25TH ANNIVERSARY

Silver Jubilee Commemorative Journal

Celebrating 25 years of Championing Trade & Investment in East Africa

East African Business Council

HIGH LEVEL
EAST AFRICAN BUSINESS & INVESTMENT SUMMIT 2023

Theme: Private Sector Driven Regional Intergration for Increased Intra-African Trade & Inverstment

EABC
EAST AFRICAN BUSINESS COUNCIL
The Voice of the Private Sector in East Africa

EAC
JUMUIYA YA AFRIKA MASHARIKI

AFREXIMBANK 30 Delivering the Vision, Building Prosperity for Africans.

german cooperation

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

GFA CONSULTING GROUP

RSM

Standard Chartered

PAC Capital

31ST AUGUST - 1ST SEPTEMBER 2023 UGANDA

Ministry of East African Community Affairs

psfu Business growth is our business

UMA

UIA Uganda Investment Authority your investment is our business

SEATINI

SSCCIA

Tanzania Private Sector Foundation tpsf

PSF FSP

KenInvest

FEC

ADB

SIA South Sudan Investment Authority

KEPSA

CHAMBRE FEDERALE DE COMMERCE ET D'INDUSTRIE DU BURUNDI

RDB RWANDA DEVELOPMENT BOARD

ANAPI

Uganda Airlines

RwandAir

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HON. AMB. EZÉCHIEL NIBIGIRA
CHAIRPERSON
EAC COUNCIL OF MINISTERS MINISTER

The East African Community Integration is people-centered and market-driven, putting the Private Sector at the core of the Community. It, therefore, goes without saying that we need to consult and work with the Private Sector to continuously improve the business environment so that the benefits achieved through the Partner States' negotiations can be translated into meaningful gains for the Community. We need to translate these gains into jobs for our youths, poverty reduction, and women's empowerment, which the Private Sector does very well.

On behalf of the members of the EAC Council of Ministers, I wish to congratulate the East African Business Council for a job well done over the 25 years of existence, and I hope that they have aligned their new vision with the economic dynamics of the Community.

In order to attract more investments into the region and grow the economy that we have envisaged in the EAC vision 2050, it is important that the Private Sector takes up its role seriously and works hand in hand with the government to improve the business environment rather than complain from the periphery. I encourage the Business Council to enhance Private Sector consultation so that their inputs into the decision-making process are factual and implementable. We need the business community to speak with one voice, which makes it easier for us to implement the commitments made within the EAC Protocols.

Finally, I wish to reiterate the fact that the EAC Partner States are strongly committed to the EAC Integration process, having signed the Customs Union, the Common Market, and the EAC Monetary Union Protocols. Plans are underway towards the Political confederation. I wish to assure the EABC and the business community in general that we are committed and ready to consult on all aspects that would make it easier for the Private Sector to take full advantage of the opportunities availed by the Integration process.

As the EAC has been hailed for being the fastest-integrating regional economic community, we intend to continue to work on the challenges together and ensure we can deliver a better EAC to the generations to come.

Congratulations!

With Best Wishes.
Hon. Amb. Ezéchiel Nibigira
Chairperson, EAC Council of Ministers Minister ·

CONGRATULATORY MESSAGE FROM THE EAST AFRICAN COMMUNITY

HON. DR. PETER MATHUKI
SECRETARY GENERAL
EAC

The Private Sector is undoubtedly the engine of growth for the East African regional economy, as it has been for other Regional Economic Communities (RECs). The East African Community is cognizant of the critical role of the Private Sector in spurring economic growth and prosperity and has consistently worked with the East African Business Council, the umbrella body for Private Sector associations in East Africa, to promote a conducive environment for businesses to thrive in the region.

The EAC's founding fathers envisaged a strong and mutually beneficial relationship with the Private Sector, as contained in Article 128 of the Treaty for the Establishment of the East African Community, that stipulates that the Partner States shall endeavor to adopt programs that would strengthen and promote the role of the Private Sector as an effective force for the development of their respective economies. The Private Sector plays a key role in economic growth by investing in the wide range of opportunities that the region is endowed with. Investments by the Private Sector create jobs for the growing population, support transfer of technology and knowledge, provision of goods and services at lower prices for the citizens, and increase tax revenues for the government. Businesses play a key role in the delivery of critical public goods and services such as banking, telecommunications, infrastructure, health, and education that promote social inclusion and improve the quality of life for East Africans.

We in the public sector are committed to providing a conducive business environment, as outlined in Article 127 of the Treaty, that stipulates the creation of an enabling environment for the Private Sector by removing barriers to trade and coming up with supportive policies and strong institutions to encourage the Private Sector to invest more as they earn more returns from their investments and to expand their business operations not just in the region but globally.

At the East African Community level, we have successfully passed laws and policies that are crucial for Private Sector growth, and this has augmented intra-EAC trade as well as cross-border investments. EAC efforts include operationalization of the Single Customs Territory, reduction of Non-Tariff Barriers to trade, unveiling of One Stop Border Posts (OSBPs) to improve trade facilitation among other initiatives that have yielded positive results. OSBPs have significantly reduced the amount of time spent on border processes and procedures, particularly in the areas of customs and immigration.

The admission of the Democratic Republic of the Congo (DRC) as the region's seventh Partner State has seen the EAC span from Indian Ocean to the Atlantic Ocean. The new addition expanded the region's population to close to 300 million people and increased the bloc's GDP to over US$ 300 billion.

Despite the many achievements made in trade and investment, challenges remain that will need to be addressed through the joint collaboration of the EAC Secretariat, Partner States, EABC, and other stakeholders. Our priority is to boost intra-EAC trade and investments for prosperity of East African people. I applaud EABC for bringing forward constraints to trade and investments in the region to our attention and for leading Private Sector consultations and inputs that have aided the decision-making process.

As the region aspires to attain an industrial knowledge society by 2032 and a middle-income economy by 2050, there is a need for innovations, new skills, and partnerships to resolve the challenges facing our region. I hereby reaffirm our commitment to develop and sustain the institutions that implement, oversee, and regulate those positive developments to provide a conducive business environment for the Private Sector's regional and global competitiveness in trade and investment.

As EABC marks its 25th Anniversary, I wish to congratulate them for providing great inputs into the policy reforms process to facilitate better economic growth within the EAC region.
Happy Anniversary!
Hon. Dr. Peter Mathuki, Secretary-General EAC

CONGRATULATORY MESSAGE FROM THE EAST AFRICAN LEGISLATIVE ASSEMBLY

RT. HON. JOSEPH MTAKIRUTIMANA
SPEAKER
EALA

I am delighted to share a few thoughts for this special Commemorative Journal of the East African Business Council (EABC) as this key institution marks two decades of its existence. At the outset, I congratulate the apex body of the Private Sector for this great achievement. Indeed, EABC has lived a life full of commitment to its ideals, excelled in a number of areas, and made the region and its founders proud!

