC) East African Business Council (EABC)

Proposed Mechanism for the Elimination of Non-Tariff Barriers in EAC



**under the GTZ Project of
“Support of Regional Business Organisations in East
Africa (SRBO-EA)”**

Project undertaken by:

**Simon Ngatia Ihiga
Trade & Investment Consortium
Nairobi**

with Technical Support of:



PRIVATE SECTOR

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Glossary of Abbreviations

ASYCUDA	Automated System of Customs Documentation and Administration
BCI	EAC Business Climate Index
CET	Common External Tariff EAC East African Community
COMESA	Common Market for Eastern and Southern African Countries
COUNCIL	EAC Council of Ministers
CRM	Customs Reforms Modernization Program (Kenya), commonly referred to as Simba 2005.
CTI	Confederation of Tanzanian Industries
CU	EAC Customs Union
EABC	East African Business Council
EAC	East African Community
EAPCO	East African Police Chiefs Organization
GVM	Gross Vehicle Mass
KAM	Kenya Association of Manufacturers
KEPHIS	Kenya Plant Health Inspectorate Service
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
MOA	Ministry of Agriculture
MOLD	Ministry of Livestock Development (Kenya)
NMC	NTBs National Monitoring Committee
NTB	Non-Tariff Barriers
PCPB	Pest Control Products Board (Kenya)
PVoC	Pre-shipment Verification of Conformity to Kenyan Standards program
RIFF	Regional Integration Facilitation Forum for Eastern and Southern African countries
SPS	Sanitary and Phytosanitary Measures
SQMT	Standardization, Quality Assurance, Metrology and Testing Services
TBT	Technical Barriers to Trade
TIIC	EAC Trade, Industry and Investment Committee
WTO	World Trade Organization
TLB	Transport Licensing Board (Kenya)
TRA	Tanzania Revenue Authority
TRIPS	Trade Related Intellectual Property Rights of WTO
UMA	Uganda Manufacturers Association
URA	Uganda Revenue Authority

1.0 EXECUTIVE SUMMARY

This Non-Tariff Barriers (NTBs) Monitoring Mechanism was developed as a joint initiative of the East African Business Council and the East African Community Secretariats. Its objective is to facilitate the process of identifying, reporting and monitoring the elimination of current and future NTBs within the EAC Partner States, so as to consolidate the economic integration process under the EAC Customs Union

It was developed through wide consultations with the policy makers, heads of agencies responsible for enforcing trade related requirements, business associations, clearing and forwarding associations and representatives of key businesses that have substantial activities within EAC countries

For the purpose of identifying NTBs and monitoring their elimination, the Partner States will define NTBs as “quantitative restrictions and specific limitations that act as obstacles to trade”, and which appear in the form of rules, regulations and laws that have a negative impact to trade. In order to effectively facilitate the process of eliminating these NTBs, the Mechanism will be based on two key principles, namely, (1) Goodwill and commitment at both the political and technical levels to implement aspirations of the EAC Treaty; and (2) Enshrinement of the Legal and Regulatory Framework governing the integration process

Regular monitoring of Council decisions aimed at facilitating cross-border trade among the three EAC states will be facilitated at both the national and EAC levels, and will be conducted at various stages by relevant trade officials. Also, to ensure efficient implementation of the Mechanism, Partner States will undertake key activities that include Awareness creation and sensitization of key stakeholders; Regular monitoring of Council decisions; and Allocation of sufficient and timely resources for NTB activities

Most of the NTBs that businesses experience in the course of their EAC trade are currently categorized under eight clusters, namely (1) Customs and administrative documentation procedures (2) Immigration procedures (3) Cumbersome inspection requirements (4) Police road blocks (5) Varying trade regulations among the three EAC countries (6) Varying, cumbersome and costly transiting procedures in the three EAC countries (7) Duplicated functions of agencies involved in verifying quality, quantity and dutiable value of imports and export cargo, and (8) Business registration and licensing. The impact of specific NTBs under each of these clusters and the proposed elimination process are given in the Monitoring Plans for EAC partner state, which appears as Annex 2 to the Mechanism. Line ministries and agencies responsible for taking actions on the identified NTBs, the EABC and EAC Secretariats will initiate activities aimed at eliminating these NTBs. Further, the EAC Secretariat will convene a meeting aimed at harmonizing the already identified benchmarks for monitoring the progress of NTBs elimination. Also, each line ministry and agency responsible for taking action on an NTB will prepare a quarterly report of reported NTBs and corrective actions taken, and table them to the National Monitoring Committee (NMC).

The impact of NTBs to businesses will be measured by the amount of official and unofficial payments to clear goods at the borders, General expenses incurred by businesses at border points, Lost business opportunities, Value and quantity of wasted products during inspection and Cost of time lost in understanding and complying with un-transparent procedures

There will be various institutions involved in identifying, taking corrective actions, and monitoring the NTBs elimination process. These include businesses, line ministries and agencies, business

associations, the National Monitoring Committee (NMC) for each Partner State, the EAC and EABC Secretariats, the EAC Co-ordination Committee, and the EAC Trade, Industry and Investment Committee (TIIC). Each of these institutions has been assigned specific responsibilities as defined in the Monitoring Mechanism. Businesses will identify and report to NMCs, line ministries and their business associations on each NTB experienced. Business associations will act as the watchdogs on the NTBs elimination progress. Line ministries or agencies responsible for enforcing trade regulations will receive NTB cases and take corrective actions. Each NMC will meet on a quarterly basis to discuss reported NTBs and actions taken. At the regional level, NMCs will establish an annual regional forum in which members will share their experiences on the NTBs elimination process. The EAC Secretariat will receive quarterly progress reports from NMCs on resolved or unresolved cases through the EAC Director of Trade and forward them to both the EAC Co-ordination Committee and TIIC for discussions and necessary decisions. The EABC will disseminate information on the NTBs elimination progress through its website and undertake an annual Business Climate Index (BCI) Survey.

The Mechanism will have two forms to be used for identifying, recording and reporting on NTBs. Form 1 will be used by commercial drivers and clearing and forwarding agents, while Form 2 will be used by NMCs for reporting to the EAC Secretariat on actions taken to correct the NTBs.

The NTBs Monitoring Plans for each Partner State will be disseminated to all trade stakeholders for information and action purposes by business associations, chambers of commerce, EAC line ministries, NMCs and the EABC secretariat. This will ensure that businesses and their representative organizations can effectively monitor the progress achieved in the NTBs elimination process.

The Mechanism and NTBs reporting Form 1 will be marketed by EABC and business associations, while hard copies of the form will be kept at the border offices of agencies responsible for enforcing trade requirements such as Customs, Immigration and Police departments. It will also be given to businesses that participated at the 2005 BCI survey for their own use.

To enable the current EAC Directorate of Trade and Customs to play an effective role in facilitating NTBs elimination process, the office will act as the EAC focal point for reporting and monitoring NTBs within the region. To ensure that the office handles this responsibility efficiently, Partner States will allocate sufficient and timely resources through their national budgets for NTBs activities, including joint projects such as one-stop-business center at the borders.

2.0 JUSTIFICATION OF THE MONITORING MECHANISM

2.1 Introduction

As part of efforts to facilitate minimization of the impact of Non-Tariff Barriers (NTBs) that businessmen experience in the course of their trade within the East African Community (EAC) region, the East African Business Council (EABC) set up an ad hoc working group in 2003, which recommended that actions need to be identified to make it possible to monitor and remove such trade hindrances. In 2004, the EABC came up with a major initiative to act on these recommendations by commissioning the Business Climate Index Survey (BCI) for East Africa, which was carried out by Daima Associates Ltd of Dar Es Salaam. The main aim of the survey, which covered 500 companies and 150 government executives, was to identify the nature and scope of NTBs that are experienced in the day-to-day business within the region. Broadly speaking,

NTB's are rooted in a variety of causes that can be labeled as "structural bottlenecks". These include inadequate government structures/procedures, mismanagement, erratic application of rules and bureaucratic staff attitude coupled with low staff morale. For the private sector, NTB's represent an additional cost factor and sometimes even lead to complete loss of markets or customers. The consequence has often been that both businesses and public sector officials responsible for enforcing trade related requirements resort to corrupt practices, which appear to be a pragmatic way of overcoming NTB's. The BCI survey found out that NTBs do exist within the EAC countries, and recommended for establishment of an effective mechanism for monitoring and facilitating the elimination of the current and future NTBs within the region, as provided for under Article 13 of the East African Customs Union¹. As a follow-up of the recommended Monitoring Mechanism, the EAC Secretariat thereafter requested EABC to undertake a study to design the Monitoring Mechanism, which the EABC thereafter commissioned in July 2005

2.2 Objective of the Monitoring Mechanism

The objective of this monitoring mechanism is to facilitate the process of identifying, reporting and monitoring the elimination of current and future NTBs within the EAC partner states, in order to consolidate the economic integration process under the EAC Customs Union

2.3 Methodology used to design the Monitoring Mechanism

The design of the monitoring mechanism is based on specific approaches that were identified through wide consultations with trade stakeholders. These approaches are regarded as the most feasible in facilitating the reporting and elimination of current and future NTBs within EAC, as reflected in the monitoring plans that were consequently developed for each country. The consultations were carried out between August and December 2005 at four main stages, namely:

- 2.3.1 One-to-one-discussions with the policy makers, heads of agencies responsible for enforcing trade related requirements, business associations, clearing and forwarding associations and representatives of key businesses that have substantial activities within EAC countries,
- 2.3.2 National workshops in which the results of the one-to-one consultations were presented, discussed and further input made,
- 2.3.3 National Working Committee meetings in each of the EAC capitals, which deliberated and added further inputs to the draft monitoring plans for each country and the monitoring mechanism, and
- 2.3.4 A regional workshop which arrived at a consensus on the monitoring plans and mechanism

3.0 WORKING DEFINITION OF NTBS WITHIN THE EAST AFRICAN COMMUNITY

NTBs are often justified on four main reasons.

¹ Article 13 of the East African Customs Union Protocol on Non-tariff Barriers, Section 1 specifies that "unless provided for or permitted by the Protocol, each of the three East African Partner States will remove, with immediate effect, all the existing non-tariff barriers to the importation into their respective territories of goods originating in the other Partner States and, thereafter, not to impose any new non-tariff barriers" To achieve this goal, Article 13 goes further under Section 2 to provide that "the Partner States shall formulate a mechanism for identifying and monitoring the removal of non-tariff barriers"

- 3.1 To safeguard health, safety, and security of human beings, animals and plants, and against environmental pollution.
- 3.2 To protect home industries and consumers
- 3.3 To safeguard national security
- 3.4 To safeguard against revenue loss

NTBs appear in the form of rules, regulations and laws that have a negative impact to trade. The EAC has adopted this broad guideline to define NTBs as “quantitative restrictions and specific limitations that act as obstacles to trade” Such restrictions and limitations are embedded in laws, regulations, practices and requirements other than tariffs; and include non-tariff charges, government participation in trade, restrictive trade practices and policies; customs and administrative procedures and practices; Technical Barriers to Trade (TBT), Sanitary and Phytosanitary Measures (SPS); and un-harmonised working hours

4.0 GUIDING PRINCIPLES OF THE MONITORING MECHANISM

In order to effectively facilitate the identification, reporting and monitoring of the elimination of current and future NTBs, the Monitoring Mechanism will be guided by the following policy principles:

4.1 Goodwill and commitment

Partner States need to consolidate and demonstrate their political and technical goodwill to implement aspirations of the EAC Treaty, so that decisions passed by the Council² are respected and domesticated through timely amendments of national laws, regulations and practices. Any intended introduction of laws, regulations and practices that may have an impact on trade need to be discussed by the three partner states, and consensus reached before they are enforced. Further, the three states need to recognize that with the coming into force of the Customs Union, they have lost their sovereignty on trade issues. This recognition is important so that policy makers do not make arbitrary decisions and statements that may be injurious to the ability of one partner state to trade within the region. Goodwill and commitment will also minimize the time often lost during discussions on trade requirements that need to be harmonized, subsequent delays in their implementation, and introduction of trade requirements by one partner state without the due process of tripartite discussions and consensus.

4.2 Legal and Regulatory Framework

Partner States need to ensure that the legal and regulatory framework governing the integration process is properly enshrined in the integration process, clearly understood and complied with by all agencies that are responsible for enforcement of trade regulatory and administrative requirements. This is important so that such agencies do not introduce laws, regulations, practices and procedures that may contradict aspirations of the EAC Treaty.

5.0 KEY ACTIVITIES REQUIRED FOR EFFICIENT IMPLEMENTATION OF THE MONITROING MECHANISM

Key activities that will be pursued to ensure that monitoring mechanism is efficiently implemented include:

² Council means EAC Council of Ministers

- Creating awareness and sensitizing key stakeholders
- Regular monitoring of Council decisions aimed at facilitating cross-border trade among the three EAC states
- Sufficient and timely allocation of resources for NTB activities

5.1 Awareness creation and sensitization

The Secretariat will regularly document laws, regulations, and procedures that are harmonized by the Council. The information will be effectively disseminated to relevant enforcement agencies at their headquarters and border stations so that they can update themselves on required practices on timely basis. It will further be used to sensitize other stakeholders like the business community, policy makers, politicians, and the EAC public on the progress of the integration process. Apart from serving as an information dissemination tool, the sensitization process will be used to encourage active participation by the private sector in the integration process. In this respect, all trade related areas that may have been harmonized since the EAC Treaty came into force will be used as a starting point for this process. This will hasten the process of fast-tracking the integration process, notably the free movement of goods and services, and factors of production across the borders of the three partner states.

5.2 Regular monitoring

There is need for regular monitoring of the Council decisions, to ensure that they are implemented without undue delays. Regular monitoring will also enable the community to understand the benefits and losses made through the integration process, so that early corrections can be made whenever necessary. Monitoring will be facilitated at both the national and EAC levels³, and will be conducted at various stages by relevant trade officials⁴.

5.3 Resource allocation

Each partner state will allocate and maintain a sufficient and specific budget line for NTBs related activities at the national and regional level. This requires that each partner state should establish a government ministry or department that deals exclusively with EAC matters, so that sufficient and timely allocation of a specific EAC budget can be made.

6.0 ACKNOWLEDGED LIST OF NTBS WITHIN EAC AND PROPOSED MONITORING PLAN FOR ELIMINATION

The BCI survey categorized NTBs under six clusters (1) customs documentation and administrative procedures (2) immigration procedures (3) quality inspection procedures (4) transiting procedures (5) police road blocks (6) business licensing and registration. All NTBs under these clusters frustrate business people and translate into time loss and additional costs during their application.

The six NTBs clusters identified during the BCI survey were further broken down into eight categories during the consultations process for the monitoring mechanism, which took place

³ At the National level, monitoring will be facilitated by National Monitoring Committees (refer to Parts 8.2.5 and 9.2 of this Monitoring Mechanism on responsibilities of the NMC), while at EAC level, it will be facilitated by EAC Secretariat

⁴ Refer to section 6.0 of this report on responsibilities for NTBs monitoring

between August and December 2005, and were used to classify the most severe NTBs for each EAC partner state. These eight clusters are:

6.1 Customs and administrative documentation procedures

Examples of NTBs under this cluster include varying systems for imports declaration and payment of applicable duty rates, limited customs working hours, different interpretation of the COMESA Rules of Origin⁵ by the three Partner States, application of discriminatory taxes and other charges on imports originating from amongst the three countries, cumbersome procedures for verifying containerized imports, problems in blocking marketing of counterfeit products, and diversion of transit goods into the region.

6.2 Immigration procedures

Some of the NTBs experienced under this cluster include varying application of visa fees and work permits by the three states, cumbersome and duplicated immigration procedures, and lack of an East African Passport by many citizens who cross borders in search of business opportunities.

6.3 Cumbersome inspection requirements

Various NTBs experienced under this cluster include long inspection queues during inspection of Gross Vehicle Mass and axle loads, cumbersome and costly quality inspection procedures, quality inspection of even products that are certified by accredited laboratories in some of the three countries, quality inspection of imports originating from amongst the three countries even when they have certification marks issued by the three East African Standards Bureaus, varying quality inspection and testing procedures that are introduced without the due process of tripartite discussions (for example PVoC in Kenya⁶), and varying procedures for issuance of certification marks.

6.4 Police road blocks

The most serious NTB under this cluster is that police officers stop commercial vehicles at various inter-country road blocks and at border crossings even where there is no proof that goods being transported are of suspicious nature (e.g. smuggled goods, drugs, etc).

6.5 Varying trade regulations among the three EAC countries

The most notable NTBs under this cluster that is Uganda and Kenya both use the harmonised COMESA axle load specifications of 16 tonnes for double axle, while Tanzania uses a higher legal limit of 18 tonnes. Further, the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EA countries, at 54 tones in Kenya, 46 tones in Uganda, and 56 tones in Tanzania, which limit the ability to undertake efficient transit traffic within the region. Also

⁵ EAC rules of origin currently apply only where an import originating from another EAC partner state is wholly produced in that country. Where such a product may have gone through a process of transformation, change of tariff heading or other value adding processes in the EAC originating country, the COMESA rules of origin are used, until the EAC reaches consensus on its rules of origin. However, the contention by Ugandan importers is that when the COMESA rules are used, Uganda customs has sometimes insisted that rule 3 and 4 should be used together, while both are supposed to be used independently. **Rule 3** states that "local content of local raw materials should exceed 35% of the ex-factory cost of the finished product". **Rule 4** states that "the product should be classified in a separate tariff heading other than those of the non-originating raw materials used in production". The two rules are supposed to be used independently of each other, meaning an importer can either use 3 or 4, whichever applies to the import product.

⁶ PVoC refers to the Pre-shipment Verification for Conformity to Kenyan standards program.

EAC countries have different parameters on weights, labelling, and quality, tolerance in measurements, and type and technology used in packaging, which limits ability of goods to cross borders.

6.6 Varying, cumbersome and costly transiting procedures in the three EAC countries

Under this cluster, the most serious NTBs are varying requirements among the three countries on the type of commercial trucks should be used in transit traffic, bottlenecks in offloading imports at the Port of Mombasa, an unrealistic short grace period given on imports before they start attracting demurrage charges, and application of insurance bonds even on goods destined to the region

6.7 Duplicated functions of agencies involved in verifying quality, quantity and dutiable value of imports and export cargo

Among the three countries, there are many agencies involved in Import and export inspection, and in certification procedures. These agencies do not seem to collaborate, which results to duplication of effort and wasted time for businesspeople. Also, many of the inspection bodies have not established laboratories at major entry and exit points.

6.8 Business registration and licensing

The most serious NTBs under this cluster are varying business registration procedures and treatment of EAC originating businesses as foreign businesses, which makes cross-border registration of business branches difficult, Cumbersome and expensive manual processes used during the search for, registration and payment of business names, and a Multiplicity of licenses among the three countries for production, distribution or sale of goods, which result to duplication and inhibitive cost of licensing. Also, the three EA countries are categorised as either developing or developing countries, which is a potential impediment to cross border trade for medicinal and pharmaceutical products under the WTO TRIPS⁷ agreement.

Details of the above NTBs are listed under **Annex 1** to the Monitoring Mechanism, while details of the impact of the NTBs under the eight categories to national and intra-EAC trade and the proposed elimination process are given in the Monitoring Plans for EAC partner state, appearing as **Annex 2** to this mechanism. An additional category under which NTBs may be experienced, but under which no specific NTBs were identified, is government policies and government participation in trade. Specific NTBs under this category could include government procurement policies, systems of taxation, macroeconomic policies, rules of origin and other restrictive requirements that may hinder free trade.

7.0 REQUIRED ACTIONS ON NTBS

7.1 Publication and harmonization of current NTBs

All trade requirements under the eight clusters (laws, regulations, procedures and practices) that are officially recognized by the three Partner States will be published so that businesses are well informed of the requirements that they should comply with, and to enable them to challenge requirements that are not backed by law. The line ministries and agencies responsible for taking action on the identified NTBs, and the EABC and EAC Secretariats will initiate activities aimed at

⁷ TRIPS – Trade Related Intellectual Property Rights Agreement of the WTO

eliminating the NTBs as proposed in the Monitoring Plans. Further, the EAC Secretariat will convene a meeting aimed at harmonizing the already identified benchmarks for monitoring the progress for NTBs elimination process.

7.2 Identification of future NTBs

Since NTBs are dynamic and new ones can occur at any time in the form of trade laws, regulations, procedures or practices, the NTB clusters may be added depending on which new NTBs has been introduced. Identification of future NTBs will be done by businesses, and also through consultations and workshops that involve trade stakeholders. The process of identification, reporting and eliminating the NTBs will require a lot of commitment by businesses, their representative associations, line ministries and agencies responsible for their enforcement. Each line ministry and agency responsible for taking action on an NTB will prepare a quarterly report of reported NTBs and actions for eliminating them. The reports will be tabled for discussion by the National Monitoring Committee (*refer to Part 8.3 below on responsibilities of the NMC*). The quarterly reports will as a minimum specify:

1. Product and sector affected by the NTB.
2. NTBs cluster under which the NTBs are experienced, as enumerated under **Annex 1** to this report.
3. Current justification for enforcing the NTB and whether it is backed by law.
4. Description or brief narration of the specific NTBs and its impact to businesses, using the yardsticks specified under **Part 5.0** below.
5. Agencies responsible for enforcing the trade laws, regulations, procedures and practices end up becoming NTBs.
6. Planned improvements and likely solutions to eliminate or minimize the negative impact of the NTBs, and which are mutually agreed with agencies in charge of enforcement.
7. Realistic monitoring indicators that are easily measurable, and that clearly specify what to do and by when.
8. Practical benchmarks that could be pursued, where possible using international benchmarks.
9. Likely bottlenecks that could be faced in the process of eliminating or minimizing the negative impact of the NTBs (*for example change in mind sets, personnel or financial and resources*).
10. Realistic and practical solutions that should be used to overcome the bottlenecks (*for example intervention through a government policy, central government allocation, structured sensitization and training*).

8.0 YARDSTICKS TO MEASURE IMPACT OF NTBS

Not all trade requirements (laws, regulations, procedures and practices) have a significant impact to trade. The Monitoring Mechanism will therefore be used to identify report and monitor elimination of only those trade requirements NTBs that have a significant negative impact on the ability of businesspeople to trade within the region. Trade in this respect includes importation, exportation, production and distribution of goods and services, within and across the borders of EAC. Also, since every NTB that has a significant impact to trade finally translates into a cost, it is important to define some yardsticks that will be used to measure the severity of an NTB impact. In this respect, any of the following yardsticks will be used to measure impact, depending on the nature of each NTB that may be experienced.

8.1 Official payments

How much did the business spend on official payments for example on quality inspection on imports?

8.2 General expenses (e.g. staff costs, storage costs, etc)

How much did the business spend on accommodation of managers and other employees while awaiting verification or clearance of cargo cost at border crossings due to delayed clearance of goods?

8.3 Non-official expenses

How much did the business spend on bribery payments at border entry and exit points, roadblocks and weighbridges in order to speed up clearance of goods through such points? Such bribes could have been paid to officials such as:

- Customs officials to facilitate the entry or exit of goods, assist in preparation of correct documentation, shorten the process of clearing duties and subsequent clearance of goods.
- Port officials to assist in jumping the import release queue
- Quality inspection officials regarding certification, inspection queries, or to assist in undercutting the inspection/ laboratory analysis procedures.
- Police officers at road blocks/ border crossings to ignore flouted traffic requirements, overloading of commercial trucks or to circumvent physical verification of goods being transported.
- Immigration officials to assist in issuance of travel documents
- Officials at weighbridges to ignore flouted axle load and gross vehicle mass specifications.
- Officials in charge of licensing and registration functions to shorten or ignore cumbersome processes.

8.4 Lost business opportunities

What is the value or quantity of a lost business opportunity arising from application of discriminatory tax rates and other import procedures? Examples of discriminatory tax rates could include a higher than applicable EAC tariff being applied by one partner state on a product originating from the other two states, a higher domestic tax being applied on imports from two partner states than on equivalent domestic goods, or even a procedure being applied on imports and not on equivalent domestic products.

8.5 Wasted products (especially perishable ones)

What is the value or quantity of perishable goods that went to waste due to a full inspection being carried out instead of sampled inspection, or during weighing of axle load or Gross Vehicle Weight requirements?

8.6 Cost of time lost in understanding and complying with un-transparent procedures

Is the regulation or procedure justified and transparent? How much time was spent and how much cost did this translate into during

- The process of sorting out various import/ export documentation, quality and quantity queries at border crossings, road blocks and weighbridges?
- The process of understanding a new trade related requirement so as to enable a business to comply?

Also, time loss will be measured by whether there are any import, export and other trade regulations that have been introduced without sufficient lead time to enable a proper understanding and compliance by affected businesspeople⁸.

9.0 RESPONSIBILITIES FOR MONITORING NTBS

By the nature of their responsibilities, the following persons and institutions have a good knowledge of the existence of NTBs within EAC region. They will be the focal points in identifying, reporting, monitoring, and facilitating the elimination of the current and future NTBs.

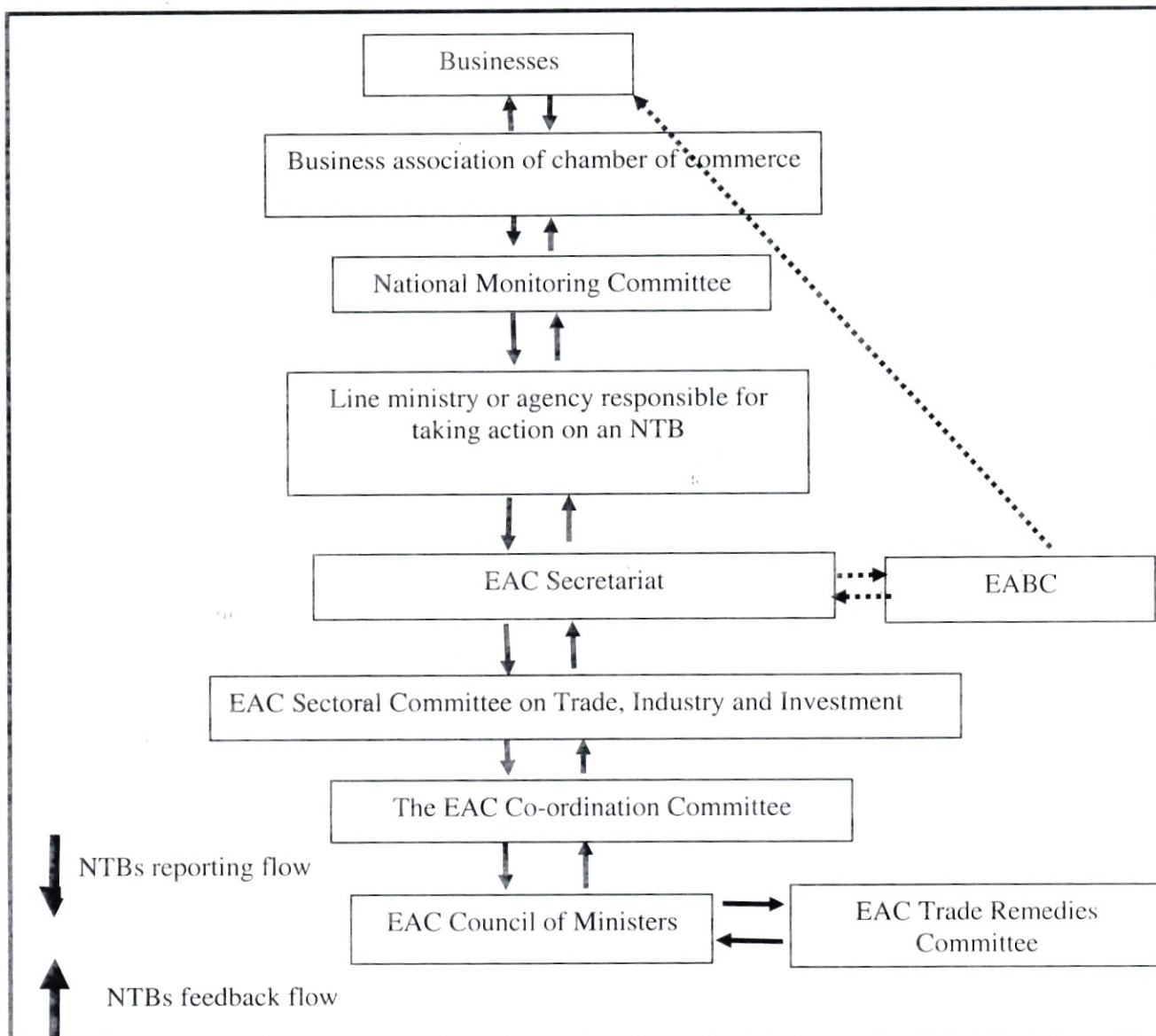
- 9.1 Commercial transport drivers, and clearing and forwarding agents, who experience the existence and practice of NTBs in the course of their duties, and who have the first hand knowledge whenever new regulations, practices or procedures are introduced either on domestic or cross-border trade.
- 9.2 Heads of business departments, who organize for NTB related payments such as court charges, bribes, inspection, licensing and registration expenses and fees
- 9.3 Logistics managers, administration managers, and managing directors of businesses, to whom NTBs cases are reported by drivers and clearing and forwarding agents.
- 9.4 Ministries or agencies responsible for enforcing laws, regulations, procedures and practices which hinder free flow of goods and accompanying persons. NTB cases are constantly reported to such ministries and agencies by individual businesses, business associations or chambers of commerce. Such ministries and agencies include Ministry of Roads, customs, immigration, quality inspection agencies and police departments.
- 9.5 Business Associations and chambers of commerce, which constantly receive complaints on NTBs from their members.
- 9.6 Ministry responsible for trade and industry matters in each partner state, which is constantly engaged in dialogue by individual businesses, business associations and chambers of commerce businesses regarding bottlenecks experienced on the investment climate

⁸ *Examples of regulations that may be difficult to understand could include the Customs Reforms Modernization Programme (CRM – Simba system) introduced in Kenya from 1st July 2005, and the related requirement by Kenya Bureau of Standards for imports to be accompanied by a quality certificate issued by an internationally accredited laboratory. In end June 2005, the Pre-Shipment Inspection program which was previously contracted to international PSI companies came to an end. Consequently, Kenya Customs introduced the CRM, commonly referred to as the Simba system, whose focus is inspection of quantity and dutiable value of imports. The Kenya Bureau of Standards also introduced the Pre-Shipment Verification of Conformity to Kenyan standards program (PVoC), which focuses on quality inspection and conformity of imports to Kenyan standards. Kenyan businesspeople and their Ugandan and Tanzanian counterparts strongly voiced their objections that both the CRM and PVoC were introduced without sufficient lead time to enable full compliance and uninterrupted imports.*

- 9.7 Ministry or department responsible for EAC matters in each partner state, to which NTB issues are constantly reported for the purpose of initiating dispute resolution under the EAC secretariat.
- 9.8 EAC and EABC Secretariats, to whom NTBs are reported by national Governments and business associations respectively, for resolution under EAC organs.
- 9.9 Members of the EAC Trade, Investment and Industry Committee (TIIC), who often travel to Arusha to discuss existence of NTBs within EAC and to agree on necessary solutions
- 9.10 EAC Council of Ministers, which finally must resolve NTB disputes.
- The proposed National Monitoring Committees (NMCs) will establish an annual regional forum during which its members can share their experiences on NTBs elimination process (refer to Item 8.2.5 below on the responsibilities of NMCs). The regional forum will also incorporate officials on the ground such as drivers, clearing and forwarding agents, customs officials, policemen, immigration officers, etc

10.0 INSTITUTIONAL SET-UP FOR REPORTING AND GIVING FEEDBACK ON PROGRESS OF NTBS ELIMINATION

10.1 Organ gram for reporting NTBs



10.2 System, procedures and formats for reporting existence and giving feedback on NTBs elimination process

10.2.1 Any new trade laws, regulations, rules and procedures that may be introduced in the future course of EAC trade will be recorded by businesses whenever they experience a negative impact due to enforcement or application of such requirements. Truck drivers, clearing and forwarding agents, will record such NTBs to their company heads⁹ using **Monitoring Form 1** below.

⁹ The designated business head may vary depending on type of business, but the crucial focus is to have a system that works. In respect, the company head is taken to mean the business official who is responsible for liaison with Government Ministries Business Association/ Chamber of Commerce.

Form 1: Proposed NTBs reporting by drivers/ clearing & forwarding agents

What to record	How to record
Date NTB experienced	Record date when a trade requirement that hinders free movement of goods or services is experienced
Procedure name	If known, record the requirement's name, e.g. quality standards inspection, police road block, etc
Responsible government institution/ agency	This will specify which institution was responsible for enforcement of a trade related requirement, e.g. customs, immigration, police, etc
Time spent to clear goods	This will specify how many hours, days, or months were lost in the process of clarifying or sorting out a trade requirement that hinders free movement of goods or services
Cost incurred during clearance process	This will specify the exact cost incurred by a business whenever it faces a trade requirement that hinders free movement of goods or services, for example. <ul style="list-style-type: none"> ○ Official expenses incurred to clear goods at borders (<i>where receipt is available</i>) ○ Unofficial expenses, e.g. incurred to bribe officials ○ Accommodation & other costs incurred by drivers/ other employees at borders while awaiting clearance, e.g. mileage claims, out of pocket, overtime claims, etc
Business loses	This will specify the value and/ or volume of business lost due to new trade requirement (<i>e.g. value and amount of perishable goods that went to waste</i>)

Swahili version

Fomu 1: Mapendekezo ya kuripoti vizuizi/vikwazo vya kibiashara kwa madereva na mawakala wa mizigo

Vitu vya kurekodi	Jinsi ya kurekodi
Tarehe vizuizi vya kibiashara vilipotokea	Rekodi tarehe ambapo mahitaji yanayokwamisha biashara huria ya bidhaa na huduma ilipotakiwa
Jina la utaratibu	Kama inajulikana, rekodi jina la hayo mahitaji. Kwa mfano, ukaguzi wa ubora, vizuizi vya polisi barabarani nk.
Wakala/Taasisi ya serikali inayohusika	Hii itaonyesha ni taasisi ipi ilihusika kusimamia mahitaji ya kibiashara. Kwa mfano, forodha, uhamiaji, polisi, nk
Muda uliotumika kupitisha mizigo	Hii itaonyesha ni masaa mangapi, siku au miezi ilipotea wakati wa kubainisha mahitaji ya kibiashara yanayozuia biashara huria ya bidhaa na huduma
Gharama iliyotumika wakati wa kupitisha mizigo	Hii itaonyesha gharama halisi kwa biashara kila mara biashara inapokutana na mahitaji ya kibiashara yanayozuia biashara huria za bidhaa na huduma. Kwa mfano: <ul style="list-style-type: none"> • Gharama rasmi za upitishaji wa mizigo mipakani (ambapo kuna stakabadhi) • Gharama zisizo rasmi, kwa mfano rushwa kwa maofisa wanaosimamia biashara • Malazi na gharama nyingine zinazogharamiwa na madereva/waajiriwa wengine wakati wakisubiri kupitisha mizigo mipakani. Kwa mfano, malipo kwa kufanya kazi baada ya muda wa kazi
Hasara za kibiashara	Hii itaonyesha thamani ya biashara pamoja na/au kiasi cha biashara kilichopotea kwa ajili ya mahitaji mapya ya kibiashara. (Kwa mfano, thamani na kiasi cha bidhaa zilizo haribika)

10.2.2 The company head will verify the genuineness of cases reported by their drivers, clearing and forwarding agents, estimate the value and volume of business lost in the process of complying with the trade related requirement, prepare a report of such cases and forward copies to:

- Line Ministry or agency in charge of enforcing an NTB: For action purposes
- Business association/ chamber of commerce: for information and to facilitate monitoring of elimination progress.
- National Monitoring Committee (NMC): for information and to facilitate monitoring of elimination progress.

10.2.3 Business associations/ chambers of commerce will act as watchdogs on the progress of eliminating NTBs. They will receive NTB cases from their members, and where

possible verify the accuracy of such reports, and whether the requirement is backed by any law. They will then propose for a practical review of the requirement to the line ministry or agency under which the NTB is being experienced. If no satisfactory solution is given by the line ministry or agency within one calendar month from the date the NTB is reported, the associations/ chambers of commerce will refer the cases to National Monitoring Committee (NMC) and EAC secretariat for monitoring and policy action (*refer to 8.0 below on responsibilities of institutions that will be involved in the NTBs monitoring process*). Actions expected should be in the form of a planned review, amendment or withdrawal. The associations will also follow-up at NMC meetings on progress achieved in eliminating or minimizing NTBs. They will also inform their members on the progress made in resolving NTBs at national and regional level through their communication channels, including newsletters and brochures

- 10.2.4 The line Ministry or agency responsible for taking action on an NTB will receive all NTB cases and the proposed actions. It will verify the genuineness of cases reported, review the justification for the law, regulation or procedure, and prepare a plan for corrective action, using the format specified under points 4.1 to 4.10 above. It will report to the NMC on progress achieved on quarterly basis.
- 10.2.5 Each EAC partner state will build national capacity for centralizing and resolving trade related disputes that arise from enforcement of laws, regulations, practices and requirements by various government agencies. Such requirements end up being a hindrance to free movement of goods, services and persons that accompany goods within the EAC region. In this respect, each partner state will establish a national arm of the EAC Trade, Industry and Investment Committee (TIIC) to deal with trade related disputes, hereby referred to as the National Monitoring Committee (NMC) on NTBs. The NMC will discharge its mandate efficiently by concentrating only on trade related barriers, which is the core mandate of the part of the functions of the TIIC.

The NMCs will work in close consultation with line ministries or agencies responsible for enforcing trade related requirements and with affected businesses to eliminate or minimize the impact of NTBs at the national level. They will receive copies of NTB complaints sent to the line ministry or agency responsible for enforcing an NTB, by business associations, chambers of commerce, and individual businesspeople

Each NMC will review progress of actions taken either in form of NTBs elimination or minimization of impact during their scheduled meetings. They will network with respective NMC in the other two partner states regarding cases of a cross border nature and pursue an elimination process. Where cases are resolved satisfactorily, the respective NMC will disseminate such information to the respective business association or chamber of commerce. The information will also be disseminated to the EAC Secretariat for onward transmission to NMCs in the other partner states to communicate with the business community. NMCs will also use other communication media to reach small businesses that may not have an appropriate membership forum

Each NMC will also refer NTB cases of national or regional level that have not been resolved, to the Co-ordination Committee, to initiate an elimination process through the TIIC. Such cases will be sent to the EAC Secretariat through the Director of Trade. The Director will also disseminate information on cases that have been resolved by the Co-ordination Committee through the TIIC to the NMCs and EAC for

onward transmission to the business community through their business associations and chambers of commerce. Feedback to the business community even on unresolved NTBs is crucial so as to build confidence that such cases are receiving attention. This will encourage businesses to continuously monitor and report existence of practices that hinder smooth flow of trade within the community.

All information sent by NMCs to the EAC secretariat either on resolved or unresolved cases for information, dissemination to counterpart NMCs, and for dispute resolution by the Co-ordination Committee through TIIC will be in the format provided in **Monitoring Form 2** below¹⁰.

Form 2: Proposed reporting form by NMCs to EAC Secretariat

What to record	How to record
NTB description	This will be a short statement of the exact problem and how it affects cross border trade
Short narrative and impact of NTB to national businesses	This will be a short description of the NTB, where it is mostly prevalent, which agency is in charge, how it affects cross border trade in terms of cost and time
Current or planned law on which NTB is based	This will specify whether a trade related law, regulation, practice or requirement is based on a current or planned law, and should be done in consultation with agency responsible for enforcement of such requirement
Justification by ministry/ institution/ agency for applying NTB	This will focus on the reason given on why the law, regulation, practice or requirement is used, e.g. to protect human, plant, animal health, environmental protection, domestic industry protection, etc
Possible or proposed measures to eliminate the NTB	This will be a short statement of what requires to be done
Expected achievement of elimination or review	This will specify the expected volume or value of cross-border trade, or number of hours that will be saved after elimination of an NTB
Performance Indicator/ benchmark	This will record what to eliminate or review and by when, where possible using an international benchmark
Means of verification	This will focus on how to give records of issue being monitored, e.g. a monthly, quarterly or annual report
Likely bottlenecks to be overcome in process of eliminating the NTB	This will focus on any expected mitigating factors, for example unsupportive attitudes by responsible officials, lack of sufficient resources, etc
Solutions to eliminate bottlenecks	This will specify what type of support is required in order to eliminate or reduce impact of an NTB, e.g. how much resources required and who to allocate, type of training and for who/ where, etc

¹⁰ The EAC NTBs proposed reporting form is similar to the COMESA form for recording existence of NTBs given in Annex II to this Monitoring Mechanism¹⁰. However, the LAC form is more detailed and exhaustive on issues to report than the COMESA instrument. The details given in the EAC reporting format will enable the EAC Trade Remedies Committee to make quick decisions.

Fomu 2: Mapendekezo ya fomu ya kuripoti kwa kamati za kitaifa za ufuatiliaji

Vitu vya kurekodi	Jinsi ya kurekodi
Maelezo ya vizuizi vya biashara	Hii itakuwa maelezo mafupi juu ya tatizo halisi na jinsi hilo tatizo linaavyoathiri biashara ya mpakani
Maelezo mafupi na matokeo ya vizuizi vya kibiashara kwa biashara za kitaifa	Hii itakuwa maelezo mafupi ya vizuizi vya kibiashara, wapi yanatokea zaidi, wakala gani ni msimamizi\ anahusika, na ni kwa jinsi gani vinaathiri biashara ya mpakani kwa vigezo vya gharama na muda
Sheria zilizopo au zilizopangwa, anbao vizuizi vya kibiashara vitafuata	Hii itaonyesha kama sheria za kibiashara, kanuni za mahitaji ya kibiashara zinafuata sheria zilizopo sasa au zilizopangwa
Uthibitisho kwa wizara\ taasisi\ wakala kwa kuweka vizuizi vya biashara	Hii italenga kwenye sababu zilizotolewa juu ya kwa nini sheria, kanuni za mahitaji ya kibiashara zinatumiwa. Kwa mfano, kulinda afya za binadamu, wanyama na mimea, kulinda mazingira, kulinda viwanda vya nyumbani n k
Mapendekezo ya njia za kuondoa vizuizi vya biashara	Hii itakuwa ni maelezo mafupi kuhusu kitu gani kifanyike (kuondoa vizuizi vya biashara)
Matarajio ya mafanikio ya kuondoa vizuizi	Hii itaonyesha matarajio ya kiasi au thamani ya biashara mpakani, au idadi ya masaa itakayookolewa baada ya kuondoa vizuizi vya biashara
Kipimo cha ufanisi\ benchmark	Hii itarekodi kitu gani kiondolewe au kirudiwe. Iini, na pale inapowezekana kitumike kipimo cha kimataifa
Jinsi ya kuhakikisha	Hii italenga juu ya kutoa taarifa za mambo yanayofuatiwa. Kwa mfano, kwa mwezi, kwa miezi mitatu, au kwa mwaka
Vikwazo vavyoweza kutokea wakati wa kuondoa vizuizi vya biashara na jinsi ya kushinda vikwazo hivyo	Hii italenga kwenye sababu zozote zinazotarajiwa/zinazotegemewa, kwa mfano tabia zisizosaidia toka kwa ofisa anayehusika, makosekano ya akiba ya kutosha
Suluhisho la kuondoa vikwazo	Hii itaonyesha ni msaada gani unahitajika ili kuondoa au kupunguza makali ya vizuizi vya biashara. Kwa mfano, rasilimali kiasi gani zinahitajika, wapi zielekezwe na mafunzo gani yanahitajika, wapi na kwa nani, nk

NMCs will also meet annually to share experiences on the NTBs eliminations process. In addition, they will aim at harmonizing all initiatives aimed at easing cross border trade by collaborating closely with, and acting as the umbrella of other national initiatives that focus on easing cross-border trade. For the three EAC countries, the “Regional Integration Facilitation Forum” (RIFF) is a relevant initiative. For Kenya and Uganda, the “COMESA NTBs Monitoring Unit”, which has developed an instrument for reporting NTBs and other barriers to trade within COMESA, and the “Northern Transport Corridor Project”, are relevant initiatives. For Tanzania, the November 2004 “Inventory of NTBs for SADC Region” is also relevant.