Looking back over the course of twenty years of service to the EAC, I duly acknowledge EABC's commendable job of representing the interests of the Private Sector in the region. Its continuous pursuit towards an enabling environment to spur competitiveness, trade, and investment cannot go unnoticed.

Since its inception in 1997, the EABC has realized tremendous growth. In many ways, we acknowledge EABC's contribution towards ensuring growth through incremental intra-EAC exports, pegged at US$7.8 billion, with the region's total global exports averaging US$122 trillion in 2021. EABC remains vocal in transforming the region into a better place for business, trade, and investment. Similarly, through its work, EABC has been influential in promoting the One Stop Border Posts (OSBPs), enhancing Women's participation in Business, and the removal of Non-Tariff Barriers (NTBs).

I duly appreciate your continued and unfettered support to the Integration process. Beyond that, the collaboration with stakeholders including the EALA and EAC has led to the improvement of several initiatives, including matters concerning infrastructural development, improvements in the investment and business climate, reduction in the number of NTBs along the corridors, Implementation of the Single Customs Territory, and the progressive implementation of the EAC Integration Pillars. The Assembly is particularly keen to ensure its mandate of Legislation, Oversight, and Representation is realized for the benefit of the business community.

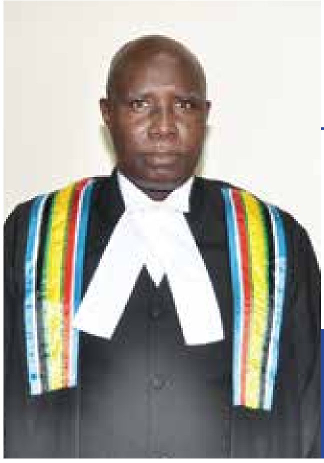
It is in this context that a number of Laws, including but not limited to the EAC Elimination of Non-Tariff Barriers Act, 2015; the EAC One Stop Border Post Act, the EAC Vehicle Control Axle Load Act, and the EAC Customs Management Act have been legislated.

That said, I am aware of the existence of several bottlenecks that continue to hamper the overall objective of full progression in the area of trade. This area calls for our collective effort. I call upon the EABC to continue with its steadfast advocacy role and work together with all concerned stakeholders to address the situation. As Speaker of the 5th EALA, I assure you of our total cooperation.

In conclusion, this Journal is undoubtedly a repository of useful information about the region and the attendant opportunities. It will no doubt inform and educate potential investors and the rest of the business community as well as citizens of the region. I welcome you all to take hold of a copy of this Commemorative Journal for your shelves!

Once again, congratulations are in order.
Viva EABC! Viva Private Sector!
Rt. Hon Joseph Ntakirutimana, Speaker EALA

CONGRATULATORY MESSAGE FROM EAST AFRICAN COURT OF JUSTICE



RT. HON. JUSTICE NESTOR KAYOBERA
JUDGE PRESIDENT
EACJ

It gives me pleasure to congratulate the East African Business Council (EABC) on its 25th Anniversary. I commend the Council for driving the East African Community Integration through trade and investment.

EABC has long championed promoting sustainable Private Sector development and spearheaded the vision of a borderless East Africa for business and investment. It has been a change agent in fostering an enabling business environment, promoting private sector regional and global competition in trade and investment, and a platform through which the business community can present their challenges for policy reform.

I encourage the EABC to continue working closely with the public sector, East African Community institutions, academia, and the business community to keep pressing the button of enhancing the trade environment and improved business competitiveness in the region.

I also appreciate the EABC's advocacy on promoting the role of the East African Court of Justice (EACJ) in the integration agenda. I call upon the business community at the regional level to make use of the EACJ jurisdiction when faced with cross-border issues as the Community implements the Protocols on the Customs Union and the Common Market.

I pledge that the Court will continue engaging the Private Sector to strengthen our collaboration as key drivers of the East African Integration process.

I thank you.
Rt. Hon. Justice Nestor Kayobera,
Judge President EACJ

FOREWORD FROM EABC CHAIRPERSON

Our 25-year journey has been a remarkable transformation with great achievements along the way, and we pay great tribute to the founding fathers of EABC who had a great vision and hope.

Despite the collapse of the East African Cooperation in 1977, the businesspeople in Kenya, Tanzania, and Uganda maintained a common history, language, culture, trade relations, and infrastructure linkages, which enabled them to continue trading and traveling across the three countries.

The inception of the East African Business Council in 1997 arose from the need for the EAC governments to consult with the Private Sector in their quest for a new EAC. It was important for the Private Sector to have a common voice to revive optimism and fast-track the market-driven benefits of the East Africa Community Integration agenda. The aforementioned is evidenced by the fact that the EABC on behalf of the Private Sector was actively involved in the development of the treaty for the establishment of the EAC. It was a great honor to the East African business community as Amb. Juma Mwapachu, the then-chairman of EABC made a speech at the treaty signing ceremony. This indicated rejuvenation, a new era of growth and prosperity for the East African people.

EABC was granted Observer Status at the East African Community level, offering an authentic avenue to present and articulate the private sector agenda and concerns to the EAC Council of Ministers and the Summit of the Heads of State in a bid to inform policy decisions to facilitate trade and investments. In 2012, the EAC Council of Ministers approved the EAC Consultative Dialogue Framework accrediting EABC as the Voice of the Private Sector for the speedy resolution of trade barriers.

We have witnessed deeper political goodwill from the Governments of the EAC Partner States to promote the role of the private sector as the engine for socioeconomic growth. This includes the elimination of persistent Non-Tariff Barriers following bilateral visits by Presidents, the rollout of EAC-EABC Technical Working Groups, and the donation of a 3-hectare plot of land to the East African Business Council by H.E. President Samia Suluhu Hassan, President of the United Republic of Tanzania.

EABC has championed public-private dialogue for businesses to uptake benefits of the Customs Union, Common Market Protocols. Looking back in 2004, the total intra-EAC trade was USD 1.342 billion while the total EAC exports to the world were USD 4.182 billion. It is commendable to see that intra-EAC exports have increased to USD 7 billion and EAC exports to the world to USD 22 trillion billion in 2021.

Other remarkable achievements include the joining of the Democratic Republic of the Congo into the EAC, submission of EAC's Tariff Offer for Category A products to the African Continental Free Trade Area secretariat, elimination of COVID-19 confirmatory testing at fully vaccinated passengers, adoption of 35% as the 4th band of EAC Common External Tariff by EAC Partner States, which is set to promote industrialization and regional value chains.

On behalf of the Board Members, I extend our sincere appreciation to you all for walking with us during our 25-year journey.

Enjoy the journey through these pages as you experience the rich history and successes of EABC and the private sector at large, in light of the 25 years it has taken to bring us to this memorable point in time.

Angelina Ngalula
Chairperson
East African Business Council

MESSAGE FROM
EABC CHIEF EXECUTIVE OFFICER

Let's reflect on our rich history, which began in November 1997, where the business community from Kenya, Tanzania, and Uganda initiated EABC, a platform to foster the interests of the private sector in the integration process of the East African Community. The focus was to ensure that the voice of the private sector was heard clearly in the negotiation process of the East African Community. The EABC Secretariat was initially hosted at the Confederation of Tanzania Industries and finally moved to the Arusha International Conference Centre (AICC), with one computer and a coordinator in place. From these humble beginnings to the present, we have never wavered from our mission of influencing government policies to improve the enabling business environment in East Africa, of which we are so privileged to serve - the very purpose for which this institution was founded and mandated.

Throughout our 25-year history, EABC, with support from development partners, has grown to be the most renowned regional platform for businesses to present barriers to trade & investments and champion evidenced-based policy advocacy and solutions to ease the cost of doing business, drive growth on intra-regional trade and investments, and advance reforms for a diversified, competitive, export-led, integrated, and sustainable economy in East Africa. EABC's Observer status and Public-Private Dialogues enabled the formulation of essential policies at the EAC regional level such as the Customs Union, Common Market, and Monetary Union.

The GIZ and TradeMark Africa played a significant role in the setup and institutionalization of EABC and creation of a more conducive environment for business formation, growth, and attraction of cross-border and foreign direct investment in the region.

This commemorative journal honors the pioneering spirit of our founders Dr. Manu Chandaria, Hon. Amb. Juma Mwapachu, and Dr. James Mulwana, whose vision of active private sector participation in the EAC Integration agenda positively impacted businesses and lives in the region. Today, we salute them, looking forward to building a future that others will be proud to build upon.

Our hearty appreciation to all our members and associates for their invaluable partnerships and insight. Special thanks to EABC founding members, the Confederation of Tanzania Industries (CTI), the Kenya Association of Manufacturers (KAM), and the Uganda Manufacturers Association (UMA), past Chairpersons, and Board Directors for their strategic direction, our staff for their dedication and tireless effort in driving the East African private sector agenda.

Our development partners for their partnership in driving the council's vision, achievements, and successes throughout our 25 years' journey, including: the German Development Cooperation, African Capacity Building Foundation, TradeMark Africa, Commonwealth Foundation, Business Scouts for Development, Afreximbank, and International Trade Centre (ITC).

We cherish our elite golden circle members - Coca-Cola, Equity Bank, BAT Kenya, Groupe-EIS-EKA, Ets Mwinja for walking the journey with us.
We remain deeply indebted to you all.

This silver jubilee journal highlights our journey together and conversations to shape the EAC integration agenda, the role of the private sector as drivers of economic growth, and continental and global development.

Asante sana!
Happy reading.
Mr. John Bosco Kalisa
Executive Director/CEO East African Business Council

The East African Business Council was founded in 1997 as an apex body of business associations of the Private Sector in East Africa. Its formation was actively supported by the EAC secretariat and Partner States in order to ensure that Private Sector inputs into the regional Integration process during the negotiation process and thereafter the implementation is taken on board. Being the “Voice of Private Sector” EABC was granted observer status during its formation and continues to enjoy this observer status with the EAC Secretariat and all Organs and Institutions of the East African Community.

FOUNDING MEMBERS

EABC was founded by the three Manufactures Associations namely the Confederation of Tanzania Industries (CTI), Kenya Association of Manufacturers (KAM) and Uganda Manufacturers Association (UMA). The Manufacturers Associations led to the formation of National Focal Points. Three business leaders, Dr. Manu Chandaria of Kenya, Prof. James Mulwana of Uganda (now deceased) and Amb. Dr. Juma Mwapachu of Tanzania were the key founders of the EABC with Dr. Manu Chandaria becoming the first Chairman of EABC, In the beginning, EABC drew its membership from Private Sector Association in Kenya, Uganda and Tanzania then later Rwanda and Burundi joined as new members in 2007.

ADOPTION OF EABC LOGO

Mr. S.C Tanna, who was the Vice Chairman of Kenya Association of Manufactures (KAM) attended the first Executive Committee meeting (ECM) and volunteered to look for sample logos free of charge, and it was recommended that the logo should have some resemblance to EAC flag colors. EABC logo was then approved by the Executive Committee in Nairobi, Kenya and agreed to be used on the headed letters of the council. EABC logo was then adopted in 2000.

EABC OFFICES

EABC was firstly hosted by the Confederation of Tanzania Industry (CTI) and afterwards moved to Tanzania Chamber of Commerce Industry & Agriculture (TCCIA) offices based in Arusha. Dr. Manu Chandria donated the first ever computer to Mr. Elly Manjale who was the first Executive Director of EABC. The founding partners who were instrumental in supporting the EABC vision were GTZ currently known as GIZ. The first meeting of the Executive Committee was held on 14th June 1999 at Arusha International Conference Centre in Arusha, Tanzania. The meeting was chaired by Amb. Dr. Juma V. Mwapachu. During the EABC 1st meeting, the Chairman had discussion with GTZ the Project Coordinator, Mr. Carlo Hey and GTZ were able to support with the office equipment, Mr. Hirji Shah who was he Vice Chairman of EABC, then also donated the office furniture and computers. EABC Secretariat office was officially opened on 30th October, 2000 at Arusha International Conference Centre (AICC) Ngorongoro Wing in Arusha Tanzania with the support of GTZ. Two staff were recruited namely a Trade Specialist (TS) and an International Public Relations Officer (IPRO).