Members of any NMC Each meeting will be determined by the cases under discussed, and will be constituted from amongst the trade stakeholders listed in **Table 1** below

Table 1: Membership of National Monitoring Committees on NTBs

No	Kenya	Tanzania	Uganda
1	Permanent Secretary Ministry of Trade and Industry	Permanent Secretary Ministry of Industry, Trade and Marketing	Permanent Secretary Ministry of Tourism, Trade and Industry
2	Permanent Secretary Ministry of East African and Regional Cooperation	Permanent Secretary Ministry of East African Cooperation	Permanent Secretary Ministry Foreign Affairs (<i>in charge of EAC matters</i>)
3	Commissioner General Kenya Revenue Authority	Commissioner General Tanzania Revenue Authority	Commissioner General Uganda Revenue Authority
4	Commissioner of Customs Services department	Commissioner of Customs and Excise	Commissioner of Customs and Excise
5	Commissioner of Domestic Taxes	Commissioner of VAT	Commissioners of VAT
6	Head of Weighbridges Department	Executive Director Tanzania National Roads Agency (Tanroads)	Head of Weighbridges Department
7	Managing Director Kenya Bureau of Standards	Executive Director Tanzania Bureau of Standards	Executive Director Uganda National Bureau of Standards
8	Managing Director Kenya Ports Authority	Executive Director Tanzania Ports Authority	Uganda Representative Kenya Ports Authority
9	Managing Director Kenya Railways Corporation	Director General Tanzania Railways	Managing Director Uganda Railways Corporation
10	Commissioner of Police	Commissioner of Police	Inspector General of Police
11	Chief Executive Kenya Plants Health Inspection Services (KEPHIS)	Executive Director Tanzania Food and Drugs Authority	Chief Executive Food Inspection Agency
12	Chief Executive Pest Control Board	Executive Director Weights and Measures Agency	Chief Executive Officer Enterprise Uganda, or Permanent Secretary Ministry of Agriculture
13	Chief Executive Kenya Association of Manufacturers	Executive Director Confederation of Tanzania Industries	Executive Director Uganda Manufacturers Association
14	Chief Executive Kenya International Freight and Warehousing Association	Executive Director Tanzania Freight Forwarders Association	Secretary General Uganda Freight Forwarders Association
15	Chief Executive Kenya National Chamber of Commerce and Industry	Executive director Tanzania Chamber of Commerce, Industry and Agriculture	Secretary General Uganda Chamber of Chamber of Commerce and Industry
16	Chief Executive Export Promotion Council	Director General Board of External Trade	Executive Director Uganda Export Promotion Board
17	Managing Director of a manufacturing company with substantial exports to the other 2 EAC countries	Managing Director Sumaria Group of Companies Ltd	Managing Director of a manufacturing company with substantial exports to the other 2 EAC countries
18	Town Clerk of relevant local authority	Town Clerk of relevant local authority	Town Clerk of relevant local authority
19	Permanent Secretary Ministry of Finance	Permanent Secretary Ministry of Finance	Permanent Secretary Ministry of Finance, Planning and Economic Development

It is proposed that the initial meetings of each NMC should be on a monthly basis aimed at setting a results-based agenda to kick-start implementation of the NTBs monitoring plans that have been designed as a guide for each country on how the NTBs should be eliminated (*refer to Annex 2 of this report*). Thereafter, each NMC

will meet on a quarterly basis to discharge its mandate as specified in its Terms of Reference appearing under **Part 9.4** below. The Ministry in charge of EAC matters of the Ministry of Trade and Industry¹¹ will act as the secretariat for the NTBs program, convene and host NMC meetings. The Chair of each NMC will be the Permanent Secretary of the host ministry. This will give each NMC effective mandate, legitimacy and influence in dealing with NTBs.

- 10.2.6 The EAC Secretariat will receive quarterly progress reports from NMCs on resolved or unresolved cases through the EAC Director of Trade. The EAC Secretariat will then prepare progress reports for the Co-ordination Committee and TIIC for information or for dispute resolution. The Secretariat, through the Director of Trade will also monitor actual practices at major exit/ entry points and facilitate an annual verification of actual practices by TIIC.
- 10.2.7 The TIIC Committee has the core responsibility for resolving trade related disputes within EAC, as specified under **Part 9.7** below. Under the direction of the Co-ordination Committee, the TIIC will resolve NTB cases of a regional nature and report on quarterly basis. The Co-ordination Committee will thereafter report to Council of Ministers regarding progress of NTBs elimination or minimization of impact. The TIIC will also conduct an annual verification of actual practices at borders.
- 10.2.8 The Council of Ministers will receive quarterly progress reports on NTBs for information purposes and give further guidance on unresolved cases. For any cases that cannot be resolved by the Council, they will be referred to the EAC Trade Remedies Committee, which has the overall mandate on trade disputes resolution and whose decision is final as specified under Article 24 of the EAC Customs Union Protocol.
- 10.2.9 The EABC will disseminate information on the NTBs elimination progress through its website and undertake an annual Business Climate Index (BCI) Survey. The BCI survey will give a feedback on whether the business climate within the region is improving and whether new initiatives in dealing with NTBs are required.

11.0 TERMS OF REFERENCE FOR THE KEY INSTITUTIONS THAT WILL BE RESPONSIBLE FOR MONITORING THE NTBS ELIMINATION PROCESS

11.1 Businesses

Responsibilities of businesses will be to identify, report to their associations on the existence of NTBs, and monitor whether planned actions by line ministries and agencies responsible for enforcement are being implemented.

11.2 Business Associations/ Chambers of Commerce

The responsibilities of business associations and chambers of commerce in implementation of the monitoring mechanism will be to,

- 11.2.1 Receive NTB complaints from their members

¹¹ The designated ministry in charge of the NTBs program will depend on the designated ministry in each EAC state

- 11.2.2 Where possible verify the genuineness of cases reported, and whether applied regulations, procedures and practices are backed by law
- 11.2.3 Prepare reports on reported cases and forward them to the NMC members, line ministry in charge of EAC matters and the EAC secretariat for policy action and elimination.
- 11.2.4 Built a database on reported NBTs.
- 11.2.5 Act as watchdogs on the progress of eliminating NTBs.
- 11.2.6 Follow-up on progress achieved in eliminating or minimizing NTBs at NMC meetings
- 11.2.7 Inform their members on the progress made in resolving NTBs at national and regional level.

11.3 Line ministry or agency responsible for taking action on reported NTBs

The responsibilities of the line ministry or agency responsible for taking action on an NTB will be:

- 11.3.1 To receive NTBs complaints from individual businesses, business associations and chambers of commerce.
- 11.3.2 To verify the genuineness of reported cases, review the justification for the law, regulation or procedure, and whether such laws, regulation or procedure contravenes any EAC or international requirements (for example WTO agreements)
- 11.3.3 To prepare quarterly reports on NTB cases reported and actions taken, and table them to NMC meetings.

11.4 National Monitoring Committees on NTBs (NMCs)

Each NMC will be the national arm of the TIIC. It will only focus on NTBs that hinder the free flow of trade in goods and services, and persons that accompany such goods within the EAC Partner States. Each will act as the watchdog in monitoring the progress of eliminating NTBs experienced at the national and EAC level. The NMC will receive copies of NTB cases that have been sent to the line ministry or agency responsible for taking action on an NTB by businesses and their representative associations, and discuss such cases during its quarterly meetings. Each NMC will be hosted by the line ministry in charge of EAC or Trade and Industry matters in each partner state, which will also prepare the agenda and convene scheduled meetings. The specific Terms of Reference for NMCs will be to

- 11.4.1 Receive copies of NTB complaints sent to line ministry or agency by business associations, chambers of commerce, and individual businesspeople.
- 11.4.2 Discuss whether actions taken by the line ministry or agency responsible for enforcement are sufficient
- 11.4.3 Initiate bilateral discussions with counterpart NMCs in the other two partner states regarding NTB cases that may be of a cross-border nature, and initiate an elimination process. Where necessary, equivalent agencies responsible for enforcement of trade regulations will be brought together to negotiate a harmonization process, if the NTB in question is in form of varying trade requirements between EAC states. Bilateral dispute resolution will always be used before any NTB cases are referred to the EAC Secretariat for policy action
- 11.4.4 Forward information on national actions taken by line ministry or agency responsible for acting on an NTB to the EAC Secretariat through the Director of Trade for information and onward dissemination to the other two Partner States' NMCs.

- 11.4.5 Disseminate information on actions taken on reported NTBs received from the other two partner states through the EAC Secretariat to the business associations and chambers of commerce for onward transmission to the business community.
- 11.4.6 Refer cases to EAC Secretariat, where no satisfactory solution in form of a planned review, amendment or withdrawal has been proposed by the agency responsible for enforcement within one calendar month from the date of reporting
- 11.4.7 Hold an annual regional forum where members can share experiences on the NTBs elimination process, review achievements made, challenges faced and necessary initiatives for improving on the efficiency of the Monitoring Mechanism.

11.5 EAC Secretariat

The responsibilities of the EAC Secretariat will be to

- 11.5.1 Receive quarterly progress reports from NMCs on resolved or unresolved cases
- 11.5.2 Prepare progress reports for the TIIC and Co-ordination Committee for information on resolved cases
- 11.5.3 Monitor actual practices at major exit/ entry points
- 11.5.4 Initiate dispute resolution by the TIIC on cases that have not been resolved at the national level or through bilateral discussions at the regional level initiated by NMCs
- 11.5.5 Facilitate an annual verification of actual practices by TIIC.

11.6 The Co-ordination Committee

As per Articles 17 and 18 of the EAC Treaty, the Co-ordination Committee is comprised of Permanent Secretaries responsible for regional Co-operation in each Partner State and other relevant Permanent Secretaries as each Partner State may determine. Its responsibilities are to:

- 11.6.1 Submit report and recommendations to the Council of Ministers regarding implementation of the EAC Treaty. With respect to the Customs Union, this includes reporting on progress of eliminating NTBs.
- 11.6.2 Implement decisions of the Council as directed
- 11.6.3 Receive and consider reports of the Sectoral Committees and co-ordinate their activities.
- 11.6.4 Request sectoral committees to investigate specific cases, which with respect to the Customs Union include NTBs
- 11.6.5 Undertake other functions conferred on it by the Treaty

The Co-ordination Committee will therefore be involved in monitoring progress of NTBs elimination as part of its mandate on trade promotion. Any cases that cannot be resolved by the TIIC will be referred to the Council of Ministers, which will thereafter offer necessary guidance on how to resolve them or refer them to the EAC Trade Remedies Committee (EACTR) for dispute resolution. As specified under Article 24 of the EAC Customs Union Protocol, the decisions of the EACTR Committee with respect to the settlement of disputes shall be final

11.7 The Trade, Industry and Investment Committee

This is one of the key Sectoral Committees that functions under the EAC Co-ordination Committee is the EAC Trade, Industry and Investment Committee (TIIC). As specified in the EAC Treaty, each Sectoral Committee is mandated to

- 11.7.1 Prepare a comprehensive implementation program and priorities relevant to its sector
- 11.7.2 Monitor and constantly review implementation of programs under its sector
- 11.7.3 Submit reports and recommendations to the Co-ordination Committee on implementation of issues relevant to its sector
- 11.7.4 Undertake other functions conferred on it by the Treaty

Sectoral Committees are supposed to meet whenever necessary to discharge their functions. However it is recommended that the TIIC should initially meet on quarterly basis to resolve the NTBs identified in the Monitoring Plans. This will be a point of departure from the current unscheduled meetings whose agenda is dictated by ad-hoc complaints received from member states. Also, in order to discharge its mandate efficiently and conclusively, it is recommended that the TIIC should incorporate ex-officio members from amongst NMCs whenever the need arises including individual businesses. For the purpose of facilitating efficient implementation of the Monitoring Mechanism, the national arm of the TIIC will be the NMCs, whose responsibilities are specified under **section 10.4** above.

11.8 East African Business Council

The responsibilities of EABC will be to.

- 11.8.1 Disseminate information on NTBs elimination progress to business people through its website.
- 11.8.2 Undertake an annual Business Climate Index (BCI) Survey, which will indicate whether the business climate within the region is improving and whether new initiatives are required in dealing with NTBs.
- 11.8.3 Convene the proposed regional NMCs forum on an annual basis, aimed at sharing experiences on NTBs elimination process.

12.0 MEDIUM FOR DISSEMINATING THE NTBS MONITORING PLANS

The Monitoring Plans for eliminating current NTBs in each EAC Partner State should be disseminated to all trade stakeholders for information and action purposes. The plans will be disseminated to the following trade stakeholders.

- 12.1 Policy makers, who include the Ministries of Trade and Industry, EAC, Roads, and Planning and National/ Economic Development
- 12.2 Customs officials at Headquarters and at all entry/ exit points
- 12.3 Immigration officials at headquarters and at all entry/ exit points
- 12.4 Police at headquarters, entry/ exit points and at roadblocks
- 12.5 Officials of inspection agencies at headquarters and at entry/ exit points
- 12.6 Ports authorities and shipping companies
- 12.7 Representatives of business associations and chambers of commerce and industry for onward dissemination to their members.

The organs that will be responsible for disseminating the information will be business associations, chambers of commerce, EAC line ministries, NMCs and the EABC secretariat. All these organs will use the most effective media for ensuring that the information reaches the target audience, including electronic and print media. The aim of disseminating this information will be to inform stakeholders on planned actions aimed at facilitating smooth flow of trade within EAC. This way the stakeholders will understand the actions planned on various issues that have hindered the process of integration. The process will also ensure that businesses and their representative organizations can effectively monitor the progress achieved in the elimination process.

13.0 MARKETING OF THE MONITORING MECHANISM

The Monitoring Mechanism, and especially the form to be used for reporting NTBs by drivers, clearing and forwarding agents and businesses, will be marketed through the following media

- 13.1 EABC will post the form in its website, which can then be downloaded by businesses
- 13.3 Hard copies of the form will be kept at the offices of Customs, Immigration and Police departments at the border stations
- 13.4 Business associations and chambers of commerce will keep sufficient copies of the form and inform their members of its existence
- 13.5 Companies that participated at the BCI survey (*about 600 of them*) will be given copies of the form for their use

14.0 PROCEDURAL AND LOGISTICAL ISSUES

14.1 Capacity of the Directorate of Trade and Customs

To enable the current EAC Directorate of Trade and Customs to play an effective role in facilitating NTBs dispute resolution, the office will be responsible for the following NTBs-specific functions:

- 14.1.1 It will be the EAC focal point for reporting and monitoring NTBs within the region.
- 14.1.2 It will initiate trade disputes resolution process under the Co-ordination Committee, which will delegate this function to the TIIC
- 14.1.3 It will be the reference point for the business community at border stations, responsible for receiving complaints from businesspeople whenever they experience problems, for example regarding compliance to difficult procedures.
- 14.1.4 It will offer on-the-spot service to businesspeople in resolving conflicts with the agencies responsible for enforcement of trade regulations/ requirements.
- 14.1.5 It will report to the Co-ordination Committee and TIIC on cases that are forwarded by NMCs for dispute resolution or for information.
- 14.1.6 It will facilitate an annual tripartite verification of actual practices at the border stations by the TIIC Committee.
- 14.1.7 It will monitor the work of NMCs, the progress of implementing Council decisions by Partner States, and prepare quarterly progress reports to the Co-ordination Committee to facilitate reporting to the Council.
- 14.1.8 It will facilitate information dissemination on NTBs to the business community, through EABC, NMCs and other relevant organs.

14.2 Resource Requirements

Financial and human resources will be required at national and EAC level, to facilitate efficient functioning of the NTBs Monitoring Mechanism. In this respect, partner states will allocate sufficient and timely resources through their national budgets for monitoring and facilitating elimination of NTBs. Where necessary, the budgets will be supported by resources from development partners, and funding proposals will in this respect be developed by the Secretariat. The NTBs budget will be utilized in the following areas among others:

- 14.2.1 Building and maintaining capacity of the office of Director of Trade to monitor quarterly progress of implementing trade related Council decisions, monitor practices at major entry and exit points, and to offer on the spot service to businesspeople at such stations.
- 14.2.2 Facilitating periodic verification of practices at the border stations by the TICC.
- 14.2.3 Facilitating quarterly travel expenses by the Coordinating Committee and TICC, including the relevant private sector representatives¹².
- 14.2.4 Undertaking an annual Business Climate Index Survey.

¹² Currently, officials of the EAC Committee on Trade, Industry and Investment sometimes are not able to attend meetings due to budgetary constraints, since necessary allocations may not have been factored in their ministry's budgets. The result is that delegates from two countries may attend a meeting, but without delegates from the third country, no negotiations can be held and therefore no consensus can be reached regarding an NTB. Also, private sector representatives who attend meetings at Arusha, for example the High Level Trade Task Force, are not funded by the exchequer, which greatly limits the participation of the business community in the integration process. This means the private sector is unable to discharge its mandate of driving the EAC integration process.

14.2.5 Facilitating establishment of joint projects where necessary, including

- a. Shared “one-stop business center” at borders, which will include customs operations and quality inspection, aimed at enhanced sharing of information and application of similar customs procedures, duties, inspection, mutual recognition of standardization marks, etc.
- b. Joint investment in scanners to be used in monitoring transit traffic
- c. Joint publications, for example EAC standards certification, testing and accreditation procedures
- d. Joint investment in cranes at the Mombasa and Dar es Salaam Ports so as to facilitate clearance of imports

The NTBs monitoring mechanism budget will be financed from the sources identified under **Table 2** below:

Table 2: Sources of budget for financing the monitoring mechanism

Budget item	Institution to facilitate	Budget source
Development of the database on NTBs	Business associations Chambers of Commerce	No new budget, only assigning specific officers to NTBs programme
Building and maintaining NTBs program at national level	Co-ordination Committee and TIIC	Ministry in charge of EAC matters in each Partner State
Building and maintaining capacity of the office of Director of Trade to monitor progress of implementing trade related Council decisions on quarterly basis, practices at major entry and exit points, and offer on the spot service to businesspeople	Co-ordination Committee	EAC Secretariat budget
Facilitating periodic verification of practices at the border stations by the TIIC Committee	EAC Secretariat	EAC Secretariat budget
Facilitating quarterly travel expenses by the EACTR Committee, including the relevant private sector representatives	Co-ordination Committee	EAC Secretariat budget
Undertaking an annual Business Climate Index Survey	EABC	Development partners
Establishing joint projects where necessary	EAC Secretariat	Partner States with assistance of development partners

The EAC Secretariat will prepare an action plan to operationalise the Monitoring Plan, which will specify identify all tasks to be undertaken, responsibilities, timings and related budgets.

ANNEX I: CLUSTERS UNDER WHICH THE MOST SEVERE NTBS EXPERIENCED BY EAC BUSINESSES WERE IDENTIFIED BETWEEN AUGUST AND DECEMBER 2005

1 Customs and administrative documentation procedures

No	Kenya	Tanzania	Uganda
1	The new Customs Reforms Modernisation Programme (CRM) ¹³ , introduced from 1 st July 2005, had initially increased the time and cost of clearing imports, escalated confusion on procedures required to clear imports, and led to shortages of raw materials in Kenyan manufacturing plants	The newly introduced ASYCUDA ¹⁴ ++ system is only operational in Dar es Salaam International Airport, which means that at other import entry points, delays are experienced in declaring and clearing imports using ASYCUDA 2.7 system	The newly introduced ASYCUDA ++ system is only operational at Malaba, and was planned to be rolled out at Busia before end of September 2005. In the interim period, delays were experienced in declaring and clearing imports at Busia which was using ASYCUDA 2.7 system
2	Limited customs open hours (<i>daylight hours</i>) for verifying documents and clearing import cargo is a hindrance to faster movement of goods across borders, and mainly affects perishable products	While Tanzania and Uganda have both introduced the ASYCUDA++ system, Kenya has decided to implement the Simba system, and it is not clear to Tanzanian businesspeople whether the two systems are compatible	While Uganda and Tanzania have both introduced the ASYCUDA ++ system for imports declaration, Kenya has introduced Simba system, and it is not clear to Ugandan businesspeople whether the two systems are compatible
3	Customs officers at border crossings in most cases continue applying national taxes, duties, regulations and procedures long after relevant rules have been harmonised by EAC Council of Ministers (<i>for example after harmonisation of EAC CET</i> ¹⁵)	The limited customs open hours for verifying documents and clearing cargo is a hindrance to faster movement of goods across borders	Since the entry into force of the EA Customs Union, many importers have experienced problems with interpretation of the COMESA rules of origin, which are sometimes used when product transformation applies ¹⁶
4	Selected exports face problems of accessing Tanzanian market, due to application of discriminatory domestic taxes. Examples include <ul style="list-style-type: none"> ◆ A higher rate of excise duty on imported cigarettes that do not have a 75% local content ◆ An import license required on Kenyan originating tea 	In some instances, Kenya Customs demand that Tanzanian exporters wishing to penetrate the Kenyan market have to produce an EA certificate of origin, or alternatively an international certificate of origin. An EA certificate of origin does not exist yet, since the EA countries are	The limited customs open hours for verifying documents and clearing cargo is a hindrance to faster movement of goods across borders

¹³ CRM system is also referred to as Simba 2005

¹⁴ ASYCUDA – Automated System of Customs Data. Asycuda ++ classifies imports either under Green, Yellow or Red channel for purpose of clearance and release. The system is now used in both Tanzania and Uganda, and it has more modules than ASYCUDA 2.7 system, for example has modules for automatic classification of goods into green (for automatic release), yellow (for scanning and thereafter proceed for release or physical verification), or red (for physical verification). The classification depends on the degree of risk of imports. The degree of risk depends on country of origin and whether the importer is known to have engaged in any trade malpractices. Further, the system has a transit module, which means information can be transmitted electronically by customs in exporting to destination country and vice versa. This enables insurance bonds on exports to be cancelled much faster than if the documents regarding an export were to be posted, which is what happens under ASYCUDA 2.7

¹⁵ CET – EAC Common External Tariff

¹⁶ EAC rules of origin currently apply only where an import originating from another EAC partner state is wholly produced in that country. Where such a product may have gone through a process of transformation, change of tariff heading or other value adding processes in the EAC originating country, the COMESA rules of origin are used, until the EAC reaches consensus on its rules of origin. However, the contention by Ugandan importers is that when the COMESA rules are used, Uganda customs has sometimes insisted that rule 3 and 4 should be used together, while both are supposed to be used independently. Rule 3 states that “local content of local raw materials should exceed 35% of the ex-factory cost of the finished product”. Rule 4 states that “the product should be classified in a separate tariff heading other than those of the non-originating raw materials used in production”. The two rules are supposed to be used independently of each other, meaning an importer can either use 3 or 4, whichever applies to the import product

No	Kenya	Tanzania	Uganda
		using the COMESA Certificate of Origin until they develop their own	
5	Off-loading and re-loading containers for 100% verification of imports where customs doubts value and container content, or where other inspection agencies doubt content and other product specifications, leads to lost business time and inability to fit goods in original package (e.g. 2 nd hand clothing & tyres)	The EA Customs officials sometimes have different interpretation of tariff lines especially on raw materials, which may mean payment of duty if such materials originate from Kenya, since duty is charged on Kenyan originating products	Exporting to Tanzania extremely difficult and cumbersome. The process involves obtaining a tag number from the Tanzania Revenue authority regarding an import getting an assessment of import classification under ASYCUDA ++, and dutiable value from the local agent of Cotecna TRISACN, which thereafter sends the report to Cotecna Durban office (South Africa) for approval. Clearance by Customs Tanzania then follows as the last stage
6	Tanzania charges US\$ 200 per annum or US\$ 20 per entry on sales vehicles entering Tanzania and a US\$ 5 fuel tax per vehicle. These charges are not applicable in Kenya and Uganda.	On a number of occasions, Kenyan Customs demands that products originating from Tanzania have to be unloaded for physical verification, which means destruction of the product packages. The exporter has thereafter to repackage the product at own cost, since the importer may have ordered goods in specified packages. Products most affected include tyres, textiles, konyagi spirit, and cigarettes	Tanzania charges US\$ 200 per annum or US\$ 20 per entry on sales vehicles and a US\$ 5 fuel tax per vehicle originating from the other two EA countries. These charges are not applicable in Uganda and Kenya
7	Counterfeit products that bear trade marks of Kenyan manufactured products, which mostly originate from China, and also from EAC countries, are sold widely in Uganda, and also to some extent in Kenya and Tanzania		
8	Diversion of transit goods into the domestic market has been taking place for selected products, on which VAT and import duties have not been paid. Such products compete on an unequal footing with locally made goods on which duty and VAT have been paid.		

1.2 Immigration procedures

No	Kenya	Tanzania	Uganda
1	Tanzania charges a business visa fee of US\$ 50 (formerly at US\$ 200) to business people entering Tanzania	Clearance of travel documents through immigration involves cumbersome procedures, with a requirement to fill exit/ entry forms even where scanning of passports is undertaken	Clearance of travel documents through immigration involves cumbersome procedures, with a requirement to fill exit/ entry forms even where scanning of passports is undertaken
2	Uganda and Tanzania requires work permits for Kenyan employees of Kenyan companies that have branches in either of the two countries	Many Tanzanians do not yet have an East African passport, while even for those who have it, the Immigration Department still insists on stamping it at every exit or entry	While Uganda readily gives work permits to employees of East African businesses wishing to establish branches in Uganda, there are complaints that it is difficult to get such work permits in Kenya, unless the Ugandan businessman enters into partnership with a Kenyan
3	Many Kenyans do not yet have an East African passport, while even for those	Most exit/ entry points have introduced computerised	Many Ugandans do not yet have an East African passport, while

No	Kenya	Tanzania	Uganda
	who have it, the Immigration Departments still insists on stamping it at every exit or entry	scanning of passports, but immigration exit and entry forms are still in use, which results to duplication and time loss for businessmen	even for those who have it, the Immigration Departments still insist on stamping it at every exit or entry
	Most exit/ entry points have introduced computerised scanning of passports, but immigration exit and entry forms are still in use, which results to duplication and time loss for businessmen		Most exit/ entry points have introduced computerised scanning of passports, but immigration exit and entry forms are still in use, which results to duplication and time loss for businessmen

1.3 Cumbersome inspection requirements, including quality inspection

No	Kenya	Tanzania	Uganda
1	The number of weighing scales at each weighbridge stations is too few and slow, which results into long queues, slow weighing of vehicle GVM and axle loads and consequent delays in delivery of cargo to point of destination Transporters also suspect that weighing is deliberately delayed so as to extort bribes	Exports go through unnecessary, onerous and costly documentation procedures, since the TBS, TFDA ¹⁷ , Ministry of Health and Tanzania Atomic Energy Authority each have to issue export certification on every export consignment, a function that could be carried out by one body in consultation with the others	UNBS ¹⁸ requires that imported products who standard specifications are declared as compulsory under the UNBS Act should be inspected for conformity to relevant Ugandan Standards before release into the Ugandan market. This includes even products that are certified by accredited laboratories
2	From 1 st July 2005, after the phase out of Pre-shipment Programme, the Kenya Bureau of Standards introduced a new import inspection procedure that is difficult and expensive to implement by businesses, since it requires that imports will only be allowed into the country if accompanied by a quality inspection certificate from an internationally accredited laboratory	Too much time is lost during cross-border pre-shipment inspection and certification for Kenyan bound cargo	A lot of time is spent to inspect even products that have certification marks from another EA Standards Bureau
3		From 1 st July 2005, after the phase out of Pre-shipment Programme in Kenya, the Kenya Bureau of Standards introduced a new import inspection procedure that is difficult and expensive to implement, which requires that imports will only be allowed into the country if accompanied by a quality inspection certificate from an internationally accredited laboratory. While the requirement has been waived on Tanzanian and Ugandan originating imports, Tanzanian business do not have confidence that the procedure will not be re-introduced in form of other new requirements	EAC Standards Bureaux have different procedures for issuance of certification marks, which makes it difficult to undertake the same processes on import inspection and testing

1.4 Police road blocks

No	Kenya	Tanzania	Uganda
1	Police officers stop commercial vehicles at various road blocks while officially, they are only supposed to stop vehicles based on more than 52% proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, documentation does not conform to goods being transported, etc)	Police officers stop commercial vehicles at various border crossings, while officially, they are only supposed to stop vehicles based on proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, goods being transported are different from, etc)	Police officers stop commercial vehicles at various border crossings, while officially, they are only supposed to stop vehicles based on proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, documentation does not conform to goods being transported, etc)
2		Kenyan police stop Tanzanian originating commercial vehicles	

¹⁷ TFDA – Tanzania Food and Drugs Authority

¹⁸ UNBS – Uganda National Bureau of Standards

No	Kenya	Tanzania	Uganda
		at various road blocks, instead of stops based on proof that goods being transported are suspicious – <i>ref above</i> . Consequently, police checks in Kenya hinder access to the Kenyan market by Tanzanian originating goods.	

1.5 Varying trade regulations among the three EAC countries

No	Kenya	Tanzania	Uganda
1	While Uganda and Kenya use the harmonised COMESA ¹⁹ axle load specifications, Tanzania uses a higher legal limit ²⁰ , which also exceeds the load specifications under SADC ²¹ . Further, the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EA countries ²² , which limits the ability to undertake transit traffic within the region. Also, EAC countries also have varying import requirements, which makes cross border trade a frustrating exercise since quality certificates marks are not mutually recognised by relevant bodies.	EAC countries in some instances have different parameters on weights, labelling, quality, tolerance in measurements, type and technology used in packaging, which makes entry of Tanzanian originating goods difficult in the other two EA countries and vice versa	While Uganda and Kenya use the harmonised COMESA axle load specifications, Tanzania uses a higher legal limit, which also exceeds the load specifications under SADC. Further, the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EA countries, which limits the ability to undertake transit traffic within the region.
2		While Uganda and Kenya use the harmonised COMESA axle load specifications, Tanzania uses a higher legal limit, which also exceeds the load specifications under SADC. The specified maximum Gross Vehicle Mass (GVM) for commercial vehicles also differs among the three EA countries, which negatively affects transit traffic in the region.	

1.6 Varying, cumbersome and costly transiting procedures in the three EAC countries

No	Kenya	Tanzania	Uganda
1	Uganda insists on use of closed body trucks or sealable tarpaulins for transit cargo passing through its roads en-route to Rwanda, Burundi and Democratic Republic of Congo. Although the requirement is aimed at guarding against dumping goods into the Ugandan market, it translates to higher cost of transport for Kenyan exports to the target markets.	Differences in axle load and GVM amongst EAC countries mean that Tanzania trucks transiting through Kenyan roads en-route to Uganda have to strip off excess cargo so as to avoid financial penalties for overloading. Sometimes, this may mean hiring of additional trucks to transport the stripped-excess weight	Offloading of cargo at the port of Mombasa is a nightmare for Ugandan importers, and one has to spend a minimum of two weeks, or a normal period of one month to clear goods from the port. This is due to clogging of the port as a result of insufficient and slow operating cranes to offload delivery vessels, and also because Kenya Railways grossly lack wagons to transport goods out of the port to destinations like Uganda. As of mid September 2005, an estimated 6,000

¹⁹ COMESA – Common Market for Eastern and Southern African countries. The COMESA axle load legal limit for Tandem (double) axle is 16 tonnes, same as SADC.

²⁰ Tanzania's axle load limits are at 18 tonnes for double axle, while for Uganda and Kenya, the limits are at 16 tonnes.

²¹ SADC – Southern Africa Development Cooperation

²² GVM means Gross Vehicle Mass, which is the combined weight of goods and cargo. The GVM in Kenya is 54 tonnes, in Uganda it is 46 tonnes, while in Tanzania, it is 56 tonnes.

			Ugandan bound containers were held at the port
2		Unnecessary time is lost during unloading and reloading of cargo for physical verification, and also because too many agencies are involved in verification of imports	Imports at Mombasa port start attracting demurrage charges after a grace period of only 15 days from the time they are entered into a customs warehouse. However, it takes more than 10 days for exporter's and importer's bank to conclude correspondence on a letter of credit, 10 more days to clear the goods at the docks, 10 more days to complete process of declaring the cargo, pay duty and applicable surcharges before goods can be released. This means goods have to stay within the port area for a minimum of 30 days. The 15 days grace period is therefore unrealistic.
3		Kenyan customs often demand for a customs insurance bond on transit goods destined to Uganda, Rwanda, Burundi, or DRC, which costs about US\$ 200 for a 20 foot container	After the warehousing period of 21 days at Mombasa Port, goods have to be re-warehoused for an extra 7 days after which they can be auctioned. Many Ugandan bound vehicles have been auctioned by Kenya Customs due to this requirement.
4		Businessmen allege that goods originating from Tanzania and destined to Uganda or vice versa and which use Kenyan roads must be transported using Kenyan trucks during transit through Kenya	Delays at roadblocks and weighbridges in Kenya is a great hindrance to free movement of imports into Uganda.

1.7 Duplicated functions of agencies involved in verifying quality, quantity and dutiable value of imports and export cargo

No	Kenya	Tanzania	Uganda
1	Import and export inspection, and certification procedures involve many government bodies ²³ which do not collaborate, resulting to duplication of effort. Also, many of the inspection bodies have not established laboratories at major entry and exit points.	There are many agencies at the borders involved in verifying quality and contents of imports and exports, including Tanzania Bureau of Standards, Police, Tanzania Foods and Drugs Authority, Tanzania Atomic Energy Authority and Ministry of Health. This results to duplication	Like the other two EAC countries, there are many bodies involved in verifying quality and contents of imports and exports, including Uganda National Bureau of Standards, Police, Ministry of Agriculture (plants and animals), and Ministry of Health. This results to

²³ The quality inspection bodies in Kenya include Customs, KEBS, KEPHIS, PCPB, MOA, and MOLD

- Customs – verification of import coding, quantity and dutiable value, and control of prohibited and restricted exports
- KEBS – Kenya Bureau of Standards – undertakes sampled inspection on quality requirements
- KEPHIS – Kenya Plant Health Inspectorate – undertakes sampled inspection and certification of phytosanitary requirements for imports and exports
- PCPB – Pest Control Products Board – undertakes assessment of safety, quality and efficacy of pesticides and likely impact to crops if applied in farming
- MOA – Ministry of Agriculture – approves and issues import permit permits for any plant imports
- MOLD – Ministry of Livestock Development – approves and issues permits for any animal imports

No	Kenya	Tanzania	Uganda
		of functions, lost business time and frustration to businesspeople.	duplication of functions, lost business time and frustration to businesspeople.

1.8 Business registration and licensing

No	Kenya	Tanzania	Uganda
1	Registering a new business and obtaining a business license are cumbersome procedures, since the processes are manually done without any online facility, and the service is also only available in Nairobi.	The search and registration for a business name can be done online, but payment for a business certificate is still manual. A new applicant has therefore to travel to Dar es Salaam to pay and obtain a business certificate from the Attorney General's Chambers, Licensing of businesses is also separated from business registration, and is carried out by the Ministry of Commerce and Industry, while the two functions should be undertaken under one agency. In addition, each Local Authority charges license fees from the same business entity, if such an entity distributes its products in different localities.	Registration of a new business in Kenya and Tanzania is a cumbersome process, since EAC businesses originating from one or the other two EA countries are still treated as originating from foreign countries, and not as originating from one regional trade bloc
2	The draft constitution proposes to decentralise the Government functions, but does not give guidance on how the local governments will raise revenue	Currently, mainland Tanzania and Zanzibar have different legal requirements for registration of businesses	The cost of licensing is prohibitive due to duplication among various local authorities.
3	Registration of a new business in Tanzania and Uganda is a cumbersome process, since EAC businesses originating from one or the other two EA countries are still treated as originating from foreign countries, and not as originating from one regional trade bloc	The three EA countries are categorised as either developing or developing countries. This categorisation is a potential impediment to cross border trade when viewed under the WTO TRIPS ²⁴ agreement.	
4		Registration of a new business in another Kenya and Uganda is a cumbersome process, since EAC businesses originating from one or the other two EA countries are still treated as originating from foreign countries, and not as originating from one regional trade bloc	

Source: Consultations with EAC trade stakeholders

²⁴ TRIPS – Trade Related Intellectual Property Rights Agreement of the WTO

ANNEX II: NTB ELIMINATION AND MONITORING PLANS FOR EAC PARTNER STATES

KENYA MONITORING PLAN FOR ELIMINATION OF NTBS²⁵

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome to eliminate NTB	Likely solutions to overcome the bottlenecks
1	Customs documentation and administrative procedures	1 The new Customs Reforms Modernisation Programme (CRM) ²⁶ , introduced from 1 st July 2005, had initially increased the time and cost of clearing imports, escalated confusion on procedures required to clear imports, and led to shortages of raw materials in Kenyan manufacturing plants	1 Licensed clearing & forwarding companies pay Ksh 15 000 for training to use system, & on compliance & for the access code (<i>online declaration of customs coding and dutable value</i>) In addition, an annual access fee of Ksh 15,000 is payable by registered users 2 The system had resulted to clogging of the Mombasa Port ²⁷ , thereby increasing demurrage charges and delays in procuring of raw materials As per World Bank benchmarks, it takes an average of 8.3 days to clear customs 3 There is no operational manual on how the system operates, which has resulted into corruption 4 Between July and mid August, the system used to break down at least once per week since it wasn't able to take up a lot of	Customs Department (KRA ²⁸) – Ministry of Finance	1 Publish an operations manual for Simba system 2 Establish a green channel to fast-track clearance of raw materials when the system breaks down 3 Establish online connection with all major banks to facilitate efficient payment of applicable duty 4 Speed up training of personnel for clearing and forwarding agents that have paid to use system 5 Ensure that the current fall-back position is efficiently maintained so that declaration and clearance of imports continues without interruption should the main server ever break down ²⁹ 6 Establish a monitoring committee of Customs and stakeholders to regularly check and ensure system is working efficiently	An operational manual in place by mid 2006 Imports without queries are cleared within 48 hours by end of 2005, compared to current 8.3 days Target Latvia's 1.2 days, which is the best case country in the world ³⁰ Imports declaration & duty payment	Annual reports by Customs on average clearance time for all imports	1 Resistance by customs to publish Simba system operations manual due to lack of financial resources 2 Lack of financial resources to train clearing and forwarding agents on compliance to Simba system 3 Resistance by Customs to introduce a green channel for imported raw materials, on argument that system should not favour certain imports 4 Some customs officers may still classify some imports under the yellow and red	1 Government resource allocations to enable publication of operations manual and efficient training on use of Simba system 2 Severe reprimand for customs officers if caught demanding bribes from importers (<i>including sacking them</i>)

²⁵ The most severe NTBs for Kenya were categorised in the BCI report of May 2005

²⁶ CRM system is also referred to as Simba 2005

²⁷ In the past, using the manual system, about 500 containers were cleared per day at the Mombasa Port, but with introduction of the Simba system on 1st July 2005, only about 200 containers are cleared per day

²⁸ KRA – Kenya Revenue Authority

²⁹ The Simba system currently has a reliable fall-back, since the main server is backed by a mirror server and a second server which is based outside Times Towers to ensure that if it breaks down, data on imports is not lost

³⁰ Comparisons on average number of days to clear customs for various countries of the world are given in the World Development 2005 report of the World Bank

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			load, which was making it impossible to declare and clear imports on time 5 Banks are not connected to the system, to enable importers to pay online			completed electronically by mid 2006		channels which require physical verification so that they can continue with rent-seeking practices	
		2 Limited customs open hours (<i>daylight hours</i>) for verifying documents and clearing import cargo is a hindrance to faster movement of goods across borders, and mainly affects perishable products	<ul style="list-style-type: none"> o Lost business time during clearance of goods at borders o High cost of corruption to clear especially perishable products before close of day business at border crossings 	Customs Department	Increase operating hours from current 12 to 24 at border crossings that have justifiable trade volume, by operating through shifts	Major border crossings open 24 hours per day by mid 2006	Monthly reports by Customs on operating time at border points and volume of trade transacted	<ul style="list-style-type: none"> o Lack of "service attitude" by customs officers o Insufficient number of customs officers might hinder implementation 	<ol style="list-style-type: none"> 1 Sensitization of customs officers to view Customs Department as a service institution 2 Increase Government budget allocation for customs operations at major border crossings
		3 Customs officers at border crossings in most cases continue applying national taxes, duties, regulations and procedures long after relevant rules are harmonised by EAC Council of Ministers (<i>for example after harmonisation of EAC CET³¹</i>)	Varying taxes and import regulations among EAC states, resulting into unequal level of competition among the EAC businesses in local markets	EA Customs Departments	<ol style="list-style-type: none"> 1 Publish an EAC gazette to enable domestication of customs regulations immediately they are harmonised, and communicate with border customs officials 2 The Council³² to establish a minimum period during which harmonised regulations are domesticated after publication of an EAC gazette 	Acceptance of this proposal by EAC Council of Ministers during 1 st quarter 2006	Report of Council meeting in 1 st quarter 2006 reflecting decision on procedure and minimum period for domesticating harmonised laws	Insufficient financial resources among partner states may hinder publishing EAC gazette once customs laws are harmonised	Each EAC state to establish a Ministry for EAC, so that sufficient budgets are allocated for EAC matters
		4 Selected exports face problems of accessing Tanzanian market, due	Inability to penetrate Tanzanian market by cigarette and tea manufacturers For example,	Tanzania Revenue Authority	1 Harmonise domestic taxes and import regulations among EAC countries	Acceptance of this proposal by	Report of Council meeting in	1 Fear of loss of tax revenue after harmonisation of	1 Need to Sensitise producers

³¹ CET – EAC Common External Tariff

³² Council means EAC Council of Ministers

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		<p>to application of discriminatory domestic taxes. Examples include</p> <ul style="list-style-type: none"> o A higher rate of excise duty on imported cigarettes that do not have a 75% local content o An import license required on Kenyan originating tea 	<p>KETEPA has been unable to sell tea in Tanzania from 1998, where it had managed to capture a two-container load market per week, worth about Ksh 5-6 million (and which was just a small percentage of the potential market)</p>		<p>2. Agree to treat EAC originating raw materials as local content</p>	<p>Council during 1st quarter 2006</p>	<p>1st quarter 2006 reflecting decision to harmonise domestic taxes import regulations & local content</p>	<p>domestic taxes 2 Resistance by Tanzanian tobacco producers on treatment of EAC raw materials as local content 3 Fear of loss of market share by Tanzanian tea producers</p>	<p>that EAC is now one customs territory, where taxes and import regulations should apply equally on goods produced within the region 2 Tanzania Government needs to explore areas where revenue lost from harmonised excise duty could be recovered, e.g. efficient collection of other taxes like VAT</p>
		<p>5 Off-loading and re-loading containers for 100% verification of imports where customs doubts value and container content, or where other inspection agencies doubt content</p>	<p>1 Lost business time during 100% verification, and consequent demurrage charges while awaiting verification 2 Inability to repackage goods in original package may increase repackaging costs</p>	<p>Customs Department, other inspection agencies</p>	<p>Introduce scanners to reduce need for offloading, reloading and 100% verification of containerised goods Establish a one-stop business centre for all major border crossings using the Mombasa</p>	<p>Only scanners used to verify imports at major entry points by end of 2006</p>	<p>Monthly reports by Customs on verification done and method used</p>	<p>Lack of financial resources to introduce scanners at major entry points Lack of an EAC law that allows neighbouring</p>	<p>Council to spearhead enactment of a legislation that allows EAC agencies at border crossings to</p>

³³ Trade issues would include customs coding, dutiable value, standards, sanitary and phytosanitary, weights and measures, and intellectual property rights like patenting and piracy

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		and other product specifications leads to lost business time and inability to fit goods in original package (e.g. 2 nd hand clothing & tyres)			model where all agencies involved in verifying imports and exports work under one roof to ensure verification is carried out once The operations of the business centre should also be extended to accommodate other agencies from the neighbouring EAC state that shares a border with Kenya so that exports from one partner state which become imports in the other state are cleared under the same roof	All agencies involved in imports/ exports clearance working under one roof at major border crossings by end 2006 The alternative is to mandate and capacitate customs to deal with all issues related to trade ³³		countries to operate under one roof Insufficient resources to build one business centre for the EAC states that share a border crossing	operate under one roof EAC Governments to allocate sufficient resources as part of customs modernisation programmes (for commonly shared buildings)
		6 Tanzania charges US\$ 200 per annum or US\$ 20 per entry on sales vehicles entering Tanzania and a US\$ 5 fuel tax per vehicle. These charges are not applicable in Kenya	The charges applied by Tanzania makes penetration of Tanzanian market more difficult compared to Uganda and Kenya	Customs Department Tanzania	Harmonise EAC cross-border transport charges	Acceptance of this proposal by Council during 1 st quarter 2006	Report of Council meeting in 1 st quarter 2006 reflecting decision to harmonise cross-border transport charges	Fear of loss of revenue by Tanzania Customs Department	Tanzania Government needs to explore areas where revenue lost from harmonised transport charges could be recovered. e.g. efficient collection of other taxes like VAT
		7 Counterfeit products that bear trade marks of EAC manufactured products which mostly originate from China, and also from EAC countries	Selling of counterfeits take away the market share of EAC manufactured products, and dents the corporate image of EAC manufacturers in consumers' mind since the	EAC Customs Departments	1 Gazette the proposed 'EAC Counterfeit Bill 2005' 2 Gazette EA experts responsible for prosecuting culprits of counterfeit cases	Finalisation of the EAC Counterfeits Bill by 1 st quarter 2006	An EAC Anti-Counterfeit Bill published and	The EAC does not yet have an extra-territorial jurisdiction law, to facilitate joint customs operations, including	The Council should resist any attempts to delay enactment of the proposed

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		are sold widely in Uganda and also to some extent in Kenya and Tanzania	counterfeits are of poor quality ³⁴		3 Prepare and implement a crash training programme for EAC counterfeit prosecutors ³⁵		enacted by mid-2006	prosecutions of culprits beyond the borders of one partner state There could be resistance to conclude and enforce the proposed EAC counterfeit bill, since it is alleged that some government officials, including Ministers are involved in counterfeit trade	EAC counterfeit bill
		8 Diversion of transit goods into the domestic market, on which VAT and import duties have not been paid	Diversion of transit goods into the domestic market results into unfair competition with locally manufactured goods on which duty (including IDF fee) and VAT have been paid ³⁶	EAC Customs and Police Departments	1 Vigorously enforce the current laws against diversion of transit trade into the domestic markets 2 EAC partner states need to introduce a harmonised tracking system for all exports to ensure they cross borders	Diversion of transit goods into the domestic market eliminated by 1 st quarter 2006	Quarterly reports by Customs and police departments to Council on diversion cases netted and measures taken A harmonised tracking system for EAC countries operational before end of 2006	1 Lack of seriousness by customs and police officers to enforce current laws on diversion of transit trade due to fear of loss of rent-seeking opportunities 2 Lack of sufficient funds to introduce tracking system on all major transit routes by EAC governments	The Council need to agree on a harmonised system for dealing with diversion of transit goods into the EAC markets

³⁴ Some of the products most affected products by counterfeits are bic pens manufactured by HACO Industries and batteries manufactured by Eveready Batteries Ltd

³⁵ The contents of the training programme on counterfeits would such topics as what are counterfeits intellectual property piracy and procedures of prosecuting culprits

³⁶ Diversion of transit goods into the domestic market is an illegal practice

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2	Immigration procedures at border crossings	1. Tanzania charges a business visa fee of US\$ 50 (formerly at US\$ 200) to business people entering Tanzania.	Cost of doing business in Tanzania by East Africans is very high since the visa fee is payable per entry.	Immigration Department Tanzania	<ul style="list-style-type: none"> o Tanzania should remove the business visa fee for East Africans. o Tanzania should implement the Council's decision to give a six-month visitors' pass to holders of the East African passport by stamping the passport accordingly. 	Immediate implementation of the requirement to offer six-month visitors' passes to holders of East African passport.	Monthly reports by Immigration Departments on number of East Africans having a six-months visitors pass in each partner state	Immigration officials could resist implementation due to fear of loss of opportunities for corruption.	Introduce severe reprimands for errant immigration officials who refuse to implement decisions of the Council
		2. Uganda and Tanzania requires work permits for Kenyan employees of Kenyan companies that have branches in either of the two countries.	Companies spend a lot of time and incur substantial costs following up their employees' work permits applications. Failure to secure the work permits mean that companies may sometimes be forced to employ locals who do not have the required skills, which eventually compromises on companies' efficiency and product quality.	Immigration Departments in Tanzania and Uganda	Allow free movement of factors of production especially labour, even before the Common Market comes into operation, in the spirit of East African Community. Further, Harmonize entry/work permits before end of 2005 (target date were July 2005)	Immediate harmonisation of entry/work permits, since the target date of July 2005 has already passed.	Monthly reports by Immigration Departments on number of work permits issued.	Pressure by local people in Uganda and Tanzania on their Governments to resist issuance of work permits to Kenyans, based on fear of loss of employment opportunities.	EAC Governments goodwill to fast-track the East African integration process.
		3. Many East Africans do not yet have an East African passport, while even for those who have it, the Immigration Departments still insist on stamping it at every exit or entry	Many people (especially small business people) cross borders through undesignated routes, which is illegal, and could attract substantial costs if one is arrested as an immigrant	Immigration Departments in the three East African countries	Immigration Departments should speed up issuance of the EA passport by simplifying the application procedures, minimising application fees, decentralising the issuance process to major urban areas, and sensitising the citizens on the passport's existence. Further, the requirement to stamp the passport at every entry/ exit should be removed, by respecting the Council's decision to issue an automatic 6 months multiple entry visas and pass without delay. In the long run, EA partner states should accept the national identity card	Number of illegal immigrants reduced to bare minimum by end of 2006.	Monthly reports by Immigration Departments on number of EA passports issued.	Time to re-design new application forms for an East African passport	Sufficient resource allocation by EA governments for issuance of EA passport

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					as a valid document for crossing borders, once issuance of identity cards in Uganda and Tanzania is completed				
		4 Most exit/ entry points have introduced computerised scanning of passports, but immigration exit and entry forms are still in use	A lot of unnecessary time is spent queuing for scanning and passport stamp at exit and entry points – on average, 29% of all border crossings take more than 1 hour	Immigration Departments in the three East African countries	At the border points where computerised scanning of passports has been introduced the need for entry and exit forms should be removed, since this is a duplicated function. Information accessed from the scanned passport should give immigration the required data on travellers	East Africans spend not more than 15 minutes to cross borders	2006 Business Climate Index Survey report by EABC on time taken and procedures for crossing borders	Resistance by Immigration Department to phase out exit & entry forms	Sensitization of immigration officials on essence of time to businesspeople
3	Business registration & licensing procedures	1 Registering a new business and obtaining a business license are cumbersome procedures	<ul style="list-style-type: none"> Potential businesspeople spend a lot of time and incur substantial cost travelling to Nairobi to register business names and limited companies. For 19% of all new registrations, the process of searching for a business name applying for registration and obtaining a registration certificate takes more than 2 weeks. For limited companies, there are substantial costs associated with drawing of memorandum and articles of association since the process can only be done by a legal practitioner. Distribution and sale of goods in Kenya is very cumbersome and expensive since the 	Registrar of companies Local authorities	<ul style="list-style-type: none"> Introduce online business names search and registration of business name so as to remove current requirement that involves travel to Nairobi to undertake the process (<i>there are no other registration centres apart from Nairobi</i>) Harmonise business and company registration process within EAC Introduce one business license that covers production, sales, distribution and related road licenses for company owned sales vehicles. The license should be payable to one body and should be decentralised to all urban areas of the country. 	<ul style="list-style-type: none"> 1 Search for a business name and registration done online by end 2006 2 Process of business and company registration and related annual returns is similar within EAC by end of 2006 3 One business license covering all operations in 	<ul style="list-style-type: none"> 1 Annual reports by Registrar of Companies on number of businesses registered and method of registration 2 Decision of the Council to harmonise business and company registration process 	<ul style="list-style-type: none"> 1 Resistance by officials at Registrar of Societies who would lose rent-seeking opportunities 2 Insufficient resources for computerisation of business registration 3 Resistance by local authorities to introduce a single license due to revenue loss and rent-seeking opportunities 	<ul style="list-style-type: none"> 1 Government resource allocation for reforms in business registration 2 develop a clear government policy on funding of local authorities

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			Single Business Permit (payable at Ksh 80,000 in Nairobi) covers only production and distribution/ sales in the jurisdiction of the local authority which issues the license. Distribution and sales in other local authorities requires a separate license. In addition, all local authorities charge a Ksh 6,000 fee on sales vehicles that bear a brand name, while Transport Licensing Board (TLB) charges 1,500 per annum and KRA charges Ksh 2,400 p a advance tax per sales van and Ksh 2,100 p a road license per sales van			place by end 2006 ³⁷	3 A new act introducing one business license		
		2 The draft constitution proposes to decentralise the Government functions, but does not give guidance on how the local governments will raise revenue	Businesses propose that the decentralised government should not raise tax revenue at the local level since this would escalate cost of doing business in Kenya, introduce new avenues of corruption and would go against the EAC spirit of a harmonised taxation regime ³⁸	Local authorities and central government (through Ministry of Trade & Industry)	The Ministry of Trade and Industry needs to make early pro-active proposals to local authorities that the devolved government will not mean additional revenue generating activities at the local level	Local authorities are informed early enough that a decentralised government does not mean allowing them to raise additional revenue from businesses at local level	Communication with local authorities before draft constitution is passed	Resistance by local authorities to accept status of revenue generation after devolved government comes into effect	Early and sufficient budgeting by central government for financial resource requirements of local authorities
		3 Registration of a new business in another EA country is cumbersome	For 13% of all businesses, registration in another EA country takes more than 2	Registrar of Companies in the three	Registration of businesses originating from East Africa to be done online through a	Time to register East	Report of the decision by Council to	Requirement to harmonise business registration might be	1 Resource allocations for computerisati

³⁷ The harmonised business license should operate like the TLB, which is payable one per annum to KRA, and which allows company vehicles to operate in any part of the country without additional charges

³⁸ It is not clear whether Local Authorities are even aware of the East African integration process and areas proposed for harmonization

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			weeks	EA countries	harmonised system	African businesses reduced from current average of over 2 weeks for 13% of new registrations to 1 day by end 2006	harmonise and computerise business registration procedures	resisted on justification of national interest and fear of lost rent-seeking opportunities Lack of funds to establish an electronic process	on of business and company registration processes by the EA governments. 2 Council needs to resist any efforts to delay the harmonisation process
4	Cumbersome inspection procedures on imports and distribution of goods in domestic market	1 Police officers stop commercial vehicles at various road blocks while officially, they are only supposed to stop vehicles based on more than 52% proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, documentation does not conform to goods being transported, etc)	Road blocks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done. On average, 19% of all businesses view road blocks as a major obstacle to free movement of goods	Police Department	1 Introduce scanners at major road blocks for vehicles suspected to be involved in trade malpractices, and tracking system for transit vehicles 2 Introduce heavy financial and other penalties for transporters involved in trade malpractices (e.g. withdrawal of driving license) 3 Introduce clearly laid down procedures on which checks are undertaken at border points and road blocks for commercial vehicles and inform businesspeople accordingly. Police to be instructed to spend less time when checking vehicles carrying transit goods. Also, transport drivers to demand receipts whenever approached by police for any form of payment	Future police checks to use scanners on suspected commercial vehicles, while tracking system to be used for transit trucks by end 2006 Police officers who man road blocks to spend not more than 30 minutes on checking commercial transit cargo, from current average of about two hours by mid 2006	Daily records on vehicles inspected at roadblocks, methods used and reasons for inspection	1 Lack of resources to introduce scanners at road blocks and tracking system for transit traffic 2 Resistance by police to implement scanners due to fear of loss of bribery opportunities 3. Police checks are often justified for security reasons	1 Central Government allocation of sufficient resources for scanners at major road blocks and tracking gadgets for transit trucks 2. Keep up war on insecurity, especially at borders 3 Keep up war on anti-corruption
		The number of weighing	19% of all businesses view	Department	1 Increase number of weighing	Zero	Daily	1 Financial	1 Sensitise

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		scales at each weighbridge stations is too few and slow, which results into long queues, slow weighing of vehicle GVM and axle loads and consequent delays in delivery of cargo to point of destination. Transporters also suspect that weighing is deliberately delayed so as to exhort bribes.	weighbridges as a major obstacle to efficient movement of goods on Kenyan roads	of Weighbridges, Ministry of Roads	<p>scales at each weighbridge station.</p> <p>2. In the long run, introduce computerised electronic weighbridges so as to hasten the speed of the weighing process, and facilitate monitoring of the process from a central point. This development would also introduce transparency by enabling transporters to also read the axle loads on their trucks.</p> <p>3. EAC countries also need to harmonise axle loads and GVM on transport vehicles.</p> <p>4. Install weighbridges at entry points so that commercial transit vehicles are checked only once in the transit country.</p>	complaints on time spent at weighbridges and harmonised axle loads within EAC countries by end 2006	records of number of transport vehicles passing through weighbridges, and number of computerised weighbridges at each weighing station. Harmonised EAC axle load limits and GVM for trucks	constraints to procure additional weighbridge scales, and facilitate introduction of computerised electronic weighbridges. 2. Weighbridge operators could resist introduction of new procedures and computerised system due to fear of lost rent-seeking opportunities. 3. Delays before EAC countries agree whether to harmonise axle load limits & GVM under COMESA or SADC specifications.	weighbridge operators on need for proper record keeping, and essence of speed in delivery of cargo to destinations. 2. Sufficient budgetary allocation for electronic computerised weighbridges by central government.

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		3. From 1 st July 2005, after the phase out of Pre-shipment Programme, the Kenya Bureau of Standards introduced a new import inspection procedure that is difficult and expensive to implement by businesses, since it requires that imports	The new KEBS requirement did not advice importers on which are the internationally accredited laboratories in import originating countries, which is a major impediment to imports especially by small scale businesses that do not have resources and contacts in imports originating countries. The effect has been declining imports, including raw materials.	KEBS	KEBS should publish information on the internationally accredited laboratories, and facilitate inspection of imports especially by small scale businesses at no extra cost (<i>this requires KEBS and Ministry of Finance that IDF should cater for cost of imports quality inspection</i>)	A publication on internationally accredited laboratories, revised procedures for imports inspection without additional costs to	A publication on new import inspection procedures	Resistance by Ministry of Finance to share revenue accruing from IDF, and resistance by KEBS to publish new import inspection procedures on assumption that they are easily understood	Government should facilitate use of easy to comply import inspection procedures, and consent to use of IDF revenue for import inspection

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		will only be allowed into the country if accompanied by a quality inspection certificate from an internationally accredited laboratory	since importer fear importing products that may thereafter be rejected, which would be an expensive undertaking since the goods have to be returned to country of origin or destroyed at the importer's cost. Also, Pre-shipment Inspection companies have taken advantage of this additional import requirement and information gap, by charging exorbitant inspection facilitation fees, at an average of 0.3% of the import value. This is an additional cost to the normal Import Declaration Fee (IDF) of 2.75% on value of the import			importer, by end of 1 st quarter 2006			
		4 Import and export inspection, and certification procedures involve many government bodies ³⁹ which do not collaborate, resulting to duplication of effort. Also, many of the inspection bodies have not established laboratories at major entry and exit points. EAC countries also have varying import requirements, which makes cross border trade	A lot of time is spent in the import and export inspection process by business people	Customs, KEBS, KEPHIS, PCPB, MOA, MOLD. Equivalent bodies in Uganda and Tanzania	1 All inspection bodies should operate in one office so as to undertake inspection requirements at once 2 Introduce scanners at all major import entry and export exit points 3 Inspection and diagnostic laboratories need to be established at all border entry points 4 Identify possible areas of harmonisation amongst EAC countries so as to facilitate harmonisation of import and export inspection procedures	1 One document on import and export regulations that are applied by all inspection bodies published by end 2006 2 Harmonised EAC import procedures	A new publication on import requirements into Kenya and responsible agencies Report of the Council meeting reflecting decision to harmonise EA	1 Resistance by import agencies to operate in one office at border points 2 Lack of sufficient resources to establish diagnostic and inspection laboratories at major entry/ exit points 3 Lack of sufficient financial resources to facilitate an EAC continuous process of discussions regarding areas to	1 Sensitize inspection agencies on need to act as business facilitators 2 Sufficient resource allocation by central governments to facilitate establishment of appropriate scanners and

³⁹ The quality inspection bodies in Kenya include Customs, KEBS, KEPHIS, PCPB, MOA, and MOLD

- o Customs – verification of import coding, quantity and dutiable value and control of prohibited and restricted exports
- o KEBS – Kenya Bureau of Standards – undertakes sampled inspection on quality requirements
- o KEPHIS – Kenya Plant Health Inspectorate – undertakes sampled inspection and certification of phytosanitary requirements for imports and exports
- o PCPB – Pest Control Products Board – undertakes assessment of safety, quality and efficacy of pesticides and likely impact to crops if applied in farming
- o MOA – Ministry of Agriculture – approves and issues import permit permits for any plant imports
- o MOLD – Ministry of Livestock Development – approves and issues permits for any animal imports

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		a frustrating exercise since quality certificates marks are not mutually recognised by relevant bodies.			and requirements, including technical information, procedures/ steps, and administrative fees for registration of certified products. 5. Undertake interactive attachments amongst similar inspection agencies on implementation and harmonisation procedures so as to solidify and entrench the integration process 6. Undertake adequate training for inspectors on assessment of documents for registration development of required quality assessment data etc	during 2 nd quarter 2006	inspection procedures	harmonise documents to harmonise documents, regular monitoring and implementation of harmonised procedures. 4 Varying technical capacity among EAC inspection equivalent bodies. 5 Some technical areas may be difficult to harmonise, e.g for pesticides, due to varying climatic conditions	laboratory facilities at major border points 3 Continuous harmonisation of trade facilitation procedures by EAC countries
5	Varying trade requirements among EAC states	1. Uganda insists on use of closed body trucks or sealable tarpaulins for transit cargo passing through Uganda aimed at guarding against dumping into Ugandan market	Cost of using closed trucks or sealable tarpaulins	Police Department Uganda	Introduce tracking system on transit cargo	Tracking system is used to monitor transit cargo instead of police escorts by end of 2006	Daily records on transit traffic by Police Department and method used to track movement of trucks	Cost of introducing tracking system	Sufficient budgetary allocation by Ugandan Government to enable use of tracking system on transit traffic
		2. While Uganda and Kenya use the harmonised COMESA ⁴⁰ axle load specifications, Tanzania uses is at a higher legal limit ⁴¹ , which also exceeds the	Kenyan transit trucks that use Ugandan roads (e.g en-route Rwanda, Burundi, DRC) always face the danger of exceeding the GVM and consequent financial penalties ⁴⁴	Ministry of Roads the three EA countries	Harmonise axle load and transport vehicle specifications and procedures for weighing among EA countries, either under COMESA or SADC Also, introduce electronic weighbridges so as to save on time spent at the weighbridge	Council decision to harmonise axle load, GVM and weighing procedures either under	Report of Council meeting during 2 nd quarter 2006	1 Department of Roads in the three countries may have ideological differences on whether to use COMESA or SADC	1 Sensitise weighbridge operators on need for proper record keeping and

⁴⁰ COMESA – Common Market for Eastern and Southern African countries The COMESA axle load legal limit for Tandem (double) axle is 16 tonnes, same as SADC

⁴¹ Tanzania's axle load limits are at 18 tonnes for double axle, while for Uganda and Kenya, the limits are at 16 tonnes

1	2	3	4	5	6	7	8	9	10
NTB No.	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome to eliminate NTB	Likely solutions to overcome the bottlenecks
		load specifications under SADC ⁴² . Further, the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EA countries ⁴³ , which limits the ability to undertake transit traffic within the region.			stations	COMESA or SADC specifications by 2 nd quarter 2006 Electronic weighbridges introduced at major stations by end 2006		specifications and procedures 2 Lack of resources to install electronic weighbridges	accurate weighbridge scales 2 Sufficient budgetary allocation for electronic weighbridges

Source: Consultations with Kenyan stakeholders between August and December 2005

⁴² SADC – Southern Africa Development Cooperation

⁴³ The GVM in Kenya is 54 tones, in Uganda it is 46 tones, while in Tanzania, it is 56 tones. GVM refers to the combined weight of goods and cargo

⁴⁴ The fee for overloaded vehicles is aimed at recovering the cost of damages to the roads and bridges and is paid on the spot to the Weighbridges Department. The fee covers exceeding the legal limit on axes and gross vehicle mass, and is based on the excess weight on each axle. The overloaded vehicle is detained until the fee has been paid. Further, if a vehicle bypasses a weighbridge station, whether overloaded or not, the owner of the vehicle has to pay a bypassing fee. Any overloaded vehicle has to offload the excess weight, even after paying the overloading fee

TANZANIA MONITORING PLAN FOR ELIMINATION OF NTBS⁴⁵

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
1	Customs documentation and administrative procedures	1 The newly introduced ASYCUDA ⁴⁶ ++ system is only operational in Dar es Salaam International Airport, which means that at other import entry points, delays are experienced in declaring and clearing imports using ASYCUDA 2.7 system.	On average, declaration of imports, assessment of classification of goods and import duty payable, physical verification of goods where applicable, payment of dutiable value, and release of goods from the customs area takes an average of 7 days at Dar es Salaam International Airport, two weeks at Dar es Salaam port, and 1 day at other major import entry points. Consequently, it costs US\$ 6,500 to transport a 14 foot container load of cargo from Dar es Salaam to Kampala, which is double the cost for transporting similar cargo from New Jersey to Dar es Salaam, a journey that takes an average of 18 days	Customs Department	1 Introduce ASYCUDA++ at all import entry points, by end of 2005 so as to reduce time taken from imports declaration to release of goods 2 Using the comparison of time taken and cost incurred to transport a 14-foot container from Dar to Kampala (7 days at US\$ 6,500) with transport from New Jersey to Dar (18 days at about US\$ 3,200), target a reduction of time from Dar to Kampala to 3 days and cost to about US\$ 1,600, by using the most efficient and cost effective transport system 3 Ensure efficient communication with officials at import entry points whenever areas of customs harmonisation are agreed by the	1 ASYCUDA++ operational at all import entry points so as to reduce time taken on imports to 6 hours by end 2005 2 Substantial reduction in transport time and cost using the most efficient and cost effective transport system. Target transport time from 7 days to 3 days, and cost from US\$ 6,500 Dar-Kampala to not more than 3 days, and cost from US\$ 6,500 to a much smaller amount for a 14-foot container ⁴⁷	Annual reports by Customs on average clearance time at entry points BCI 2006 to report on time and cost comparisons 2005 & 2006 for transporting cargo between Dar and Kampala	Insufficient financial resources to roll out ASYCUDA++ at all import entry points Lack of efficient railway system	1 Sufficient government resource allocations to enable rolling out of ASYCUDA ++ at all import entry points 2 Timely orientation and sensitization of customs officials on operations of new system 3. Timely communication with border officials whenever areas of customs harmonisation are agreed by the Council of Ministers 4 Modernisation of railway

⁴⁵ The most severe NTBs for Tanzania were categorized in the BCI report of May 2005

⁴⁶ ASYCUDA – Automated System of Customs Data. The system has more modules than ASYCUDA 2.7 system, for example has modules for automatic classification of goods into green (for automatic release), yellow (for scanning and thereafter proceed for release or physical verification), or red (for physical verification). The classification depends on the degree of risk of imports. The degree of risk depends on country of origin and whether the importer is known to have engaged in any trade malpractices. Further, the system has a transit module, which means information can be transmitted electronically by customs in exporting to destination country and vice versa. This enables insurance bonds on exports to be cancelled much faster than if the documents regarding an export were to be posted, which is what happens under ASYCUDA 2.7.

⁴⁷ If a 14-foot container takes 18 days from New Jersey to Dar at about US\$ 3,200, then one day should cost about US\$ 180, which means 3 days target to transport a similar container from Dar to Kampala could cost much less than the current US\$ 6,500, if transported by rail instead of by road – which is the current transport mode used.

⁴⁸ Comparisons on average number of days to clear customs for various countries of the world are given in the World Development 2005 report of the World Bank.

1	2	3	4	5	6	7	8	9	10
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					Council (e.g. customs procedures/ taxes)	3 For imports clearance, target reduction from current average of 17.5 days to Latvia's 1.2 days, which is the best case country in the world ⁴⁸			system, to enable change from road to rail transport
		2 While Tanzania and Uganda have both introduced the ASYCUDA++ system, Kenya has decided to implement the Simba system	Although the three Customs have confirmed that the two systems are compatible since they are web based, businesspeople have not been sensitized accordingly. This could affect the volume of imports, since the current fear is that if the systems are not compatible, online sharing of information between customs would be difficult. Consequently this would delay duty payment and clearance of imports. This may have reduced volume of imports by Tanzanian importers from Kenya, due to fear that they have to wait for import documents to arrive in order start the declaration and import clearance process (documents include exporter's invoice and bill of landing, which would have either to be posted or delivered by the transporters). Also, until the exports leave the Kenya customs territory, relevant insurance bonds cannot be cancelled, which ties up the exporter's working capital.	The three EAC Customs Departments	Tanzania Customs need to sensitize and assure importers that the Asycuda ++ and Simba systems are fully compatible, and that <ul style="list-style-type: none"> o imports will be declared online o information on declared imports will be transmitted electronically 	Importers fully sensitized on operations of ASYCUDA ++ and Simba systems by end 1 st quarter 2006	A publication on how the two systems will share information online by end 1 st quarter 2006	Customs Tanzania could regard fears by businessmen as unfounded and therefore does not warrant spending on a publication on how the systems operate	Customs should be made to understand that the publication will be a useful instrument of facilitating compliance by importers, and faster importation of raw materials or manufacturing industry and other essentials.

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		3 The limited customs open hours for verifying documents and clearing cargo is a hindrance to faster movement of goods across borders	1 Time lost to clear goods at borders 2 Cost of corruption at border crossings in efforts to clear goods before close of the day's business	Tanzania Customs Department	Respect and immediate implementation of Council decision to operate customs on 24-hour basis at borders by 1 st quarter 2006	Border crossings open 24 hours per day by end 1 st quarter 2006	Report by Customs on operating hours during 1 st quarter 2006	1 Lack of "service attitude" by customs officers which may not view a 24 hours operation as necessary 2 Insufficient number of customs officers might hinder implementation	1 Orientation of customs officers to view customs as a business service institution 2 Increase number of customs officers manning border crossings
		4 In some instances, Kenya Customs demands that Tanzanian exporters wishing to penetrate the Kenyan market have to produce an EA certificate of origin or alternatively an international certificate of origin. An EA certificate of origin does not exist yet, since the EA countries are using the COMESA Certificate of Origin until they develop their own	The problem is mostly experienced by small-scale exporters of batiks and other textile products, who are denied access to the Kenyan market through Namanga and Lunga Lunga border points	Kenyan Customs Officials at border points, mostly Namanga and Lunga Lunga	Customs Authorities in each partner state need to communicate to border officials on decisions of the Council, so that harmonised laws are implemented without delay	Immediate implementation of harmonised laws once decisions are made by Council of Ministers	Regular verification on actual practices at borders by EAC Secretariat	Resistance to implement harmonised laws since rent-seeking opportunities will be lost	EA Customs Departments need to introduce penalty measures on errant officials who do not implement Council Decisions
		5 The EA Customs officials sometimes have different interpretation of tariff lines especially on raw materials which have an implication on duty payable by importers if such materials originate from Kenya	Tanzanian importers of raw materials from Kenya sometimes pay higher than applicable duty rates, which results to higher prices of the finished product. This makes it impossible for the finished products to compete on an equal footing in the Tanzanian market with equivalent products originating from Kenya and Uganda, on which	The EAC Customs Departments	Customs Officials at borders need to be sensitised properly on tariff coding so that they can classify products in the correct tariff lines Publish an EA Gazette on the Intra EAC tariffs and CET to enable similar interpretations of tariff codes and rates	Customs officials from any two EA countries that share a border entry/ exit point to be housed in the same building by end 2006, so that interpretations of tariff lines can be agreed face to face. The pilot customs	Quarterly reports to the Council on border stations with joint sharing of customs offices	Lack of resources, since the joint sharing of offices proposal may entail building new customs office blocks at borders points	Sufficient allocation of resources under an itemised "joint EAC projects budget"

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			raw materials have duty exemption			office at Malaba which jointly houses officials from Kenya and Uganda should be replicated in all other border stations			
		6 On a number of occasions, Kenyan Customs demands that products originating from Tanzania have to be unloaded for physical verification, which means destruction of the product packages. The exporter has thereafter to repackage at own cost, since the importer may have ordered goods in specified packages. Products most affected include tyres, textiles, konyagi spirit, and cigarettes.	Cost of repackaging and time lost during unloading, physical verification and reloading	Kenya Customs Department	A joint investment in scanners by Kenya and Tanzania customs departments in the major border points. Prior assessment of type of scanner required before procurement is necessary to avoid investment in "white elephants"	Consensus on a joint scanner project between Kenya and Tanzania customs departments during the 1 st quarter 2006, and assessment report prior to any investment	A joint report by Kenyan and Tanzania Revenue Authorities to the Council of Ministers during its 1 st quarter 2006 meeting	Lack of sufficient resources to invest in the proposed joint project between Kenya and Tanzania customs departments	The project could be budgeted under the EAC budget, to enable timely sourcing for funds from the development partners
2	Police checks at boarder crossings and road blocks	1 Police officers stop commercial vehicles at various border crossings while officially, they are only supposed to stop vehicles based on proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other	Police checks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done. On average 12% of all police checks at border crossings take over 1 hour	Police Department	1 Introduce scanners major border points using the example of Dar Port where scanners have increased clearance from previous 60 to 20 containers per day. Also introduce sniffer dogs for vehicles suspected to be involved in trade malpractices and tracking system for	Future police checks to use scanners or sniffer dogs on suspected commercial vehicles while tracking system to be used for transit trucks, by end 2006	Daily records on vehicles inspected at border points, methods used and reasons for inspection	4 Lack of resources to introduce or purchase ⁵⁰ sniffer dogs or scanners at border points, and tracking system for transit traffic 5 Resistance by police to	1 Central Government allocation of sufficient resources for sniffer dogs or scanners as a major long term investment at major

⁴⁹ EAPCCO – EA Police Chiefs Cooperative Organisation, in which comprises of 9 states of Eastern Africa are members including the 3 EA countries. Major transporters are also part of the organization

⁵⁰ One sniffer dog costs an average of US\$ 50 000, same cost as a scanner

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		<i>dangerous products like arms, documentation does not conform to goods being transported, etc)</i>			<p>transit vehicles</p> <p>2 Introduce heavy financial and other penalties for transporters involved in trade malpractices (e.g withdrawal of driving license)</p> <p>3 Introduce clearly laid down procedures on which police checks are undertaken at border points for commercial vehicles and inform businesspeople accordingly</p> <p>4 Introduce EAPCCO⁴⁹ motor vehicle clearance certificate for vehicles crossing borders in each EAC country and enforce the carrying of the certificate by all drivers so as to facilitate faster movement of goods across EAC borders</p>			<p>implement scanners due to fear of loss or rent-seeking opportunities</p> <p>6 Police checks are often justified for security reasons</p>	<p>border points and tracking gadgets for transit trucks</p> <p>2 Keep up war on insecurity, especially at borders</p> <p>3 Keep up war on anti-corruption</p>
		2 Kenyan police stop Tanzanian originating commercial vehicles at various road blocks, instead of stops based on proof that goods being transported are suspicious – <i>ref above</i> Consequently, police checks in Kenya hinder access to the Kenyan market by Tanzanian originating goods	Police checks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done	Police Department	Apply same measures as 2.1 above for road blocks in the three EAC countries. This requires harmonisation of police checks within EAC	Use same benchmark as 2.1 above and report on progress of harmonisation to the EAC Council of Ministers meeting of 1 st quarter 2006	Same records as 2.1 above and a joint report by EAC Police Chiefs to Council of Ministers meeting during 1 st quarter 2006	Same bottlenecks as 2.1 above	Apply same solutions as 2.1 above

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3	Transiting procedures on exports	1 Differences in axle load and GVM ⁵¹ amongst EAC countries mean that Tanzania trucks transiting through Kenyan roads en-route to Uganda have to strip off excess cargo so as to avoid financial penalties for overloading. Sometimes, this may mean hiring of additional trucks to transport the stripped-excess weight	Cost of possible financial penalties if the vehicles exceeds the specified axle load limits or GVM. Also, cost of hiring additional trucks if excess load is stripped to required weight	Kenya Weighbridge Department and equivalent departments in Uganda and Tanzania ⁵²	Harmonise EAC axle load and GVM specifications, either under COMESA or SADC specifications ⁵³	Harmonised axle load limits and GVM before end 2006	A joint quarterly report by EAC Departments responsible for weighbridges to Council on progress of harmonising axle load and GVM specifications and cargo weighing procedures	Ideological differences among EAC countries on whether to harmonise axle load limits and GVM under COMESA or SADC specifications may delay the harmonisation process	Council should give direction on whether to harmonise under COMESA or SADC
		2 Unnecessary time lost to unload and reload cargo during physical verification and too many agencies involved in verification of imports	Business time lost at borders – 24% of all cargo cleared at borders takes more than 1 week to unload for inspection	Various bodies – Customs, Police, Inspection bodies (e.g. TBS ⁵⁴)	<ul style="list-style-type: none"> o Establish common clearance business centres at major border stations since the Council has already reached a decision on the matter o Introduce mechanised unloading/ reloading of cargo o In future, undertake inspection on samples but not 100% inspection 	Unloading and reloading time reduced to minimum 1 day for all cargo, from current average of more than 1 week for 24% of goods where physical verification takes place, since verification by exit/ entry inspection agencies will be carried out jointly	Daily records on cargo unloaded/ reloaded, & a quarterly report by inspection agencies regarding progress in joint verification of export/ import cargo	<ul style="list-style-type: none"> o Cost of establishing joint business centres at border stations o Cost of mechanised unloading & reloading o Resistance to establish joint operations by various officers who benefit from manual unloading 	Sufficient budgetary allocation by EAC Governments for joint business centres

⁵¹ GVM means Gross Vehicle Mass

⁵² In Tanzania Tanroads is the agency responsible for enforcement of weighbridge requirements

⁵³ The harmonisation should be guided by the targeted size of the potential market within COMESA or SADC i.e. which trade bloc has the biggest potential market for EAC countries is it COMESA or SADC?

⁵⁴ TBS – Tanzania Bureau of Standards

1	2	3	4	5	6	7	8	9	10
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								through rent-seeking practices	
		3 Kenyan customs often demand for a customs insurance bond on transit goods destined to Uganda, Rwanda, Burundi or DRC which costs about US\$ 200 for a 20 foot container	The insurance bond ties up business working capital	Kenya Customs Department/ Kenya Revenue Authority	The EA Revenue Authorities need to dialogue and find a practical way of waiving the insurance bond if the goods are on transit to neighbouring countries since there are no implications on customs duty revenue. However, such a mechanism should ensure the goods are not diverted into the Kenyan market or other transiting country since there are implications on VAT revenue	A consensus to waive the insurance bond on transit goods between EAC Revenue Authorities during the 1 st quarter 2006	A joint report by EAC Revenue Authorities to the Council during its 1 st quarter 2006 meeting	Kenya Revenue Authority may resist waiving the bond due to potential danger that goods on transit may be diverted into the Kenyan market, which would have implications on VAT revenue	The VAT element that would be affected needs a practical way to deal with, while still pursuing the objective of waiving the insurance bond
		4 Businessmen allege that goods originating from Tanzania and destined to Uganda or vice versa and which use Kenyan roads must be transported using Kenyan trucks during transit through Kenya	This denies Tanzania transporters the opportunity to undertake long distance transit transport, and also denies Tanzanian exporters and importers the chance to choose their own transporters, based on cost of freight and efficiency in delivery	It is not clear which is the responsible agency in Kenya that requires this practice	The Kenyan EAC desk needs to verify the genuineness of this allegation and require a satisfactory answer on reasons for insisting on the requirement. EAC should be viewed as one territory after coming into force of the Customs Union	A report to the Council during the 1 st quarter 2006 on reasons why the requirement is practiced	Report by Kenyan EAC desk to Council during its 1 st quarter 2006 meeting	Kenyan transporters may resist requirement that any EAC transporters can undertake transit transport through Kenyan roads for fear of potential business loss	The Council should resist any pressure to delay the EAC integration process
4	Quality inspection procedures	1 Exports go through unnecessary, onerous and costly documentation procedures, since the TBS, TFDA ⁵⁵ , Ministry of	Exporters of food products incur a lot of costs, and are forced to spend a lot of unnecessary business time during the certification process (for example, Tsh 30,000 is	TBS, TFDA, TAEA, Ministry of Health	1 Quality inspection bodies should collaborate in issuance of the various inspection certificates by designating one of	Harmonised inspection procedures among the inspection agencies by mid 2006, and a	One publication on all inspection procedures available	Disagreements may arise as to which body to designate the responsibility of issuing the	The Central Government needs to offer guidance on the harmonisation

⁵⁵ TFDA – Tanzania Food and Drugs Authority

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		Health and Tanzania Atomic Energy Authority ⁵⁶ each have to issue export certification on every export consignment. a function that could be carried out by one body in consultation with the others	<i>pavable for quality inspection certificate TBS, Tsh 30,000 to 40,000 for radiation certificate, Tsh 30,000 for health certificate</i> In total a food products' exporter spends not less than Tsh 200.000 on every export consignment. In addition, exporters experience a lot of frustration having to repeat the same documentation on each export consignment since any previous export is not recognised as a reference of good quality practice		them to issue one certificate covering all inspection requirements 2 Exporters who have a credible export history should not be required to undergo through the inspection procedures on every export consignment before issuance of the necessary certificates, but their products should be stamped as certified automatically. However occasionally they could be inspected by the relevant agencies just to confirm that good manufacturing practices are used	designated agency to issue the inspection certificate covering all requirements on behalf of others	to exporters of food products and the responsible agency	inspection certificate	of inspection requirements and designate of one agency to issue the export certificate
		2 Too much time lost during cross-border pre-shipment inspection and certification for Kenyan bound cargo	Time lost during pre-inspection of export cargo destined to Kenya, while KEBS also undertakes either sampled and in some cases 100% inspection before goods are allowed into the Kenyan market, instead of recognising TBS certification mark on goods originating from Tanzania. The process of inspection means that some goods may have to be unloaded while the inspection may involve laboratory analysis, a process that may have to be undertaken only in Nairobi since	TBS/ KEBS	1 EAC Standards Bureaux should mutually recognise each other's certification marks for products where standards have been harmonised, without undertaking 100% inspection, as this was the main objective of the SQMT ⁵⁷ Protocol signed in 2002. Sampled inspection should only be undertaken	Immediate recognition by EA Standards Bureaux of each other's certification marks for products where standards have been harmonised (<i>about 500 standards already harmonised</i>) EA Standards Bureaux should aspire to built their technical capacity	Monthly reports of products on which EA Standards Bureaux certification marks are mutually recognised, those where 100% inspection are	1 The EA Standards Bureaux may insist on undertaking continued inspection of imports as the accepted procedure for allowing entry of imports, since the practice may be too entrenched to	The Council of Ministers should monitor through the Secretariat, that any EA harmonised procedures are respected, implemented and consistently practised. Standards Bureaux need

⁵⁶ TAEA – Tanzania Atomic Energy Authority

⁵⁷ SQMT – Standardization, Quality Assurance, Metrology and Testing

1	2	3	4	5	6	7	8	9	10
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			most border points do not have laboratory facilities. These procedures result to lost business time and cost.		<p>occasionally to confirm goods declared on documents are of certified quality.</p> <p>2. EA Standards Bureaux and other inspection agencies should harmonise their inspection and analysis procedures, fees, and distribution regulations, so as to facilitate easier movement of goods across borders.</p> <p>3. EA inspection agencies should built their capacities for accreditation to the same level, so that their certification marks are mutually recognised.</p> <p>4. Introduction of scanners at border posts where volume of imports is significant needs to be considered in collaboration with customs, so that a one time inspection is undertaken.</p>	for certification to the same level in the long term	undertaken and reasons for such inspection	<p>discard. Lack of sufficient resources to procure scanners may hinder introduction of scanners at all major border stations.</p>	to collaborate with Customs departments in procuring scanners.
		3. From 1 st July 2005, after the phase out of Pre-shipment Programme in Kenya, the Kenya Bureau of Standards introduced a new import inspection procedure that is difficult and expensive to implement, which requires that imports will only be allowed into the country if accompanied	Although the quality inspection by KEBS has now been waived for imports originating from EAC states, it had been introduced without tripartite consultations with the other EAC Standards Bureaus, while in the Customs Union, any trade requirements should involve tripartite discussions and consensus. The requirement had led to confusion among	KEBS	Any future trade requirements should go through a process of tripartite discussions and consensus since EAC is now one customs territory.	A decision by Council to the effect that any new trade requirements should go through tripartite discussions, consensus and approval by Council; by end of 1 st quarter 2006	Council guidelines on process of introducing trade requirements by any EAC partner state	Resistance by enforcement agencies, which may regard requirement as taking away their authority as enshrined in national laws.	EAC Governments should demonstrate their goodwill to the integration process by directing enforcement agencies to respect Council

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		by a quality inspection certificate from an internationally accredited laboratory.	Tanzanian exporters and suspicion the Kenya is not a serious trade partner.						guidelines
		4. EAC countries in some instances have different parameters on weights, labelling, quality, tolerance in measurements, type and technology used in packaging, which makes entry of Tanzanian originating goods difficult in the other two EA countries and vice versa	Differences in parameters translate into Technical Barriers to Trade (TBT), which are impediments to penetration of Kenyan and Ugandan markets for Tanzanian products in some instances (<i>for example cement</i>). The difficulties experience in penetrating these markets become a source of frustration, bribery, time loss, and theft of goods kept by traders at the borders while awaiting clearance by relevant agencies	EAC agencies responsible for weights and measures, and Standards Bureaux	Finalise the EAC SQMT Bill, and thereafter domesticate it in each EAC country without delay, so that issues related to TBT can be harmonised	SQMT Bill finalised during the 1 st quarter 2006, and domesticated into the laws of each partner state before end 2006	Quarterly reports to Council on progress of finalising and domesticating the SQMT Bill	Domestication of the SQMT into national laws may be delayed by differences in calendars of national parliaments, while enforcement of harmonised practices may not get entrenched as fast as planned in the SQMT Bill due to entrenchment of practices that cut across many government organisations/ bodies	1. The Council needs to give priority to finalisation of the SQMT Bill 2. The EAC Secretariat should design a plan to domesticate the Bill once finalised
5	Immigration procedures at border crossings	1. Clearance of travel documents through immigration involves cumbersome procedures, with a requirement to fill exit/ entry forms even where scanning of passports is undertaken	The requirement to fill exit/ entry forms even at entry/ exit stations where scanning of passports is used seems a duplicated function, since the scanning should give automatically record information on the travellers The current duplicated function means unnecessary time spent at border crossings. Currently, on average, 12% of border crossings by Tanzanians take more than 1 hour	Immigration Department	1. Optimise immigration procedures by removing requirement to fill exit/ entry forms in exit/ entry points where computerised scanning of passports is already operational 2. Make the immigration counters for East Africans more efficient by increasing the number of officials manning them, and enhance their	Average time for crossing EA borders for East Africans reduced to not more than 15 minutes at all entry/ exit points by mid 2006	Annual Business Climate Index Survey report by EABC on time taken and procedures for crossing borders	Resistance by Immigration Department to phase out exit & entry forms	1. Sensitize immigration officials on essence of time to business people and on efficiency of using only computerised scanning of travel documents to record travellers' data

1	2	3	4	5	6	7	8	9	10
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					training on use of the scanners, so as to increase efficiency.				2. Government budget allocations for introduction of passport scanners at all entry/ exit points.
		2. Many East Africans do not yet have an East African passport, while even for those who have it, the Immigration Departments still insist on stamping it at every exit or entry	Many people (<i>especially small business people</i>) cross borders through undesignated routes, which is illegal, and could attract substantial costs if one is arrested as an immigrant	Immigration Departments in the three East African countries	Immigration Departments should speed up issuance of the EA passport by simplifying the application procedures, minimising application fees, decentralising the issuance process to major urban areas, and sensitising the citizens on the passport's existence. Further, the requirement to stamp the passport at every entry/ exit should be removed, by respecting the Council's decision to issue an automatic 6 months multiple entry visas and pass without delay. In the long run, EAC partner states should accept the national identity card as a valid document for crossing borders, once issuance of identity cards in Uganda and Tanzania is completed.	Number of illegal immigrants reduced to bare minimum by end of 2006.	Monthly reports by Immigration Departments on number of EA passports issued.	Time to design new application forms for an East African passport	Sufficient resource allocation by EAC governments for issuance of EA passport
6	Business registration & licensing procedures.	1. While the search and registration for a business name can be done online, payment for a business certificate is still manual,	1. Time and cost of travelling to Dar es Salaam to pay and obtain a business license Registration of new businesses takes an average of	BRELA, Ministry of Commerce and Industry, Attorney	1. Streamline business name search and registration, payment and issuance of business certificate, licensing and	1. Business name search, registration, payment of business certificate, licensing and	Half year report (2006) by BRELA reflecting acceptance	1. Resistance by officials at various agencies currently responsible for	Sufficient Central Government allocation of financial

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		<p>and a new applicant has to travel to Dar es Salaam to pay and obtain a business certificate from the Attorney General's Chambers</p> <p>Licensing of businesses is separated from business registration, and is carried out by the Ministry of Commerce and Industry, while the two functions should be undertaken under one agency. In addition, various Local Authorities charge separate fees from the same business entity, if such an entity distributes its products in different localities.</p>	<p>5 days, but more than 2 weeks for 17% of all new applications</p> <p>2 The requirement to have separate agencies responsible for business name search and registration, payment and issuance of business certificate, and business licensing, is cumbersome and unattractive to new investors. In addition, multiple charges by Local Authorities frustrate business people and are also expensive</p> <p>3 The current requirement by Courts that electronically generated documents cannot be used to register limited companies means one has to engage a lawyer for registration of limited companies, which is an expensive undertaking.</p>	General's Chambers, Local authorities	<p>related local authorities' charges under one agency (<i>proposed to be BRELA</i>)</p> <p>2. Introduce online payment of new businesses certificates so as to remove current requirement that involves travel to Dar es Salaam for physical payment and issuance of certificate</p> <p>3 Reform legal requirement by courts on registration of limited companies, so as to allow for registration using electronically generated documents</p> <p>4 Introduce one business law on all business administrative requirements by central government. Attorney General, & local authorities. In addition, remove responsibility of central government in business administration, and retain its functions to policy decisions and collection of data relevant to business development only</p>	<p>business charges under one agency (BRELA) by end 2006</p> <p>2 Electronically generated documents used to register limited companies by end 2006.</p> <p>3 One business law on administrative requirements in place by end 2006</p>	<p>and operation on harmonised procedures for business registration, licensing, and issuance certificates charges, and electronically generated documents in place by end 2006</p>	<p>business licensing, registration, payment and issuance of business licenses, due to fear of jobs loss</p> <p>2 Insufficiency of resources for computerisation to enable online payment for business certificates and registration of limited companies</p> <p>3 Resistance by local authorities for one business law due to fear of councils' revenue loss and rent-seeking opportunities by officials</p>	<p>resources for comprehensive reforms of business laws and computerised registration</p> <p>The central government needs to give guidance on a long-term and comprehensive policy that would form the framework for business reforms. This could for example be in the form of a private sector development strategy</p>
		2. Currently, mainland Tanzania and Zanzibar have different legal requirements for registration of businesses	Businesses operating in Zanzibar have to register as foreign businesses in mainland Tanzania and vice versa. This restricts the ability of businesses to operate freely in the country	Attorney General's Chambers, Central Government	Central Government to harmonise business registration procedures between Tanzania mainland and Zanzibar	A harmonised business registration law covering Tanzania mainland and Zanzibar by end	One business registration law for mainland Tanzania	Resistance between mainland Tanzania and Zanzibar to treat businesspeople	Sensitize the people of mainland Tanzania and Zanzibar on the need to

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			as common market.			2006.	and Zanzibar by end 2006.	between the two regions equally, due differences in political ideologies.	nurture a common development agenda and focus for the two regions.
		3. The three EA countries are categorised as either developing or developing countries. This categorisation is a potential impediment to cross border trade when viewed under the WTO TRIPS ⁵⁸ agreement.	Under the TRIPS agreement, Kenya as a developing country can patent its products, while the other two countries cannot do so. The implication is that Kenyan patented products (for example pharmaceuticals) can access the markets of the other two countries without facing TBT restrictions, while the other two cannot access the Kenyan market. This is a potential NTB which will derail the process of integration.	EA focal points for TRIPS agreement	EA TRIPS focal points need to discuss further the implications of the TBT agreement and make proposals to WTO, aimed at harmonising their TBT obligations.	Clear proposals by EA focal points to the Council by end 2006, on areas that need to be harmonised so as to facilitate patenting of products by the three EA countries without infringing on the TRIPS agreement.	A joint report by EA focal points on areas to be harmonised under the TRIPS agreement to the Council by end 2006. A harmonised law between EA countries on procedures for patenting products without infringing on the TRIPS agreement by end 2006.	The EA focal points on TRIPS agreement may not see any potential impediments to cross border trade due to the different categorisation of the three countries	Consensus by the Council regarding the implications of the TRIPS agreement to cross border trade is necessary
		4. Registration of a new business in another EA country is cumbersome.	For 10% of all EAC businesses, registration across the borders takes between 6 days to over 2 weeks	Registrar of Companies in the three EA countries	1. EA to be viewed as one market and investment area so as to enable cross-border registration of businesses within the partner states.	Time to register EA businesses reduced from current 6 days to more than 2 weeks for 10% of new registrations, to some few hours	Annual reports by Registrars of Companies in the three EA	1. Requirement for faster cross-border registration might be resisted on justification of	The Council needs to give further guidance on the way forward regarding cross border business

⁵⁸ TRIPS – Trade Related Intellectual Property Rights Agreement of the WTO

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					2. Registrar of Companies in the three countries to harmonise and computerise registration procedures, and agencies responsible for business registration	by end 2006; Similar agencies for business registration among EA countries in place by end 2006	countries on number of cross border business registrations	national interest 2. Corruption practices might be entrenched, making it difficult to accept proposal for computerization	registration, and to sensitise registration officials to treat East Africans equally

Source: Consultations with Tanzania trade stakeholders between September and December 2005

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NTB No.	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
1	Customs documentation and administrative procedures	1. The newly introduced ASYCUDA ⁶⁰ ++ system is only operational at Malaba, and is planned to be rolled out at Busia before end of September 2005. This means that delays are still experienced in declaring and clearing imports at Busia which uses ASYCUDA 2.7 system.	On average, 49% of all customs clearance at border crossings using ASYCUDA 2.7 system takes more than 10 days, which involves declaration of imports, assessment of classification of goods and import duty payable, physical verification of goods if applicable, payment of dutiable value, and release of goods from the customs area. Also in the past, exports to Rwanda took more than 2 weeks to reach their destination, which meant tying exporter's working capital in insurance bonds	Customs Department	Introduce ASYCUDA++ at all import entry/ export exit points, by end of 2005 so that time spent from import declaration to release is reduced from current average of 2 days for green channel goods, and from 7 to 10 days for goods with import queries to not more than 3 days. Ensure the system works so as to maintain the current period of immediate cancellation of insurance bonds for exports to Rwanda, instead of the previous period of two weeks For imports clearance, target Latvia's 1.2 days, which is the best case country in the world ⁶¹	ASYCUDA++ operational in all entry/ exit points by mid 2006	Mid 2006 report by Customs on entry/ exit points where ASYCUDA ++ is operational	Insufficient financial resources to roll out ASYCUDA++ at all import entry and export exit points.	Government resource allocations to enable introduction ASYCUDA ++ at all import entry points Timely orientation and sensitization of customs officials on operations of new system
		2. While Uganda and Tanzania have both introduced the ASYCUDA ++ system for imports declaration,	Although Customs Uganda and Kenya have confirmed that the two systems are compatible since they are web based, businesspeople have not been	Uganda and Kenya customs departments	Uganda Customs need to sensitize and assure importers that the Asycuda ++ and Simba systems are fully compatible, and that.	Importers fully sensitised on operations of ASYCUDA ++ and Simba	A publication on how the two systems will share	Customs Uganda could regard fears by businessmen as unfounded and therefore does not	Customs should be made to understand that the

⁵⁹ The most severe NTBs for Uganda were categorized in the BCI report of May 2005

⁶⁰ ASYCUDA – Automated System of Customs Data. The system has more modules than ASYCUDA 2.7 system, which include Green Channel - for automatic clearance and release, yellow - for scanning and thereafter proceed for release or physical verification, and red - for physical verification. The classification depends on the degree of risk of imports, which itself depends on country of origin and also whether the importer is known to have engaged in any past trade malpractices. Further, the system has a transit module, which means information can be transmitted electronically by customs Uganda to import originating country, and vice versa. This enables insurance bonds on an export to Uganda to be cancelled much faster than if the export documents were to be posted, which is the process used under ASYCUDA 2.7.