Other members who joined EABC were:

From Tanzania
- Tanzania Exporters Associations (TANEXA)
- Tanzania Investment Centre (TIC)
- Board of External Trade (BET)

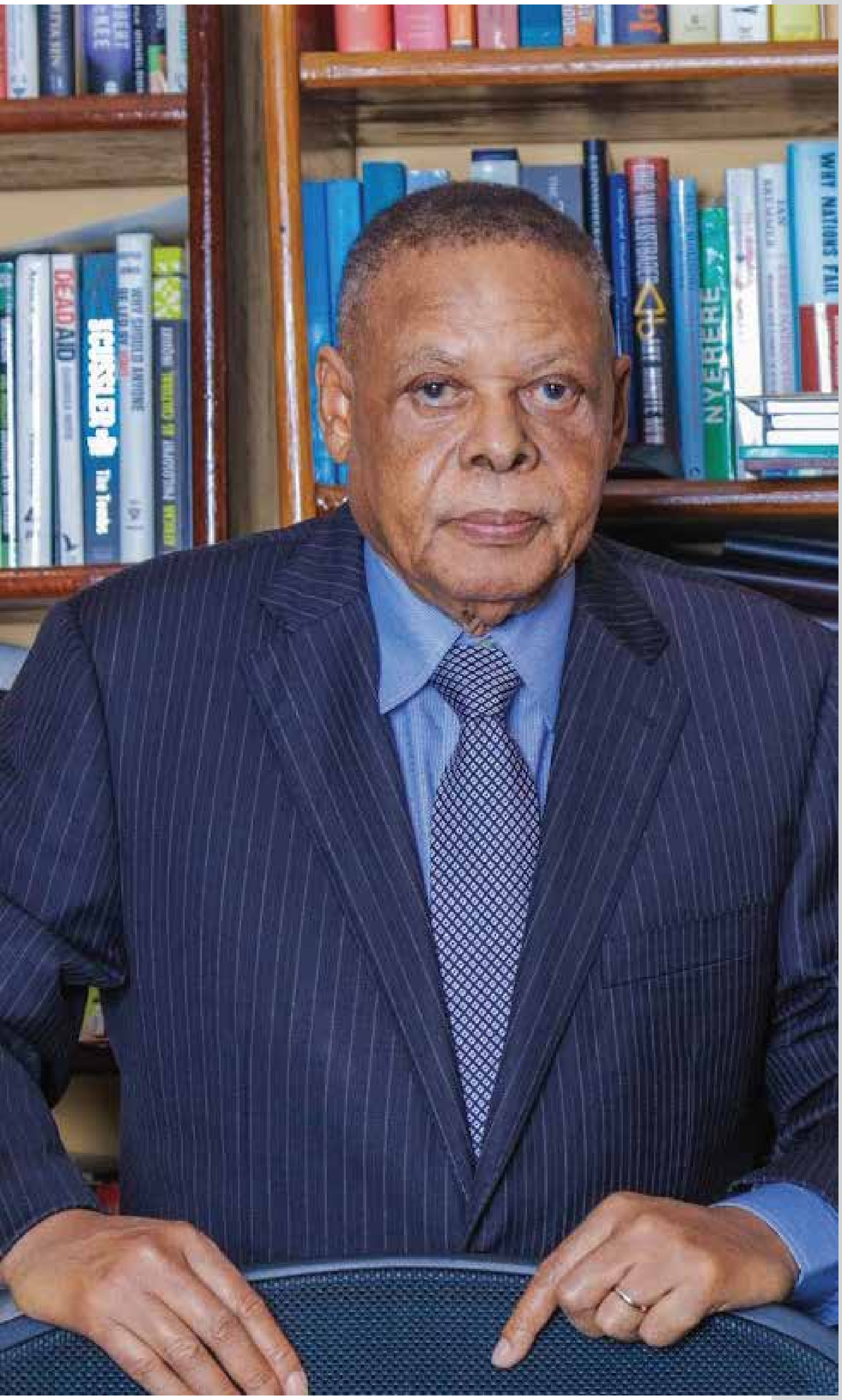
From Kenya
- Investment Promotion Centre
- Export Processing Zones Authority
- Kenya Bankers Associations
- Kenya Association of Tour Operators
- Kenya Farmers Association Ltd
- National Chamber of Commerce & Industry

From Uganda
- Uganda National Chamber of Commerce and industry (UNCC&I)
- Uganda Investment Authority
- Uganda Export Promotion Council
- Uganda National Farmers Association

Key Founding Members and Past Chairs

DR. MANU CHANDARIA
KENYA (1998-1999)

Dr. Manu Chandaria is a Kenyan Business man born in Nairobi, Kenya on 1st March 1929. He is on the boards of several prominent East African companies. He is recognized internationally for his entrepreneurial endeavours and is also a renowned philanthropist. Dr. Chandaria served as the founding Chairman of EABC and he played a vital role in achieving what so far is the most visible milestone of forging closer Economic Integration of the three East African Community Partner states. He contributed a lot in making the



AMB. DR. JUMA V. MWAPACHU – TANZANIA (1999-2000)

Amb. Dr. Juma V. Mwapachu (born 27 September, 1942) is a Tanzanian leader, Former Secretary General of the East African Community. He was appointed as the Secretary General of the East African Community by the Summit of the EAC Heads of State on 4th April, 2006. Prior to this appointment, Mwapachu has been Tanzania's Ambassador to France, Chairman of the COMESA-EAC-SADC Tripartite, Chairman of the University of Dodoma Governing Council, Vice Chairman of the University of Dar es Salaam Governing Council, President of the Society for International Development, Chairman of the Confederation of Tanzania Industries and Chairman of EABC. Amb. Dr. Mwapachu therefore served as one of the founding Chairmen of the East African Business Council. It was a privilege and great honour that EABC was given an opportunity to speak on behalf of the East Africa Business Community at the Treaty signing Ceremony for the establishment of the East Africa Community and Amb. Mwapachu was one of the main speakers. During his tenure he worked hard to make the EABC a 'constitutional' organ of the EAC.

During his tenure at the EAC Secretariat as Secretary General, Amb. Dr. Mwapachu provided leadership in the implementation of the EAC Customs Union, which had been adopted by the EAC a year before he joined the Community. He also provided leadership for the successful negotiations of the EAC Common Market which was signed in November 2009 and entered in to force on July 1, 2010. He was also instrumental in putting together the development of the Terms of Reference (ToRs) to spearhead the negotiations of the EAC Monetary Union currently under implementation.

Subsequent EABC Chair from 2000-2022

EABC had several Chairpersons who contributed greatly towards the sustainable growth of the Private Sector in the EAC region. They coordinated the effort of EABC Secretariat for promotion of Trade and Investment and an enabling conducive environment for business in East Africa. They played a vital role in the removal of Non Tarrif Barriers and progress on the establishment of the Custom Union. They approved and monitored EABC strategy and advanced the Council's mission. They further oversaw the implementation of the Strategic Plan including the Annual Budgets and provided guardianship of corporate values.