⁶¹ Comparisons on average number of days to clear customs for various countries of the world are given in the World Development 2005 report of the World Bank.

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		Kenya has introduced Simba system, and it is not clear to Ugandan businesspeople whether the two systems are compatible	sensitized accordingly This could affect the volume of imports, since the current fear is that if the systems are not compatible, online sharing of information between Kenya and Uganda customs would be difficult. Consequently this would delay duty payment in Kampala, clearance of imports at Malaba and cancellation of insurance bonds – thus tying up of importer's working capital		<ul style="list-style-type: none"> Imports through the Mombasa port will be declared online Information on declared imports will be transmitted electronically from Mombasa to Uganda Customs, to enable preparation of release documents and payment of duty in time before goods arrive at border station 	systems by end 1 st quarter 2006	information online out by end 1 st quarter 2006	warrant spending on a publication on how the systems operate	publication will be a useful instrument of facilitating compliance by importers, and faster importation of raw materials for manufacturing industry
		3 since the EA Customs Union entered into force, many importers have experienced problems with interpretation of the COMESA rules of origin, which are sometimes used when product transformation applies ⁶²	In most cases, the importer spends a lot of time trying to sort out the interpretation of rules of origin with customs officials at the borders. The problem is most serious during weekends, since the importer's goods have to be held for two days at the border until Monday when Customs HQs can make a satisfactory interpretation	Customs Department	<p>Sensitize customs officials at border points on the correct interpretation of COMESA rules of origin</p> <p>Publish an EA Gazette on the COMESA rules of origin to enable similar interpretations of tariff codes and rates</p>	Immediate and correct interpretation of the 4 COMESA rules of origin at least by end 2005	A daily record of importers' experiences at the borders regarding procedures used to clear imports under the EA Customs Union.	<p>There could be delays in sensitizing customs officials at borders, since customs HQs may not have sufficient personnel to train border officials</p> <p>Some customs officials may have deliberately interpreted the rules incorrectly to catch in on initial ignorance by importers on the meaning of the rules, which in some instances could be expected to continue, especially with regard to small</p>	<p>Interpret the rules in simpler language and send an electronic version to all border points</p> <p>Introduce a system of reprimanding errant officials who do not interpret EAC harmonised procedures correctly</p>

⁶² EAC rules of origin currently apply only where an import originating from another EAC partner state is wholly produced in that country. Where such a product may have gone through a process of transformation, change of tariff heading or other value adding processes in the EAC originating country, the COMESA rules of origin are used, until the EAC reaches consensus on its rules of origin. However, the contention by Ugandan importers is that when the COMESA rules are used, Uganda customs has sometimes insisted that rule 3 and 4 should be used together, while both are supposed to be used independently. Rule 3 states that "local content of local raw materials should exceed 35% of the ex-factory cost of the finished product". Rule 4 states that "the product should be classified in a separate tariff heading other than those of the non-originating raw materials used in production". The two rules are supposed to be used independently of each other, meaning an importer can either use 3 or 4, whichever applies to the import product

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								businesspeople	
		4. The limited customs open hours for verifying documents and clearing cargo is a hindrance to faster movement of goods across borders	1. Time lost to clear goods at borders 2. Cost of corruption at border crossings	Uganda Customs Department	Increase customs operating hours from current 12 to 24 at borders. However, this improvement should work hand-in-hand with 24 hours operations for other institutions as well, e.g. quality inspection agencies, police, immigration, and even banks (to facilitate payment of duty).	Major border crossings open 24 hours per day for all institutions by end 2006	2006 annual report by Line Ministry in charge of EAC in Uganda on progress made to open borders on 24-hour basis	1. Lack of "service attitude" by institutions at borders, which may not view a 24 hours operation as necessary 2. Insufficient number of officers to man border stations on 24-hour basis	Orientation of all institutions by central government to facilitate faster achievement of the integration process
		5. Exporting to Tanzania is extremely difficult and cumbersome. The process involves obtaining a tag number from the Tanzania Revenue authority regarding an import, getting an assessment of import classification ⁶³ and dutiable value done by the local agent of Cotecna - TRISACN, which thereafter sends the report Cotecna Durban office (<i>South Africa</i>) for approval. Clearance by Customs Tanzania then follows as the last stage.	The cumbersome process of exporting to Tanzania takes an average of 21 days, which makes Ugandan companies poor competitors for the Tanzanian market.	Tanzania Customs Department	Uganda Customs to initiate EAC customs discussions aimed at minimising import procedures in Tanzania, since with introduction of Asycuda ++, TRISCAN should not have been contracted to advise on classification of imports and dutiable value.			3.	
		6. Tanzania charges US\$ 200 per annum or	The charges applied by Tanzania makes penetration of	Customs Department	Harmonise EAC cross-border transport charges	Harmonised EAC cross-border	Report of Council	Fear of loss of revenue by Tanzania	Tanzania Government

⁶³ Refer to footnote 1 on how Asycuda ++ classifies imports either under Green channel, Yellow or Red channel for purpose of clearance and release.

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		US\$ 20 per entry on sales vehicles and a US\$ 5 fuel tax per vehicle originating from the other two EA countries. These charges are not applicable in Uganda and Kenya	Tanzanian market more difficult compared to Uganda and Kenya	Tanzania		transport charges by end 1 st quarter 2006	meeting in 1 st quarter 2006 reflecting decision by Tanzania to harmonise cross-border transport charges with Kenya & Uganda	Customs Department	needs to explore areas where revenue lost from harmonised transport charges could be recovered, e.g. efficient collection of other taxes like VAT
2	Transiting procedures (exports and imports)	1 Offloading of cargo at the port of Mombasa is a nightmare for Ugandan importers, and one has to spend a minimum of two weeks, or a normal period of one month to clear goods from the port. This is due to clogging of the port as a result of insufficient and slow operating cranes to offload delivery vessels, and also because Kenya Railways grossly lack wagons to transport goods out of the port to destinations like Uganda. As of mid September 2005, an estimated 6,000 Ugandan bound	Time lost to clear imports from the port, at an average of between 7 to sometimes more than 10 days, and more when weekends are included, and consequent demurrage charges that have to be paid for un-cleared cargo. Due to the insufficient number of railway wagons and slow operating cranes, ships cannot be offloaded fast enough, which has resulted into a large fleet of containers at the port, estimated at 11,000 as of mid September 2005. The slow speed in offloading containers results to heavy cost of surcharge by shipping vessels due to long turn-around time, currently estimated at 5 days (the average surcharge is US\$ 2,900 for a 40 foot container)	KPA ⁶⁴ , Kenya Railways, Shipping lines	1 Continue with investment in modern equipment at the port, including cranes, which could be done as a joint investment between Kenya and affected countries, including Uganda, Rwanda, Burundi and DRC. ⁶⁵ 2 The new management of Kenya and Uganda Railways should urgently modernise wagons 3 Establish a shippers council to control surcharges	Time taken to offload and clear cargo from the port reduced from current more than 10 days to 3 days by end 2006 (benchmark <i>Durban port of 2 days to offload ships</i>) Transport cost from Mombasa to Kampala reduced significantly by end 2006, through a change from road to rail transport. The target should be to reduce transport cost of a 20 foot container by 60%.	BCI ⁶⁶ 2006 reports on 2005 & 2006 comparisons in time taken to clear goods at Mombasa port, on transport cost from Mombasa to Kampala, & on surcharge rates by delivery vessels	1 Cost of investment in modern cranes 2 Resistance by various officers who benefit from manual unloading/reloading, & slow clearance of goods through corruption	Sufficient budgetary allocation by Kenya KPA for mechanised unloading/reloading, and possibility for a joint project between the affected countries

⁶⁴ KPA – Kenya Ports Authority

⁶⁵ DRC – Democratic Republic of Congo

⁶⁶ BCI refers to Business Climate Index Survey, carried out by East African Business Council (EABC). 1st survey was carried out in 2005, and business people have recommended that the survey should be undertaken annually.

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		containers were held at the port				from current US\$ 180 by road, when rail transport becomes reliable Standardised surcharges by delivery vessels on import cargo			
		2 Imports at Mombasa port start attracting demurrage charges after a grace period of only 15 days from the time they are entered into a customs warehouse. However it takes more than 10 for exporter's and importer's bank to conclude correspondence on a letter of credit, 10 more to clear the goods at the docks, 10 more to complete process of declaring the cargo, pay duty and applicable surcharge before goods can be released. This means goods have to stay within the port area for a minimum of 30 days. The 15 days grace period is therefore unrealistic.	After 21 days, imports are transferred to the responsibility of Kenya Ports Authority, which then starts charging payment of warehouse rent. However in practice, 30 days are spent to complete bank correspondence on a letter of credit, clear imports from the docks, complete declaration process, and pay applicable duty and surcharges before goods are cleared. This means there is no way an importer can avoid payment of demurrage charges. The long clearance process also results into a large build up of containers at the port. This leads to slow speed in removal of goods from the warehouse, occasioned by inefficient working cranes used to load containers onto trucks, and unavailability of railway wagons. Importers are charged demurrage for factors beyond their control.	Kenya Customs, Kenya Ports Authority, Kenya Railways	1 Until more efficient cranes and railway wagons are procured, the grace period before demurrage charges become effective should be increased from 15 to more than 30 days. 2 KPA should increase the pace of procuring modern cranes. 3 Before modernisation and increase of railway wagons, expected after the recent concessioning of Kenya and Uganda Railways in September 2005, Kenya Railways could consider rehabilitation of its current stalled wagons.	o Grace period increased from current 15 to more than 30 days by end 1 st quarter 2006, before demurrage charges become applicable. o Imports cleared from the port area within three days (<i>benchmark with Durban port time of 2 days</i>)	BCI 2006 to report whether any improvement in clearance of imports from the port, compared to situation in 2005.	1 Lack of financial resources to modernise cranes. 2 Rehabilitation of current stalled wagons by Kenya Railways may be considered unviable by new management.	The Kenya Government should intervene and give a long term policy and strategy for improving clearance of imports at Mombasa port, in consultation with neighbouring Governments and the private sector.
		3 After the warehousing period of 21 days at Mombasa Port, goods have to be re-warehoused for an extra 7 days after which	Failure to remove goods from port area after re-warehousing period means the goods risk being auctioned by customs. Many Ugandan bound vehicles have been auctioned due to this	Customs Kenya	Extend the period for warehousing to more than 30 days, and for re-warehousing by at least an extra 30 days, since removal of goods from the	Combined period for warehousing and re-warehousing increased from current 30 to 60 days by end 2006.	BCI 2006 to report on 2005 & 2006 comparisons in clearance of imports at	Resistance by Customs and KPA to increase the periods for warehousing and re-warehousing, sighting the need to decongest	The Kenya Government should intervene and give a long term policy

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		they can be auctioned	reason		customs area may be due to factors beyond the importer's control. e.g. lack of railway wagons or slow cranes to load trucks	Kenya Customs, KPA and Kenya Railways to explore urgent measures to improve imports clearance	the port	the port	and strategy for improving clearance of imports at Mombasa port, in consultation with neighbouring Governments and the private sector
		4 Delays at roadblocks and weighbridges in Kenya is a great hindrance to free movement of imports into Uganda	Police stop commercial vehicles although officially, such vehicles are not supposed to stop at road blocks. For vehicles suspected to be carrying dangerous products like drugs, unloading may be demanded in some few instances. Sometimes, customs requires that such vehicles have to be escorted by police in a convoy, which translates to lost time waiting in order to have the required number of vehicles to make a convoy. On the other hand, a lot of time is spent at weighbridges during verification of axle loads. On average, about 7 days are spent on Kenyan roads for Uganda bound commercial vehicles while this time could be reduced to 2 days	Police Department, Customs, Weighbridge Department	1 Uganda and Kenya Police Departments should dialogue and develop a standard procedure for transit trucks destined to Uganda. Such procedures should be clearly documented and communicated to transporters so that they understand the type of checks required at road blocks if any. Also sniffer dogs could be used to check on contents of containers suspected to be carrying dangerous products instead of unloading which is time consuming and which could destroy packaging. 2 Customs should introduce electronic cargo tracking system	Time spent to transit through Kenya from Mombasa port to Malaba border reduced from average of 7 days to 2 days by 1 st quarter 2006	BCI 2006 to report on 2005 & 2006 comparisons in transport between Mombasa and Kampala	1 Collaboration between Uganda and Kenya Police could delay due to requirement to follow bureaucratic procedures 2 Cost of procuring electronic cargo tracking system and electronic weighbridges could delay the objective to increase speed in transit trade	1 Uganda Government needs to convince Kenya Government to allocate sufficient resources for tracking system and electronic weighbridges 2 The Council needs to demand regular reports from agencies involved in transit trade on improvements planned and those accomplished.

⁶⁷ Kenya Customs incur an average of Ksh. billion per annum to finance police escorts

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					for transit commercial vehicles, at least by end 2006, which is more efficient and less expensive than police escorts ⁶⁷ 3 Electronic weighbridges need to be introduced so as to increase speed in verifying axle load limits				
3	Quality import inspection procedures	1 UNBS ⁶⁸ requires that all imported products whose standard specifications are declared as compulsory under the UNBS Act should be inspected for conformity to the relevant Ugandan Standard before release into the Ugandan market. This includes even products that are certified by accredited laboratories	The requirement translates to unnecessary time lost and costs incurred during pre-shipment inspection and certification. Further, even if the import consignment gets certified after the evaluation as conforming to the relevant UNBS standard, the import clearance is for that batch alone, and does not apply to subsequent consignments, which means regular importers get frustrated having to go through the same process over and over again, without any due recognition of their compliance	UNBS	The requirement to undertake conformity evaluation for products that are certified by accredited laboratories should not apply. Further, UNBS should not repeat import inspection on every consignment imported by regular importers who have a good track record of compliance to relevant standards Training of assessors on accreditation schemes and parameters applied by accreditation laboratories is necessary, so that evaluations of products in question can be minimised to periodic sampled inspection	1 Products with test certificates from accredited laboratories allowed into the country without further inspection by mid 2006 unless in periodic instances just to confirm compliance 2 Continuous training of product assessors carried out from the beginning of 2006	Quarterly reports to Council of Ministers on progress in mutual recognition of certification marks and import inspection procedures A training programme and manual on accreditation schemes available at the beginning of 2006	UNBS may still insist on evaluations, since this is practice is backed by law	The UNBS law needs to be changed to make it more business friendly
		2 A lot of time is spent to inspect even products that have certification	Unnecessary time lost during inspection and issuance of import clearance certificate	UNBS	The agreement to undertake mutual recognition of certification	Immediate mutual recognition of	Quarterly reports to the Council	Delays in adhering to EAC SQMT ⁶⁹	The Council needs to fast-track

⁶⁸ UNBS – Uganda National Bureau of Standards

⁶⁹ SQMT – Standardization, Quality Assurance, Metrology and Testing protocol, finalized in 2002

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		marks from another EA Standards Bureaux	Further, even if the import consignment is certified as conforming to the relevant UNBS standard the importer has to go through the same procedure in subsequent consignments which is frustrating. Where sampled inspection is undertaken, this may mean a lot of time waiting for results of the laboratory analysis, since facilities for such analysis may not be available at border points		marks amongst EA Standards Bureaux needs to be respected. Further, UBS should not repeat import inspection on samples for every consignment imported by regular importers who have a good track record of compliance to relevant standards	certification marks issued by EA Standards Bureaux for products where standards have been harmonised (<i>about 500 have been harmonised</i>)	on progress in mutual recognition of certification marks and import inspection procedures	protocol since it has not been domesticated in EAC countries	finalisation of the SQMT Bill and monitor its domestication through the EAC Secretariat
		3 EAC Standards Bureaux have different procedures for issuance of certification marks, which makes it difficult to undertake the same processes on imports inspection and testing	Businesses have to face different inspection and testing procedures, which means even if one understands the procedures in one country, he has to spend extra time understanding procedures applied by the other two countries, yet EAC is supposed to be one Customs union where similar procedures should apply	EAC Standards Bureaux	Harmonise import inspection, testing and certification procedures	A joint publication issued by the three Standards Bureaux, specifying procedures for import inspection, testing and certification within EAC by mid 2006	A joint report to the Council in 1 st quarter 2006 on progress in publishing import inspection, testing & certification procedures	Lack of resources for developing the joint publication	Sufficient allocation of resources under an itemised "joint EAC projects budget"
4	Immigration procedures at border crossings	1 Clearance of travel documents through immigration involves cumbersome procedures, with a requirement to fill exit/entry forms even where scanning of passports is undertaken	The requirement to fill exit/entry forms even when scanning of passports is done seems a duplicated function, since the scanning should automatically record information on the traveller. The duplicated function means unnecessary time spent at border crossings. On average, 29% of border crossings take more than 1 hour	Immigration Department	1 Optimise immigration procedures by removing requirement to fill entry/exit forms in exit/entry points where computerised scanning of passports is already operational 2 Operate the separate immigration counters for East Africans more efficiently and remove the need to stamp EA passports on every entry/exit, but instead	Average time for crossing EA borders by East Africans reduced to not more than 15 minutes at all entry/exit points by mid 2006	Annual Business Climate Index Survey report by EABC on time taken and procedures for crossing borders	Resistance by Immigration Department to phase out exit & entry forms	1 Sensitize Immigration officials on essence of time to businesspeople, and on efficiency gains of using only computerised scanning of travel documents

1	2	3	4	5	6	7	8	9	10
NTB No.	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
					issue the multiple 6 months visa and pass period.				2. Government budget allocations for introduction of passport scanners at all entry/ exit points.
		2. While Uganda readily gives work permits to employees of East African businesses wishing to establish branches in Uganda, there are complaints that it is difficult to get such work permits in Kenya, unless the Ugandan businessman enters into partnership with a Kenyan	The potential Ugandan businessperson is forced to enter into a partnership where none was intended, if he wants to set up a branch in Kenya.	Immigration Department	Facilitate the issuance of work permits to East Africans without discrimination, even before the Common Market comes into effect	Number of complaints recorded from Ugandans on non-issuance of work permits reduced to zero by mid 2006	Quarterly reports by the three EA immigration departments to the Council meetings	Kenyans might resist issuance of work permits to other East Africans due to fear of loss of job opportunities, especially since the unemployment rate has become a major challenge for the country.	Kenyans need to be sensitized on the potential employment opportunities within the EAC region, especially when the Common Market comes into being.
		3. Many Ugandans do not yet have an East African passport, while even for those who have it, the Immigration Departments still insist on stamping it at every exit or entry	Many people (<i>especially small business people</i>) cross borders through undesignated routes, which is illegal, and could attract substantial costs if one is arrested as an immigrant	Immigration Departments in the three East African countries	Immigration Departments should speed up issuance of the EA passport by simplifying the application procedures, minimising application fees, decentralising the issuance process to major urban areas, and sensitising the citizens on the passport's existence. Further, the requirement to stamp the passport at every entry/ exit should be removed, by respecting the Council's decision to issue an automatic 6 months	Number of illegal immigrants reduced to bare minimum by end of 2006.	Monthly reports by Immigration Departments on number of EA passports issued.	Time to design new application forms East African passport	Sufficient resource allocation by EA governments for issuance of EA passport

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
					multiple entry visas and passes without delay In the long run, East African Community partner states should accept the national identity card as a valid document for crossing borders, once issuance of identity cards in Uganda and Tanzania is completed				
4	Police checks at boarder crossings and road blocks	1 Police officers stop commercial vehicles at various border crossings, while officially, they are only supposed to stop vehicles based on proof that goods being transported are suspicious (e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, documentation does not conform to goods being transported, etc)	Police checks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done Ugandan businesspeople report that on average, 16% of all police documentation at border crossings takes over 1 hour	Police Department	5 Introduce scanners or sniffer dogs at major border points for vehicles suspected to be involved in trade malpractices, and tracking system for transit vehicles 6 Introduce heavy financial and other penalties for transporters involved in trade malpractices (e.g. withdrawal of driving license) 7 Introduce clearly laid down procedures on which checks are undertaken at border points for commercial vehicles and inform businesspeople accordingly 8 Introduce EAPCCO ⁷⁰ motor vehicle clearance certificate for vehicles crossing borders in	Future police checks to use scanners or sniffer dogs on suspected commercial vehicles, while tracking system to be used for transit trucks	Daily records on vehicles inspected at border points, methods used and reasons for inspection	7 Lack of resources to introduce or purchase sniffer dogs ⁷¹ or scanners at border points, and tracking system for transit traffic 8 Resistance by police to implement scanners due to fear of loss or rent-seeking opportunities 9 Police checks are often justified for security reasons	4 Central Government allocation of sufficient resources for sniffer dogs or scanners as a major long term investment at major border points and tracking gadgets for transit trucks 5 Keep up war on insecurity, especially at borders 6 Keep up war on

⁷⁰ EAPCCO – EA Police Chiefs Cooperative Organisation, in which 9 states of Eastern Africa are members including the 3 EA countries. Major transporters are also part of the organization

⁷¹ Sniffer dogs on average cost an average of US\$ 50 000, the same as a scanner

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
					each EAC country, and enforce the carrying of the certificate by all drivers so as to facilitate faster movement across EAC borders				anti-corruption
5	Business registration & licensing procedures	<p>1 Registration of a new business in another EA country is cumbersome</p> <p>2 Registering a new business and obtaining a business license are cumbersome procedures</p>	<p>For 21% of all Ugandan businesses, registration in another EA country takes between 6 days to over 2 weeks</p> <p>The time for travelling to Kampala and associated costs to register a new business can be taxing, since the search for a business name, registration and payment through URA⁷² is centralised in Kampala</p>	<p>Registrar of Companies in the three EA countries</p> <p>Registrar of companies, Central Government, Local authorities</p>	<p>3 EA to be viewed as one market and investment area so as to give priority to cross-border registration of businesses within the region</p> <p>4 Registrar of Companies in the three countries to harmonise and computerise registration procedures, and agencies responsible for business registration</p> <p>1 Introduce online registration of new businesses so as to remove current requirement that involves travel to Kampala to search and register a business name</p> <p>2. Allow the Registrar of Companies to retain some funds collected by URA from business registration, to enable the institution to modernise business</p>	<p>Time to register all EA businesses reduced from current 6 days to more than 2 weeks for 10% of new registrations, to a few hours by end 2006.</p> <p>Similar agencies for business registration among EA countries in place by end 2006</p> <p>Business search, registration and payment transformed from a manual to an online process by end 2006</p>	<p>Annual reports by Registrar of Companies in the three EA countries on cross border business registrations</p> <p>2006 annual report by Registrar of Companies reflecting progress in reforms in business registration</p>	<p>3 Requirement might be resisted on justification of national interest</p> <p>4 Corruption practices might be entrenched, making it difficult to accept proposal for computerization</p> <p>Insufficiency of resources for computerization</p>	<p>o Harmonise business registration procedures within EAC</p> <p>o Sensitise registration officials to treat all East Africans equally</p> <p>Sufficient Central Government allocation of financial resources for comprehensive reforms of business laws and computerization of registration</p> <p>The central government</p>

⁷² URA – Uganda Revenue Authority

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
					search, registration and payment by introducing online operations in all urban areas				needs to give guidance on a long-term and comprehensive policy that will form the framework for business reforms. This could for example be in the form of a private sector development strategy
		3. Cost of licensing is duplicated among various local authorities	The cost of paying levies to various local authorities is enormous, since one central body to which such payments can be done does not exist, which means each local authority collects its own money from every business that undertakes operations within its jurisdiction	Local authorities, Central Government	<ol style="list-style-type: none"> 1 Introduce new law on all administrative requirements by local authorities 2 Establish one central body for collection and distribution of levies payable to local authorities (<i>such a body could be the URA</i>) 3 Harmonise business laws, regulations, licenses and levies within EAC 	Cost and time spent paying levies to local authorities' reduced substantially and similar law on business regulations, licenses and levies for EAC countries at least by 2007	<ol style="list-style-type: none"> 1 Annual reports by URA on money collected from businesses and distributed to local authorities 2 Annual report to the Council by Secretariat on progress in harmonising business laws and practices 	Resistance by local authorities for introduction of one business law and central body for collection of levies due to fear of revenue loss and rent-seeking opportunities by officials	<ol style="list-style-type: none"> 1 Harmonise business registration procedures within EAC 2 Sensitise local authorities on need to act as facilitators instead of impediments to business development 2 Council of Ministers needs to continue undeterred towards harmonisation of business laws and

1	2	3	4	5	6	7	8	9	10
NTB No	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Bottlenecks that need to be overcome	Likely solutions to overcome the bottlenecks
									practices in EAC

Source: Consultations with Uganda trade stakeholders between September and December 2005

ANNEX III: MONITORING MECHANISM CONSULTATION PROCESS

(a) NATIONAL ONE-TO-ONE CONSULTATIONS

1. KENYA

Date	Name of Official and Position in Organization	Organization	
25 th Aug 2005	Mrs. Rachael Ntoyai – Head of Phytosanitary Inspection Phytosanitary Dept	Kenya Plant Health Inspectorate (KEPHIS)	
26 th Aug 2005	o Mr John Matheka Trade Dev Officer	Kenya National Chamber of Commerce and Industry (KNCCI)	
	o Mr. Laban Onditi Rao – 1 st Vice Chairman		
	o Mrs Margaret Aleke – Head of Dept (Service Standards)		Kenya Bureau of Standards (KEBS)
	o Mr John Wepukhulu – Head of Pre-shipment Verification of Conformity (PVoC)		
	o Mrs. Jane N Maina – Head of Section (I/E ICDN)		
o Mrs Impaculate Odworu – Head of Quality Assurance			
29 th Aug 2005	Mr. Walter Kamau Executive Officer, Trade	Kenya Association Manufacturers (KAM)	
30 th Aug 2005	o Mr. Keli Kulu – Corporate & Regulatory Affairs Director/ Manager EAC	BAT Ltd	
	o Mr Eric Kimiti – CORA Executive – Corporate & Regulatory Affairs		
	Mr George Kidenda – Managing Director	SDV Transami	
	Mr. Daudi Kyalo – Traffic Commandant	Kenya Police Force	
31 st Aug 2005	Mr Edwin Bii – Area Sales Manager (East)	Keitpa Ltd	
	Mr James Kinyanjui - Administration & Human Resources Manager	Beta Health care	
	Mr Nicholas Ondigo – Asst Principal Immigration Officer	Immigration Department	
1 st Sept 2005	Mr. Antony Mburu – Exports Manager	Haco Industries	
2 nd Sept 2005	Mr. Dev K. Bii – Managing Director	Star Freight	
	Mr Peter Opiyo – Chief Analyst	Pest control Products Board	
	Mr. Ng'ang'a - Deputy Registrar of Companies	Registrar of Companies	
20 th Sept 2005	Mr Boniface M Makau – External Trade Dev Officer	Ministry of Trade and Industry	

3. TANZANIA

4.

Date	Name of official and Position in Organization	Organization
5 th Sept 2005	Mr. Hussein S Kamote Director of Policy and Research	Confederation of Tanzania Industries (CTI)
	Mr Kalua M. Simba Chamber Development Officer	Tanzania Chamber of Commerce, Industry and Agriculture
	Mr. Uledi A. Mussa Senior Industrial Economist	Ministry of Industry and Trade
	Mr. Esteriano E Mahingila Chief Executive Officer	Business Registrations and Licensing Authority
6 th Sept 2005	o Mrs. Beatrice Mutabazi - Deputy Director	Tanzania Bureau of Standards (TBS)
	o Eng Katabwa J. - Chief Quality Assurance Officer	
	Mrs. C Ugullum - Ag. Director General	Tanzania Food and Drugs Authority (TFDA)
	o P.U. Matagi o S.I. Kajuus o Grace Mng'ong'o	

Date	Name of official and Position in Organization	Organization
	<ul style="list-style-type: none"> o Ouyumpia Kowero o S S Ngendabanko o L. Mwambole o Raymond Wigenge Heads of Departments	
	Mr K Mwasha Ag. Director General	Board of External Trade
	Mr Said M Said	Said Salim Bakhresa & Co
	Mr Mohammed Remtulla General Manager	Kioo Ltd
7 th Sept 2005	Mr Laurean M. Tibasana Commissioner of Police (Operations and Training),	Tanzania Police Force
	Mr Audifax Choma Assistant Commissioner/ Ag Director EAC Affairs	Ministry of Foreign Affairs and International Cooperation
	Mr Louis Accaro Executive Director	Tanzania Private Sector Foundation
8 th Sept 2005	Senior Principal Collector – Technical Units Customs and Excise	Tanzania Revenue Authority
	Mr Ali H M Tukai Chief Executive Officer	Weights and Measures Ministry and Industry and Trade
9 th Sept 2005	Dr F. Y Addo-Abedi Chief Executive	Tanzania National Roads Agency
	Mr David Maina Commercial Attaché	Kenya High Commission

4. UGANDA

Date	Name of Official and Position in Organization	Organization
12 th Sept 2005	Mr. Tibeyongaw	Uganda Police
	Mr. Ibnul Hassan Rizvi	Mukwano Group of Companies
	Mr. Richard Kamajugo	Ag Commissioner of Trade
13 th Sept 2005	<ul style="list-style-type: none"> o Ms Florence Kata – Executive Director o Mr. Ben Naturida – Director Information Systems 	Uganda Export Promotion Board
	Mr Bisereko Kyomuhendo Ag Registrar General	Uganda Registration Services Bureau
14 th Sept 2005	Mr. Theodore Kaahwa Sababaki Commissioner for Trade	Ministry of Tourism, Trade and Industry
	Mr John Twinomusinguzi Secretary General	Uganda National Chamber of Commerce and Industry (UNCCI)
	Mr Hilary Obonyo Executive Director	Uganda Manufacturers Association (UMA)
	Mr. Oyo-Nyeko Benson Assistant Commissioner of Police, Regional Police Commander - Kampala Area	Uganda Police
15 th Sept 2005	Mr. Vinay Dawda Managing Director	Britania Allied Industries Ltd
	Mr. Keith Dimiz Commercial Director	Interfreight Uganda Ltd
	Dr. J B Kasirye Officer in Charge, Regulatory Services	Veterinary Services, Ministry of Agriculture
16 th Sept	Officer in Charge of Weighbridges	Weighbridge Department

2005	Mr. Dennis Manana Head EAC Division	Ministry of Foreign Affairs
	Mr. Charles Mwebembezi Declaration/ ICD Manager	SDV Transami
	<ul style="list-style-type: none"> o Mr. Terry Kahumba - Managing Director o Mr Musoke Ggviira - In Charge, Import Inspection 	Uganda National Bureau of Standards

(b) ATTENDANCE TO NATIONAL DISSEMINATION WORKSHOPS

1. KENYA (26th Oct 2005)

2.

Institution	Name of Official	Designation
Ministry of Trade and Industry	Mr David Nalo	Permanent Secretary
Ministry of East African and Regional Cooperation	Amb Peter Ole Nkurariya	Permanent Secretary
Ministry of East African and Regional Cooperation	Mr Barrack Ndegwa	Director of EAC
Kenya Revenue Authority	Mr El-Samma Ndegwa	Commissioner of Motor Vehicles
Kenya Revenue Authority	Ms Florence Otuoy	Senior Assistant Commissioner
Ministry of Immigration and Registrar of Persons	Mr Nicholas Ondigo	APLO/ Visa
Kenya Bureau of Standards	Ms Jane Mma	Head of Department – Internal Container Depot (Nairobi)
Kenya Bureau of Standards	Mr Reuben Gisore	Standards Officer
Kenya Plants and Health Inspectorate	Dr Esther Kimani	Officer in charge of plant quarantine station
Kenya Institute of Public Policy and Research Analysis	Mr Fred Mweincha	Policy Analyst
Kenya Ports Authority	Mr A Mutai	
Ministry of Roads and Public Works Weighbridges Department	Eng Z. Maangi	
Ministry of Roads and Public Works Weighbridges Department	Eng George Onyach	Head of Department
Ministry of Finance	Mr Evans Maturu	
Ministry of Trade and Industry	Mr B M Makau	External Trade Dev Officer
Ministry of Trade and Industry	Mr. M Otieno	External Trade Dev Officer
Ministry of Trade and Industry	Mr D C Koech	External Trade Dev Officer
Ministry of Trade and Industry Weights and Measures Department	Mr J G Kiare	
Pest Control Board	Ms Everline Cherangot	Registration Officer
Pest Control Board	Mr Peter Opiyo	Chief Analyst
Police Department Traffic Commandant's Office	Mr Alfred Asilingi	Senior Superintendent of Police
Export Promotion Council	Mr. Maurice Otieno	Research Manager
GTZ/ EABC	Mr Busso Von Alvensleben	Advisor
East African Business Council	Mr Moses Ogwal	Trade Expert
Star Freight Limited	Mr Peter Ngunjiri	Import Supervisor
KETEPA Ltd	Mr. Edwin Bi	S/ Manager
Kenya International Freight and Forwarders Association	Mr. John Mathenge	Executive Officer
Kenya International Freight and Forwarders Association	Ms Jacinta Maganda	Secretary General
Kenya National Chamber of Commerce and Industry	Mr Laban Onditi	1 st Vice Chairman
Kenya National Chamber of Commerce and Industry	Mr. John Matheka	Senior Trade and Development Officer
Mabati Rolling Mills Ltd	Mr. George Arodi	Exports Manager

Institution	Name of Official	Designation
Haco Industries Ltd	Mr Polycarp Igathe	Director of Sales and Marketing
Nation Media Group	Ms. Wanjiku Wainthaka	Business Writer
Kenya Times Ltd	Mr Vincent Musumba	Business Writer
Panapress	Mr David Otieno	Reporter
Kenya News Agency	Mr Jacob Oboko	Reporter
The Standard Newspaper	Mr. John Oyuke	Reporter
General Motors East Africa	Eng. John Mwirichia	KAM Vice Chairman
Kenya Association of Manufacturers	Ms. Betty Maina	Chief Executive
Kenya Association of Manufacturers	Mr. Walter Kamau	Senior Executive Officer
Kenya Association of Manufacturers	Mr. Dickson Poloji	Policy Analyst
Kenya Association of Manufacturers	Ms. Betty Akinyi	Meetings Facilitator
Kenya Association of Manufacturers	Ms. Sylvia Mulindi	Economist (Intern)
Trade and Investment Consortium	Mr. Simon Ihiga	NTBs Monitoring Mechanism Consultant

3. TANZANIA (28th October 2005)

Institution	Name of Official	Designation
Confederation of Tanzania Industries	Mr Amu Shah	Representing Mr A B S Kilewo Chairman EABC
Confederation of Tanzania Industries	Mr Harpreet Duggal	Representing Mr S N Salgar 1 st Vice Chairman
Ministry of Foreign Affairs and International Cooperation	Mr Audifax A Choma	Chairman/Moderator of the Workshop Assistant Commissioner/ Ag Director EAC Affairs
Tanzania Chamber of Commerce Industry and Agriculture	Mr Kalua Simba	Workshop Discussant Chamber Development Officer
Tanzania Revenue Authority	Mr Edes Francis Banzi	
Sumaria Group (T) Ltd	Mr Rahul Machotra	
Ministry of Industry and Trade	Dr L S Kaboyoka	
Treasury – Ministry of Finance	Mr Geoffrey Kabakaki	
Weights and Measures Agency	Mr Richard E Kadege	
Tanzania Bureau of Standards	Mr Joshua Katabwa	
Vibindo Society	Mr Gaston G Kikuwi	
Tanzania Private Sector Foundation	Mr Peter Lanya	
Tanzania Freight Forwarders Association	Mr. Walter Mndeme	
Presidents Office, Planning and Privatisation	Ms Diana E Makule	
Tanroads	Ms Verdiana Macha	
Tanroads	Mr Feya Malekela	
EABC	Mr Elly Manjale	Executive Director
Presidents Office	Mr Lewis Mtoi	
Ministry of Agriculture and Food Security	Ms Margaret Ndaba	
Ecolab East Africa	Mr Amon M Shaidi	
Tanzania Distilleries (T) Ltd	Mr Kirowi Suma	
Confederation of Tanzania Industries (CTI)	Mr Hussein S Kamote	Director of Policy and Research
Confederation of Tanzania Industries (CTI)	Mr. Thomas M Kimbunga	CTI Secretariat
Confederation of Tanzania Industries (CTI)	Ms Neema Mhondo	CTI Secretariat
Confederation of Tanzania Industries (CTI)	Mrs Theckla Myovela	CTI Secretariat
Trade and Investment Consortium	Mr Simon Ihuga	NTBs Monitoring Mechanism Consultant
Freelance Journalist	Mr. Japhet Benjamin	Journalist
The Guardian	Mr Bilal Abdul-Aziz	Journalist
Mwananchi	Mr. Isaac Ulimboka	Journalist
East Africa TV	Mr David Gumbo	Journalist
Radio Mlimani	Ms. Natihaka Amiri	Journalist
The Express	Ms Gloria Lyatuu	Journalist
ITV	Mr Allan Lawa	Journalist
ITV	Mr. Abdallah Kaniki	Journalist
Radio One	Mr. John Lugendo	Journalist
Business Week	Ms. Mwajabu Mlanzi	Journalist
The Business times	Mr. Andrew Msekelo	Journalist
East Africa Radio	Ms. Flora Nzema	Journalist
Praise Power Radio	Ms. Joyce Rutha	Journalist
The Citizen	Mr. Finnigan Simbeye	Journalist

4. UGANDA

Name of official	Organisation
Hon. M. Nabeta	Ministry of Tourism Trade and Industry
Mr. Abid Alam	Alam Group
Dr. Morris Obwona	EPRC
Mr. Hilary Obonyo	Uganda Manufacturers Association
Mr. Dennis Manana	Ministry of Foreign Affairs
Mr. Richard Kamajugo	Uganda Revenue Authority
Mrs. Jennifer Mwijukye	Uganda Freight Forwarders Association
Mr. Oyo Nyeko	Uganda Police
Mr. Othieno	Uganda Export Promotion Board
Mr. Joseph Bogera	Uganda National Chamber of Commerce
Mr. Sansa Ambrose	Uganda Manufacturers Association
Mr. J. Mwongera	Mukwano Industries
Mr. Augustine Mwendya	UNFFE
Mrs. Akale Proscovia	UMIA
Mr. Nalumu Rebecca	Uganda Investment Authority
Mr. John Ssempabwa	Private Sector Foundation
Mr. Mark Ongom	CelTel (U) Ltd
Mr. Muchake Jairus	Roofings Ltd
Mrs. Betty Kiguli	Nice House of Plastics
Mr. Mawanda Robert	Uganda Manufacturers Association
Mr. Ogwal Moses	EABC
Mr. Vincent Freedom Kaheeru	ICGU
Mr. Jagadish Kumathe	Brittania Industries
William Tibyasa	UFPEA
Mr. Musooka Kiwanuka	UREA
Mr. Gumisiriza Caleb	UNFFE
Mr. F.X Mubuuke	UNABCEC
Mr. E. F Ntanda	Uganda Commercial Farmers
Mr. Chris Ssewagudde	Federation of Uganda Employers
Mr. James Ogwang	UGA PRI
Mr. Michael Kyeyune	UMU
Mr. Richard Mubiru	Southern Range
Mr. R. Partel	BPC
Mr. Alex Lugya	Maganjo
Mr. Walter Wafula	Daily Monitor
Mr. R. Bhatanagar	Uganda Baati
Mrs. Ann P. Omenye	Kenya Ports Authority (Kampala Office)
Mr. James Kisambira	Nile Fishing Company
Mr. Kashiwada Yuichi	Phenix Logistics
Mr. Anant Parmar	Sigma Knitting
Mr. Manish Gathani	Nile Cosmetics
Mr. Peter Kaiju	New Vision
Mr. Alex Gita	KFM
Mr. Peter Kimanathi	Daily Monitor
Mr. Christopher Jacques	Total Uganda
Mr. John Nsubuga	Riley Industries
Mr. P.K Sharma	Farm Engineering Ltd
Mr. Consolate	KPI
Mr. Dan Muhimuza	Shumuk Aluminium
Mr. Edith Nansamba	Tuwereza Bakery
Mrs. Musoke Ann	Uganda Batteries
Mr. Kennedy Mulwa	Proctor and Allan
Mr. Miiro Nsubuga	Ntake Bakery
Mr. Mugere Musa	Luuka General Enterprises