PROF. JAMES MULWANA
EABC PAST CHAIR
2000-2001

MR. ELVIS MUSIBA
EABC PAST CHAIR
2002-2003

MR. WILFRED KIBORO
KENYA
2001-2002

MR. HIRJI SHAH
KENYA
2004-2005

MR. ANORLD KILEWO
TANZANIA
2005-2006

MR. ARUNI DEVANI
KENYA
2007-2008

DR. REGINALD MENGI
TANZANIA
2008-2009

MR. FAUSTIN MBUNDU
RWANDA
2009-2011

MS. CONSOLATA NDAYISHIMIYE
BURUNDI
2011-2012

HON. GERALD SSENDAULA
UGANDA
2012-2013

MR. VIMAL SHAH
KENYA
2013-2014

MR. FELIX MOSHA
TANZANIA
2014-2015

MR. DENNIS KARERA
RWANDA
2015-2016

MR. ECONIE NIJIMBERE
BURUNDI
JUNE-NOVEMBER 2016

MR. AUDACE NDAYIZEYE
BURUNDI
2016-2017

DR. KASSIM OMAR
UGANDA
JUNE-SEP 2017

MR. JIM KABEHO
UGANDA
SEPTEMBER 2017
JUNE 2018

MR. NICHOLAS NESBITT
KENYA
JUNE 2018 - JUNE 2022

Tribute to the Late Past Chairs

PROF. JAMES MULWANA
UGANDA
(KEY FOUNDING MEMBER & CHAIRMAN)
EABC PAST CHAIR 2000-2001

Prof. James Mulwana (24th July 1936 – 15th January 2013) was a business man, entrepreneur and industrialist in Uganda. He was the group Chairman and Chief Executive officer of the Mulwana Group of Companies including Nice House of Plastics. Prof. Mulwana served as one among of the Key founders of the East African Business Council and Chairman in the year 2000-2001 and again from the year 2003 - 2004. During his time, Prof Mulwana insisted to promote the growth of SMEs through the existing Institutional Framework. Prof. Mulwana emphasized on the establishment of an effective and well managed East African Customs Union and Common Market.

MR. ELVIS MUSIBA
TANZANIA
EABC PAST CHAIR 2002-2003

Mr. Elvis Musiba was the Chairman of East African Business Council from the year (2002-2003) but he also served as the President and Chairman of Tanzania Chamber of Commerce Industry and Agriculture (TCCIA). In his life time, Mr. Musiba engaged himself in various businesses and he shall be remembered for his initiative to promote the Private Sector in the EAC region. Mr. Musiba also contributed a lot in promoting Kiswahili language through his Swahili novels.

DR. KASSIM OMAR
UGANDA
EABC PAST CHAIR JUNE 2017-SEPTEMBER 2017

Dr. Kassim Omar (27th July 1961- 5th September 2017), serve as a Chairman of the East African Business Council, Chairman of Uganda Clearing Industry and Forwarding Association(UCIFA) and Chairman of the Uganda Warehousing Receipt System until his death. Dr. Kassim has been Chairman of the East African Business Council since 16th June 2017. Before which he served as a Board Director for several years. He has made tremendous contribution to the EAC Integration process on issues of Private Sector growth and development, removal of Non-Tariff Barriers, Improvement of transport services along the corridors and modernization of the Ports in the region among other areas.

DR. REGINALD MENGI
TANZANIA
EABC PAST CHAIR JUNE 2008 SEPTEMBER 2009

Dr. Reginald Mengi served as Chairman of the East African Business Council for the year 2008-2009. He was an adorable, kind, philanthropic, intelligent, mentor, media leader, industry champion and business leader. As EABC Chairman, he re-energized optimism in regional integration by spearheading private sector views to be incorporated in the EAC Common Market Protocol and advocated for its signing. He established the East African Media Summit & Awards in a bid to raise awareness on the benefits of EAC region integration to the East African people.

Honoring Heroes for their Contribution to Private Sector Growth in the EAC:

The East African Business Council pays tribute to the following late leaders for their exceptional contributions to private sector growth in the East African Community (EAC):

Mr. Gideon Badagawa
Executive Director of the Private Sector Foundation Uganda (PSFU)

Mr. Subhash Patel,
Founder and Chairman of Motisun Group, Chairperson of the Confederation of Tanzania Industries (CTI), Director of the Tanzania Private Sector Foundation (TPSF), and Board Member of the East African Business Council (EABC)

Eng. Salum Shamte,
Vice-Chairperson of the East African Business Council (EABC) and Chairperson of the Tanzania Private Sector Foundation (TPSF)

Amb. Keli Kiilu
Board of Director and Goodwill Ambassador of the East African Business Council (EABC) and trustee of the Kenya Private Sector Alliance (KEPSA).

May their legacies continue to inspire and guide us in our efforts to foster growth and prosperity within the East African private sector.

THE ORGANIZATION

To date, EABC has been led by seven executive directors including the current:-

MR. JOHN BOSCO KALISA (RWANDA)

is the current Executive Director since May 2021 and is focused on steering the organization to higher levels.

MR. ELLY MANJALE (TANZANIA) 2000-2007

MR. CHARLES MBOGORI (KENYA) 2007-2010

MS. AGATHA NDERITU (KENYA) 2010-2012

MR. ANDREW LUZZE (UGANDA) 2012-2015

MS. LILIAN AWINJA (KENYA) 2015-2018

HON. PETER MATHUKI (KENYA) 2018-2021

EABC EXECUTIVE COMMITTEE MEMBERS (JUNE 2022-JUNE 2024)

MADAM ANGELINA NGALULA
CHAIRPERSON - EABC

MR. MUZANEZA ANTOINE
VICE CHAIR
BURUNDI

MR. JAS BEDI
VICE CHAIR
KENYA

MR. DENNIS KARERA
VICE CHAIR
RWANDA

MR. SIMON KAHERO
VICE CHAIR
UGANDA

MR. JUVENÁL SAKUBU
BOARD MEMBER
BURUNDI

MR. DELPHIN KAZE
BOARD MEMBER
BURUNDI

MRS. AMELIE NINGANZA
BOARD MEMBER
BURUNDI

MS. EMILY WAITA
BOARD MEMBER
KENYA

MR. MUHOHO KENYATTA
BOARD MEMBER
KENYA

MR. MUKAI KINYIHA
BOARD MEMBER
KENYA

EABC EXECUTIVE COMMITTEE MEMBERS (JUNE 2022-JUNE 2024)