Name of official	Organisation
Mr. Keith Diniz	Interfreight
Mrs. Nakyeyune	Kisakye Pharmaceuticals
Mr. Komuntu	Ken Group
Mr. Bukonya Sulaiman	Mavid Pharmaceuticals
Mr. B M Kibirige	Hotel Africana
Mr. Nabimalwa Wuber	Red Pepper

(c) **MEMBERS OF NATIONAL WORKING COMMITTEES**

1. KENYA

Institution	Name of Official	Designation
Ministry of East African and Regional Cooperation	Mr Kasangu – representing Mr Barrack Ndegwa	Director of EAC
Kenya Bureau of Standards	Mr Reuben Gisore	Standards Officer
Kenya Institute of Public Policy and Research Analysis	Mr Fred Mweincha	Policy Analyst
Ministry of Roads and Public Works Weighbridges Department	Eng. George Onyach	Head of Department
Ministry of Trade and Industry	Mr B M Makau	External Trade Dev Officer
Police Department Traffic Commandant's Office	Mr. Alfred Osilingi	Senior Superintendent of Police
Kenya International Freight and Forwarders Association	Mr John Mathenge	Executive Officer
Kenya National Chamber of Commerce and Industry	Mr. John Matheka	Senior Trade and Development Officer
Kenya Association of Manufacturers	Mr Dickson Poloji	Policy Analyst
Trade and Investment Consortium	Mr Simon Ihiga	NTBs Monitoring Mechanism Consultant

2. TANZANIA

Institution	Name of Official
Weights and Measured Agency	Ms M. Chuwa
Customs Department	Mr. Magori C. Magori
Ministry of Trade and Industry	Ms H.G Kembo
Tanzania Bureau of Standards	Mr. Katabwa Joshua
Confederation of Tanzania Industries	Mr Hussein Kamote
Tanzania Police Force	ACP A.W. Mugambo
NTBs Monitoring Mechanism Consultant	Simon Ihiga

3. UGANDA

Institution	Name of Official	Designation
Benson Oyo-Nyeko	Uganda Police	Regional Police Commander/ Kampala
Mukwano Industries	Ibnul Hassan Rizvi B.W. Rwabwogo	CEO
Ministry of Tourism, Trade and Industry	Mr. Theodore Kaahwa Sababaki	Commissioner for Trade
SDV Transami	Mr. Kironde Peter S	
Britania Allied Industries Ltd	Jagadish Kumathe	General Manager
Ministry of Foreign Affairs	Mr. A D. Manana	EAC Division
NEPB	Othieno Odoi	STPO

Institution	Name of Official	Designation
Uganda Registration Services Bureau	Mr. Assuna Juliet	PSA (Ag RG)
Customs and Excise Department	Mr Bihari HO	Supervisor
Interfreight Ltd	Mr John Okwaroi	Declaration Officer
Interfreight Uganda Ltd	Mr Keith Diniz	Commercial Director
Trade and Investment Consortium	Mr. Simon Ihiga	NTBs Monitoring Mechanism Consultant

ANNEX IV: COMESA NTBS MONITORING FORM AND INSTRUMENT

FORM FOR REPORTING NTBS AND OTHER BARRIERS TO TRADE IN COMESA	
To: COMESA National Enquiry Point NTB Monitoring Unit Country	
Company Details	Name
	Address Telephone No. Fax No E-mail: Contact Person:
Product Name:	Tariff Code:
	Value:
Description of the Non-Tariff Barrier or other Barriers to trade encountered when trading in COMESA (If this space is not adequate, use a different sheet to explain the problem)	
Station of Occurrence:	Date of Occurrence:
Signed:	
Date:	

The above form is proposed to reporting NTBs whenever an economic operator/trader faces a NTB listed below

The response time after reporting of an NTB will be a maximum of 3 weeks

List of Non-Tariff Barriers to be reported and Action/s to be undertaken by an Economic Operator

Non Tariff Barrier	Reporting of NTB by Economic Operator
<p>Customs Clearance Procedures:</p> <p>Information on clearing procedures should be made public in all member States through the publication of easy brochures and booklets</p> <p>When a security is demanded to ensure payment of duties and taxes, the security should be equal to the amount of duty and taxes payable. The security should be discharged as soon as the obligations demanded have been fulfilled.</p>	<p>Any procedure adopted for clearance of goods outside those contained in published documentation will constitute an NTB</p>
Import/ Export Regulations:	

Non Tariff Barrier	Reporting of NTB by Economic Operator
Information and Regulations regarding products subjected to import regulations and licensing be published. The publications should indicate the procedures and documentation required for the timely issuance of import/export permits.	Any requirement made outside those demanded in the publications will constitute a NTB
Sanitary and Phytosanitary Measures: In the absence of agreed SPS measures, Member states should exchange SPS regulations, requirements and practices	Any requirement made outside those demanded in the publications will constitute a NTB
Non-Tariff Fees: Non-Tariff fees shall be published and made available to the public. Examples of such fees include pre-shipment fees, road tolls, warehousing fees and air/marine levies	Any payment of non-tariff fees demanded outside those required legally will constitute a NTB
Technical Regulations: National Bureaus of Standards or other Government Agencies dealing with technical requirements and standards will publicise the standards and other requirements Bureaus of Standards should exchange information on their standards pending the harmonization of standards in COMESA	Any requirement or practice demanded outside the published technical requirements and standards will constitute a NTB
Transit fees: Schedule of Transit fees and Transit Requirements should be made available to transit carriers within and outside the member State. Member States shall refrain to demand transit deposits in foreign hard currencies	Any requirement or fee demanded outside those published will constitute a NTB Transit fees demanded in foreign hard currencies will constitute a NTB

RECOMMENDATIONS FOR RELAXATION AND ELIMINATION OF NON-TARIFF BARRIERS AND OTHER OBSTACLES AND RESTRICTIONS TO INTRA-COMESA TRADE

NTB	Effect	Proposed action required	Schedule for elimination			
			Immediate	Short term (within 2 years)	Medium term (2-5 years)	Long term (5 - 10 years)
Customs and Trade Procedures & Documentation <ul style="list-style-type: none"> • Customs Procedures • Documentation 	Numerous & cause delays Numerous & causes delays	Implement COMESA programme of Simplification & Harmonization which is based on WCO procedures		♦		
		Implement WTO Customs Valuation Agreement Implement HS 1996 version Implement COMESA CD	♦	♦	♦	
Quantitative	Restrict	Remove on all products,	♦			

			Schedule for elimination			
restrictions/bans and prohibitions	exports and imports to markets (mainly used to protect local industries)	except for security, health, religious, and environment reasons				
Technical Barriers (SPS) & Standards	Restrict trade if inconsistently applied	Implement COMESA programmes on quality & standards Mutual Recognition of Certification Harmonize sanitary and phyto-sanitary Implement COMESA programmes on standardisation			◆ ◆ ◆ ◆	
Administrative, Trade Policy & Institutional Issues	Cause delays and increase cost of trading	Improve conditions of service, sensitization, supervision & training, establishment of Code of Ethics for officials and Tax Payers Charter Establish standards on documents processing Levy reasonable road tolls and where possible harmonize them Speed up implementation of the Regional Customs Bond Guarantee System Remove PSI unless absolutely necessary Implement COMESA programmes on axle loading and vehicle weight & dimensions Remove unnecessary roadblocks Harmonize transit procedures	◆ ◆ ◆ ◆ ◆ ◆			
<ul style="list-style-type: none"> • Quality standards • Health requirements • Standardization of products 						
<ul style="list-style-type: none"> • Administrative practices, e.g. corruption inefficiency & attitudes • Administrative charges, e.g. PSI, road tolls, transit bond, border fees • Physical barriers, e.g. road blocks, weigh bridges, vehicle weight & dimension, transit problems 						

		Schedule for elimination				
<ul style="list-style-type: none"> • Problems of Small-scale operators, e.g lack of information • Immigration, e.g delays at border posts 		<p>Decentralize procedures so that all transactions can be done at points of entry/exit</p> <p>Dissemination & public awareness</p> <p>Facilitate movement of business persons</p> <p>Introduce COMESA passport</p>	◆	◆		
<p>Financial Constraints & Infrastructural Facilities</p> <ul style="list-style-type: none"> • Infrastructure, e.g roads, rail, air links, sea routes telecommunication, institutional facilities • Utilities, e.g electricity & water • Lack of Credit – availability & cost • Foreign exchange – scarcity 	<p>Inadequate, inefficient & high cost – increases the cost of trade and reduces volume of trade</p>	<p>Improve the infrastructure (Government intervention)</p> <p>Capacity building of institutions</p> <p>Privatisation, commercialization or concession</p> <p>PTA Bank to avail credit finance for intra-COMESA Trade</p> <p>Speed up establishment of new cross-border payment system</p>		◆	◆	◆

Source COMESA Secretariat

ANNEX XIII

(Printed Report)

ANNEX XIV

THE EAST AFRICAN MODEL INVESTMENT CODE, 2006

ARRANGEMENT OF SECTIONS

PREAMBLE

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2. Interpretation
3. Application and Transitional Provisions
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PART II – RIGHT OF ESTABLISHMENT, ESTABLISHMENT PROCEDURES, OPERATION, PROTECTION AND BENEFITS OF AN ENTERPRISE

5. National Treatment and Non-Discrimination
6. Agencies' Powers to issue Registration Certificates
7. Facilitation Services of the Agency
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9. Application for a Certificate
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12. Incorporation or Registration of Enterprise
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THE EAST AFRICAN MODEL INVESTMENT CODE, 2006

PREAMBLE

RECOGNISING:

That the Republic of Kenya, the Republic of Uganda, and the United Republic of Tanzania have enjoyed close historical, commercial, industrial, cultural and other ties for many years recently reinforced and strengthened by the Treaty of 1999 re-establishing among the Partner States the East African Community; *and recognizing the establishment and operationalization of the EAC Customs Union with effect from January 2005.*

That the vision for regional integration and development is to strengthen the regional market, create wealth in the region, and enhance competitiveness through increased production, trade and investment in the region;

That the Partner States due to globalization in trade and investment need to take more proactive measures in improving the region's investment climate,

That the Partner States need and pursue open, liberal and transparent investment policies that significantly contribute to their economic progress principally through the private sector led development including policies that provide for:

- (a) openness to foreign investment,
- (b) right to private ownership and establishment;
- (c) full protection of property rights;
- (d) liberalized foreign exchange markets;
- (e) conducive repatriation conditions;
- (f) stable, transparent and predictable regulatory framework;
- (g) simplification of investment establishment procedures thereby replacing the regulatory role of investment screening and approvals with promotional assistance and facilitation;
- (h) national treatment status,
- (i) right to national and international impartial arbitration in the event of a dispute with government:

That the Partner States need to harmonise their investment laws and policies as a systematic way of charting out action toward achieving the goals of regional integration and development;

That the Partner States recognizes the need to generate employment opportunities, increase foreign exchange earnings, enhance modern management skills, increase technology transfer and promote local entrepreneurship.

That the Partner States, before harmonization of their investment laws and policies, need a Model Investment Code to assist them in improving their national investment codes and policies through capturing the best international investment practices while working towards harmonization, and

That the Partner States by adopting any or all of the provisions of the Model Investment Code into their respective national investment codes and policies would enhance quantitative and qualitative foreign and local investment in the region while reducing fiscal incentives provided to investors, thereby reducing competition for investment in the region and associated costs.

NOW THEREFORE THIS MODEL INVESTMENT CODE PROVIDES AS FOLLOWS:

PART I:

PRELIMINARY

Short title

1. This Code shall be cited as the East African Model Investment Code, 2006

Interpretation

2. In this Code unless the context otherwise requires-

“Agency” means the responsible investment promotion agency of a Partner State;

“Authority” means the Special Economic Zones Authority established under Section 29;

“benefits” includes facilities and incentives provided under this Code;

“business activity” means any activity engaged in for gain or reward in any part of the economy of a Partner State other than employment;

“capital” means cash contributions, plant, machinery, equipment, buildings, spare parts and other business assets, other than goodwill, which are not consumed in the regular operations of a business;

“Certificate” means a certificate of registered Investment issued under this Code;

“company” includes any other body corporate;

“developer” means Government, a person, corporate body or other legal entity that develops and administers a Zone;

“Citizen” means a citizen of a Partner State and includes a company incorporated under the laws of a Partner State in which the majority of the issued share capital is owned by the citizens of the Partner State within the meaning of this definition;

“enterprise” means the business or undertaking in which local or foreign assets are invested and in respect of which a Certificate has been issued;

“export processing zone” means a designated area or region in which firms can import duty free as long as the imports are used as inputs into the production of exports;

“facilities” means support services and approvals necessary for the establishment and operation of an enterprise;

“foreign assets” includes freely convertible foreign currency, and any currency, credits, rights, benefits or property, whether corporeal or incorporeal, obtained by the expenditure of foreign currency or, except as regards currency in the Partner State which has not been obtained by the expenditure of foreign currency belonging to a foreign national, and the returns derived from such credits, rights, benefits or property;

“foreign investor” means

- (a) a natural person who is not a citizen of the Partner States;
- (b) a company incorporated under the laws of any country other than the Partner States;
- (c) a company incorporated within the Partner State in which the majority of the issued share capital is owned by foreign nationals within the meaning of this definition;
- (d) a partnership in which the controlling interest is owned by a person who is not a citizen of the Partner State;
- (e) a person or company or partnership defined above that has made an investment in the Partner State;

“free trade zone” means part of a Zone or territory of a Partner State in form of land or building, airport, river port or lake port declared as such zone and specifically marked and fenced around as a totality in which commercial activities referred to in section 28 are conducted under conditions prescribed by law;

“gazette” means the official Government gazette of a Partner State;

“Government” means the Government of a Partner State and includes a local authority and any body or institution established by law;

“incentives” means tax relief, remissions, exemptions and concessions granted to an investor under this Code or under any other law:

“industrial estate” means a tract of land subdivided and developed according to a comprehensive plan under a unified continuous management and with provisions for basic infrastructure and utilities with or without pre-built standard factory buildings and community facilities for industrial use;

“investment” shall comprise the contribution of local or foreign capital by an investor including the creation or acquisition of business assets by or for a business enterprise and shall include-

- (a) expansion, restructuring, improvement or rehabilitation of a business enterprise;
- (b) movable and immovable property as well as any other rights in respect of every kind of asset;
- (c) rights derived from shares, bonds and other kinds of interests in companies and joint ventures;
- (d) title to money, goodwill and other assets and to any performance having an economic value;
- (e) rights in the field of intellectual property, technical process and know-how;
- (f) rights granted under public law including rights to protect, explore, extract and win natural resources;

“investor” means a foreign or local investor;

“local investor” means –

- (a) a natural person who is a citizen of the Partner States;
- (b) a company incorporated under the laws of the Partner States;
- (c) a company incorporated within the Partner State in which the majority of the issue share capital is owned by the citizens of the Partner State within the meaning of this definitions;
- (d) a partnership in which the controlling interest in the partnership is owned by a person who is a citizen of the Partner State;

(e) a person or a company or partnership defined above that has made an investment in the Partner State.

“manufacturing under bond” means a facility extended to manufacturers to import plant, machinery, equipment and raw materials tax free, for exclusive use in the manufacture of goods for export;

“Minister” means the minister responsible for investment;

“One stop centre” means place where an investor deals with one single entity to obtain all the necessary documentation in one streamlined and coordinated process.

“Partner State” means the Republic of Kenya, Republic of Uganda, and the United Republic of Tanzania and any other country granted membership to the Community under Article 3 of the Treaty;

“Special Economic Zone” means a selected area zoned to cater for export and domestic industries, providing best investment practices and facilities and with the potential to be developed into any or all but not limited to the following:

- (a) industrial estates;
- (b) export processing zones;
- (c) free trade zones;
- (d) virtual zones;
- (e) tourist or recreational centers;
- (f) manufacturing under bond;
- (g) technology parks;

“technology park” means a designated part of a Zone or territory of a Partner State designated as such zone where there is manufacturing or development of software or hardware principally for export; provision of on site consultancy services for the manufacture or development of software or hardware and at client sites abroad, and provision of information and communication technology to support operations of back offices, call centers, products or services such as animation data processing, engineering content development or information system services, human resource services, insurance claim processing, legal data bases, medical transcription, payroll remote maintenance, revenue accounting support centers and website services;

“tourist and recreation park” means a designated part of a Zone or territory of a Partner State designated as such where services and

goods to both local and foreign visitors are provided and include tourist hotels, resorts, accommodation facilities, restaurants, sports and recreation facilities;

“*virtual zone*” means a zone for targeted projects that are not located within the designated physical zones including a zone -

- (a) that is not located in a designated zone due to time lag in the latter's development;
- (b) whose promoter wishes the zone to be close to its was material supply or close to local regional market areas,
- (c) that does not want to be in proximity to a large competitor already in the designated zone;

“*Zone*” means a Special Economic Zone.

Application and Transitional Provisions

- 3. (1) The provisions of this Code may be adopted into investment policies or enacted in the investment laws of a Partner State and to that extent this Code shall remain a guiding instrument without any binding effect on any Partner State
- (2) Until harmonization of laws and policies in East Africa relating to investment is done, investors shall continue to access such incentives and benefits as are provided under the national investment codes, laws and policies of the respective Partner State; provided that every Partner State in granting incentives to investors shall take cognizance of the need to promote East Africa as a region.

Scope

- 4. This Code shall supplement a Partner State's investment laws and policies when any or all of its provisions are adopted as provided under subsection (1) of section 3.

PART II

RIGHT OF ESTABLISHMENT, ESTABLISHMENT PROCEDURES, OPERATION, PROTECTION AND BENEFITS OF AN ENTERPRISE

National Treatment and Non-discrimination

5. (1) Subject to the provisions of this section and the compliance with any formalities or requirements prescribed by any law of a Partner State in relation to the relevant business activity, a foreign investor may invest and engage in any business activity in a Partner State which any local investor of the Partner State may undertake.
- (2) For the purposes of any law governing the establishment and carrying on of any business activity or the taxation of the income, or any other aspect, of any business activity, in a Partner State, a foreign investor shall be in no different position than any local investor of the Partner State except as may be otherwise provided by this Code or other relevant law.
- (3) A foreign investor shall be encouraged to engage in joint venture activities with local investors provided that no foreign engaged in a business activity or intending to commence a business activity in a Partner State shall be required to provide for the participation of the Government of the Partner State or any of its citizens as shareholders or as partner in such business, or for the transfer of such business to the Government or citizen.
- (4) Notwithstanding the provisions of subsection (3), it may be a condition of any license or other authorization to, or any agreement with a foreign investor for the grant of rights over natural resources that the Government shall be entitled to or may acquire an interest in any enterprise to be formed for the exploitation of such rights.
- (5) (i) The Minister may, by statutory instrument and with the approval of Parliament, specify any business or category of business which, in his or her opinion, is engaged primarily in the provision of services or the production of goods which can be provided or produced adequately by the citizens of the Partner State and with effect from the date of such statutory instrument, no foreign investor shall, subject to the provisions of subsection (6), through the investment of foreign assets, become engaged in or be permitted to become engaged in any business so specified or falling within any category of business so specified.

(ii) The Minister may establish a minimum threshold for foreign and national investments that are permissible.
- (6) A statutory instrument made under subsection (5) shall not affect the validity of any certificate issued under section 10 before the date

of such statutory instrument in respect of any enterprise which is an enterprise specified in such statutory instrument or which falls in any category of business so specified, or any right privilege or benefit accorded by this Code or other relevant law to the holder or such a Certificate.

Agencies' powers to issue Registration Certificates

6. (1) If the investment of a foreign or local investor in a Partner State is an eligible investment under sections 5(5) and 8, the Agency may, subject to the provisions of the relevant law, issue a Certificate in respect thereof.
- (2) For the avoidance of doubt, an eligible investor may register with the Agency and accordingly the Agency shall promote its facilitation services so that the investor knows the services are worth seeking.

Facilitation Service of the Agency

7. Pursuant to subsection (2) of section 6, the Agency shall co-ordinate and facilitate the establishment of an enterprise by assisting it in-
 - (a) securing of a Tax Identification Number or other similar requirement;
 - (b) securing of Value Added Tax or similar tax registration;
 - (c) the filling of investment registration form;
 - (d) obtaining necessary approvals for project implementation;
 - (e) coordinating the carrying out of an environment impact assessment study of the enterprise as required under the relevant environment laws;
 - (f) securing entry permits from the immigration offices;
 - (g) securing land and utilities;
 - (h) providing such other support and assistance as the investor may require to establish his or her enterprise.

Investments Eligible for Certificates

8. (1) For the purposes of this Code, an investment is an eligible investment if it is an investment, or Proposed investment, in a Partner State by a foreign or local investor or assets of a value of not less than the amount, which the Ministers, with the approval of Parliament, may determine from time to time;

- (2) Notwithstanding the provisions of subsection (1), minimum thresholds for portfolio investment for foreign and local investors shall be governed by a Partner State's relevant laws.
- (3) Notwithstanding 8 (1) and (2) above the Minister may prescribe special incentives for investments in novel and high risk ventures and also in underdeveloped regions of the Partner States. These could include waiver of minimum threshold requirements.

Application for a Certificate

9. (1) Any investor may apply to the Agency for a Certificate in respect of an investment which qualifies as an eligible investment in terms of section 5 (5) and section 8.
- (2) An application for a Certificate shall be in the prescribed form, which shall require such information from the applicant as may be necessary to enable the Agency to expeditiously consider the application;
- (3) The Agency may charge the prescribed fees for processing applications.
- (4) The amount or value and description of the assets invested or to be invested and, if they have not yet been invested in the enterprise, the periods within which they shall be invested;
- (5) That the implementation of such proposals forming part of the application for the Certificate as are set out in the Certificate shall constitute an obligation of the holder of the Certificate and a condition of the continued validity of the Certificate; and
- (6) Such other matters as the Agency may deem necessary or expedient for the purposes of this Code and other relevant law.

Grant of a Certificate

10. (1) If the Agency is satisfied that the investment in respect of which application for a Certificate is made is an eligible investment under sections 5 (5) and 8, the Agency may automatically issue a Certificate in respect thereof.
- (2) Every Certificate shall state-
 - (a) the name of the investor to whom it is granted;
 - (b) the name and description of the enterprise in which the investment is or is to be made;
 - (c) location and address.

Amendment and Transfer of a Certificate

11. The Agency may, with the consent, or on application, of the holder of a Certificate, as the case may be, amend a certificate issued under this Code or transfer the Certificate to any other investor provided the transfer is in compliance with the relevant laws and regulations in force at the time of such transfer.

Incorporation or Registration of Enterprise

12. (1) A person who intends to establish a business enterprise shall, if he or she has not previously done so, incorporate or register the enterprise under the Partner State's Companies Act, or any other law relevant for the establishment of the enterprise.
 - (2) The office responsible for the incorporation or registration of the enterprise under subsection (1) shall expeditiously incorporate or register the enterprise not later than seven working days after lodging the application in the case of a private limited liability company and a partnership and thirty working days in the case of a public company.

Foreign Currency Transfers

13. (1) A Partner State shall guarantee the transfer of payments related to an investment in convertible currency, without undue restrictions and delay.
 - (2) The transfers under subsection (1) shall include:-
 - (a) profits, interest, dividends and other current income;
 - (b) funds necessary:
 - (i) for the acquisition of raw or auxiliary materials, semi-fabricated or finished products; or
 - (ii) to replace capital assets in order to safeguard the continuity of an investment; additional funds necessary for the development of an investment, funds in repayment of loans, royalties or fees, earnings of natural persons and the proceed of sale of liquidation of the investment.

Protection from Deprivation of Property

14. (1) No person shall be compulsorily deprived of property or any interest in or right over property of any description except where the following conditions are satisfied-

- (a) the taking of possession or acquisition is necessary for public use or in the interest of defense, public safety, public order, public morality or public health; and
- (b) the compulsory taking of possession of property is made under a law which makes a provision for-
 - (i) Prompt payment of fair and adequate compensation, in freely convertible currency, where necessary, prior to the taking of possession of acquisition of property; and
 - (ii) A right of access to a court of law or other place of arbitration or remedy referred to under section 15 by any person who has an interest or right over the property.

Settlement of Disputes in Respect of Registered Investment

15. (1) The Settlement of disputes in respect of Registered Investment should be in accordance with national laws and procedures
- (2) If a person to whom a Certificate is to be issued under section 10 so elects, the Certificate shall provide that any dispute between the holder of the Certificate and the Government in respect of-
- (a) any issue relating to the amount of, any other matter in connection with, any compensation payable in case of an expropriation as provided in section 14;
 - (b) the validity or continued validity of the Certificate, shall be referred to settlement by international arbitration.
 - (c) Where issue of compensation arises compensation shall be paid on pro-rata basis.
- (3) Where a Certificate provides for the settlement of disputes by international arbitration, arbitration shall be in accordance with the arbitration Rules of the International Centre for the Settlement of Investment Disputes in force at the time when the Certificate was issued, unless by agreement between the Minister and the foreign national to whom the Certificate is to be issued, another method of settling the dispute has been chosen and the Certificate so provides.
- (4) A Certificate that makes provision for international arbitration shall constitute the consent of the holder of the Certificate and the Government to submit arbitration in the manner provided in the Certificate, and any award rendered in such arbitration shall be final and binding on the holder of the Certificate and the Government.

(5) Nothing in this section shall be construed-

- (i) In a case where a Certificate does not make provision for settlement of disputes by international arbitration, as impairing or limiting the right of the holder in any Certificate, in the event of a dispute, to any remedy available to the holder in any competent Court or tribunal in the Partner State or the East African Court of Justice or to an insurance cover against non-commercial risk under the Multi-lateral Investment Guarantee Agency or other insurance agency.
- (ii) In a case where a Certificate does make provision for the settlement of disputes by international arbitration, as precluding the holder and the Minister from agreeing that any particular dispute shall not, as provided in the certificate, be referred to international arbitration, but be heard and finally determined by any competent court or tribunal in the Partner State.

Foreign Personnel

- 16. (1) An enterprise registered with an Agency is shall be entitled to a certain number of foreign persons depending on the provisions of investment code of respective Partner States.

Incentives

- 17. (1) (A Partner State may offer incentives to investors as provided for in Annex I)
- (2) The Minister may, by statutory instrument and with approval of Parliament, specify priority areas of investment and prescribe additional benefits that are not detrimental to other investors.
- (3) Except under exceptional circumstances that may arise in the management of a stable and predictable macro-economic environment, the benefits accorded to investors under this Code shall not be amended to the detriment of investors.

PART III – INVESTMENT PROMOTION AGENCIES

Objectives of the Agency

- 18. (1) The Agency shall be the primary agency of Government for the purpose of coordinating, encouraging, promoting and facilitating investment in the Partner State and advising Government on the investment policy and related matters.

- (2) In advising Government under subsection (1), the Agency shall take into account comments of the private sector and stakeholders.

Board of the Agency

- (19) (1) The Agency of a Partner State shall have a Board consisting of-
- (a) a chairperson, appointed by the President, with sound knowledge or practical experience in investment promotion, investment management and business;
 - (b) the Executive Director appointed by the Board;
 - (c) three members with sound knowledge or practical experience in investment promotion, investment management and business;
 - (d) one representative nominated for appointment by the National Chamber of Commerce and Industry;
 - (e) one representative nominated for appointment by the Manufacturers Association;
 - (f) the following ex-officio members;
 - (i) the Permanent Secretary or Director or equivalent rank in charge of policy; in the ministry responsible for finance or planning;
 - (ii) the Permanent Secretary or Director or equivalent rank in charge of tourism, trade, industry and technology, in the ministry responsible for industry.
- (2) The Minister in consultation with the relevant bodies shall appoint all members, other than the Chairperson, executive Director and the ex-officio members.
- (3) A member of the Board other than the Executive Director and ex-officio shall hold office for three years and is eligible for re-appointment.

Functions of the Agency

- (20) For the purpose of achieving its objectives under section 18, the Agency shall have the following functions-
- (a) ~~the Agency shall be a one-stop~~ centre for facilitation;
 - (b) to ~~advise~~ the government on policy matters relating to investment;
 - (c) to initiate and support measures that will enhance investment in the Partner State for both local and foreign investors;

- (d) to collect, collate, analyze and disseminate information about investment opportunities and sources of investment capital;
- (e) to assist in identifying potential partners for joint venture projects;
- (f) to provide and disseminate up-to-date information on benefits available to investors;
- (g) to perform such other functions as are incidental to the attainment of its objectives under this Code.

PART IV – SPECIAL ECONOMIC ZONES

Establishment of Zones

- (21) (1) A Zone is established when-
- (a) spatial, energetic, technical and other conditions prescribed for conducting activities in a Zone are provided;
 - (b) in case of production for export, the percentage of goods and services exported from the Zone is not less than the prescribed percentage except in cases provided under the relevant law;
 - (c) by performing the activities in the Zone, there is an increase of employment in the Partner State; and
 - (d) in the production and technological processes, goods that are manufactured and stored, and services that are performed do not endanger the environment.
- (2) A developer shall provide the required start-up capital and any other necessary facility.
- (3) A developer shall provide assets for establishment and commencement of activities in the Zone, as well as appropriate spatial, environmental, energetic, technical and other conditions for conducting activities in the Zone and shall make an agreement for its establishment.
- (4) A developer, manager and user shall employ citizens of the Partner State, and shall purchase goods and services from Partner States' supplies and sub-suppliers, whenever commercially viable.

Spatial Conditions for Establishment of Zones

- (22) (1) Zones shall be established in areas determined by spatial or physical plans for locality and may be established within or out of urban areas.
- (a) The construction of buildings and the performance of other activities in a Zone shall be of public interest.
 - (b) A Zone may consist of a number of separate parts of the territory of a Partner State, each of which shall be demarcated and detached from each other.

Free Trade Zones

- (23) (1) An enterprise in a free trade zone shall have the right to produce any type of goods and services for export subject to any written law.
- (2) An enterprise in a free trade zone shall be free to:-
- (a) store, warehouse, pack, unpack and repack, divide, sub-divide, group, breakdown, assemble, disassemble, bottle, re-bottle, can, re-can, alter, sample, display, grade, test, classify, label, re-label, finish, handle, mix, combine, clean, manipulate, restore, join, transform, transit and transship, transfer, mount, refine, salvage, destroy, demolish, confection, process and manufacture any foreign or domestic raw material, intermediate, semi finished or finished goods or component for export or re-export;
 - (b) render and sell any type of information processing, computer aided design, computer aided printing and publishing, software development, tele-making and any other similar and related services;
 - (c) render and sell financial banking maintenance, professional training and other services subject to all relevant laws and regulations for the time being in force; and
 - (d) carry out any other services relevant to its license as may be considered necessary by the Board.
- (3) A free trade zone enterprise may change its production lines and process as often as it considers necessary subject to prior approval of the Board.
- (4) No license shall be granted for the carrying on of business of banking or insurance unless the applicant is also registered under the relevant banking or insurance law respectively.

Export Processing Zones

24. An export processing zone enterprise shall principally manufacture and process goods for export.

Manufacturing Under Bond

25. Refer to Manufacturing under Bond regulations as provided for in The East African Community Customs Management Act, 2004

Technology Parks

26. A technology park enterprise may be established in a Zone to promote the development of new and high technology industries.

Industrial Parks and tourist recreational centers

27. A business enterprise may locate in an industrial park and tourist recreational centers in a Zone.

Virtual Zones

- (28) A business enterprise may be established in a virtual zone and may be entitled to the same facilities and incentives as if it were established in a designated physical zone.

Special Economic Zones Authority

- (29) A Partner State may promulgate a law for the proper regulation and functioning of Special Economic Zones and provide, *inter alia*, for the establishment of a Special Economic Zones Authority to implement the law.

PART V – MISCELLANEOUS

- (30) The Minister may make regulations prescribing-
- (a) the form and manner in which applications shall be made, the information which shall accompany such applications and any fee payable on such applications;
 - (b) the circumstances in which reports shall be made on the progress made in implementing the obligations of the holder of a Certificate and the information to be furnishes in such report;
 - (c) such other matters as the Minister may deem necessary or expedient to prescribe for the purpose of the Code.

**PART III
ANNEXURE I**

PART I - INCENTIVES FOR DEVELOPERS, EXPORT PROCESSING ZONES, MANUFACTURING UNDER BOND, FREE TRADE ZONES AND TECHNOLOGY PARKS

1. Fiscal

- (d) 10 year corporate tax holiday and 25% tax thereafter;
- (e) 10 year withholding tax holiday;
- (f) Duty and VAT exemption, on raw materials, machinery, equipment and other inputs;
- (g) Stamp duty exemption;
- (h) 100% investment deduction on capital expenditure within 20 years;
- (i) complete exemption from dividend tax;
- (j) Duty and tax free import of goods from domestic tariff area permissible;
- (k) Duty free import of two motor vehicles for use of business enterprise allowed under certain conditions;
- (l) Exemption of income tax on interest on borrowed capital;
- (m) Relief from double taxation subject to bilateral agreements;
- (n) Exemption of income tax on salaries of foreign technicians for 3 years subject to certain conditions;
- (o) Exemption from property tax for 10 years;
- (p) Re-invested profits in capital assets in a Zone shall be entitled to reduced profit tax base from the amount invested in proportion to the amount invested after the expiration of a period of ten years and one day after commencement of the activities.

2. (a) Export of minimum of-

- (i) 60% of goods manufactured or services provided in the first year of operation;

- (ii) 70% of goods manufactured or services provided in the second year of operation;
 - (iii) 80% of goods manufactured or services provided thereafter.
- (b) Damaged or rejected goods or samples may be sold to the domestic tariff area; and such goods shall be considered as part of the percentage authorized to be sold to the domestic tariff area and shall be subject to applicable taxes;
- (c) Freedom from national import policy restrictions subject to Second Schedule, East African Community Customs Management Act, 2004;
- (d) Re-location of existing industries from one zone to another allowed;
- (e) Sub-contracting within the Zones allowed;
- (f) All customs formalities done at the gate site of the respective factory building;
- (g) Inter-zone export permitted;
- (h) Issuance of permits for import or export done in 24 hours;
- (i) Repairing and maintenance of machinery and capital equipment from the domestic tariff area allowed;
- (j) Zone areas are secured and protected.

PART II – INCENTIVES – NON-FISCAL FOR ALL BUSINESS ENTERPRISES IN ZONES

1. Investment

- (a) All foreign investments secured by law;
- (b) No ceiling on extent of foreign investment;
- (c) Full repatriation of profit and capital permissible;
- (d) Repatriation of investment including capital gains, if any, permissible;
- (e) Remittances allowed in following cases;
- (f) All post-tax profit and dividend on foreign capital;:
 - (i) Savings from earnings, retirement termination benefits or personal assets, individuals on retirement/termination;
 - (ii) Approved royalties and technical fees.

2. Off-shore banking facilities available

- (a) Local and international banking facilities also wide-open;
- (b) Insurance facilities and re-insurance facilities available.

3. Employment

- (a) Liberal employment of foreign technicians or experts allowed;
- (b) Foreigners employed in the Zones enjoy equal rights similar to those of a Partner State's nationals.

PART III – FACILITIES FOR ALL BUSINESS ENTERPRISES

- (a) Land and in some cases factory buildings are available on rental or lease basis;
- (b) Electricity, telecommunications, gas and water are provided by the Zones;
- (c) Entry permits are issued within Zones;
- (d) Recreation facilities are available;
- (e) Potential investors are required to principally deal with the Authority for investment and all other operational purposes;
- (f) Support services such as customs office, post office, medical centers, fire station, and police are within a Zone.

**April 2005
EAC Secretariat
ARUSHA, TANZANIA**

ANNEX XV



JOINT EXPORT AND INVESTMENT PROMOTION STRATEGIES FOR THE EAST AFRICAN COMMUNITY

2006 - 2010

16th JUNE 2006

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FOREWORD

This strategy, as stipulated in the mission statement and objectives, is expected to transform and position of the EAC at the global stage as a credible and viable single investment destination, as well as an attractive location for undertaking export business.

The implementations of this strategy, therefore, takes cognisance of the practical realities in the Partner States with respect to constraints and at the same time their potentials and capacities. The strategy should enhance the synergy among the Partner States in a bid to develop EAC as a single market, taking into account the ongoing initiatives under the EAC Customs Union Protocol and the numerous projects and programmes that have been undertaken or underway.

An implementation matrix has been developed and is attached herein as Annex 2. The implementation framework takes a multidimensional approach and deeply seeks to involve all the three major players in the region i.e. the Partner States Governments, the Private Sector and the EAC Secretariat.

1.0 BACKGROUND AND CONTEXT

The EAC region (Tanzania, Kenya and Uganda) covers an area of 1.8 million square kilometres with a combined population of close to 100 million and has a vast potential in mineral, water, energy, forestry and wildlife resources. It also has agricultural, livestock, industry and tourism development. Its people have a common history, language (Kiswahili), culture and infrastructure. These advantages provide the three countries with a unique framework for regional co-operation.

In a major development in East Africa, the Partner States decided to join hands and form a trade bloc called East African Community (EAC) in January 2001. The new trade bloc aims to work towards economic policies that are pro-market, pro-private sector and pro-liberalisation. By pooling their resources and promoting free trade within the region, the EAC aims to emerge as a leading trade entity in East Africa

Table 1: The market of the East African Community in 2003

Country	Population	GNI	GNI Per	GNI PPP	GNI per
	(millions 2003)	\$billions 2003	capita \$2003	\$billions 2003	capita \$2003
Uganda	25.3	6	240	36	1440
Kenya	31.9	13	390	33	1020
Tanzania	35.9	10	290	22	610
Total	93.1	29	920	91	3070

Source. Based on the World Bank, World Development Report, 2005

From the data shown in Table 1 it is evident that East African countries are relatively poor. Like most Sub Saharan Africa, they are under strong pressure to expand their export base and encourage investment as one major way of fighting poverty. In a situation of increasing competitive global markets, the challenge for these countries is to find ways to ensure improved export performance. One of the solutions is collective action that will help to respond effectively and decisively to the demands of the markets. Emphasis is placed on collective action rather than initiatives by individual countries. One such collective is joint promotion of exports and investment opportunities.

The main objective of the integration of East African Countries is to improve the standard of living of the population. The establishment of a peaceful and stable environment for productivity, trade and investments is a prerequisite for the sustainable development of the region. The East African Community (EAC) Partner States realize that they can achieve the development goals faster by uniting their efforts. They have therefore embraced regional integration for its advantages of the economies of scale, market enlargement and stimulation of productivity. Currently the main vision of EAC is to widen and deepen integration in the region.

Under the Treaty for the Establishment of the East African Community (1999) provisions have been made for co-operation in a broad range of political, economic, social and cultural programmes. The Treaty sets out the vision of the Community to be realised in an incremental progression through the stages of a Customs Union; a

Common Market; a Monetary Union, and ultimately a Political Federation. The ongoing process to expedite the pace of integration towards political Federation of East Africa, testifies to the unity of spirit and purpose.

It is also recognised that no country in the world has managed to develop without increasing its investment capacity and thereby export capabilities. The EAC partner states are constrained by scarcity of investible resources obtained domestically as the saving levels, the main source of investment are low. The low savings levels are caused by low levels of incomes due to widespread poverty.

The partner states have recognised the need to promote together their economies under the aegis of EAC. Like in many other developing regions the main challenges that have been analysed to impede investment and export promotion are also relevant to EAC.

2.0 CURRENT STATUS OF EXPORTS AND INVESTMENT OF THE EAC ECONOMIES

2.1 Exports and structure of the economies

Reviewing the economic data of Kenya, Uganda and Tanzania reflects a profile of export base that has remained relatively narrow as indicated in Table 2 below. Exports of primary agricultural products still dominate the export scene of East Africa. Service exports (mainly tourism and transit trade) are increasingly becoming robust export performers. Mineral exports are also showing the potential to grow faster, particularly in gold with Tanzania on course to become a world player, as well as significant developments of coal, gemstones and base metals.

Table 2: Key Exports, destination and structure of GDP (Average for the period 2003-2005)

Description	Unit	Kenya	Tanzania	Uganda
Principal Exports	US\$ million	Tea 460	Minerals 300	Fish 127
		Horticulture 280	Coffee 70	Coffee 113.9
		Coffee 150	Cashew 50	Gold 57.03
				Tobacco 37.9
				Tea 35.6
Main destinations	%	UK 14	UK 20	Switzerland 15.5
		Tanzania 13	India 13	Kenya 13.6
		Uganda 12	Germany 9	Other COMESA 13.1
				Netherlands 9.2
				UK 5.3
Structure of GDP	%	Agriculture 24	Agriculture 48	Agriculture 37.6
		Manufacture 13	Services 35	Industry 19.8
		Commerce 13	Manufacture 8	Services 42.5

Source: Calculated using data from various Economic Surveys of Partner States and other documents.

Table 2 also shows that the East African countries remain heavily dependent in agriculture, portrayed by the structure of GDP where for the period 2003-2005 the average contribution of agriculture for Kenya was 24%, Tanzania 48% and Uganda 37.6%.

2.2 Investment activities in the EA Community

In all three Partner States the role of investment promotion and facilitation is performed by their respective Investment Promotion Agencies, namely, Kenya Investment Authority, Tanzania Investment Centre, Zanzibar Investment Promotion Authority and Uganda Investment Authority. These institutions were set up by Acts of Parliament. In general, the basic requirements for approval of investment are the same in all the countries. These include filling in an application form, attaching a business proposal, Certificate of Company Registration and Memorandum and Articles of Association.

However, there is a variation on the minimum threshold requirement among the Partner States. In Kenya the minimum threshold is US\$ 100,000 for foreign investors and US\$ 15,000 for domestic investors. In Tanzania the minimum threshold is US\$

300,000 for foreign investors and US\$ 100,000 for domestic investors. In Uganda the minimum threshold is US\$ 100,000 for foreign investors and US\$ 50,000 for domestic investors.

In general the total investment flows among Partner States increased between 2004 to 2005 in terms of number of projects. In Kenya the total number of approved projects from Partner States increased from 3 to 5 indicating an increase of 66.7 %. In Tanzania the number of projects increased from 29 to 36 indicating an increase of 24.1 % during the same period. In Uganda the projects increased from 10 to 22 indicating an increase of 120 %.

The figures on investment from the Rest of the World measured by the number of approved projects showed an increase for Tanzania (17.9 %) and Uganda (64.5 %); and a decline in Kenya (18.8 %).

2.3 Individual Countries Analysis.

Uganda

Uganda's strategy has been the diversification of the country's export base. By 1998 the country's export base included 40 products, compared to 12 in 1986. Emphasis is on the promotion of non-traditional exports, especially the high-value export crops that can be airlifted to markets abroad, industrial and service products such as fish, cut flowers, fruits, vegetables, vanilla, sesame seeds, hides and skins, gold, soap, cement and a lot more. Uganda's service exports have shown some improvement. Total services account for some 40 % of GDP and total service exports including remittances averaged 40 % of total exports. Under the "Big Push" strategy, Uganda seeks to promote service exports in education and information and communication technology. As a result of the diversification, the country's dependence on coffee as the main export commodity has significantly reduced from 98 percent in 1987 to about 40 % in 1997 and 27 % in 2001.

There has been a deregulation of producer and consumer prices and the abolition of marketing monopolies. A core element of the Uganda's reform program has been the implementation of trade liberalisation and the development of an outward-looking development strategy. Private sector development has been encouraged through a number of publicly financed institutions and the strengthening of private/public sector consultation mechanisms. Competition is being introduced in the delivery of utilities and state monopolies have been privatized.

Nevertheless, Uganda continues to face challenges with regard to a co-ordinated and integrated approach to trade and high cost of doing business. High production costs in Uganda are evident across all economic sectors. These high costs are the result of poor delivery of utility services, transportation and financial services. In order to advance competitiveness it will be necessary for Uganda to address its infrastructural limitations including the availability and cost of utilities. A partial solution to the problem will be to enhance policies that will attract FDI into productive enterprises.

Uganda's total domestic exports to Kenya and Tanzania increased by 4.6 percent and 13.1 percent in 2005 respectively when compared to the levels attained in 2004. Domestic exports to Kenya increased from US\$ 54.9 million in 2004 to US\$ 57.5 million, while those to Tanzania increased from US\$ 8.5 million to US\$ 9.7 million over the same period. Further analysis reveals that in 2005, there were increases of 317 percent in the export of maize, 339 percent in export of fish, 38 percent in the export of dried leguminous vegetables and by 79 percent in the export of combed cotton. One of the driving factors in the growth of maize exports was the drought in Kenya during 2005. In addition, it appears that the implementation of the Customs Union policy of 'zero rating' products from member states could have further accelerated the export of the edible products, such as fish, maize and leguminous vegetables.

Domestic exports to Tanzania reduced by an estimated 22 percent from US\$ 10.9 million in 2003 to US\$ 8.5 million during 2004. In 2005 there was a 13 percent growth to US\$ 9.7 million. The growth in domestic exports was mainly underpinned by the increase in exports of maize, rolled iron or non-alloy steel, other tubes, pipes and hollow profiles of iron or steel, and cement.

An analysis of Uganda's exports to the rest of the world shows that domestic exports to the rest of Africa reduced by 72 percent in 2004 compared to the levels recorded in 2003. In 2005 exports to the Rest of Africa fell by 42 percent when judged against the values recorded in 2004. Domestic exports to the European Union and USA also reduced by 3 percent and 8 percent in 2004 when compared to the outturns of 2003. However, there were increases of 31 percent and 15 percent in exports to the European Union and USA in 2005, when compared to levels attained in 2004. Exports to the rest of the world declined by 5 percent in 2005 when compared to the levels recorded in 2004.