MR. JOHN BOSCO RUSAGARA
BOARD MEMBER
RWANDA

MR. EMMANUEL NKUSI
BOARD MEMBER
RWANDA

MS. LINDA KALIMBA
BOARD MEMBER
RWANDA

MR. PAUL MAKANZA
BOARD MEMBER
TANZANIA

MS. JACQUELINE MKINDI
BOARD MEMBER
TANZANIA

MR. ALI SULEIMAN AMOUR
BOARD MEMBER
TANZANIA

MR. STUART MWESIGWA
BOARD MEMBER
UGANDA

MR. BUSINGE RWABOGO
BOARD MEMBER
UGANDA

MS. PHEONA NABAASA
WALL BOARD MEMBER
UGANDA

MR. JOHN BOSCO KALISA
SECRETARY TO THE BOARD

EABC 25 YEARS JOURNEY

1997

The East African Business Council is established

1998

EABC has been at the forefront advocating for recognition of Private Sector as key actor in policy formulation on any other EAC matter that has effect on trade and business in the region

Regional meeting on NTB's, September 2003, Nairobi

1999

Treaty for the Establishment of the East African Community recognizes the Private Sector as key players in the EAC Integration process.
EABC Chairman, Amb. Juma Mwapachu was given opportunity to speak on behalf of East African business community at the treaty signing ceremony during the Summit of Heads of State of 30th November 1999.

2000

EABC Identifies Priorities Areas for the Private Sector in the EAC Integration Agenda EABC proactively started engaging with the EAC Secretariat on the negotiations and operationalization of the protocol to establish the Custom Union under article 75(7) of the treaty.

EABC officially opened a Secretriat Office in Arusha ,Tanzania

2001

EABC Chairman speaks at the 1st Summit of EAC Heads of State during the formal launch of the EAC on 15th January 2001 at Sheikh Amri Abeid Stadium in Arusha, Tanzania

EABC organizes a Swedish-East African Investment Meeting on Lake Victoria

EABC JOURNEY 2002-2004

2002

MOU with Privates Sector Promotion East Africa signed on 23rd November 2001 enabled support for office secretary.

EABC Strategic Plan for developed

EABC ATTAINS OBSERVER STATUS TO THE EAC
Through the observer status, EABC represents the Private Sector in the region by participating, inputting into the consultative meetings and holds regular and interactive dialogue with the Policy makers from EAC Secretariat, Organs and Institutions including the Council of Ministries and Summit.

2003

EABC continues to participate in the High-level task force on the implementation of the Custom Union.

SRBO EA Projected took off and a trade specialist recruited Workshop on Cotonou agreement and an advisor seconded by GTZ

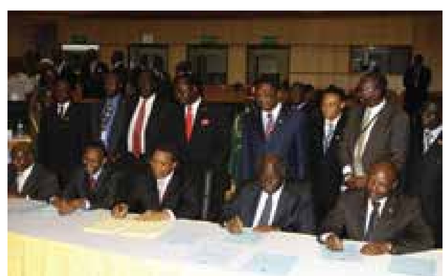
EABC embarks to form the National Chapters to carry out activities and gather information, especially on national positions at national levels which are received for harmonization at regional level by the EABC.

2004

EABC played a key role in Negotiations on establishment of the Customs Union which culminated in the signing of EAC Customs Union Protocol in March 2004.

EABC Conducts Business Climate Index (Survey)

EABC organized a study visit to Burundi and Rwanda in September in 2006. The business delegation met President Nkurunziza in Burundi and President Kagame in Rwanda. MoU were signed with Rwanda Private Sector Federation and Chamber of Commerce Industry Agricul- ture and Handicraft in Burundi



EABC JOURNEY 2005-2008

2005

EABC together with UNCTAD developed an EAC investment guide

EABC takes a lead in tackling NTBs in the region and submits a proposal for an NTB Monitoring Mechanism

EABC holds the East African Investment Conference in Dar es Salaam, Tanzania

Customs Union starts to be implemented
EABC organizes a trade mission to Munich/Germany

2006

EABC enters into a collaboration agreement with the Inter University Council of East Africa

EABC holds the 1st East African Media Forum

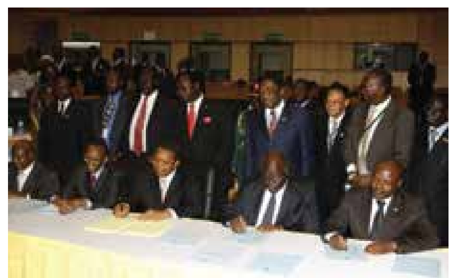
EABC initiates an East African working group on Energy

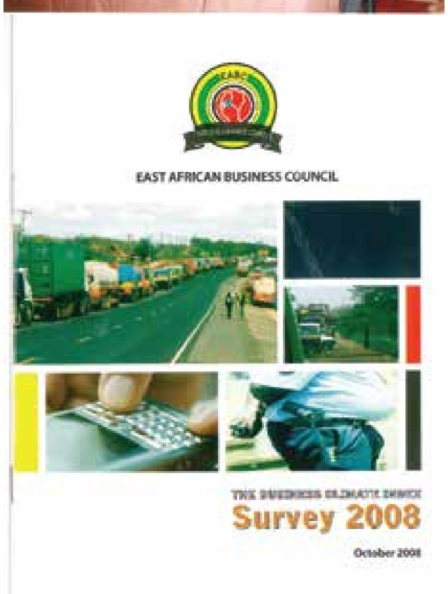
2007

Burundi and Rwanda become full members of EAC
EABC organized a study visit to Burundi and Rwanda on 11th -13th September in 2006. The business delegation met H.E Nkurunziza , President of the Republic of Burundi and H.E Kagame, President of Republic of Rwanda. MoU were signed with Rwanda Private Sector Federation and Chamber of Commerce Industry Agriculture and Handicraft in Burundi

2008

First EAC-COMESA-SADC Tri-partite Summit in Kampala
EABC plays a significant role in the mediation efforts to solve the Kenyan post-election crisis
EABC Holds high level meeting with H.E Yoweri Museveni, President of the Republic of Uganda.
EABC publishes the first East African Business Directory
EABC holds the 2nd Media Summit and Award Study on Custom Union impact
Energy Conference in Zanzibar
East Africa Investment Conference in Kigali, Rwanda





EABC JOURNEY 2009-2012

2009

The protocol for the establishment of the EAC Common Market is signed
EABC holds the 3rd. Media Summit and Awards An Anti-Illicit Trade Conference
The East Africa International Business Conference Economic Patrnership Agreement Sensitization workshop
High Level Meeting with H.E Jakaya Kikwete President of the United Republic of Tanzania.
EABC prepared several briefing paper on Business Climate Corruption Counterfeits and Gender Economic Empowerment.