Total exports to the Rest of Africa, EU and USA to the Rest of the World recorded a slight increase from US\$ 220.6 million in 2004 to US\$ 224.5 million in 2005, over the same period, total exports from the rest of the world declined to US\$ 221.8 million from US\$ 224.5 million.

Kenya

The strong growth in horticultural exports in particular has meant that non-processed exports have risen significantly as a relative share of the total export cake. Levels of investment and output have risen consistently over the last ten years in the horticulture sector, while most other sectors have either remained relatively static or declined. Supporting services such as charter cargo flights and the like facilitated this growth. The rise of horticulture as a powerful sector ran in tandem with the gradual decline in the competitiveness of the manufacturing sector. Significant recession in the tourism industry from the second half of the 1990's also increased the orientation of private investment to the horticulture sector.

Total exports from Kenya to the EAC grew significantly between 2003 and 2005, having dropped by 9.0 percent from the 2002 level of US\$ 298.9m to US\$ 269.2m in 2003. They rose to US\$ 339.3m or by 26.0 percent in 2004, and then further, and even more significantly, by 47.6 percent to US\$ 500.7m in 2005. The exports to Uganda

and Tanzania displayed a similar pattern, falling between 2002 and 2003, and then also rising consistently and significantly thereafter.

As a percent of total, Kenya's exports to the EAC have remained the same at about 25.0 percent on average between 2002 and 2005. The share of exports to the COMESA and SADC regions have been on an upward over the same period, while those to the rest of Africa, EU, USA, and the rest of the world have remained the same on average

As a percent of GDP, exports to the EAC have remained the same at 4 percent. Market and product diversification remain the key challenges which the country faces in developing a viable export base

Tanzania

There has been capacity under-utilisation in manufacturing sector leading to countless 'walking shops' of foreign goods carried on the backs of energetic youths originating from the rural areas. This phenomenon is also prevalent in Kenya and Uganda. The risk could be a backlash against this perceived flood of imported products necessitating increasing pressure to revert to a protectionist stance. This would be serious for socio-economic reasons. The share of primary agricultural exports in total exports has shown a downward trend mainly because of the fast growth of the mineral sector. The share of investment in Tanzania has risen marginally from 15 percent in the 1960s to an average of 20 percent in the past five years. Substantial product and market diversification was evident in the late 1990s. While earnings from traditional exports continued to dominate the export portfolio, new non-traditional products emerged during 1990s and beyond. The new entrants in terms export performance improvement include Cashew nuts, Fish and Fishery and cut flowers

Over the past four years (2002-2005), Tanzania continued to record a good performance in exports. The value of exported goods almost doubled from US\$ 891.5 million in 2002 to US\$ 1,612.2 million in 2005. Contributing to the increase was mainly a good performance in non-agricultural commodities, notably gold, manufactured goods, fish and fish products and horticulture products. Likewise, agricultural commodities increased during the period following the increase in exported volumes and improved world market prices for some commodities. During 2005, merchandise exports increased by 11 percent to US\$ 1612.2 from US\$ 1449.7 million recorded in 2004. Non-traditional exports that consist of mainly gold exports, manufactured goods, fish and fish products and horticulture accounted for around 80 percent of total exports

Over the years, European Union (EU) remains the most important market, absorbing about 45 percent of Tanzanian exports. Regarding the regional block markets, SADC and EAC blocks are significantly important as they absorbed 18.4 percent and 8.8 percent respectively of 2005 exports. Out of the total exports, domestic exports accounted for about 90 percent with the remaining being re-exports to mainly neighbouring countries. EAC partners were the main market for Tanzanian re-exports, accounting for about 30 percent of the re-exports, followed by COMESA region that absorbs around 25 percent of the re-exports. Petroleum products and cereals are the main re-exports

During the same period, exports to EAC member countries increased significantly to US\$ 142.2 million in 2005 from US\$ 46.3 million in 2002. The increase follows easing of trading procedures coupled with improvement in trading environment in line with the EAC treaty agreement. During 2005, Tanzania domestic exports to EAC went up by 5.1 percent to US\$ 101.3 million from US\$ 96.3 million exported in 2004. The increase emanated from the growth of exports to Uganda that went up by 76.3 percent to US\$ 20.8 million from US\$ 11.8 million exported in 2004. The increase was mainly attributed to the increase in exports of, cane or beet sugar and chemically pure sucrose, rice, electrical transformers, static converters and inductors, petroleum oils, etc. (excl crude) polyethers and epoxide resins; On the other hand, domestic exports to Kenya decreased by 5 percent to US\$ 80.4 million mainly following the decline in exports of Fish and fish products, Tea, rice and Beer made from Malt, petroleum jelly, paraffin wax and other mineral waxes. In 2005, re-exports to EAC member countries decreased by 17 percent to US\$ 40.9 million.

Some sectors clearly have the potential to grow at a more rapid pace than others. In particular, it is believed that the potential to expand and diversify exports is substantial in the areas of mining (gold & gemstones in particular), horticulture, tourism, textiles, leather, footwear, and fisheries, taking into account also the opportunities that could be exploited from the multilateral trading system. In the manufacturing sector, garments, leather and footwear could easily attract FDI, if serviced land were available.

2.4 Positive and Negative Factors for Competitiveness

There are still a number of positive and negative factors that affect the region's export and investment competitiveness. Therefore, the key strategy from an EAC perspective would be to maximise the positive commonalities and attempt to jointly address the negative factors.

Positive Factors for Competitiveness

- i. Climate, land and water for agricultural production
- ii. Open economy with low barriers to entry
- iii. Duty free access to major international markets
- iv. Broad based manufacturing sector still in existence
- v. Increasing role of service sector in international transactions
- vi. Dynamic tourism sector
- vii. Export processing arrangements
- viii. Good air linkages to major European markets
- ix. Reasonable domestic engineering sector
- x. Textile industry has potential to be a basis for industrial exports
- xi. Improving financial sector
- xii. Basic manufacturing sector still in existence
- xiii. Value addition

Negative Factors against Competitiveness

- i. Inadequate exposure and internship of trained manpower
- ii. Limited domestic capital base for investment
- iii. Increasing domination of imported manufactured products affecting local production capability
- iv. High utility costs
- v. Limited credit for working capital needs
- vi. Limited knowledge of regional markets
- vii. Poor market information systems.
- viii. Greater need for technology transfer to increase value added production
- ix. Weak linkages between various sectors of the economy
- x. Inadequate economic infrastructure
- xi. Transport and delivery delays and costs
- xii. High cost of domestically produced intermediate products, which have tariff protection
- xiii. Limited diversification of exportable products

2.5 Potential Export Products

A large number of studies have been undertaken over the years in the three countries analysing potential exports, usually with a focus on non-traditional exports. In each country there are on-going programmes of support either at the generic level such as support to Chambers of Commerce or Export Boards, or sector specific assistance such as for horticulture or fish.

Potential exports for EAC Partner States are indicated below. The products were selected according to their weight in the export basket of each country, export performance and dynamism of world demand. The analysis was done by the International Trade Centre (ITC) based on international trade statistics and is for preliminary project programming only.

Kenya

The ten priority products were

030410	Fish Fillets and other fish meat, minced or not, fresh or chilled
030420	Fish fillets frozen
060310	Cut Flowers and flower buds for bouquets or ornamental purposes, fresh
070810	Peas, shelled or unshelled, fresh or chilled
070820	Beans, shelled or unshelled, fresh or chilled
080440	Avocados, fresh or dried
090111	Coffee, not roasted, not decaffeinated
090240	Black tea (fermented) & partly fermented tea
200559	Beans prepared or preserved o/t by vinegar or acetic acid, not frozen
200820	Pineapples prepared or preserved, sugared, sweetened, spirited or not

Indicators for additional products were as follows:

151620	Vegetable oils
151710	Margarine
252922	Fluorspar, containing by weight more than 97% of calcium fluoride
300440	Medical Alkaloid for retail
330610	Dentifrice
340119	Soap
340510	Leather polishes
392490	Plastic material, toilet ware

Source : International Trade Centre (ITC)

Uganda

The ten priority products were.

030410	Fish fillets and other fish meat, minced or not, fresh or chilled
030420	Fish fillets frozen
060210	Cuttings and slips, unrooted
060310	Cut flowers & flower buds for bouquets and ornamental purposes
090111	Coffee, not roasted, not decaffeinated, Dairy products
091010	Ginger
120740	Sesame seeds, whether or not broken
130219	Vegetable saps and extracts
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped
520100	Cotton and cotton products

Indicators for additional priority products were as follows

030269	Fish fresh or chilled
070820	Beans, shelled or unshelled, fresh or chilled
090500	Vanilla beans
	Fruits
	Horticultural products (other than flowers/ cuttings)
	Spices (ginger, chillies, cardamom)
	Gum Arabic
	Honey
	Mushrooms

Source : International Trade Centre (ITC)

Tanzania

The ten priority products were

030420	Fish fillets frozen
030759	Octopus, frozen, dried, salted or in brine
060310	Cut flowers & flower buds for bouquets or ornamental purposes fresh
030130	Cashew nuts, fresh or dried, whether or not shelled or peeled
090111	Coffee, not roasted, not decaffeinated
090700	Cloves (whole fruit, cloves and stems)
120740	Sesame seeds, whether or not broken
520100	Cotton, not carded or combed
530410	Sisal and other textile fibres of the genus Agave, raw
740311	Copper cathodes and Sections of cathodes unwrought

Indicators for Tanzania additional products were as follows

030410 Fish fillets and other fish meat, minced or not, fresh or chilled
 071333 Kidney beans & white pea beans dried shelled, whether or not skinned or split
 090240 Black tea (fermented) & partly fermented tea
 152190 Beeswax, other insect waxes & spermaceti whether or not refined or coloured
 170111 Raw sugar, cane
 442010 Statuettes and other ornaments of wood
 620520 Men's/boys shirts, of cotton, not knitted
 711319 Articles of jewellery & parts thereof or precious metal

Source : International Trade Centre (ITC)

2.6 Potential Areas for Investment

An indicative set of sectors on which investment promotion strategies can focus are indicated in **Table 3**. Where there is commonality in the region, there could be opportunities for spatial development initiatives or cluster approaches to enhance investment flow.

Table 3: Potential Areas for Investment in East Africa

Country	Mining	Agriculture	Manufacturing	Services
Tanzania	Oil & gas Cobalt Nickel Gemstones Gold	Tea Sisal Sugar Fruit & vegetables Horticulture Forestry Fishing Aquaculture Tobacco Agro-processing	Mineral beneficiation Food & beverages Ceramics Packaging Light engineering Printing & publishing Textiles	Tourism Transport services
Uganda	Gold Tantalite Gypsum	Forestry Cotton Sugar Tea Coffee Livestock Agro-processing Horticulture Floriculture Fishing Cereals	Lint Textiles Food & beverages	Tourism Electrical power
Kenya	Cement Industrial minerals	Horticulture Floriculture Fishing Livestock	Mineral beneficiation Food & beverages Chemicals Iron and steel Leather products Food and beverages Garments	Tourism Financial services Transport services

3.0 CHALLENGES TO EXPORT AND INVESTMENT PROMOTION

These are challenges to export and investment promotion in East Africa and these are summarised as; Outdated legal framework and laws such as bankruptcy laws, contract laws, commercial laws, lack of legal framework such as unfair competition law and policy which is lacking in Uganda, laws to deal with counterfeits such as copyright laws and these discourage investors; lack of capacity in judicial systems to expedite cases that are related to investment, lack of targeted fiscal market based incentives (for different sectors); lack of appropriate institutional incentives; weak or undeveloped financial sector and financial intermediaries; inadequate and unreliable infrastructure systems such as power, roads, electricity etc which increase costs of doing business, Because of poor infrastructure then there are problems of accessing markets both domestic and foreign, Macroeconomic fundamentals not being right leading to misallocation of resources; Human resources problems, lack of appropriate skills, regional Competition for Investment; Lack of EAC branding among others.

East Africa needs to fine-tune its policies to enhance its export competitiveness. Removal of bureaucratic procedures, investment in infrastructure and the reduction of corrupt practises are of key importance. Lowering the costs of finance and lowering input costs are also important to generate the necessary supply response. The countries also need to implement policies that will increase FDI into the productive sectors. Improved market access can be achieved through active participation in international trade fora as well as through product development to meet international market requirements.

Core Issues to be tackled include.

- i. Cumbersome administrative procedures and regulation
- ii. Poor Infrastructure (Road & Rail network, Telecommunication, Electricity).
- iii. Efficient and costly utilities relative to other major competitors
- iv. Inadequate export and investment incentives to encourage exports
- v. Non-tariff barriers
- vi. Availability of relevant information (Market and Investment), dissemination and sharing.
- vii. Capacity building of institutions involved in trade policy formulation and those facilitating competitiveness. These would include the Ministries of Industry and Trade, Customs, Export and Investment Promotion Boards, Chambers of Commerce, Manufacturers Associations, Bureaus of Standards and the like.
- viii. Credible Fiscal and Trade policies
- ix. Capacity building of Private sector organisations
- x. Standardisation and certification
- xi. Utilization of abundant labour force

A number of other key issues also need urgent attention by the relevant stakeholders. These include:

- i. Public Private sectors Partnership
- ii. Revenue generation
- iii. The role of the Small and Medium Enterprise sector.
- iv. Reliance on primary and traditional exports
- v. Environmental friendly production
- vi. Review of the legal framework to ensure compatibility with the MTS agreements.
- vii. Deepening and broadening the financial services sector
- viii. Product development
- ix. Uncoordinated investment and export promotion programmes

3.1 Cumbersome administrative procedures and regulation

Bureaucratic procedures are still a major problem in the EA region. Whilst improvements have been made in a number of areas, the existing ones including the following:

- a) Investment approval: Partner States have established investment centres to facilitate investment licensing and approval procedures, but the question has to be asked - why are so many approvals still required? Licenses and permits are required for many aspects - land, utilities, work and residence permits, trading license, foreign currency, investment licences (to qualify for incentives) etc.
- b) Customs departments: investors want to know that they will have co-operation from the authorities when importing their capital equipment as well as their inputs. Customs departments are notorious for delaying imports due to bureaucracy and corruption. Sometimes the legislation does not facilitate things adequately. Transport of goods has also been affected by the increased diligence of customs officials in searching goods that are crossing borders, as governments look to maximise their revenue. The improved diligence has caused long delays for legitimate goods waiting to be cleared as well as causing people to leave their goods at customs posts.

3.2 Poor Infrastructure (Road & Rail network, Telecommunication, Electricity)

Telecommunications

Although there have been improvements in telecommunications in a number of countries in recent years, with the installation of cellular phone technology, fibre optic cable, digital exchanges and access to email through the world wide web, the region generally still lags behind many other parts of the world. Despite these advances, communication generally remains a hindrance. One can often take hours, if not days, to get through to other parts of the same country, let alone other parts of the world. Regional and international telephone calls are expensive, compared to other parts of the world.

Transport

Road and rail networks are often in a state of disrepair making the transport of goods unreliable and often expensive because of delays and high maintenance costs. For the land-locked countries of East Africa, it is often more expensive to get export goods to the seaport than to get them from the port to final destination, be it in Europe, America or Asia. The same applies to imports - the largest cost component is the inland cost. Sometimes these inland costs are high because of monopolistic practices, but often it is due to the poor state of the road system, making the trucking operation very expensive. Lack of cargo is another factor causing high costs as well as infrequency of services.

Poor transport linkages are also a deterrent to investors looking to serve the EAC market. It is not always easy moving goods within the region, from say Tanzania to Uganda. Furthermore it is costly.

3.3 Inefficient and costly utilities relative to other major competitors

Electricity and water

Whilst supplies of electricity and water are improving in most urban centres within the region, there is still scope for considerable improvement in these areas. The inadequate provision of such services often requires investors to install their own facilities, such as back-up generators. This is costly both from a capital perspective as well as operationally. Again the costs of business within the region are increased.

3.4 Inadequate export and investment incentives

Some of the incentives that are being provided to investors and exporters currently are either inadequate or inappropriate. For example footloose investors are known to abuse incentives that are time-bound by winding up business at the end of the incentive period or changing the name of the business so as to have the same benefits all over again, hence the need to review and streamline.

3.5 Non-tariff barriers (NTBs)

The EAC Customs Union is now in place, the purpose of which is to facilitate trade among the partner states and promote the goal of East Africa as a single market

area. However, there are still many obstacles to trading within the region including non-tariff barriers. The EAC commissioned a consultancy to look into the issue of identifying NTBs and coming up with a mechanism for monitoring and eliminating them in order to realise the goal of the EAC Customs Union of liberalising trade among the partner states. The report of the study has been made and what is required now is to implement its findings

3.6 Availability of relevant information (Market and Investment), dissemination and sharing

The need for more research and basic information emerged as a core need of organisations visited. Research requirements were wide ranging and were mentioned by all three countries and by a good cross section of organisations within each country. This need for information and research reflects the considerable lack of detailed information on key topics, the poor sharing of information between organisations at the national level, the need for training in the use, manipulation and storage of information, and the low awareness of existing information and studies

Directly related to the research requirements, was the very significant requirement for information. The need for "basic facts and figures" was emphasised by many organisations interviewed. Further, the need to disseminate information within member states and within the regions was also emphasised

The "need" for further research should be interpreted with some degree of caution, however, as this item can sometimes reflect a more fundamental need for access to existing information and studies, training in the interpretation of existing studies, and/or training in the fundamentals of international trade and investment

It also became clear that research must include the active participation of the private sector, both at the design phase and also the implementation (it would appear that, in most countries, this is only beginning to happen) The private sector must be consulted and must be involved at a high level when policy and positions are being formulated. Not only does this make sense from a research quality perspective, it is also an important public relations exercise and will result in the ownership of and commitment to the trade liberalisation and development process

3.7 Capacity building of institutions involved in trade policy formulation and those facilitating competitiveness

These would include the Ministries of Industry and Trade, Customs, Export and Investment Promotion Boards, Chambers of Commerce, Manufacturers Associations, Bureaus of Standards and the like.

3.8 Credible Fiscal and Trade policies

In most countries potential investors are restricted from investing cross-border due to exchange control restrictions on outward movements on the capital account. Capital markets in the region are underdeveloped. The mechanisms do not generally exist for adequately mobilising funds, except to a certain degree in Kenya Stock

exchanges now exist in all three countries. They are however still small and underdeveloped. There is very little cross-listing.

3.9 Capacity Building of Private Sector Organisations

Partner States emerging from strong public ownership of enterprise have a weak and organised private sector. Even in those countries with a longer tradition of private sector activity, the business associations are still very often weak institutions, which cannot adequately support private sector developments. This restricts the potential for investment from within the region and discourages investment from outside.

The additional challenge facing the EAC private sector (and by implication the Governments) is the increasingly sector or even sub-sector specific trade related issues and hence requiring in-depth analysis in policy advocacy. In other words, the existing international business environment requires well-informed and well-resourced private sector specific associations. Therefore, there is a need of reorienting the role of traditional national associations which are increasingly becoming superfluous resulting into the formation of splinter groups.

3.10 Standardisation and certification

The development of common standards on safety and quality in the EAC region would help level the playing field for investors in the different countries and promote intra-regional trade as well as the acceptance of goods exported from EAC. The aim of the EAC Standardisation, Quality Assurance Metrology and Testing (SQMT) programme is to:

- Remove technical barriers to trade such as divergent regulations
- Improve the quality of products manufactured in the region
- Promote technology exchange between member states
- Avoid duplication of work and strengthening member states' common interest in standards quality assurance methods.

The programme has been co-ordinated through the member states National Standard Bureaux (NSBs). The priority areas for the NSBs have been:

- Strengthening of existing standards institutions and establishing new ones
- Quality testing and development
- Information exchange and training
- Harmonisation of standards and certification schemes, although no harmonisation programme has been put into place.

3.11 Utilization of abundant labour force

Despite an abundance of cheap labour there is a severe inadequacy in terms of exposure and internship.

3.12 Low labour productivity

Although it is often claimed that labour costs are low in the EAC region, productivity levels are also generally seen as low compared to certain other parts of the world. When taking productivity levels into account, labour does not seem so cheap.

3.13 Public Private sectors Partnership (PPP)

PPP has grown considerably in recent years in the areas of policy dialogue, advocacy and participation in consultations and conferences. In terms of broad policy statements, PPP has been endorsed by all the three EAC countries but the requisite rules and procedures for procurement and definition of the respective roles of the public and private sector have yet to be put in place unambiguously. The capacity of regulatory mechanisms is still inadequate to manage PPP investments and export promotion activities efficiently. A clear framework for implementation of PPP is yet to be fully developed. This will address areas of infrastructure and other strategic investments sectors.

4.0 VISION, MISSION AND OBJECTIVES

VISION:

The vision for the EAC Joint Promotion of Exports and Investment strategies is as follows:

“An attractive, competitive and dynamic Investment location”

MISSION:

The mission of the strategy is:

“To promote EAC as a single investment area, an exporter of value added competitive goods and services, enhance product diversification and create a favourable investment climate”

OBJECTIVES

The objectives of the Joint Export and Investment Strategy are to:

- (a) Streamline , simplify and harmonize administrative procedures and regulations
- (b) Offer efficient and adequate infrastructure
- (c) Avail the region with reliable and affordable utilities
- (d) Improve exports and investment incentives and promotion programmes
- (e) Enhance information dissemination and sharing
- (f) Offer credible fiscal and trade policies
- (g) Strengthen private sector organizations
- (h) Strengthen and harmonize standardization and certification procedures
- (i) Utilize the abundant labour force (skilled and unskilled)
- (j) Increase supply of exportable products.
- (k) Strengthen capacity of export and investment promotion institutions (facilitation)

5.0 JOINT EXPORT AND INVESTMENT PROMOTION STRATEGIES

Kenya, Uganda and Tanzania formed the East African Community (EAC) in 7th July 2001 and commenced to implement a Customs Union Protocol on 1st January, 2005. The Community aims at emerging as a leading trade entity in Sub-Saharan Africa. The East African countries, like most in Sub-Sahara Africa, are under strong pressure to expand their export base and enhance investment. This is reflected in the levels of poverty, the sizes of the deficits on their trade balances, the worsening terms of trade and emerging multilateral trade environment. In a situation of increasing competitive global markets, the challenge for these countries is to find ways to ensure improved export and investment performance. One of the options for the EAC is collective action that will help to respond effectively and decisively to the demands of the markets. Thus, stress is placed on collective action rather than initiatives by individual countries. One such collective action is joint promotion of exports and investment.

The concept of joint promotion of exports is about pooling resources by the countries involved in order to market their products. The main objective is to undertake more focused campaigns, which guarantee that access to new markets is translated into concrete business contracts. Likewise, joint promotion of investment implies the creation of a conducive regional investment climate devoid of harmful competition.

Both approaches require specific strategies for achieving intended objectives. In this context key strategies that have been identified are presented below.

Key Strategies

(a) Investment and Export Promotion Procedures and Regulations

Currently the three East African partner states maintain separate bodies each pursuing its own strategies for the particular partner state. Besides, some of the procedures and regulations pursued by each partner state are now outdated or counterproductive.

Strategy Statement: Review and harmonise investment and export promotion procedures and regulations

(b) Free Movement of Goods

The EAC Customs Union is now in place, the purpose of which is to facilitate trade among the partner states and promote the goal of East Africa as a single market area. However, there are still many obstacles to trading within the region including non-tariff barriers such as inadequate manning of the border crossing posts that are not only impeding trade but are also time consuming.

Strategy Statement: Implement the mechanism of removing NTBs.

(c) Infrastructure Development and Management

One of the factors that contribute to competitiveness of a country or region in the global market place and as an attractive investment destination is the state of infrastructure. The sector is mainly funded by public resources that are overstretched and hence limited.

Strategy Statement: Encourage private sector participation in infrastructure development and management

(d) Joint Public Private Infrastructure Development and Management

All the three partner states have liberalised their economies considerably over the last fifteen years. Many public utilities have been privatised as well and there is now significant consensus regarding forging of partnerships between the public and private sectors in order to improve on existing infrastructure and provide more and better services.

Strategy Statement: Encourage joint public private infrastructure development and management

(e) Legal, regulatory and institutional framework

As stated above, liberalisation measures have been undertaken by the three partner states across the economic spectrum. However, one of the weaknesses in the three countries has been the lack of or weak regulatory bodies and framework that are supposed to correct market failures and weaknesses. The result in some cases has led to abuse of monopoly positions and such other uncompetitive practices as collusion and price-fixing.

Strategy Statement: Strengthen and fine-tune the regulatory and institutional framework

(f) Alternative sources of energy

The current level of generation of power through the two main ways (hydro and thermal) in all the EAC countries has not matched the demand and needs of industry and consumers. The drought in the region that has affected water levels for hydropower generation as well as and rising cost of petroleum imports for thermal power generation has exacerbated the problem of power supply and sustainability.

Strategy Statement: Encourage alternative sources of energy

(g) Utility sector

Reliable and efficient provision of cost effective utilities such as telecommunication and water affect the competitiveness of the region. Currently there is only a handful or monopolies in the partner states in the sector that tend to drive up the cost of services provided.

Strategy Statement: Further liberalisation of the utility sector

(h) Incentive Regimes

Some of the incentives that are being provided to investors and exporters currently are either inadequate or inappropriate.

Strategy Statement: Review the existing incentive Regimes

(i) Regional Investment Promotion Programmes

In order to realise the goal of promoting the EAC as a single investment area, there is a need to come up with regional investment programmes to facilitate more coordination and harmonisation among the partner states.

Strategy Statement: Design regional investment promotion programmes

(j) Regional Export Promotion Programmes

As in the case of investment in (i) above, there is a need to come up with regional export promotion programmes to facilitate more coordination and harmonisation among the partner states.

Strategy Statement: Design regional export promotion programmes

(k) Export Development

Export market development: Pooling of resources in this area is important for joint export promotion programmes such as Trade fairs and exhibitions, buyer/seller missions, incoming/outgoing trade missions, solo country exhibitions as well as market surveys and research in markets of interest to the business community from the region. The other avenue for pooling resources is in respect of Export promotion programmes locally in our partner states as well as abroad. These promotional programmes could be held on a rotational basis in the member countries as well as mounting joint sub regional events in the external target markets. All the missions could carry promotional materials from each member country and be conversant with all the national trade and investment regimes in the member countries

Product development and adaptation: This is to aid our exporters responding to the changing market tastes and preferences, the ever changing functionalities of the export products as well as the provision of firm level interventions aimed at addressing the supply side constraints. Export basket diversification through value addition. The strategy here is the introduction and nurturing of the entrepreneurship culture to the existing and upcoming exporters through initiatives such as the business incubation projects/activities.

Trade information and capacity building: Provision of business counselling and capacity building to the exporting community, entrenchment of an export culture and training of export oriented trainers to guide the exporters with respect to export procedures, documentation and market entry requirements.

Trade Policy and research: Monitoring the changing policy environments in our target markets and advice the business community on their implications to their business as and when they arise. Holding sectoral forums to capture issues affecting the exporting firms and responds to them as well as channelling the issues raised to relevant authorities for redress.

The three countries need to determine the products, distribution channels and promotional techniques to be applied to gain the biggest share of the various target markets.

Strategy Statement: The various export promotion agencies to be adequately equipped and facilitated to enable them to Pursue and execute vigorous economic diplomacy and joint export promotional programmes.

(l) Research and Development (R&D)

The mastering of science and the acquisition of appropriate technology are essential to promoting competitiveness of products and services in the region. Currently the region spends very little on research and development.

Strategy Statement: Capacity building in R&D

(m) Fiscal and Trade Policies

The three partner states have varying fiscal and trade policies in place. There is on-going effort at the regional level to harmonise these but the pace is rather slow.

Strategy Statement: Fiscal and trade policies harmonisation

(n) Non-Tariff Barriers (NTBs)

The EAC commissioned a consultancy to look into the issue of identifying NTBs and coming up with a mechanism for monitoring and eliminating them in order to realise the goal of the EAC Customs Union of liberalising trade among the partner states. The report of the study has been made and what is required now in to implement its findings

Strategy Statement: Elimination of Non-Tariff Barriers (NTBs)

(o) Trade facilitation

In the last few years efforts in the region regarding trade facilitation such as customs procedures and clearance have been made but there are still major challenges to be overcome at the major ports of entry, border crossing points and at internal ports. The processes at these stages are often cumbersome and time wasting and in the process becoming NTBs in themselves.

Strategy Statement: Strengthen trade facilitation.

(p) Private Sector Organisations

The support process should aim at setting up a private sector advisory group through the EABC to review the organisation structure and activities of private sector organisation with a view rationalising and strengthening them, establishing an aggressive private sector involvement programme into place – at national, regional and international levels; and identifying the ways in which private sector organisation linkages can be expanded to support further export growth. It might also include training for EAC participants in working with and interacting with international buyers.

Strategy Statement: Support the rationalisation and strengthening of private sector organisations

(q) Standardization and Certification

The standardisation and certification programmes ought to cover training courses and seminars, setting up a technical services support network, developing standardisation and certification frameworks, design of effective information network and networking.

Strategy Statement: Development of standardization and certification programmes

(r) Human Resource Development

There is a wrong perception that the region has inadequate skilled manpower due to limited higher learning and vocational training institutions. The truth is that a continuous big number of graduates are being churned. The only missing link is lack of apprenticeship, internship and exposure in the related skills development.

Strategy Statement: Design specific orientation and exposure programmes

(s) Utilisation of Appropriate Technology

Some of the impediments to trade and investment in the region are to do with supply-side constraints and hence low production. There have been cases where preferential market access to developed country markets have been offered but the problem was the capacity to utilise the market opportunities.

Strategy Statement: Promote the acquisition and utilisation of appropriate technology

(t) Capacity building

The capacity building programmes should focus on private sector development, technological innovations and transfer; institutional and technical support; and improving the capacity of export and investment promotion agencies.

Strategy Statement: Design and implement capacity building programme

(u) Networking Export and Investment Institutions

Decisions need to be made on the most appropriate institutional structure to implement the identified strategies and deliver on the key success factors.

Strategy Statement: Establish a networking mechanism for institutions dealing in export and investment promotion.

(v) EAC Export and Investment Opportunities

Investment promotion – marketing efforts to attract domestic and foreign investors– has become a professional and expensive activity. Countries do spend large sums of money on investment promotion. The investment promotion methodologies aim at informing and changing images by running advertising campaigns, preparing and circulating publications (leaflets, newsletters, etc) sponsoring investment missions, developing project proposals. Therefore, like-minded countries, such as the three Partner States, need to consider joint promotion programmes - focusing on image-building activities. In these joint efforts the countries of the region would not only share the costs of changing investors' perceptions; they would also make commitments to a standard set of reforms and agree to common investment policies.

They must articulate what they are capable of offering to investors and business people in East Africa that is better or among the best when compared to their competitors. In this regard it is important to identify the sectors that need to be accorded priority in investment promotion. They need to decide on the type and profile of investors desired, and which ones are likely to be attracted to the region.

Investment promotion agencies have been undertaking foreign-based investment promotion activities to attract investors to their respective countries. While this process could continue an effort could be made to bring in the regional perspective so that:

- (a) where one country is doing its normal foreign promotion campaign, it can also market opportunities in the other two countries;
- (b) where the EAC Secretariat and the EABC is marketing the activities of the EAC as a viable regional economic market, it could highlight the regional investment opportunities;
- (c) where a country is identified as a potential source of investors into the region, joint promotional efforts should be made to organize a conference in that country with presentations from all the partner states (One conference can be held once a year); and
- (d) Organise inward missions from potential investors for regional projects.

There is also a need to hold sensitisation seminars on promoting the region as a single market and investment area as well as the available investment opportunities and incentives. The seminars could be targeted Government Officials and private sector organisations.

Strategy Statement: Market the EAC

6.0 IMPLEMENTATION FRAMEWORK

6.1 OVERVIEW

The implementation strategy has been formulated with specific policy actions, public awareness campaigns and a monitoring and evaluation system. Implementation will be participatory with each stakeholder having clear roles to perform. Implementation of the proposed strategy will involve a number of stakeholders: EAC Secretariat, regional level institutions, national level government departments and public sector organizations, private sector organizations and enterprises. In order to coordinate and ensure effectiveness of the proposed reforms, a particular officer will be appointed at the EAC secretariat, who will coordinate implementation. The officer will work with an established subcommittee for investment and export promotional activities under the EAC Sectoral Committee on Trade, Industry and Investment.

6.2 Public Awareness Campaign

Like any other programme introduced, the stakeholders need to be sensitised about what it is all about, its benefit and how they can benefit by adopting and implementing the strategy. Many East African people are still asking themselves how the EA Community will benefit them. There is need to conduct public awareness of this strategy for the key stakeholders identified include: Government and public institutions, Private Sector organizations and firms, Religious organizations, schools and NGOs, Civil Society, Diplomatic missions and development partners, and Local government as well as the informal sector.

The prime objectives of the campaign are to reduce information gaps within the EAC framework, and empower stakeholders through a people centred campaign to enhance the spirit of regional co-operation, to significantly improve the public image of the EAC and to create widespread understanding and support for EAC institutions by highlighting opportunities and addressing constraints affecting performance in various sectors.

The public awareness exercise should stress the need for shared promotion to pool resources but also to take advantage of size as many multinational companies will prefer to invest in an area where they can take advantage of increased market, what EAC offers. There is also need to take joint mission to avoid unnecessary competition.

6.3 Implementation Matrix

It indicates the issues that need mitigation, type of interventions or activities to be undertaken, the implementing agents, timing and the cost implications. Implementation of the joint export and investment strategy will involve a number of stakeholders; EAC Secretariat, regional level institutions, national level governmental departments and public sector organizations, private sector organizations and enterprises. *Details of implementation matrix are contained in Annex 2.*

6.4 Monitoring and Evaluation

Monitoring and evaluation (M&E) will comprise an essential component of a successfully implemented Joint export and investment strategy. Monitoring indicators include; detailed work plans; monitoring work sheets; report guidelines; evaluation guidelines and creation of an East African statistical database. For effective M& E of the joint export and investment program, the following actions are recommended:

- (i) *Preparation of a Monitoring Evaluation Tool*, which should consist of the following elements: Work plan for the monitoring process; Identification of monitoring indicators based on the main issues of the joint export and investment promotion project; Monitoring work sheets and analysis of information; Guidelines for producing monitoring reports; and Evaluation questions and guidelines for preparation of National Evaluation Reports.
- (ii) *Capacity building* of those staff who will be involved in the actual monitoring and evaluation process.
- (iii) *Joint export and investment project report analysis* at the regional level. A Technical Steering or Monitoring Committee will review the national reports with a view to analyzing progress made and constraints experienced, and will then prepare a regional report.

Annex 1: Analysis of EAC exports 2002 - 2005

Partner State	Region/Country of Destination	Type of Exports	2002	2003	2004	2005	
Uganda		Domestic Exports	Value in US\$ millions				
				10 99	8 54	9 66	
				61 83	54 99	57 52	
			Total Intrastate Exports	-	72.82	63.53	67 18
			COMESA		40 40	73 64	6 91
			SADC		31 36	25 59	23 90
			Rest of Africa		44 88	12 50	7 19
			EU		232 65	168 25	184 33
			USA		14 47	13 30	15 25
			Rest of the World		219 24	220 70	208 82
		Total Exports	-	655.81	577.50	513.57	
		Re-exports					
			Tanzania		7 04	0 71	2 25
			Kenya		13 95	9 28	7 02
			Total Intrastate Exports	-	20.99	9.99	9.27
			COMESA		34 43	32 15	52 35
			SADC		3 71	1 74	6 98
			Rest of Africa		1 41	2 72	1 94
			EU		1 75	7 64	6 35
			USA		0 46	0 18	0 11
Rest of the World			1 32	3 81	12 95		
Total Re-Exports	-	85.06	68.23	99.23			
TANZANIA		Domestic Exports					
			Uganda	5 55	8 53	11 82	20 85
			Kenya	35 73	78 95	84 52	80 43
			Total Intrastate Exports	41.28	87.48	96.34	101.28
			COMESA	55 67	45 80	45 18	52 52
			SADC	16 78	37 89	115.05	296 55
			Rest of Africa	3 22	3 80	2 85	11 19
			EU	481 97	652 46	660 72	421 57
			USA	13 66	11 39	13 86	17 73
			Rest of the World	265.48	269 13	379 74	578 87
		Total Domestic Exports	878.06	1,107.95	1,313.74	1,479.71	
Re-exports							
	Uganda	0 77	5 89	5.57	28.01		
Kenya	3 98	4 60	43 77	12 86			

			4.75	10.49	49.33	40.87	
	Total Intrastate Exports						
	COMESA		5 51	16 39	36 14	30 24	
	SADC		0 72	0 93	0 01	0 04	
	Rest of Africa		0 29	0 36	1 06	2 20	
	EU		0 95	1 16	2 92	0 83	
	USA		0 07	0 12	-	-	
	Rest of the World		1 17	4 50	46 56	58 26	
	Total Re-Exports		8.71	23.45	86.68	91.57	
KENYA		Domestic Exports					
	Uganda		397 33	403 26	468 08	563 14	
	Tanzania		180 60	191 82	226 35	263 21	
	Total Intrastate Exports		577.92	595.08	694.43	826.34	
	COMESA		357 53	421 29	483 56	632 34	
	SADC		21 32	14 87	21 26	28 55	
	Rest of Africa		93 44	78 54	84 91	104 46	
	EU		583 87	696 13	717 03	821 94	
	USA		42 89	36 61	56 86	59 80	
	Rest of the World		503 20	567 19	654 87	758 83	
	Total Domestic Exports		2,180.17	2,409.71	2,712.93	3,232.26	
			Re-exports				
	Uganda		216 03	241 07	269 84	254 72	
	Tanzania		63 03	84 80	85 32	70 93	
	Total Intrastate Re-exports		279.06	325.88	355.16	325.65	
	COMESA		91.78	133 02	148 26	171 79	
	SADC		10 98	0 95	1 49	0 50	
	Rest of Africa		14 79	16 23	16 62	7 56	
	EU		3 02	6 13	11 16	4 80	
	USA		0 41	0 60	4 03	0 97	
Rest of the World		107 79	128 13	167 35	157 29		
Total Re-exports		507.83	610.94	704.08	668 57		

Annex 2: Implementation Programme

SN	OBJECTIVES/ GOALS	ACTIVITIES	IMPLEMENTING AGENCIES	TIME FRAME	COST US Dollars
1.	Streamline, simplify and harmonise administrative procedures and regulations	<ul style="list-style-type: none"> • Create one-stop centres • Develop client charters • Develop investors roadmaps • Train officers in field of export, investment and trade facilitation. • Review existing laws and regulations governing trade, investment and export promotion • Establish a subcommittee for Investment and Export promotional activities under the EAC Sectoral Committee on Trade, Industry and Investment. • Appoint at the EAC Secretariat an officer to oversee Investment and Export promotion activities. 	<ul style="list-style-type: none"> • Investment Promotion agencies • Export Promotion agencies • Revenue Authorities • Immigration • Ministries responsible for Trade and Investment • The judicial institutions • East African Community Secretariat 	3 years	50000
2.	Provide efficient and adequate Infrastructure	<ul style="list-style-type: none"> • Revise the relevant laws governing infrastructure development and management • Provide incentives for private sector • Promote Public- Private Partnership in infrastructural development • Increase public investment • Design regional programs, jointly funded and donor supported 	<ul style="list-style-type: none"> - Partner States - Parastatals - Private Sector - Regulatory Agencies - EAC Secretariat - Other stakeholders 	5 Years	50000
3.	Provide reliable and affordable utilities	<ul style="list-style-type: none"> • Review existing laws and regulations to promote private sector participation • Liberalise further the sector in terms management and investment 	<ul style="list-style-type: none"> - Partner States - Parastatals - Private Sector - Regulatory Agencies - EAC Secretariat - Other stakeholders 	5 years	30000

SN	OBJECTIVES/ GOALS	ACTIVITIES	IMPLEMENTING AGENCIES	TIME FRAME	COST US Dollars
4	To improve exports and investment incentives and promotion programmes	<ul style="list-style-type: none"> - Review the incentives regime - Organize trade and investment missions inward and outward. - Participate and stage trade fairs internal and abroad. - Establish permanent exhibitions in "soft markets" - Establish Joint commercial representation abroad - Design an EAC brand and introduce a regional marketing theme including supporting the design of appropriate logos, banners and promotional materials - Enhance the participation of the private sector in these programs - Market segmentation and target markets (investor profiling) - Identification of key sectors and opportunities for investment promotion - Product design and development - Develop business nurturing programs such as incubation centres - Develop a regional framework agreement for investment promotion and protection, and double taxation - Prioritize investment and export promotional activities in the national and regional policy and budgeting process. 	<ul style="list-style-type: none"> - Partner States Ministries responsible for Trade, Investment and Finance - Investment and Export Promotion Agencies - Private Sector - EAC Secretariat 		1000000

SN	OBJECTIVES/ GOALS	ACTIVITIES	IMPLEMENTING AGENCIES	TIME FRAME	COST US Dollar
5.	Enhance information dissemination and sharing	<ul style="list-style-type: none"> • Provide modern equipment • Capacity building in IT and analytical skills • Initiate interconnectivity among the relevant institutions and stakeholders • Identify research areas and provide resources. • Share with and disseminate market and research findings to stakeholders. 	<ul style="list-style-type: none"> - Trade support institutions - Partner States, Departments/Ministries responsible for investment and trade - Private Sector organizations - Academic and research institutions - EAC 	Continuous	300000
6.	Develop credible fiscal and trade policies	<ul style="list-style-type: none"> • Expedite the ongoing process of harmonization at the EAC • Formulate a mechanism for identifying and monitoring NTBS 	<ul style="list-style-type: none"> - Partner States - Private Sector 	On going	50000
7.	Strengthen Private Sector organizations	<ul style="list-style-type: none"> • Design a program for development of private sector organizations • Identify capacity gaps and design training program • Exposure to markets 	<ul style="list-style-type: none"> - EAC Secretariat - Private sector organizations 	On going	100000
8.	To strengthen and harmonize standardization and certification processes	<ul style="list-style-type: none"> • Harmonise and develop standards and certification skills. • Review existing regulations, standards testing and certification procedures • Sensitise stakeholders and users of standards • Mobilise resources to support the strategy • Upgrading of facilities and technology. 	<ul style="list-style-type: none"> - Relevant Partner States Ministries - Bureaus of Standards - Quality assurance agencies - Private sector 	Immediate	50000
9	Utilization of Abundant labour force (skilled and unskilled)	<ul style="list-style-type: none"> • Support equipping of vocational training centres in the region • Encourage internship programs both in the region and abroad • Promote labour intensive investments • Review relevant labour and immigration laws 	<ul style="list-style-type: none"> - EAC Secretariat - Partner States relevant ministries and Departments - Private sector 		300000

SN	OBJECTIVES/ GOALS	ACTIVITIES	IMPLEMENTING AGENCIES	TIME FRAME	COST
10	Increase supply of exportable products.	<ul style="list-style-type: none"> • Strengthen collaboration between EAC and International organization such as UNIDO on technological transfer • Initiate technological transfer and acquisition programs between the EAC and Developed/Developing countries • Identify training needs and establish training programs • Product design and adaptation to market requirements 	<ul style="list-style-type: none"> - EAC - Export promotion agencies - Research institutions - Standards and certification bodies 	5 years	300000
11	Strengthen capacity of export and investment promotion institutions	<ul style="list-style-type: none"> • Develop common training programs • Attachment programs within the region and with other international agencies 	<ul style="list-style-type: none"> - Investment Authorities - Export Promotion Agencies - Relevant Partner States Ministries - EAC Secretariat 	5 years	500000

ANNEX XVI

EAST AFRICAN COMMUNITY

REGULATIONS FOR THE EAC PARTNERSHIP FUND

PREAMBLE

WHEREAS the East African Community is committed to fostering co-operative arrangements with other regional and international organisations and Development Partners interested in the pursuit of the objectives of the Community;

AND WHEREAS in the pursuit of the objectives mentioned above, the Community has established working relationships with some Development Partners for purposes of technical and financial assistance;

AND WHEREAS the Secretariat of the East African Community is accordingly charged with the general administration and financial management of the Community and the mobilisation of funds from Development Partners and other sources for the implementation of projects and programmes of the Community,

AND WHEREAS the Secretariat, in consultation with Development Partners, has established an EAC Partnership Fund for purposes of effective management and utilisation of the funds;

NOW the East African Community and the Development Partners have adopted these regulations for the EAC Partnership Fund.

Regulation 1

Citation and Application

These Regulations shall be cited as the EAC Partnership Fund Regulations and shall be applied in line with the provisions of the Treaty for the Establishment of the East African Community

Regulation 2

Definitions

In these Regulations the following expressions shall have the meaning referred to below.

"Audit Commission" means the Audit Commission of the East African Community established by Article 134 of the Treaty for the Establishment of the East African Community (hereafter referred to as "the Treaty"),

"Committee" means the Committee established under Regulation 4 of these Regulations for the management of the EAC Partnership Fund (hereafter referred to as "the Fund"),

"Development Partners" means States and the regional and international organisations and bilateral and multilateral agencies with which the East African Community fosters co-operative arrangements;

"Partner States" means the Republic of Kenya, the Republic of Uganda, the United Republic of Tanzania and any other country granted membership to the Community

"The Secretariat" means the Secretariat of the East African Community;

"Secretary General" means the Secretary General of the East African Community

Regulation 3

Objectives of the EAC Partnership Fund

- a) The overall objective of the Fund is to
- (i) promote the implementation of the Treaty with a view to enhance regional integration and socio-economic development of the EAC,
 - (ii) rationalise the use and facilitate planning and accounting of Development Partners' funds available for EAC's development;
 - (iii) encourage Development Partners and EAC Partner States to jointly contribute to the Fund
- b) The specific objective of the Fund is to provide funding for activities to boost EAC's regional integration agenda, in particular for
- (i) procurement of regional and international consultancy services for studies on policies required to support the work of the Secretariat and of other organs of the Community,
 - (ii) sectoral studies containing recommendations to the Council of Ministers,
 - (iii) the publication of EAC reports, concept papers and studies designed to inform stakeholders and civil society,
 - (iv) working papers, project proposals and terms of reference,
 - (v) meetings of experts,
 - (vi) follow-up measures with target groups (especially from the private sector), including workshops and seminars;
 - (vii) studies on policies required to support EAC integration (strategy and concept papers), including publication of such studies;
 - (viii) activities under the EAC outreach programme to educate and mobilise civil society for EAC integration,
 - (ix) training and other types of capacity building for the Staff of the Community, and
 - (x) any other projects, programmes or activities approved by the Committee established under Regulation 4 of these Regulations
- c) Notwithstanding Regulation 3 b (x) above, any other support to EAC shall be handled in accordance with the approved EAC mechanisms

Regulation 4

Committee for the EAC Partnership Fund

- a) There is hereby established an EAC Partnership Fund Committee which shall be responsible for overseeing the work of the EAC Partnership Fund.
- b) The Committee shall consist of:
 - (i) one representative of the East African Community (EAC) appointed by the Secretary General;
 - (ii) one representative of each of the East African Community (EAC) Partner States; and
 - (iii) one representative of each Development Partner who has contributed to the Fund.
- c) The Committee shall appoint a chairperson, for a period of one year, from among its members representing Development Partners and Partner States.
- d) The Secretary General shall appoint one staff member of the EAC Secretariat to act as Secretary to the Committee.
- e) The Committee shall meet at least twice a year. Committee members can approve issues in writing rated by the Committee Chairperson as non-controversial.
- f) The Chairperson shall call an extraordinary meeting of the Committee if:
 - (i) in his/her opinion such a meeting is required; or
 - (ii) at least one third of the total number of the members of the Committee so demand.
- g) Notice of meetings shall be sent by the Secretary to the address given by each Member of the Committee so as to be received by the Member at least three weeks before an ordinary meeting and at least two weeks before an extra-ordinary meeting. The notice for a meeting of the Committee shall include the provisional agenda and other documents for consideration by the Committee.
- h) Meetings shall be held at the Headquarters of the East African Community in Arusha. If exigencies so require, meetings can be held at such other place within the East African region as shall be decided by the Chairperson of the Committee, in consultation with the other members of the Committee.
- i) A quorum for any meeting of the Committee shall be formed if the following members are present:
 - (i) one member from each of the Partner States;
 - (ii) at least four members representing the Development Partners; and
 - (iii) one East African Community (EAC) representative.

- j) Members of the Committee shall not be entitled to receive any remuneration for participation in the meetings of the Committee.
- k) The Secretariat shall be responsible for preparation and administrative arrangements of the meetings of the Committee.
- l) The Committee may invite to its meetings, as observers, those Development Partners who have not contributed to the Fund.
- m) Unless otherwise provided for in this Regulation, the Committee shall determine its own Rules of Procedure.

Regulation 5

Work of the Committee

- a) The Committee shall take decisions on the management of the Fund and shall, in its capacity e.g. approve all project, programmes and others activities financed through the Fund
- b) The day-to-day operations of the Fund shall be handled by the Secretariat. In this respect the secretary General shall form a Fund Management Team. The terms of Reference for the Fund Management Team shall be approved by the committee.
- c) The committee shall take decisions by consensus.
- d) A member of the Committee may, in writing appoint a proxy
- e) The secretariat shall prepare a draft annual Activity Plan and Budget as well as a medium-term development and financial plan in respect of the Fund. The budget year for the Fund shall be the same as for the EAC budget. The final annual Activity Plan and Budget as well as the medium-term development and financial plan must be approved by the Committee. The annual Activity Plan and Budget shall include the following elements:
 - (i) a comprehensive report on ongoing and proposed new activities to be financed from the Fund;
 - (ii) a brief description of the purpose and contents of the proposed new activities including their budgets and time schedules.
- f) The Committee may amend the Activity Plan and Budget at its regular or extraordinary meetings.
- g) The Committee shall evaluate the Secretariat's report reviewing the preceding year's programme financed through the Fund.
- h) The Committee shall submit an annual report to the Council in accordance with established EAC procedures.

Regulation 6

Contributions to the EAC Partnership Fund

- a) Any Development Partner or organisation may contribute to the Fund provided it subscribes to these Regulations. Applications for membership of the Fund will be approved by the Committee.
- b) Contributions to the Fund shall be accepted as grants.
- c) Development Partners' contributions to the Fund shall be governed by respective agreements between the East African Community and each Development Partner.
- d) EAC Partner States' contributions to the Fund shall be considered to be an integral part of their contributions to the EAC budget

Regulation 7

Loans and Guarantees

- a) Neither the East African Community (EAC) nor the *Committee* shall be empowered to raise funds for the Fund on a loan basis.
- b) The Fund shall not be used as collateral for any obligations nor may any guarantees be issued on the basis of its capital.

Regulation 8

Conditions for Disbursements

- a) Disbursements from the Fund shall be effected in conformity with the Financial Regulations of the East African Community.
- b) The Secretary General or any of his / her appointees shall authorise all requests for disbursement based on the activity plan and budget as approved by the Committee
- c) The Secretariat shall be responsible for ensuring that the services in respect of which disbursements are made from the Fund are procured in accordance with the respective contracts and the provisions of Regulation 9 of these Regulations.
- d) The Secretariat shall present financial and status reports for approval at the ordinary meetings of the Committee.
- e) No offer, gift or payment, considerations or benefit of any kind that could be construed as illegal or corrupt shall be accepted, either directly or indirectly, as an inducement or reward for award or execution of contracts financed from the Fund.

Regulation 9

Procurement

- a) The Tendering Procedures of the East African Community shall apply to all procurement under the Fund

- b) Procurement shall be effected in accordance with EAC Procurement procedures.
- (c) The Secretariat shall take deliberate measures to encourage suppliers from the East African region to participate in the tendering process
- (d) The EAC shall inform Partner States and Development Partners contributors to the Fund about envisaged procurement within a reasonable time of the planned bidding

Regulation 10

Accounting

- a) The Fund shall be established and managed in accordance with the Financial Regulations and the Accounting System of the East African Community
- b) EAC undertakes to ensure that the following exemptions are granted by Partner States' Governments in respect of goods and services procured through the Fund:
 - (i) import licenses for materials supplied, except for security, safety
Or import licenses environmental reasons,
 - (ii) levies, duties and taxes.
- c) Any interest accrued shall be added to the Fund and bank charges shall be paid from the Fund.

Regulation 11

Audit

- a) An annual audit of the Fund shall be carried out by the Audit Commission of the Community
- b) Any member of the Committee may effect further independent audits. In such case, the costs for such audits shall be borne by the requesting member
- c) Audited financial statements covering the operations of the Fund, as well as management and other relevant reports of the Audit Commission shall be presented to the meetings of the Committee. Reports shall be available to all contributing Development Partners for consideration and noting
- d) The Secretariat shall prepare an annual report on the operations of the Fund by 31st July of each year. The report shall be submitted to the Committee immediately after their approval by the competent EAC organs
- e) The audit shall be discussed by the Committee once it has been adopted in accordance with the EAC Financial Rules and Regulations

Regulation 12

Withdrawal from the EAC Partnership Fund

- a) A Development Partner may withdraw from the Fund by giving at least ninety days written notice of such an intention to the Secretary General. .
- b) A withdrawing member shall not claim funds already paid into the Fund

Regulation 13

Investment of Funds.

- a) The Secretary General may invest funds upon approval of the Committee.
- b) Funds shall be invested in secure assets such as treasury bills, bonds or in fixed deposits with reputable banks.
- c) The Secretariat shall annually submit a report on investments made and interest earned which shall be presented at the next meeting of the Committee.
- d) Proceeds on investments of unused capital from the Fund are to be deposited into the Fund

Regulation 14

Entry into Force

These Regulations shall enter into force 30 days after signatures by the Secretary General and the representatives of respective Development Partners subscribing to the Fund

Regulation 15

Review and Amendment

These Regulations may be reviewed, amended and / or modified upon approval by all the parties subscribing to the EAC Partnership Fund.

ANNEX XVII

LEONARD MBOTELA ONYONYI, BA (Hons) Economics, Masters-Project
Evaluation and Management
P.O.Box 43404,00100 NAIROBI. TEL 254 733 922112
E-Mail AddressOnvonyi@hotmail.com

CURRICULUM VITAE

PERSONAL INFORMATION: Marital Status: Married
Nationality: Kenyan
Age: 43 years
Languages: English and Kiswahili.
Hobbies: Outdoor Sports, Working with street
Children, Wildlife Conservation.

PROFESSIONAL PROFILE.

Goal oriented result bound administrator with 20 years experience in Public service both at the headquarters and field have had an outstanding service as an organizer, coordinator and facilitator have, extensive experience in working with rural communities, very gender sensitive, tolerant to constructive criticism and respect for individual values and have proven experience in project cycle management both within and outside the Public service. Well organized with excellent time management skills and a responsive team player.

I have been for the last three years been the Kenya National Focal Point on Illicit Small Arms and Light Weapons, Secretariat Coordinator of the National steering committee on Peace Building and Conflict Management and Head of the Conflict Early Warning Response Unit (CEWARU). These structures are all multi sectoral with strong civil society partnership and participation. I have thus interacted extensively with CSOs, both local and international and we are jointly partnering in a number of Projects.

In this respect I have directly been involved in coordinating multi sectoral approach to dialogue among conflicting communities and developing capacities and institutional mechanisms for structures based at District level to play a leading role in peacework.

I am currently managing three major projects at national level with financial support from Oxfam, UNDP and Norwegian Church Aid. I have strong analytical, evaluation and project management skills.

PROFESSIONAL QUALIFICATIONS.

University of Antwerp 2002: Masters in Project Evaluation and Management.

ACADEMIC QUALIFICATIONS.

Panjab University, India 1982-85: Bachelor of Arts(Economics and Public Admin)

Mbita High School 1980-81 : "A"Levels.

Chewoyet School 1976-79: "O" Levels.

OTHER COURSES

The Kenya'Institute of Administration:
May-September 1990. Advanced Public Administration.

East and southern Africa Management
Institute (ESAMI) Arusha Tanzania. Certificate in Health Economics / financing
February-March 1989

Georgia State University Atlanta USA: Certificate in Health Administration
June -September 1987

University of Birmingham Certificate in Peace Policy Development
November 2003.

EXPERIENCE.

February 2002- Todate
Office of the President Headquarters
Job Title: Senior Administrative Officer
Reporting To: Deputy Secretary/ Security

Responsibilities:

- . Coordinating efforts to stop proliferation of illicit small arms and light weapons
- . Coordination of peace building and conflict management efforts.
- . Coordination of the implementation of community Policing
- . Focal point for the IGAD CEWARN Process
- . Joint Secretary, Task Force on Police Reform
- . Member EAC interstate security team on the Kenyan side.
- . Secretary to Joint Border Commissioners/Administrators Meetings.

September 1990 -September 2000.
Office of the President-Provincial Administration
Job Title: District Officer
Reporting To: District Commissioner

Responsibilities;

- . Community Mobilization for Development
- . Public Safety
- . **Supervision of other government departments**

- . Co-ordination of the operations of all Development providers
- . Chairing Development forums
- . Census matters
- . Financial management of DCs office
- . District transport officer
- . Member DDC
- . Member District Children's advisory committee
- . Member probation case committee
- . Member, intersectoral AIDS committee
- . NGO co-ordination
- . Member district agricultural Committee
- . Member District Tender Board
- . Deputy to the DC.

January 1986-April 1990

Ministry of Health Headquarters

Job Title: Administrative /Finance Officer.

Reporting To: Deputy Secretary/Planning & Development

Responsibilities:

- . **Preparation of the Development Budget**
- . **Project Officer-ADB Projects**
- . **Secretary, Health sector reform Committee**
- . **Secretary, Ministerial Budget Committee**
- . **Follow up on donor Funded projects**
- . **Evaluation of Project performance**
- . **Member-Project Implementation Unit**
- . **Liaison with donors on Budgetary matters**
- . **Member-KEMRI and KETRI finance Committees**
- . **Member, Kenyatta Hospital finance Committee**

OTHER RESPONSIBILITIES.

1988-Participated in the Provincial and District Health services Study under technical leadership of John Snow Institute.

1990-led the GOK team in the Zero based budgeting under lead Consultancy of Thunder and Associates.

2001-Was an Intern at Born Free foundation in Horsham UK where I developed a Projects Management Protocol for the organization.

2001-Completed a rapid appraisal on the decentralization of health services in Kenya for POLICY Kenya.

2003-Member Kenyan Delegation to the UN Biennial Meeting of States on Small arms.

2003-Attended the INWENT dialogue on small arms, Cologne Germany.

2003-Participated in "Biting the Bullet Project" annual consultations hosted at the Great Rift Valley Lodge, Naivasha, Kenya.

2004-Led delegation to the UN Regional Center for Africa Conference on Transparency in Arms Transfers. Bamako Mali.

2004-Led Kenyan Delegation to the Biting the Bullet annual consultations in Colombo, Sri Lanka.

2004-Was part of the Kenyan delegation to the Africa Centre for Strategic Studies Seminar on "security challenges posed by illicit small arms and light weapons in Africa that brought together 98 participants from 38 African and 4 European Countries.

2004-Joint Secretary, Police Reforms Task Force

2005- March-led Kenyan Delegation to the Human Development Centre Global forum on Security and Development, Rio De Janeiro, Brazil.

2005 -July was part of the Kenyan Delegation to the Second UN biennial Conference on Illicit Small Arms and Light Weapons ,New York.

2005-August led the Kenyan Delegation in the Joint Kenya/Uganda UNDP scoping mission on Developmental interventions in the Karamoja Cluster, Kampala ,Uganda.

2005 August-Secretary, Kenya /Uganda Joint Ministerial Consultative Meeting on disarmament and Development in the Karamoja Cluster, Mombasa, Kenya

2005 December-led Kenya's delegation to the second meeting of African experts on Small Arms and Light Weapons held in Windhoek, Namibia.

2006 Joined the Kenyan Delegation to the Tokyo International Conference on African development in' Addis Ababa, Ethiopia.

2004-2004 I have participated in the entire International Conference on the Great Lakes process as convener of the Peace and security thematic group in the Kenyan delegation.

I have also been a member of the Kenyan delegation to the East African Community inter state security Committee. In this regard I participated in the task force that

development of the Implementation plan for the Security strategy of the East African Community.

Computer Skills:

My computer skills are current and I *work* with MS office suite along with MS Projects and SPSS.I also have working knowledge of CA Super project and PCM Team Up.

REFEREES.

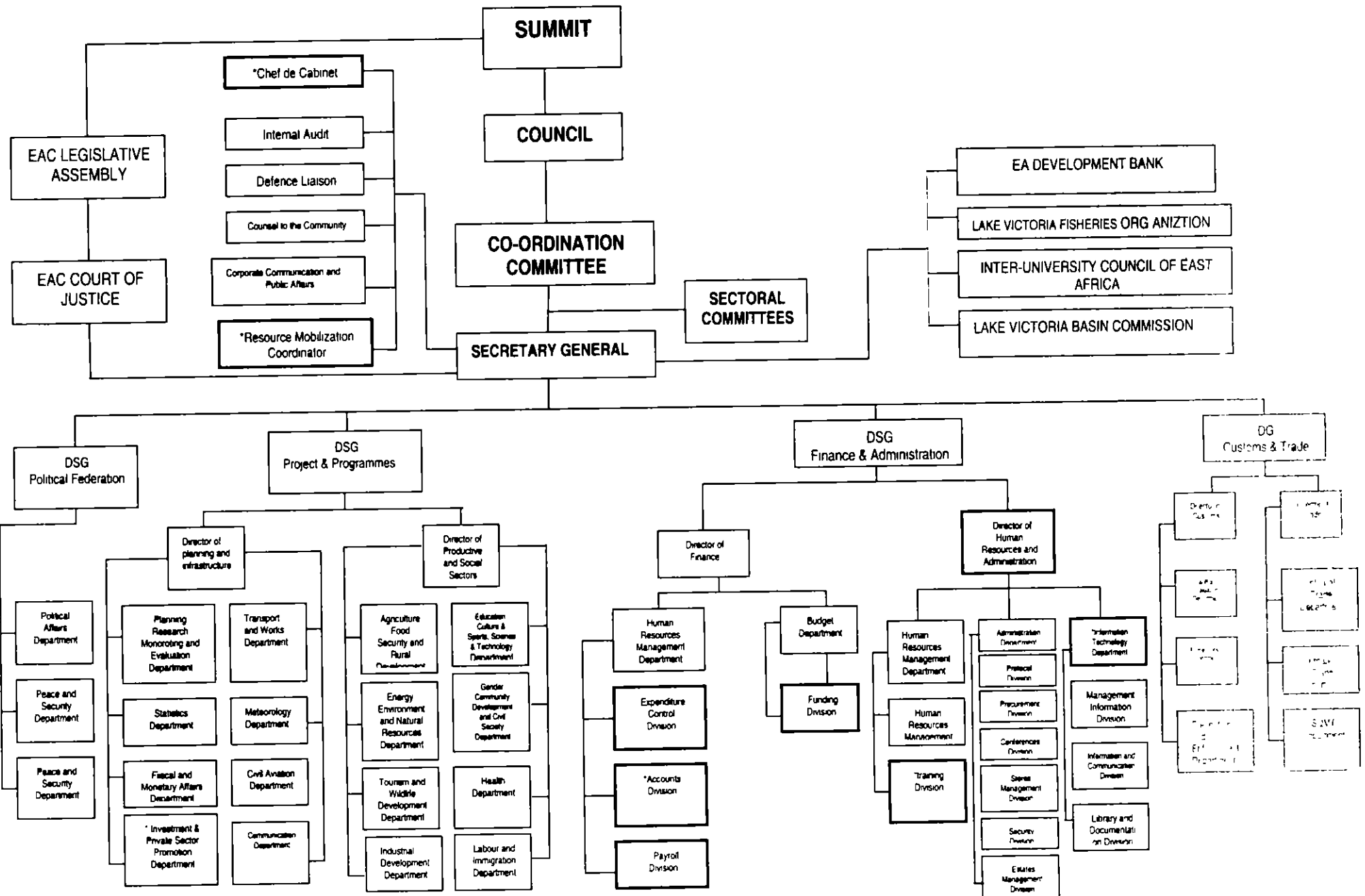
Amb Ochieng Adala,
P.O.Box 76621
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MAHBOUB MAALIM
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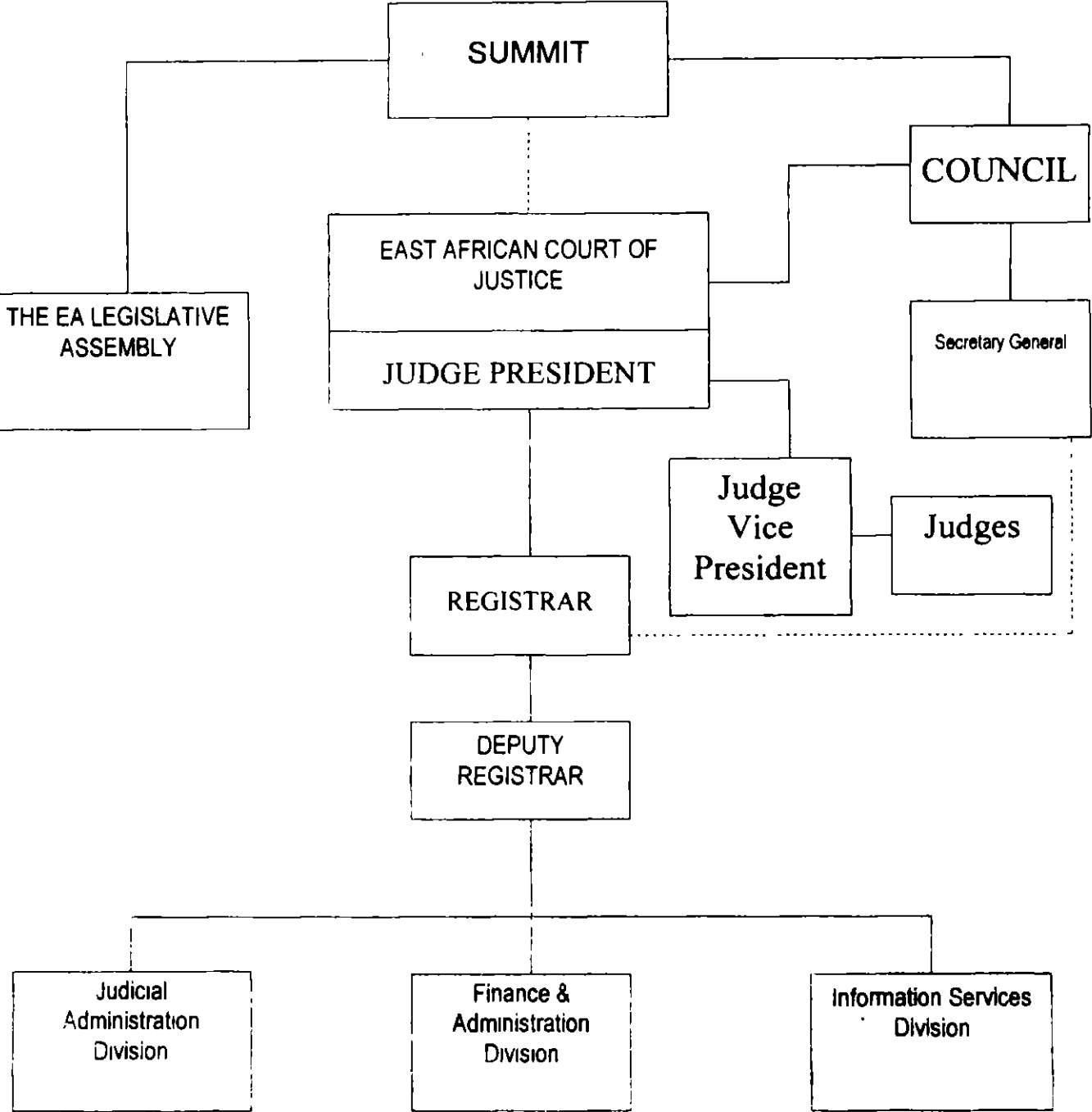
ANNEX XVIII

PROPOSED FUNTIONAL STRUCTURE FOR THE EAST AFRICAN COMMUNITY

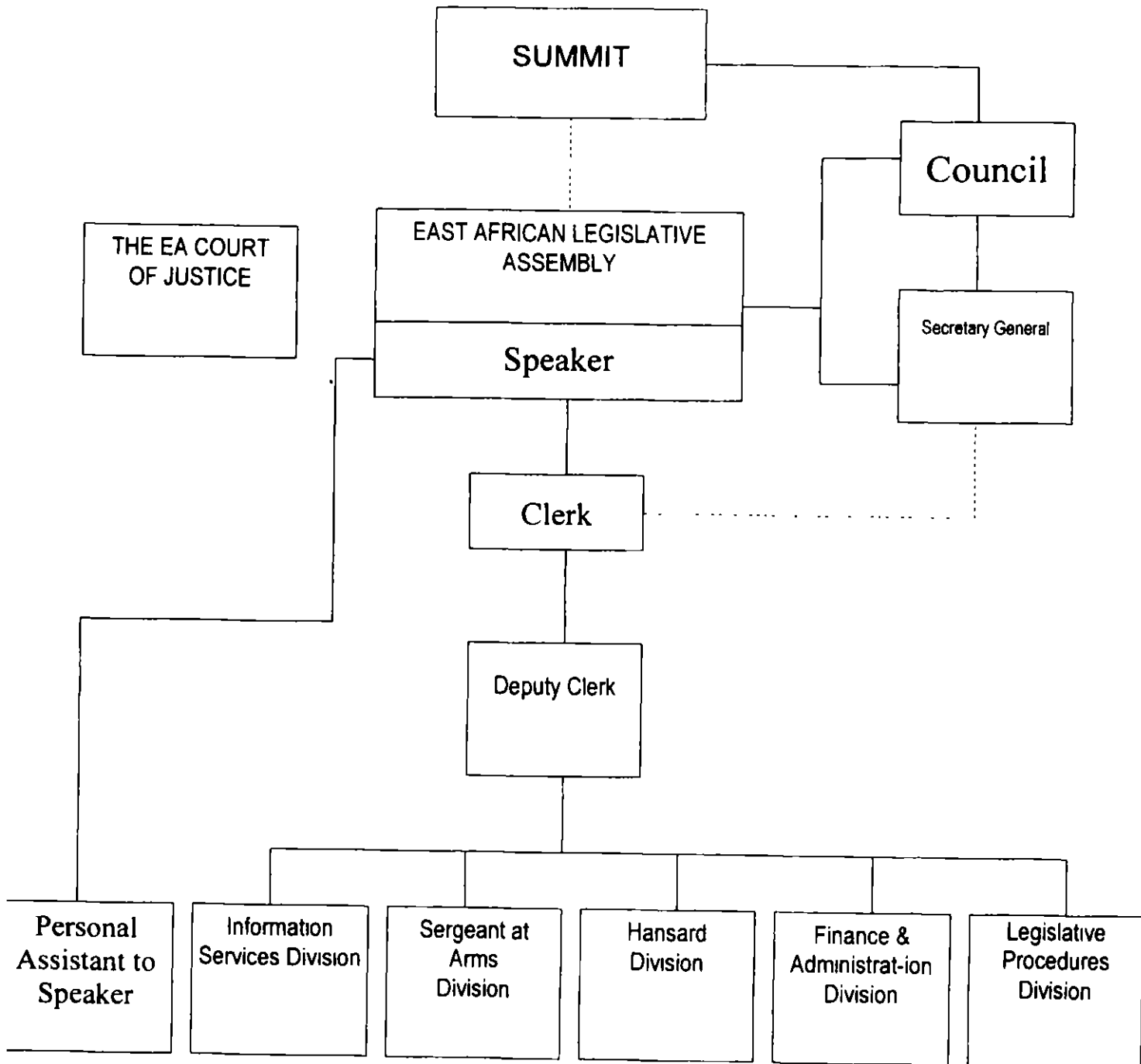


ANNEX XIX

**ORGANISATION STRUCTURE OF THE
EAST AFRICAN COURT OF JUSTICE**



ORGANISATION STRUCTURE OF THE EAST AFRICAN LEGISLATIVE ASSEMBLY



ANNEX XX

PROPOSED ESTABLISHMENT AND GRADING

EAST AFRICAN COMMUNITY SECRETARIAT**OFFICE OF THE SECRETARY GENERAL**

	NUMBER	PROPOSED GRADE
1 Secretary General	1	D2
2 Chef de Cabinet	1	P3
3 Resource Mobilization Co-ordinator	1	P3
4 Senior Personal Secretary	1	G5
5 Senior Driver	1	G3

JUDICIAL AND LEGAL AFFAIRS

1 Counsel to the Community	1	P5
2 Legislative Draftsman	1	P4
3. Principal Legal Officer	1	P3
4. Secretary	1	G3

DEFENCE LIAISON UNIT

1 Defence Liaison Officers	3	P5
2 Personal Secretary	1	G4
3 Drivers	3	G3

CORPORATE COMMUNICATION AND PUBLIC AFFAIRS

1. Principal Public Relations Officer	1	P3
2 Senior Public Relations Officer	1	P2

INTERNAL AUDIT

1 Chief Internal Auditor	1	P4
2 Principal Internal Auditor	1	P3
3 Internal Auditor	1	P1

OFFICE OF THE DEPUTY SECRETARY GENERAL (POLITICAL FEDERATION)

	NUMBER	PROPOSED GRADE
1. Deputy Secretary General (PF)	1	D1
2. Senior Personal Secretary	1	G5
3. Senior Driver.	1	G3
POLITICAL AFFAIRS		
1. Principal Political Affairs Officer	1	P3
2. Senior Political Affairs Officer	1	P2
INTERNATIONAL RELATIONS		
1. Principal International Relations Officer	1	P3
2. Senior International Relations Officer	1	P2
PEACE AND SECURITY		
1. Principal Peace and Security Officer	1	P3
2. Small Arms Officer	1	P2

OFFICE OF THE DEPUTY SECRETARY GENERAL (PROJECTS & PROGRAMMES)

	NUMBER	PROPOSED GRADE
1 Deputy Secretary General (P&P)	1	D1
2. Senior Personal Secretary	1	G5
3 Senior Driver	1	G3

DIRECTORATE OF PROJECTS AND PROGRAMMES

1 Directorate of Planning and Infrastructure	1	P5
2 Assistant Director (Macro Economic Policies)	1	P4
3. Assistant Director (Economic Infrastructure)	1	P4
4 Personal Secretary	2	G4
5 Secretary	1	G3

PLANNING, MONITORING AND EVALUATION

1 Principal Planning & Research Officer	1	P4
2. Senior Monitoring and Evaluation Officer	1	P2
3. Research Officer	1	P1

STATISTICS

1 Senior Statistician	1	P2
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FISCAL AND MONETARY AFFAIRS

1. Principal Economist (Monetary)	1	P3
2. Principal Economist (Fiscal)	1	P3
3. Senior Economist (Monetary)	1	P2
4. Senior Economist (Fiscal)	1	P2

INVESTMENT AND PRIVATE SECTOR PROMOTION

1 Principal Economist (Investment)	1	P3
2. Senior Economist (Investment)	1	P2

TRANSPORT & CIVIL WORKS

1. Principal Transport Economist	1	P3
2. Senior Civil Engineer	1	P2
3 Senior Highway Engineer	1	P2
4. Senior Materials/Pavement Engineer	1	P2

METEOROLOGY

1 Senior Meteorologist	1	P2
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CIVIL AVIATION

1. Principal Civil Aviation Officer	1	P3
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COMMUNICATIONS

1. Principal Communications Engineer	1	P3
2. Senior Communications Engineer	1	P2

DIRECTORATE OF PRODUCTIVE AND SOCIAL SECTORS

1 Director (Productive and Social Sectors)	1	P5
2. Assistant Director (Productive & Natural Resources)	1	P4
3 Assistant Director (Social Sectors)	1	P4
4. Personal Secretary	1	G4
5 Secretary	1	G3

AGRICULTURE AND FOOD SECURITY

1 Principal Agricultural Economist	1	P3
2 Senior Agronomist	1	P2
3. Senior Livestock Officer	1	P2

ENERGY, NATURAL RESOURCE & ENVIRONMENT

1. Principal Officer (Natural Resources)	1	P3
2 Senior Environment Officer	1	P2
3 Senior Energy Officer	1	P2

TOURISM & WILDLIFE

1. Principal Tourism Officer	1	P3
2 Senior Conservation Officer	1	P2

INDUSTRIAL DEVELOPMENT

1 Principal Industrial Development Officer	1	P3
2. Senior Industrial Development Engineer	1	P2

EDUCATION, SCIENCE & TECHNOLOGY

1. Principal Education Officer	1	P3
2 Senior Education Officer	1	P2

GENDER, COMMUNITY DEVELOPMENT & CULTURE

1 Principal Gender & Community Development Officer	1	P3
2. Senior Gender Officer	1	P2
3 Senior Culture and Sports Officer	1	P2

HEALTH

1 Principal Health Officer	1	P3
2 Senior Health	1	P3

LABOUR EMPLOYMENT AND MIGRATION

1 Principal Labour & Employment Officer	1	P3
2 Senior Immigration Officer	1	P2

OFFICE OF THE DEPUTY SECRETARY GENERAL (FINANCE & ADMINISTRATION)

	NUMBER	PROPOSED GRADE
1. Deputy Secretary General	1	D1
2. Senior Personal Secretary	1	G5
3. Senior Driver	1	G3

DIRECTORATE OF FINANCE

1. Director (Finance)	1	P5
2. Assistant Director (Finance)	1	P4
3. Personal Secretary	1	G4
4. Secretary	1	G3

ACCOUNTS

1 Principal Accountant	1	P3
2 Senior Accountant	1	P2
3. Accounts Assistants	3	G5
4. Cashier	1	G4

BUDGET

1. Principal Budget Officer	1	P3
2. Senior Budget Officer	1	P2

DIRECTORATE OF HUMAN RESOURCES AND ADMINISTRATION

1. Director (Human Resources and Administration)	1	P5
2. Personal Secretary	1	G4

HUMAN RESOURCES MANAGEMENT DEPARTMENT

1. Assistant Director (Human Resources)	1	P4
2. Secretary	1	G3

HUMAN RESOURCES MANAGEMENT

1. Principal Human Resources Management Officer	1	P3
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TRAINING AND DEVELOPMENT

1. Senior Human Resources Officer (Planning & Dev.)	1	P2
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ADMINISTRATION DEPARTMENT

1. Assistant Director (Administration)	1	P4
2. Principal Administrative Officer	1	P3
3. Senior Administrative Officer	1	P2
4. Secretary	1	G3
5. Receptionist.	1	G3
6. Telephone Operator	1	G3
7 Drivers	7	G2
8. Production Assistants	3	G2
9. Office Attendants	5	G1

PROTOCOL

1. Conference /Protocol Officer	1	P1
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PROCUREMENT

1. Senior Procurement Officer	1	P2
2. Procurement Assistant	1	G4

CONFERENCES

1. Senior Conference Officer	1	P2
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STORES MANAGEMENT

1. Stores Officer	1	P1
2. Stores Assistant	1	G4

SECURITY

1. Security Officer	1	P1
2. Security Assistants	4	G4

ESTATES MANAGEMENT

1. Estates Management Officer	1	P2
-------------------------------	---	----

INFORMATION AND COMMUNICATION DEPARTMENT

1 Assistant Director (Information & Comm Services)	1	P4
2 Secretary	1	G3

MANAGEMENT INFORMATION

1 Principal Records Officer	1	P3
2 Senior Documentation Officer	1	P2
3. Registry Supervisor	1	G5
4 Registry Assistant	1	G4

INFORMATION AND COMMUNICATIONS

1 Principal Information Technology Officer	1	P3
2 Senior Systems Analyst	1	P2

LIBRARY AND DOCUMENTATION

1. Principal Librarian	1	P3
2 Senior Librarian	1	P2
3. Library Assistant	1	G4

OFFICE OF DIRECTOR GENERAL (CUSTOMS & TRADE)

1 Director General (Customs & Trade)	1	D2
2. Senior Personal Secretary	1	G5
3 Senior Drive	1	G3

CUSTOMS DIRECTORATE

1 Director (Customs)	1	P5
2 Assistant Director (Customs)	1	P4
3. Personal Secretary	1	G4
4 Secretary	1	G3

TARIFF & VALUATION

1 Principal Valuation Officers	1	P3
2 Tariff Officers	1	P1

PROCEDURES

1 Principal Valuation Officer	1	P3
2 Customs Procedures Officer	1	P1

PREVENTION AND ENFORCEMENT

1 Principal Investigation Officer	1	P3
2. Investigation Officer	1	P1

DIRECTORATE OF TRADE

1 Director (Trade)	1	P5
2 Assistant Director (Trade)	1	P4
3 Personal Secretary	1	G4
4 Secretary	1	G3

INTERNAL TRADE

1. Principal Trade Officer	1	P3
2. Senior Trade Officer	1	P2

INTERNATIONAL TRADE

1. Principal Trade Officer	1	P3
2. Senior Export Promotion Officers	1	P2

SQMT

1. Principal Standard Officer	1	P3
2. Senior Standards Officer	1	P2

TOTAL PROPOSED ESTABLISHMENT

1. Executive Staff	5	
D2	1	
D1	4	
2. Professional Staff	102	
P5	10	
P4	12	
P3	34	
P2	38	
P1	08	
3. Senior Personal Secretaries	5	
4. Secretaries	15	
5. Drivers	15	
6. Receptionist	1	
7. Telephone Operator	1	
8. Security Assistants	4	
9. Production Assistants	3	
10. Office Attendants	5	
11. Accounts Assistants	3	
12. Cashier	1	
13. Stores Assistant	1	
14. Procurement Assistant	1	
15. Library Assistant	1	
16. Registry Supervisor	1	
17. Registry Assistant	1	

SUMMARY

Executive Staff	5
Professional Staff	101
Support Staff	<u>58</u>
TOTAL	164

EAST AFRICAN LEGISLATIVE ASSEMBLY

OFFICE OF SPEAKER

1	Personal Assistant to the Speaker	1	P3
2	Senior Personal Secretary	1	G5
3.	Senior Driver	1	G3

CLERK'S OFFICE

1.	Clerk	1	P5
2	Personal Secretary	1	G4
3	Driver	1	G2

DEPUTY CLERK

1	Deputy Clerk	1	P4
2.	Personal Secretary	1	G4

INFORMATION SERVICE DIVISION

1.	Principal Research Officer	1	P3
2.	Research Officer	1	PI
3	Librarian	1	PI
4	Library Assistant	1	G4

SERGEANT AT ARMS

1	Sergeant At Arms	1	P3
2	Assistant Sergeant At Arms	1	PI
3	Commissionnaires	2	G4

HANSARD SERVICES

1	Hansard Editor	1	P3
2	Hansard Reporter	1	P1
3	Technician	1	G5

FINANCE AND ADMINISTRATION

1	Administrative Officer	1	P2
2.	Network Administrator	1	P2
3	Accountant	1	PI
4	Accounts Assistant	1	G5
5	Personal Secretary	1	G4
6	Stores Assistant	1	G4

7. Telephone Operator	1	G3
8 Office Attendant	1	G1

LEGISLATIVE & PROCEDURE SERVICE DIVISION ♦

1. Principal Clerk Assistant	1	P3
2. Senior Clerk Assistant	1	P2
3 Clerk Assistant	1	P1
4 Personal Secretary	1	G4

TOTAL PROPOSED ESTABLISHMENT **31**

1. Professional Staff	16
2. Support Staff	15
3. Priority	06
4. Deferred	10
5. In Post	15

EAST AFRICAN COURT OF JUSTICE

OFFICE OF THE JUDGE PRESIDENT

1. Personal Assistant to Judge President	1	P2
2. Senior Personal Secretary	1	G5
3. Senior Driver	1	G3

OFFICE OF THE VICE PRESIDENT

1. Senior Personal Secretary	1	G5
2. Senior Driver	1	G3

JUDGES OFFICE

1. Senior Personal Secretaries	4	G5
2. Drivers	4	G2

REGISTRAR'S OFFICE

1. Registrar	1	P5
2. Personal Secretary	1	G4
3. Driver	1	G2

DEPUTY REGISTRAR'S OFFICE

1. Deputy Registrar	1	P4
2. Personal Secretary	1	G4

JUDICIAL ADMINISTRATION DIVISION

1. Senior Registry Officer	1	P2
2. Court Clerks	4	G4
3. Court Recorders	2	G4
4. Technician	1	G4
5. Process Server & Office Attendants	2	G2

FINANCE AND ADMINISTRATION DIVISION

1. Senior Court Administrator	1	P2
2. Accountant	1	P1
3. Accounts Assistant	1	G5
4. Personal Secretary	1	G4
5. Security Assistant	2	G4
6. Receptionist	1	G2

INFORMATION SERVICES DIVISION

1. Senior Librarian	1	P2
2. Network Administrator	1	P1
3. Research Officer	1	P2
4. Library Assistant	1	G4

PROPOSED TOTAL ESTABLISHMENT 46

Judges 06
Professional Staff 09
Support Staff 31

LAKE VICTORIA BASIN COMMISSION

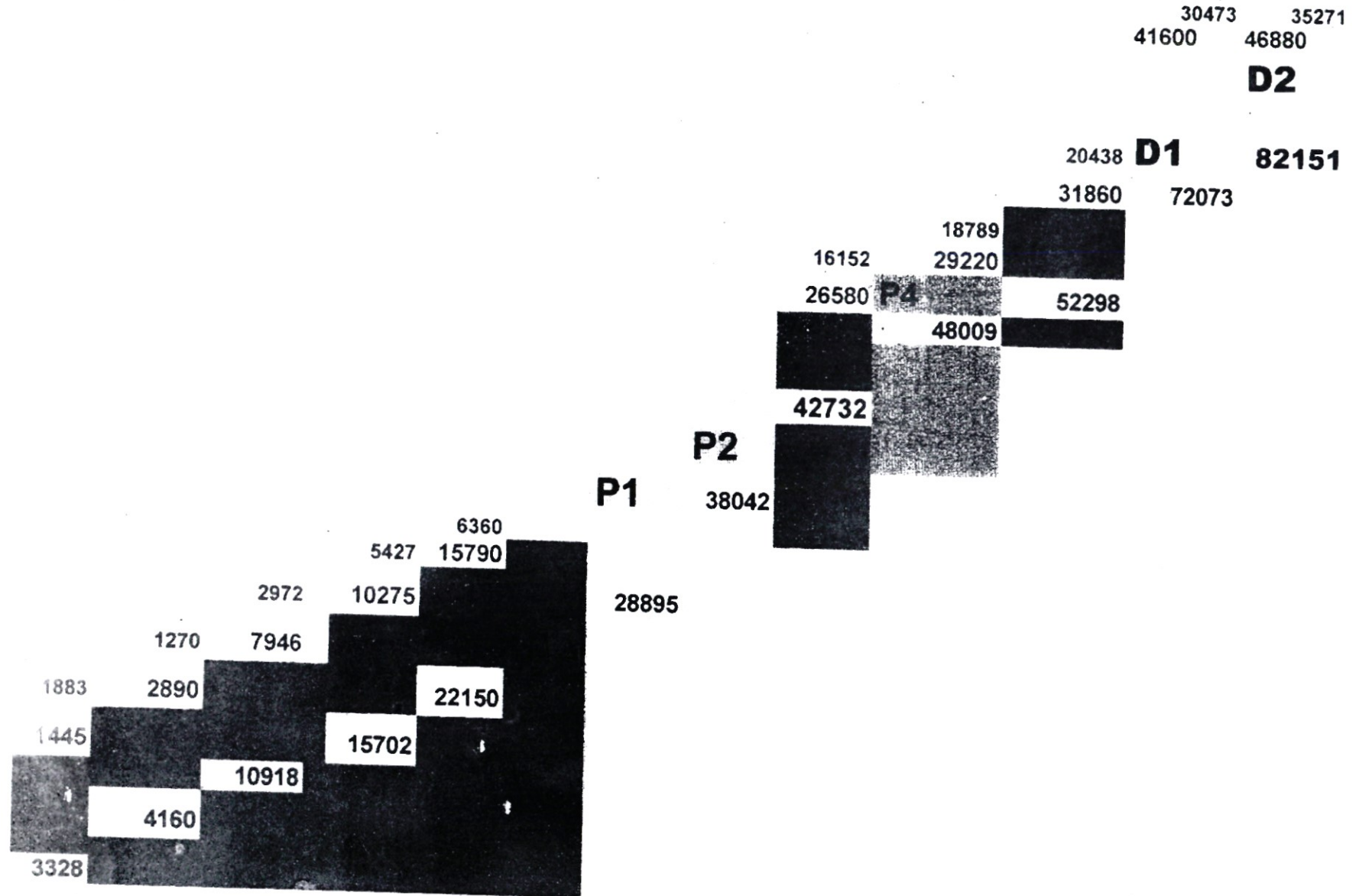
Executive Secretary	1	D1
Deputy Executive Secretary	2	P5
Maritime Safety Officer	1	P3
Projects Development Officer	1	P3
Senior Programme Officer	1	P2
Programme Officer	1	P1
Accountant	1	P1
Personal Secretary	2	G4
Senior Driver	1	G2
Driver	1	G1
Office Attendant	1	G1