2010

The EAC fully fledged Customs Market takes effect
Common Market Sensitization Workshops held by EABC
A Business Guide to the Common Market developed by EABC
EABC introduces a monthly NTB monitor

EABC holds the East African Investment Conference in Dar es Salaam, Tanzania & the EAC-India Business Forum

2011

EAC organizes Regional Consultative workshop on SPS and SQMT
EABC holds PPD on Harmonization of Domestic Taxes
EABC published a quarterly Report on the State of NTBs, which was presented to the Council of Ministers

EABC holds a regional Public private Dialogue (PPD) on the harmonization of domestic taxes

2012

The Consultative Dialogue Framework approved by Council of Ministers
EABC holds the first EAC SG CEO Forum
Together with Worldbank, EABC designed and implemented the EAC Common Market Scorecard

EABC JOURNEY 2013-2014

2013

East African Monetary Union Protocol signed

EABC held public-private dialogues (PPD) on Tripartite Free trade Area and on EAC Duty Remission
EABC held EAC SG CEO fora and the Academia-Private Sector Partnership Forum & Exhibition

EABC took part in the U.S. - EAC Investment and Trade Partner- ship Agreement. EABC organized a Private Sector Consultative Meeting on EAC- US Commercial Dialogue
Sensitization Workshop on EAC-EU EPA Rules of Origin (RoO) & Market Access held Public - Private Dialogue On the COME- SA-EAC-SADC Tripartite Free Trade Area Public - Private Dialogue Meetings with Trade Facilitating Agencies Regional Public-Private Sector Dialogue on EAC Duty Remission

EABC undertakes a Skills Audit for the Accountancy, Architecture, Engineering, Law And ICT Professions.
EABC undertook an Analysis of the Telecommunication Sector Regulatory Framework in the East African Community and Its Effect on the Cost of Doing Business
EABC undertakes an Assessment of the Effect of the Regulatory Regime on the Cost of Air Trans- Port in the East African Community
EABC undertakes a study to Assess Mutual Recognition Agreements in the EAC
EABC undertakes a Study on Academia and Private Sector Partnership/Linkages and Policies in the EAC Partner Stat

The Consultative Dialogue Framework approved by Council of Ministers
EABC holds the first EAC SG CEO Forum
Together with Worldbank, EABC designed and implemented the EAC Common Market Scorecard

2014

EAC Partner States declare 104 Final Draft East African Standards. These standards cover the sectors of fish, fishery products, paper and paper products, cement, surface active agents which are part of the EABC's 20 most traded products developed through a study in year 2014
The Partner States endorse 108 international standards whereby some form standards for part of EABC's 20 most traded products

EABC JOURNEY 2015-2016

2015

EABC together with EAC Secretariat held the 1st East African Manufacturing Business Summit in Kampala, Uganda. EABC advocated for a legally binding mechanism to eliminate NTBs in the EAC this led to the formulation of the EAC Elimination of NTB Bill 2015.

2016

EABC together with EAC Secretariat held the 1st East African Manufacturing Business Summit in Kampala, Uganda. EABC advocated for a legally binding mechanism to EABC holds an Anti-Illicit Trade Conference and the 1st ever East African Business & Entrepreneurship Conference in Nairobi, Kenya
South Sudan becomes official member of the EAC

The EAC Heads of State endorse EABC Code of Conduct for the Business Community

EABC took part in the U.S. - EAC Investment and Trade Partnership Agreement.
EABC organized a Private Sector Consultative Meeting on EAC- US Commercial Dialogue
Sensitization Workshop on EAC-EU EPA Rules of Origin (RoO) & Market Access held Public - Private Dialogue On the COMESA-EAC-SADC Tripartite Free Trade Area
Public - Private Dialogue Meetings with Trade Facilitating Agencies
Regional Public-Private Sector Dialogue on EAC Duty Remissioneliminate NTBs in the EAC this led to the formulation of the EAC Elimination of NTB Bill 2015.

EABC Chairman presents 10 -point recommendations of the East African Business Leaders' Summit to 17th Ordinary EAC Head of State Summit

In 2016, out of 49 proposals for tariff change submitted by EABC, 42 tax proposals were adopted and read out as part of the budget speeches in the Partner States. The adopted proposals also featured in the EAC Gazette as published at the end of June 2016.

EABC JOURNEY 2017-2018

2017

EABC marks 20 years

EABC successfully advocated for the EAC Partner States to uniformly maintain the 10% import duty rate on Sugar for Industrial Use (Hs Code 1701.99.10) to all approved manufacturers across the region

The Single Customs Territory is fully implemented.
EABC together with EAC Secretariat held the 2nd East African Manufacturing Business Summit in Kigali, Rwanda
EABC undertakes Study on Opens Skies in East African Community
EABC conducts a Private Sector Common External Tariff (CET) Review Mission in EAC Partner States.

The 2nd East African Business & Entrepreneur- ship Conference is held in Dar es Salaam,

2018

EABC celebrates the 20 years of her existence under the theme 'Beyond East Africa – Moving from Aspiration to Action'

Partnership/Linkages and Policies in the EAC Partner States

EABC JOURNEY 2019

2019

EABC Set-up sector specific desks of Trade in Services, Manufacturing, Agriculture, Energy & Infrastructure, SMEs

EABC in partnership with the International Trade Centre Trained trade and policy experts from National Focal Points and Business Membership Associations on the WTO Trade Facilitation Agreement (TFA).

EAC Partner States Adopting EABC Proposal on 10% Import Duty on Sugar for Industrial Use (HS Code 1701.99.10).
Adoption of EABC CET Proposals on Iron and Steel by the EAC Partner States:
During the 2018/19 Budget, Kenya, Uganda and Tanzania adopted EABC proposals to increase import duties on over 50 tariff lines under iron and steel products. The countries on some tariff lines applied specific duty as an alternative to 25% ad-valorem for products deemed prone to under-declaration

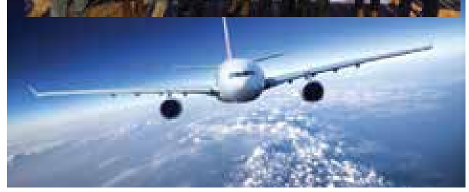
Tanzania Bureau of Standards (TBS) Mandated to take charge of Assuring the Quality and Safety of Food and Cosmetics Products

During the 2019/20 Budget, Tanzania through Finance Act of 2019 amended Standards Act to reflect the additional functions for TBS of assuring the quality and safety of food and cosmetics products, which were previously performed by the Tanzania Food and Drugs Authority (TFDA). For the past years, EABC has been advocating for the need for coordination between TBS and TFDA in terms of regulating food and cosmetics products in Tanzania. Following this amendments, starting on 1st July 2019 unlike in the previous practice, food and cosmetics samples will be taken and tested once for both quality and safety requirements in accordance with relevant standards for the initial inspection.