Professional Staff	.	8
General Staff	.	5

Total Proposed 13

ANNEX XXI

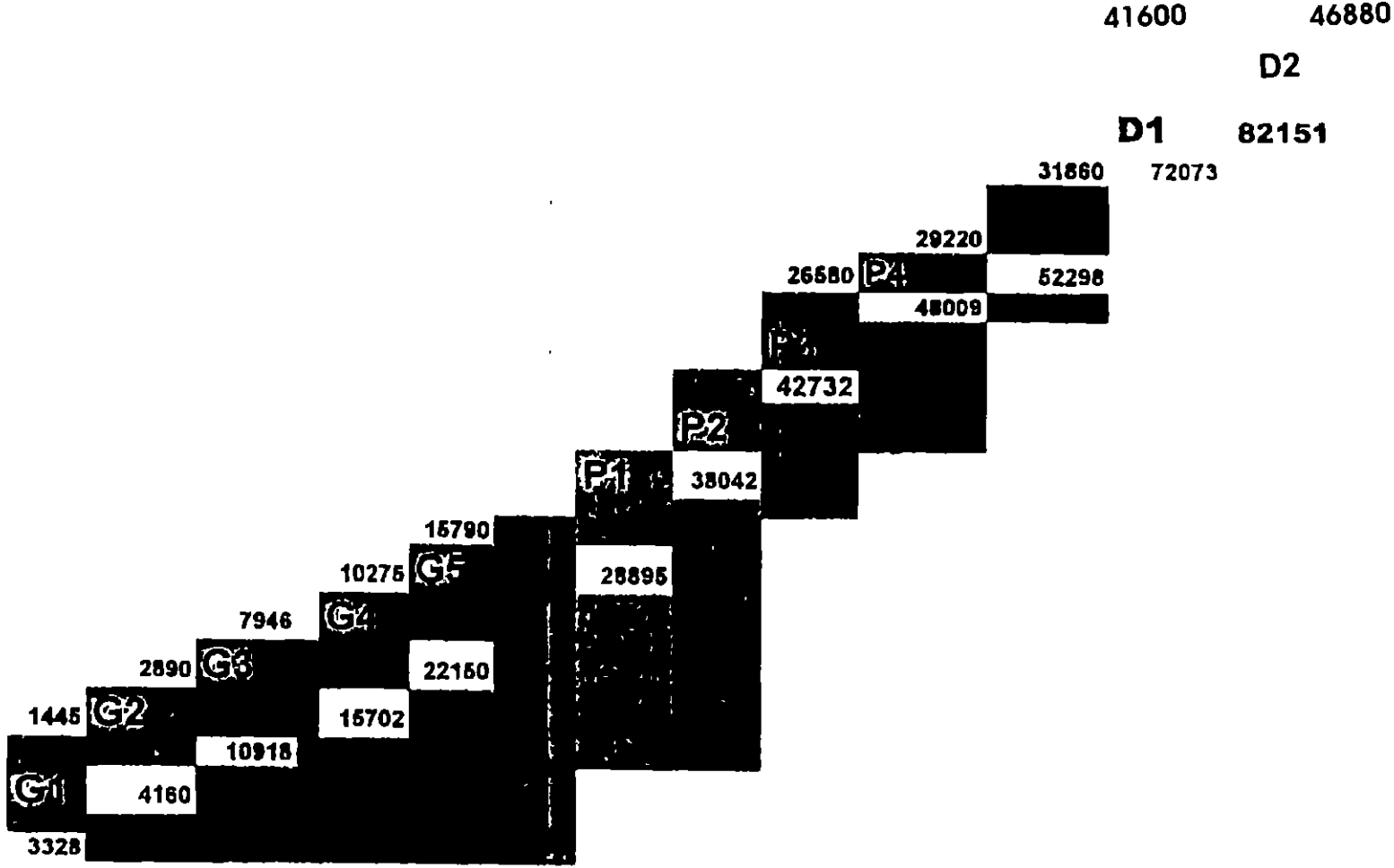
EAC FIXED SALARY POINTS STRUCTURE TO BE REFLECTED IN EMPLOYEE CONTRACTS



MAXIMUM POINTS FOR PRESENT GRADES (IN Red) AND (+) VARIANCES (in Blue) ARE REFLECTED

ANNEX XXII

ANNEX XXII



MAXIMUM POINTS FOR PRESENT GRADES ARE REFLECTED

ANNEX XXIII

**PROPOSED PERSONNEL EMOLUMENTS - ANNUAL
OPTION II - CURRENT STAFF PLUS PRIORITY POSTS
(AT PROPOSED SALARY & ALLOWANCES) (SIX MONTHS)**

Budget lines	Figures - USD			
	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	1,351,575 00	2,577,574 00	1,225,999 00	91
Housing	494,550 00	841,800 00	347,250 00	70
Transport	124,090 00	195,360 00	71,270 00	57
Entertainment	5,250 00	11,100 00	5,850 00	111
Education	483,750 00	483,750 00	-	-
Gratuity	346,594 00	644,394 00	297,800 00	86
Spouse	21,825 00	21,825 00	-	-
Total	2,827,633.00	4,775,802.00	1,948,169.00	69

**OPTION II – CURRENT STAFF PLUS PRIORITY POSTS
(AT PROPOSED SALARY & ALLOWANCES)**

Budget Lines	Figures - USD			
	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	2,703,149 00	5,155,147 00	2,451,988 00	91
Housing	989,100.00	1,683,600 00	694,500 00	70
Transport	248,180 00	390,720 00	142,540 00	57
Entertainment	10,500 00	22,200 00	11,700 00	111
Education	483,750 00	1,068,000 00	584,250 00	121
Gratuity	693,187 00	1,288,788 00	595,601 00	86
Spouse	21,825 00	47,510 00	25,685 00	118
Total	5,149,691.00	9,655,965.00	4,506,274.00	88

SUMMARY OF THE PROPOSED SALARY AND ALLOWANCE

ORGAN	No	Salary	Housing	Transport	Entertainment	Education	Gratuity	Spouse	Total
Secretariat	123	3,999,686 00	1,296,000 00	291,120 00	18,600 00	808,000 00	999,922 00	37,010.00	7,450,338 00
East African Legislative Assembly	19	492,862 00	156,000 00	42,600 00	-	108,000 00	123,216 00	4,450 00	927,128 00
East African Court of Justice	14	256,786 00	92,400 00	28,200 00	-	68,000 00	64,197 00	2,700 00	512,283 00
Lake Victoria Basin Commission	13	405,813 00	139,200.00	28,800.00	3,600 00	84,000 00	101,453 00	3,350 00	766,216 00
Total	169	5,155,147.00	1,683,600.00	390,720.00	22,200.00	1,068,000.00	1,288,788.00	47,510.00	9,655,965.00

**OPTION I - CURRENT STAFF ONLY (AT PROPOSED SALARY & ALLOWANCES)
(SIX MONTHS)**

BUDGET LINES	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	1,351,575 00	1,771,693 00	420,118 00	31
Housing	494,550 00	594,000 00	99,450 00	20
Transport	124,090 00	134,400.00	10,310 00	8
Entertainment	5,250.00	11,100.00	5,850.00	111
Education	483,750.00	483,750.00	-	-
Gratuity	346,594 00	444,066.00	97,473 00	28
Spouse	21,825 00	21,825.00	-	-
Total	2,827,633.00	3,460,834.00	633,201.00	22

BUDGET LINES	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	2,703,149 00	3,543,385 00	840,236 00	31
Housing	989,100 00	1,188,000 00	198,900 00	20
Transport	248,180.00	268,800 00	20,620 00	8
Entertainment	10,500 00	22,200 00	11,700.00	11
Education	483,750 00	744,000 00	260,250 00	54
Gratuity	693,187 00	888,133 00	194,946 00	28
Spouse	21,825 00	22,200 00	375 00	2
Total	5,149,691.00	6,676,718.00	1,527,027.00	30

SUMMARY OF THE PROPOSE SALARY AND ALLOWANCE

ORGAN	No	Salary	Housing	Transport	Entertainment	Education	Gratuity	Spouse	Total
Secretariat	86	2,565,487 00	865,200 00	187,200 00	18,600 00	528,000 00	643,659 00	24,750 00	4,832,896 00
East African Legislative Assembly	16	401,237 00	122,400 00	34,800 00	-	88,000 00	100,309.00	3,600 00	750,346 00
East African Court of Justice	9	170,848 00	61,200 00	18,000 00	-	44,000 00	42,712 00	1,750 00	338,510 00
Lake Victoria Basin Commission	13	405,813 00	139,200 00	28,800 00	3,600 00	84,000 00	101,453 00	3,350 00	766,216 00
Total	124	3,543,385.00	1,188,000.00	268,800.00	22,200.00	744,000.00	888,133.00	33,450.00	6,687,968.00

CURRENT STAFF

JOB TITE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Annual Transport	Entertainment	Annual Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Secretary General	1	D2	82,151	82,151	3000	36,000	-	-	350	4,200	2,000	8,000	1,200	1,200	20,638	132,083
Deputy Secretary General (P&P)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Deputy Secretary General (P&A)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Deputy Secretary General (P& F)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Customer General (customer & Trade)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Sub – total	4			288,292		120,000				14,400		32,000		3,200	72,073	529,666
Counsel to the Community	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Director – Customs	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Director – Trade	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Defence Liaison Officer	3	P5	52,298	156,894	1400	50,400	250	9,000	-	-	2,000	24,000	350	1050	39,224	280,588
Sub – total	6			313,788		100,800		18,000				48,000		2,100	78,447	561,137
Transport Economist	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Accountant	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Internal Auditor	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (Macro)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (Sectoral)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (social)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Information and Public Relation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Librarian	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Statistician	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Administrative Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Information Technology Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Valuation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Compliance Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Investigation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Trade Officer (Internal Trade)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Trade Officer (International Trade)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Standards officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Tourism Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Monetary Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Sub – total	19			811,908		228,000		67,000				152,000		6,650	202,977	1,458,636

Legal Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Human Resources Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	-	350	350	9,511	70,903
Economist (fiscal and Monetary)	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Planner Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Administrative Aids to Secretary General	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Conference Co-ordinate	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Public Relations Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	8,000	350	350	9,511	70,903
Civil Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	8,000	350	350	9,511	70,903
Records Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	8,000	350	350	9,511	70,903
Budget Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
System Analyst	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Internal Trade Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
International Trade Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	8,000	350	350	9,511	70,903
Standards Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	-	8,000	350	350	9,511	70,903
Sub - total	13			494,848		168,000		42,000				112,000		4,800	133,147	992,836

Investigation Officer	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,489
Tariff Officer	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,489
Procedures Officer	3	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,489
Sub - total	5			86,685		36,000		9,000				18,000		700	14,448	159,833

GENERAL STAFF

Security Officer	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Registry Supervisor	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Personal Secretariat	3	G5	22,150	22,150	400	14,400	150	5,400	-	-	1,000	12,000	150	450	18,813	115,313
Sub - total	5			110,750		24,000		9,000				20,000		750	27,888	192,188
Secretaries	7	G4	15,702	109,914	400	33,800	150	12,800	-	-	1,000	28,000	150	1,050	27,479	212,643
Accounts Assistant	3	G4	15,702	47,106	400	14,400	150	5,400	-	-	1,000	12,000	150	450	11,777	91,133
Library Assistants	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Security Guards	5	G4	15,702	47,106	400	10,800	100	3,800	-	-	1,000	12,000	150	450	11,777	85,733
Sub - total	14			219,828		63,800		23,400				68,000		2,100	54,957	419,885

Receptionist	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Stores Clerk	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Registry Assistant	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Telephone Operator	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Senior Drivers	5	G3	10,918	54,590	400	24,000	150	9,000	-	-	1,000	20,000	150	150	13,648	121,988
Secretary	2	G3	10,918	21,836	400	9,600	150	3,800	-	-	1,000	8,000	150	150	5,459	48,795
Sub - total	11			120,000		52,800		19,800				44,000		1,650	30,028	268,375

Drivers	2	G2	4,160	8,320	300	7,200	100	2,400	-	-	1,000	8,000	150	300	2,080	28,300
Drivers	2	G2	4,160	8,320	300	7,200	100	2,400	-	-	1,000	8,000	150	300	2,080	28,300
Production Assistant	1	G2	4,160	4,161	300	3,600	100	1,200	-	-	1,000	4,000	150	150	1,040	14,151
Sub - total	5			20,801		18,000		6,000				20,000		750	6,200	70,761

Cleaner	1	G1	3,328	3,328	300	3,600	100	1,200	-	-	1,000	4,000	150	150	832	13,110
Office attendant	4	G1	3,328	13,312	300	14,400	100	4,800	-	-	1,000	18,000	150	600	3,328	52,440
Sub - total	5			18,640		18,000		6,000				20,000		750	4,100	66,660
86				2,686,487		886,200		167,200		14,000		628,000		24,760	643,669	4,832,896

EAST AFRICAN LEGISLATIVE ASSEMBLY - CURRENT STAFF COMPLEMENT

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Clerk	1	P5	52,298	52,298	1400	16,800	250	3000	-	2,000	8,000	350	350	13,075	93,523
Research Officer	1	P5	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Sergeant At Arms	1	P5	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Hansard Editor	1	P5	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Principal Clerk Assistant	1	P5	42,732	42,732	1000	12,000	250	3000	-	2,000	8,000	350	350	10,683	76,765
Administrative Officer	1	P5	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Assistant Sergeant At Arms	1	P5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Hansard Reporter	1	P5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Clerk Assistant	1	P5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Personal Secretary	1	P5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Accounts Assistant	1	P5	15,702	15,702	400	4,800	150	1800	-	1,000	4,000	150	150	3,926	30,378
Secretary	1	P5	15,702	15,702	400	4,800	150	1800	-	1,000	4,000	150	150	3,926	30,378
Library Assistant	1	P5	15,702	15,702	400	4,800	150	1800	-	1,000	4,000	150	150	3,926	30,378
Driver	1	P5	10,918	10,918	400	4,800	150	1800	-	1,000	4,000	150	150	2,730	24,398
Driver	1	P5	4,087	4,087	300	3,600	100	1200	-	1,000	4,000	150	150	1,022	14,059
Office Attendant	1	P5	3,328	3,328	300	3,600	100	1200	-	1,000	4,000	150	150	832	13,110
Sub - total	16			401,237		122,400		34,800			88,000		3,600	100,309	750,346

EAST AFRICAN COURT OF JUSTICE - CURRENT STAFF

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Registrar	1	P5	52,298	52,298	1400	16,800	250	3,000	2,000	8,000	350	350	13,075	93,523
Court Administrator	1	P2	38,042	38,042	1000	12,000	250	3,000	2,000	8,000	350	350	9,511	70,903
Secretary	1	G4	15,702	15,702	400	4,800	150	1,800	1,000	4,000	150	150	3,926	30,378
Accounts Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	1,000	4,000	150	150	3,926	30,378
Court Clerks	2	G4	15,702	15,702	400	9,600	150	3,600	1,000	8,000	150	150	7,851	60,755
Library Assistant	1	G4	10,285	10,285	400	4,800	150	1,800	1,000	4,000	150	150	2,571	23,606
Driver	1	G1	4,087	4,087	400	4,800	150	1,800	1,000	4,000	150	150	1,022	15,859
Process server & Office Attendants	1		3,328	3,328	300	3,600	100	1,200	1,000	4,000	150	150	832	13,110
Total	9			170,848		61,200		18,000		44,000		1,750	42,712	338,510

LAKE VICTORIA BASIN COMMISSION CURRENT STAFF

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport		Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Executive Secretary	1	D1	72,073	72,073	2000	24,000	-	300	3,800	2,000	8,000	350	350	18,018	128,041
Deputy Executive Secretary	2	P5	104,598	104,598	1400	33,600	250	6,000	-	2,000	16,000	350	700	26,148	187,046
Senior Programme Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	8,511	70,803
Projects Development Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,883	76,765
Maritime Safety Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,883	76,765
Programme Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	2,000	8,000	250	250	6,978	58,143
Accountant	1	P1	27,914	27,914	1000	12,000	250	3,000	-	2,000	8,000	250	250	6,978	58,143
Senior Driver	1	G3	10,918	10,918	400	4,800	150	1,800	-	1,000	4,000	150	150	2,730	24,398
Personal Secretary	1	G4	31,404	31,404	400	8,600	150	3,600	-	1,000	8,000	150	300	7,851	80,755
Driver	1	G2	4,160	4,160	300	3,600	100	1,200	-	1,000	4,000	150	150	1,040	14,150
Office Attendant	1	G1	3,328	3,328	300	3,600	100	1,200	-	1,000	4,000	150	150	832	13,110
Total	13		408,813	408,813	138,200	138,200	2,000	28,500	3,800		84,000		33,350	101,483	788,216

CURRENT STAFF PLUS PRIORITY POSTS

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Annual Transport	Entertainment	Annual Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Secretary General	1	D2	82,151	82,151	3000	36,000	-	-	350	4,200	2,000	8,000	1,200	1,200	20,638	132,083
Deputy Secretary General (P&P)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Deputy Secretary General (P&A)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Deputy Secretary General (P&F)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Customer General (customer & Trade)	1	D1	72,073	72,073	2500	30,000	-	-	300	3,600	2,000	8,000	800	800	18,018	132,491
Sub - total	4			288,292		120,000				14,400		32,000		3,200	72,073	529,964
Counsel to the Community	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Director - Customs	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Director - Trade	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Defence Liaison Officer	3	P5	52,298	156,894	1400	50,400	250	9,000	-	-	2,000	24,000	350	350	39,224	280,588
Director - Finance and Administration	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Director - Projects and Programmes	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Sub - total	4			418,384		134,400		24,000				84,000		2,800	104,447	748,150
Senior Legislative Draftsman	1	P4	48,009	48,009	1400	16,000	250	3,000	-	-	2,000	8,000	350	350	12,002	88,161
Principal Planning & Research Officer	1	P4	48,009	48,009	1400	16,000	250	3,000	-	-	2,000	8,000	350	350	12,002	88,161
Sub - total	2			96,018		33,600		6,000				16,000			24,004	176,323
Transport Economist	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Accountant	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Internal Auditor	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (Macro)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (Sectoral)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Economic (social)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Information and Public Relation Officer Librarian	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Statistician	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Administrative Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Information Technology Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Valuation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Compliance Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Investigation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Trade Officer (Internal Trade)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Trade Officer (International Trade)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Standards officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Political and International Affairs Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Officer (Natural Resources)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Aviation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Tourism Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Monetary Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Fiscal Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765

Principal Investment Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Industry Dev. Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Education Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal comm. and Gender Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Health Officer d	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Labour and Employment Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Transport Economics	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Human Resources Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Administration Officer	1	P3	42,732	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Communication Engineer	1	P3	42,732	42,732	42,732	1000	12,000	251	3,012	-	-	2,000	8,000	351	351	10,683	76,765
Principal Records Officer	1	P3	42,732	42,732	42,732	1000	12,000	252	3,024	-	-	2,000	8,000	352	352	10,683	76,765
Principal Librarian Officer	1	P3	42,732	42,732	42,732	1000	12,000	253	3,038	-	-	2,000	8,000	353	353	10,683	76,765
Principal Accountant	1	P3	42,732	42,732	42,732	1000	12,000	254	3,048	-	-	2,000	8,000	354	354	10,683	76,765
Sub - total	37		1,581,084		1,581,084	1000	444,000	111,120	296,000					12,990	395,271	2,840,435	
Legal Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Human Resources Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Economist (fiscal and Monetary)	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Planner Engineer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Administrative Aids to Secretary General	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Conference Co-ordinate	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Procurement Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Public Relations Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Civil Engineer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Records Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Budget Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
System Analyst	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Documentation Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Livestock Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Agronomist	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Highway Engineer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Material / Pavement Engineer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Procurement Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Civil Engineer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
International Trade Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Internal Trade Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Standards Officer	1	P2	38,042	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Sub - total	22		836,924		836,924	1000	264,000	88,000	176,000					7,700	208,231	1,591,855	
Investigation Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Tariff Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Procedures Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Conference and Protocol Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Stores Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Security Officer	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Internal Auditor	1	P1	28,895	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Sub - total	7		204,265		204,265	1000	84,000	18,000	56,000					2,450	50,568	416,281	
GENERAL STAFF																	
Security Officer	1	G5	22,150	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438

Accounts Assistant	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Registry Supervisor	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Personal Secretariat	3	G5	22,150	66,450	400	14,400	150	5,400	-	-	1,000	12,000	150	450	18,813	115,313
Sub - total	5			132,900		28,000		10,000				24,000		900	33,225	230,825
Secretaries	7	G4	15,702	109,914	400	33,600	150	12,800	-	-	1,000	28,000	150	1,050	27,479	212,643
Accounts Assistant	3	G4	15,702	47,106	400	14,400	150	5,400	-	-	1,000	12,000	150	450	11,777	91,133
Library Assistants	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Cashier	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Security Guards	1	G4	15,702	15,704	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,380
Sub - total	13			204,128		62,400		23,600				52,000		1,850	51,034	394,911
Receptionist	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Stores Clerk	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Registry Assistant	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Telephone Operator	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Senior Drivers	5	G3	10,918	54,590	400	24,000	150	9,000	-	-	1,000	20,000	150	150	13,648	121,988
Secretary	2	G3	10,918	21,836	400	9,600	150	3,800	-	-	1,000	8,000	150	150	5,459	48,795
Sub - total	11			120,000		52,800		19,800				44,000		1,850	30,028	268,375
Drivers	2	G2	4,160	8,320	300	7,200	100	2,400	-	-	1,000	8,000	150	300	2,080	28,300
Drivers	2	G2	4,160	8,320	300	7,200	100	2,400	-	-	1,000	8,000	150	300	2,080	28,300
Production Assistant	1	G2	4,160	4,161	300	3,600	100	1,200	-	-	1,000	4,000	150	150	1,040	14,151
Sub - total	5			20,801		18,000		6,000				20,000		750	6,200	70,761
Cleaner	1	G1	3,328	3,328	300	3,600	100	1,200	-	-	1,000	4,000	150	150	832	13,110
Office attendant	4	G1	3,328	13,312	300	14,400	100	4,800	-	-	1,000	18,000	150	600	3,328	52,440
Sub - total	5			18,640		18,000		6,000				20,000		750	4,100	66,660
	121			2,666,487		1,296,000		291,120		14,400		808,000		27,010	998,522	7,450,338

EAST AFRICAN LEGISLATIVE ASSEMBLY - CURRENT STAFF PLUS PRIORITY POSITIONS

JOB TITE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entert	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Clerk	1	P5	52,298	52,298	1400	16,800	250	3000	-	2,000	8,000	350	350	13,075	93,523
Deputy Clerk	1	P4	48,009	48,009	1400	16,800	250	3000	-	2,000	8,000	350	350	12,002	88,161
Research Officer	1	P2	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Sergeant At Arms	1	P2	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
News Editor	1	P2	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Principal Clerk Assistant	1	P3	42,732	42,732	1000	12,000	250	3000	-	2,000	8,000	350	350	10,683	76,765
Administrative Officer	1	P2	38,042	38,042	1000	12,000	250	3000	-	2,000	8,000	350	350	9,511	70,903
Assistant Sergeant At Arms	1	G5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
News Reporter	1	G5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Accountant	1	P1	27,914	27,914	1000	12,000	250	3,000	-	2,000	8,000	350	350	6,979	58,243
Clerk Assistant	1	G5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Personal Secretary	1	G5	22,150	22,150	400	4,800	150	1800	-	1,000	4,000	150	150	5,538	38,438
Accounts Assistant	1	G4	15,702	15,702	400	4,800	150	1800	-	1,000	4,000	150	150	3,926	30,378
Secretary	1	G4	15,702	15,702	400	9,600	150	3,600	-	1,000	8,000	150	150	7,851	60,755
Library Assistant	1	G4	15,702	15,702	400	4,800	150	1800	-	1,000	4,000	150	150	3,926	30,378
Driver	1	G3	10,918	10,918	400	4,800	150	1800	-	1,000	4,000	150	150	2,730	24,398
Driver	1	G2	4,087	4,087	300	3,600	100	1200	-	1,000	4,000	150	150	1,022	14,059
Office Attendant	1	G1	3,328	3,328	300	3,600	100	1200	-	1,000	4,000	150	150	832	13,110
Sub - total	19			492,862		156,000		42,800			108,000		4450	123,216	927,128

EAST AFRICAN COURT OF JUSTICE - CURRENT STAFF AND PRIORITY POSITIONS

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Education	Annual Education	Spouse	Gratuity	Total
Registrar	1	P5	52,298	52,298	1400	16,800	250	3,000	2,000	8,000	350	350	93,523
Court Administrator	1	P2	38,042	38,042	1000	12,000	250	3,000	2,000	8,000	350	350	70,903
Accountant	1	P1	27,914	27,914	1000	12,000	250	3,000	2,000	8,000	350	350	58,243
Secretaries	2	G4	15,702	31,404	400	9,600	150	3,600	1,000	8,000	150	300	60,755
Accounts Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	1,000	4,000	150	150	30,378
Court Clerks	2	G4	15,702	31,404	400	9,600	150	3,600	1,000	8,000	150	300	60,755
Technician	1	G4	15,702	15,702	400	4,800	150	1,800	1,000	4,000	150	150	30,378
Security Assistance	1	G4	15,702	15,702	400	4,800	150	1,800	1,000	4,000	150	150	30,378
Library Assistant	1	G4	10,285	10,285	400	4,800	150	1,800	1,000	4,000	150	150	23,606
Senior Drives	1	G3	10,918	10,918	400	4,800	150	1,800	1,000	4,000	150	150	24,398
Driver	1	G2	4,087	4,087	400	4,800	150	1,800	1,000	4,000	150	150	15,859
Process server & Office Attendants	1	G1	3,328	3,328	300	3,600	100	1,200	1,000	4,000	150	150	13,110
Total	14			256,786		92,400		28,200		68,000		2,700	512,286

LAKE VICTORIA BASIN COMMISSION CURRENT STAFF

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport			Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Executive Secretary	1	D1	72,073	72,073	2000	24,000	-	-	300	3,600	2,000	8,000	350	350	18,015	126,041
Deputy Executive Secretary	2	P5	104,596	104,596	1400	33,600	250	6,000	-	-	2,000	16,000	350	700	26,149	187,045
Senior Programme Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Projects Development Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Maritime Safety Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Programme Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	250	350	6,979	58,143
Accountant	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	250	250	6,979	58,143
Senior Driver	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Personal Secretary	1	G4	31,404	31,404	400	4,800	150	3,600	-	-	1,000	8,000	150	300	7,851	60,755
Driver	1	G2	4,160	4,160	300	3,600	100	1,200	-	-	1,000	4,000	150	150	1,040	14,150
Office Attendant	1	G1	3,328	3,328	300	3,600	100	1,200	-	-	1,000	4,000	150	150	832	13,110
Total	13			405,813		139,200	2,000	28,800		3,600		84,000			101,453	766,216

**PROPOSED PERSONNEL EMOLUMENTS - ANNUAL
COMPARISON BTN THE CURRENT AND PROPOSED SALARY AND ALLOWANCES
IMPLEMENTATION FROM JANUARY 2007 (SIX MONTHS)**

Figures - USD

BUDGET LINES	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	1,351,575 00	3,301,639.00	1,950,064 00	144
Housing	494,550 00	1,092,600 00	598,050 00	121
Transport	124,090 00	261,900 00	137,810 00	111
Entertainment	5,250 00	11,100 00	5,850 00	111
Education	483,750 00	483,750 00	-	-
Gratuity	446,994 00	1,086,417 00	639,423 00	143
Spouse	21,825 00	21,825 00	-	-
Total	2,928,033	6,259,231.00	3,331,197.00	114

**IMPLEMENTATION - ANNUAL
COMPARISON BTN THE CURRENT AND PROPOSED SALARY AND ALLOWANCES**

Figures - USD

BUDGET LINES	CURRENT	PROPOSED	CHANGE	CHANGE (%)
Salary	2,703,149 00	6,603,277 00	3,900,128 00	144
Housing	989,100 00	2,185,200 00	1,196,100 00	121
Transport	248,180 00	523,800 00	275,620 00	111
Entertainment	10,500 00	22,200 00	11,700 00	111
Education	483,750 00	1,412,008 00	928,258 00	192
Gratuity	693 187 00	2,172,834 00	1,479,647 00	213
Spouse	21,825 00	62,350 00	40,525 00	186
Total	5,149,691.00	12,981,669.00	7,831,978.00	152

SUMMARY OF THE PROPOSE SALARY AND ALLOWANCE

ORGAN	No	Salary	Housing	Transport	Entertainment	Education	Gratuity	Spouse	Total
Secretariat	152	4,864,275 00	1,586,400 00	367,800 00	18,600 00	1,008,004 00	1,738,083 00	45,450 00	9,628,612 00
East African Legislative Assembly	28	748,717 00	249,600 00	67,200 00	-	172,000 00	187,179 00	7,200 00	1,431,896 00
East African Court of Justice	30	593,059 00	199,200 00	60,000 00	-	148,000 00	148,265 00	5,900 00	1,154,424 00
Lake Victoria Basin Commission	13	397,226 00	150,000 00	28,800 00	3,600 00	84,004 00	99,307 00	3,800 00	766,737 00
Total	223	6,603,277.00	2,185,200.00	523,800.00	22,200.00	1,412,008.00	2,172,834.00	62,350.00	12,981,669.00

TOTAL COST OF STAFF EMOLUMENTS BASED ON THE STRUCTURE APPROVED BY COUNCIL

SECRETARIAT

Figures USD

JOB TITLE	No	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Annual Transport	Entertainment	Annual Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Secretary General	1	D2	82 151	82 151	3000	36 000			350	4 200	2 000	8 000	1 200	1 200	20 638	132 083
Deputy Secretary General (P&F)	1	D1	72 073	72 073	2500	30 000			300	3 600	2 000	8 000	800	800	18 018	132 491
Deputy Secretary General (P&P)	1	D1	72 073	72 073	2500	30 000			300	3 600	2 000	8 000	800	800	18 018	132 491
Deputy Secretary General Finance and			72 073	72 073	2500	30 000			300	3 600	2 000	8 000	800	800	18 018	132 491
Director General (Customs & Trade)	1	D1	72 073	72 073	2500	30 000			300	3 600	2 000	8 000	800	800	18 018	132 491
Sub - total	4			288,292		120,000				14,400						
Counsel to the Community	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Director - Customs	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Director - Trade	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Defence Liaison Officer	3	P5	52 298	156 894	1400	50 400	250	9 000			2 000	24 000	350	1050	117 871	359 015
Director - (Planning and Infrastructure)	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Director - (Productive and Social Sector)	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Director (Finance)	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Director (Human Resources and Adm)	1	P5	52 298	52 298	1400	16 800	250	3 000			2 000	8 000	350	350	13 075	93 523
Sub - total	10			522,880		168,000		30,000				80,004		3500	209,106	1,013,880
Legislative Draftsman	1	P4	48 009	48 009	1400	16 800	250	3 000			2 000	8 000	350	350	12 002	88 161
Chief Internal Auditor	1	P4	48 009	48 009	1400	16 800	250	3 000			2 000	8 000	350	350	12 002	88 161
Principal Planning & Research Officer	1	P4	48 009	48 009	1400	16 800	250	3 000			2 000	8 000	350	350	12 002	88 161
Sub - total	3			144,027		50,400		9,000				24,000		1,050	36,007	264,484
Principal Personal Assistant	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Legal Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Budget Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Public Relations	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Internal Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Political Affairs Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal International Relations Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Peace and Security Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Economist (Fiscal)	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Economist (Monetary)	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Economist (Investment)	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Agricultural Economist	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Tourism Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Industry Development Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Education Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Standards officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Gender & Comm Dev Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Health Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Labour & Employment Officer	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765
Principal Transport Economist	1	P3	42 732	42 732	1000	12 000	250	3 000			2 000	8 000	350	350	10 683	76 765

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Annual Transport	Entert.	Annual Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Principal Civil Aviation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Communications Engineer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Information Technology Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Accountant	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Human Resources Management	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Administrative Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Records Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Valuation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Compliance Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Investigation Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Trade Officer (Internal)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Trade Officer (International)	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Standards Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Mobilization Coordinator	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Chef de Cabinet	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Principal Librarian	1	P3	42,732	42,732	1000	12,000	250	3,000	-	2,000	8,000	350	350	10,683	76,765	
Sub - total	36			1,538,352		432,000		108,000			288,000	12,900		384,588	2,783,540	
Expenditure Control Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Budget Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Public Relations Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Political Affairs Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior International Relations Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior International Relations Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior International Relations Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Peace and Security Officers	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Livestock Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Civil Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	
Senior Meteorologist	1	P2	38,042	38,042	1000	12,000	250	3,000	-	2,000	8,000	350	350	9,511	70,903	

TOTAL COST OF STAFF EMOLUMENTS BASED ON THE STRUCTURE APPROVED BY COUNCIL

JOB TITE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Annual Transport	Entert.	Annual Entertainment	Educa tion	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Senior Communication Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Highway Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Materials Pavement Engineer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Agronomist Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Energy Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Conservation Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Industrial Development Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Education Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Gender Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Culture and Sports Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Monitoring & Evaluation Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Stastician	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Economic (Fiscal)	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Economist (Monetary)	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Economist (Investment)	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Health Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Immigration Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Librarian	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Documentation Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior system Analyst	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Accountant	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Human Resources Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Administrative Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Procurement Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Conference Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Trade Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Export Promotion Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Standards Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Estates Management Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Sub – total	38			1,445,596		456,000		114,000				304,000		13,300	361,399	2,694,295
Research Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Conference / Protocol Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Internal Auditor Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Stores Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Security Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Tariff Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Customs Procedures Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Investigation Officer	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Sub – Total	8			223,312		96,000		24,000				64,000		2,800	55,828	465,940

JOB TITE	No	Grade	Salary	Annual salary	Housing	Annual Housing	Trans port	Annual Transport	Entert	Annual Enterta- inment	Educate- ion	Annual Education	Spouse	Annual Spouse	Gratuity	Total
Accounts Assistants	1	G5	22,150	66,450	400	14,400	150	5,400	-	-	1,000	12,000	150	150	49,838	148,538
Registry Supervisor	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Senior Personal Secretary (SG)	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Senior Personal Secretary (DSG F & A)	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Senior Personal Secretary (DSG PF)	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Senior Personal Secretary (DSG C&T)	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Sub - Total	9			199,350		43,200		16,200				36,000		1,350	83,063	379,163
Security Assistants	4	G4	15,702	62,808	400	19,200	150	7,200	-	-	1,000	16,000	150	600	62,808	168,616
Personal Secretary	7	G4	15,702	109,914	400	33,600	150	12,600	-	-	1,000	28,000	150	1,050	192,350	377,514
Stores Assistant	1	G4	15,702	15,703	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,379
Registry Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,379
Library Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,379
Procurement Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,379
Cashier	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,379
Sub - total	16			251,233		76,800		28,800				64,000		2,400	274,785	698,018
Secretary	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Senior Driver	6	G3	10,918	65,508	400	28,800	150	10,800	-	-	1,000	24,000	150	900	98,262	228,270
Receptorist	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Telephone Operator	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Sub - total	9			98,262		43,200		16,200				36,000		1,350		301,463
Drivers	10	G2	4,160	41,600	300	36,000	100	12,000	-	-	1,000	40,000	150	1,500	104,000	235,100
Production	3	G2	4,160	12,480	300	10,800	100	3,600	-	-	1,000	12,000	150	450	9,360	48,690
Sub - Total	13			54,080		46,800		15,600				52,000		1,950	113,360	263,790
Office Attendants	5	G1	3,328	16,640	300	18,000	100	6,000	-	-	1,000	20,000	150	750	20,800	82,190
Total	152			4,864,275		1,586,400		367,800		18,600		1,008,004		45,450	1,738,083	9,628,612

TOTAL COST OF STAFF EMOLUMENTS BASED ON THE STRUCTURE APPROVED BY COUNCIL

JOB TITE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entert	Annual Entertai nment	Educati on	Annual Education	Spouse	Annual Spouse	Gratuity	Total
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EAST AFRICAN LEGISLATIVE ASSEMBLY

JOB TITE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entertai nment	Annual		Annual	Spouse	Annual Spouse	Gratuity	Total
Clerk	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Deputy Clerk	1	P4	48,009	48,009	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	12,002	88,161
Principal Clerk Assistant	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Principal Research Officer	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Sergeant at Arms	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Hansard Editor	1	P3	42,732	42,732	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	10,683	76,765
Sub - Total	4			170,928		48,000		12,000				32,000		1,4000	42,732	307,060
Administrative Officer	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Network administrator	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Clerk Assistant	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Sub - Total	3			114,126		36,000		9,000				24,000		1,050	28,532	212,708
Assistant Sergeant At arms	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Hansard Reporter	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Accountant	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Clerk Assistant	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Library	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Research Officer	1	P1	28,895	28,895	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	7,224	59,469
Sub - Total	6			173,370		72,000		18,000				48,000		2,100	43,343	356,813
Personal Secretary	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Technician	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Accounts Assistant	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Sub - Total	3			66,450		14,400		5,400				12,000		450	16,613	115,313
Secretary - 3	1	G4	15,702	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Library Assistant	1	G4	15,702	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Commissionaires	1	G4	15,702	22,150	400	4,800	150	3,600	-	-	1,000	8,000	150	150	7,851	60,755
Secretary	1	G4	15,702	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Stores Assistant	1	G4	15,702	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Sub - Total	6			94,212		28,800		10,800				24,000		900	23,553	182,265
Driver	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Telephone Operator	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Sub - total	2			21,836		9,600		3,600				8,000		300	5,459	48,795
Drivers	1	G2	4,160	4,160	300	3,600	100	1,200	-	-	1,000	4,000	150	150	1,040	14,150
Office Attendant	1	G1	3,328	3,328	300	3,600	100	1,200	-	-	1,000	4,000	15	150	832	13,110
Sub - Total	28			748,717		249,600		67,200				172,000		7,200	187,179	1,431,896

TOTAL COST OF STAFF EMOLUMENTS BASED ON THE STRUCTURE APPROVED BY COUNCIL

JOB TITLE	No.	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entertainment	Annual	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
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EAST AFRICAN COURT OF JUSTICE

JOB TITLE	No	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entertainment	Education	Annual Education		Spouse	Annual Spouse	Gratuity	Total
Registrar	1	P5	52,298	52,298	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	13,075	93,523
Deputy Registrar	1	P4	48,009	48,009	1400	16,800	250	3,000	-	-	2,000	8,000	350	350	12,002	88,161
Senior Registry Officer																
Senior Librarian	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Senior Court Administrator	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Research Offices	1	P2	38,042	38,042	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	9,511	70,903
Sub - Total	3			114,126		36,000		9,000				24,000		1,050	28,532	212,708
Accountant	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Network Administrator	1	P1	27,914	27,914	1000	12,000	250	3,000	-	-	2,000	8,000	350	350	6,979	58,243
Sub - Total	2			55,828		24,000		6,000				16,000		700	13,957	116,485
Personal Secretary	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Accounts Assistant	1	G5	22,150	22,150	400	4,800	150	1,800	-	-	1,000	4,000	150	150	5,538	38,438
Sub - Total	2			44,300		9,600		3,600				8,000		300	11,075	76,875
Court Clerks	4	G4	15,702	62,808	400	19,200	150	7,200	-	-	1,000	16,000	150	600	15,702	121,510
Technician	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Secretaries	3	G4	15,702	47,106	400	14,400	150	5,400	-	-	1,000	12,000	150	450	11,777	91,233
Security Assistant	5	G4	15,702	78,510	400	24,000	150	9,000	-	-	1,000	20,000	150	750	19,628	151,888
Library Assistant	1	G4	15,702	15,702	400	4,800	150	1,800	-	-	1,000	4,000	150	150	3,926	30,378
Court Recorders	2	G4	15,702	31,404	400	9,600	150	3,600	-	-	1,000	8,000	150	300	7,851	60,755
Sub - Total	16			251,232		76,800		28,800				64,000		2,400	62,808	486,040
Driver	1	G3	10,918	10,918	400	4,800	150	1,800	-	-	1,000	4,000	150	150	2,730	24,398
Sub - total	1		10,918	10,918	400	4,800		1,800			1,000	4,000	150	150	2,730	24,398
Process Server & Office Attendants	2	G2	4,087	8,174	300	7,200	100	2,400	-	-	1,000	8,000	150	300	2,044	28,118
Driver - 1	1	G2	4,087	4,087	300	3,600	100	1,200	-	-	1,000	8,000	150	300	1,022	14,059
Receptionist	1	G2	4,087	4,087	300	3,600	100	1,200	-	-	1,000	8,000	150	300	1,022	14,059
Sub - Total	4			16,348		14,400		4,800				16,000		600	4,087	56,235
EAC Total	30			593,059		199,200		60,000				148,000		5,900	148,265	1,154,424
Total	210			6,206,051		2,035,212		495,012		18,600		1,328,008		58,551	2,073,527	12,214,961

TOTAL COST OF STAFF EMOLUMENTS BASED ON THE STRUCTURE APPROVED BY COUNCIL

JOB TITE	No	Grade	Salary	Annual salary	Housing	Annual Housing	Transport	Total Transport	Entertainment	Annual Entertainment	Education	Annual Education	Spouse	Annual Spouse	Gratuity	Total
LIKE VICTORIA BASIN COMMISSION																
Figures USD																
JOB TITE	No	Grade	Salary	Annual	Housing	Annual	Transport	Total	Entertainment	Annual	Education	Annual	Spouse	Annual	Gratuity	Total
Executive Secretary	1	D1	72,073	72,073	2500	30 000	-	-	300	3 600	2 000	8,000	800	800	18 018	132 491
Deputy Executive Secretary	2	P5	52 298	104 596	1400	33 600	250	6 000	-	-	2,000	16,000	350	700	26,149	187 045
Maritime Safety Officer	1	P3	42 732	42 732	1400	16 800	250	3 000	-	-	2 001	8 004	350	350	10 683	81 569
Senior Programme Officer	1	P2	38 042	38 042	1000	12,000	250	3 000	-	-	2 000	8 000	350	350	9 511	70 903
Projects Devel. Officer	1	P3	42 732	42 732	1000	12 000	250	3 000	-	-	2 000	8,000	350	350	10,683	76 765
Programme Officer	1	P1	28 895	28 895	1000	12 000	250	3 000	-	-	2,000	8,000	250	750	7 224	59 369
Accountant	1	P1	27 914	27 914	1000	12,000	250	3 000	-	-	2 000	8 000	250	250	6,979	58 143
Senior Driver	1	G3	10 918	10 918	400	4 800	150	1 800	-	-	1,000	4 000	150	150	2,730	24,398
Personal Secretary	2	G3	10,918	21 836	400	9 600	150	3 600	-	-	1,000	8,000	150	300	5,459	48,795
Driver	1	G2	4 160	4 160	300	3 600	100	1,200	-	-	1,000	4 000	150	150	1 040	14 150
Office Attendants	1	G1	3 328	3 328	300	3,600	100	1 200	-	-	1 000	4,000	150	150	832	13,110
Total	13			397,226		150,000	2,000	28,800		3,600		84,004	3,800		99,307	766,737

ANNEX XXIV



EAST AFRICAN COMMUNITY SECRETARIAT

12TH MEETING OF THE COUNCIL OF MINISTERS
AICC, Arusha, Tanzania
August 24th - 25th 2006

RE: EACJ REFERENCE NO. 1 OF 2005

CALIST MWATELA AND OTHERS

VS

EAST AFRICAN COMMUNITY

ISSUES IN DISPUTE

EAC, SECRETARIAT
ARUSHA, TANZANIA
AUGUST 2006

1.0 OVERVIEW OF THE REFERENCE

This application is brought as a Reference under the provisions of **Articles 23, 27(1) and 30** of the Treaty for the Establishment of the East African Community ("the Treaty"), as well as Rules 1 (2) and 20 of the East African Court of Justice Rules of Procedure. The Applicants, Calist Andrew Mwatela, Lydia Wanyotu Mutende, Isaac Abraham Sepetu are Members of the East African Legislative Assembly. They filed this reference for orders that the Meeting of the Sectoral Council on Legal and Judicial Affairs ("the Sectoral Council") which took place on 13th -16th September 2006 was a nullity *ab initio* and that the decisions, directives and actions contained in the report or based on it be annulled. In particular, the reference questions the mandate and the composition of the said Sectoral Council.

2.0 ISSUES

Arising from the pleadings, the following were agreed issues for determination

- i) Whether the meeting held between 13th to 16th September 2005 was a meeting of Sectoral Council on Legal and Judicial Affairs as envisaged in the Treaty?
- ii) Whether protocols are legally sufficient in regard to Immunities and Privileges and for the formal establishment of Inter-University Council so as to render the enactment of the Community's acts for those purposes unnecessary
- iii) Whether the Inter-University Council for East Africa Bill, 2004 and the East African Community Immunities and Privileges Bill, 2004 were properly withdrawn from the Assembly.
- iv) Whether or not under Article 59 a member could move in the Assembly the East African Community Trade Negotiations Bill, East African Community Immunities and Privileges Bill, 2004 and Inter-University Council for East Africa Bill, 2004
- v) Whether the decisions of Council are binding on the Assembly under Article 16 of the Treaty.
- vi) Whether the introduction of a bill under Rule 64(5) of the Rules of Procedure constitutes the initiation of the legislative process under the Rules of Procedure of the East African Legislative Assembly?
- vii) Whether or not the decision taken by the Council at its 10th Meeting held on August 4th - 8th 2005 on the East African Community Trade Negotiations Bills, 2004 is lawful and in accordance with the provisions of the Treaty.
- viii) Whether or not the decision taken by the purported Sectoral Council at its meeting on September 13th - 16th 2005 on the East African Community Immunities and Privileges Bill, 2004 and Inter-University Council for East Africa Bill 2004 is lawful and in accordance with the provision of the Treaty.
- ix) Whether the decisions of Sectoral Council are binding on the East African Legislative Assembly.
- x) Whether the Council of Ministers followed the Rules of the House to withdraw the Bills
- xi) Whether the Council met to make the decision that was communicated to the Speaker by the Secretary General?

- xii) Whether the decision of the Sectoral Council was consistent with its mandate
- xiii) Whether the Sectoral on Legal and Judicial Affairs by virtue of their decisions taken on September 13th - 16th 2005 purported to discharge functions bestowed upon the Legislative Assembly
- xiv) Whether the Council and the Sectoral Council on Legal and Judicial Affairs have usurped the powers of the Counsel to the Community, the Council of Ministers and the East African Court of Justice as provided for under the Treaty
- xv) Whether the decisions of the Council and those of the Sectoral Council curtailed or interfered with the East African Legislative Assembly's functions.
- xvi) Whether the withdrawal of the Bills by the Council of Ministers as an organ of the Community is subject to the Rules of Procedure of the East African Legislative Assembly.
- xvii) Was it obligatory for the Council of Ministers to meet so as to communicate the decisions of the Sectoral Council to the Assembly having directed the Chairperson of the Council through the Secretary General?
- xviii) Whether it is the prerogative of Partner States to designate such persons as they deem fit to represent them at lawfully convened official organ meetings of either the Council or Sectoral Councils.

ANNEX XXV

LIST OF PARTICIPANTS

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