Harmonization of Vehicle Load Control in EAC
EAC Partner States developed three Regulations that paved the way for the enforcement of the EAC Vehicle Load Control Act, of 2016

Positive Progress on Liberalization of EAC Air Transport Services

The EAC Partner States agreed in principle to develop a Multilateral Air Services Agreement (MASA which will replace existing EAC Bilateral Air Services Agreements (BASAs) which are considered to be restrictive. In addition, Partner States are finalizing EAC Regulations on Air Transport Liberalization.



EABC JOURNEY 2019

- EABC successfully engaged the EAC Heads of State who committed to championing an Inter-governmental trade dispute mechanism to eliminate non-tariff barriers in the EAC region.

- EAC Heads of State also directed the involvement of the business community in the EAC Council of Ministers Meetings via formalized dialogue mechanism between EABC and the EAC Council of Ministers.

EABC held high-level engagement with H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda and Member of the Summit of EAC Heads of State and H.E Salva Kiir, President of the Republic of South Sudan and Member of the Summit of EAC

Heads of State on 24th August 2019 in Entebbe State House, Uganda. H.E. President Museveni reiterated his commitment to champion the finalization of the comprehensive review of the CET with a focus on encouraging industrialization; Intergovernmental trade dispute mechanism to eliminate non-tariff barriers, Improve efficiency and affordability of air passenger and cargo transport in the region and including Lake Victoria transport infrastructure. This engagement preceded the Uganda/Tanzania bilateral business forum which further addressed trade-related bottlenecks between the two countries.

EABC organized high-level dialogue with H.E. President Paul Kagame of Rwanda and the Chair of the EAC Council of Ministers on 16th September 2019 in Kigali, Rwanda and presented memoranda of issues affecting the East African business community.

EABC Organized East African Business and Investment Summit

The East African Business & Investment Summit themed: “EAC@20: Private Sector Driven Regional Integration for increased intra-EAC trade and investments,” was held on 28th-29th November 2019 at Gran Melia Hotel in Arusha, Tanzania.
Over 700 delegates composed of captains of industry, ministers, senior government officials, investors, members of parliament, ambassadors, women in business, the diaspora and development partners from the region and beyond charted out the economic agenda and outlook for East Africa, as the region commemorated 20 years of the EAC integration process. The parallel exhibition showcased the latest innovations, projects and products.
The Communique of the East African Business and Investment Summit was adopted by the EAC Council of Ministers outlining resolutions and strategies to increase intra-EAC trade to 40%, regional value chains and industrialization.

EABC JOURNEY 2020

2020

Trucks from Tanzania successfully entered Kenya via Namanga Border following EABC's Intervention.

On 15th March, 2020, there was an executive directive in Kenya banning entry of noncitizens from countries already affected by the Coronavirus, except foreigners with resident permits. Tanzania announced its first case of Covid-19 on Monday 16th March 2020 hence affected by the directive.

The East African Business Council had been keenly monitoring the flow of cargo across EAC borders. On 18th March, 2020, Kenyan Immigration Officers at Namanga OSBP said they were not processing the entry of non-residents as per the above executive order as one of the measures to prevent the spread of the Covid-19 scourge. This affected Tanzanian traders and over 150 trucks coming from Tanzania to Kenya via the Namanga One-Stop Border Post were affected by the directive.

Statistics indicate that Kenya imported products worth USD. appx. 176 Million from Tanzania and exported appx. USD. 294 Million to Tanzania in 2018 (International Trade Centre).

The East African Business Council CEO, Dr. Peter Mathuki, engaged the Ministry of EAC Affairs and Regional Integration of Kenya to intervene in the Namanga Border situation which had caused a heavy traffic jam of trucks after 24hrs, impacting Kenya -Tanzania trade.
Hon. Adan Mohamed, Cabinet Secretary, Ministry of EAC and Regional Development of Kenya, agreed to raise the matter at the Cabinet meeting, which later deliberated and resolved to allow entry of the Tanzania trucks into Kenya.

Furthermore, EABC CEO held an urgent consultative meeting with the Senior Immigration Officers at the Namanga OSBP from both Kenya and Tanzania sides; to seek their views on the crisis and concurred with EABC that urgent measures were necessary to avoid a further pile-up of trucks at the OSBP and to avert reciprocation from the Tanzania side. As a result of EABC's efforts, the Tanzanian 150 trucks stranded at the Namanga OSBP were allowed entry into Kenya

EABC successfully urges the EAC Council of Ministers to adopt a common approach to preparedness and response measures to curb the outbreak and spread of Covid-19 in the region.
In response to the outbreak of COVID-19 in the EAC region, the East African Business Council officially engaged the Chair of the EAC Council of Ministers urging for a regional approach to preparedness and response measures to COVID-19 and free movement of cargo.

EABC JOURNEY 2020

EABC issued a Joint Communiqué of Private Sector Associations in the EAC on Covid-19 (National Focal Points Chief Executive Officers) on 26th March 2020 and urged the EAC to come up with a common Post Covid-19 recovery/rebound strategy for the region with a focus on intra-EAC trade and investments.

EAC Heads of State Adopt Regional Approach to the Covid-19 Pandemic

The EAC Heads of State adopted a common approach towards curbing the outbreak of Corona Virus Disease (COVID-19) in the EAC region, following the Heads of State Consultative Meeting held on 12th May 2020 via video conference.

The Heads of State Consultative Meeting ably interrogated the impact of COVID-19 on the lives of East African citizens, businesses, intra-EAC trade and investments.

The issued communique aimed at protecting the lives of people, economic recovery and facilitating the free movement of cargo and services across EAC borders during the COVID-19 pandemic period; in line with the proposals by the private sector.

EABC urged for quick implementation of the outcome of the bilateral ministerial meeting between the United Republic of Tanzania and the Republic of Kenya on the free movement of goods across borders.

COVID-19 related NTBs at the Namanga, Holili-Taveta, Horohoro-Lungalunga, Sirari-Isebania borders led to a deadlock on the movement of cargo between Kenya and Tanzania. East African Business Council articulated the impact of unharmonized measures on testing of truck drives on cross-border trade during the bilateral technical meetings between Kenya and Tanzania held on 25th May 2020 at Namanga One-Stop Border. The bilateral ministerial meeting agreed to have truck crews tested before the commencement of their journeys at the point of origin in line with World Health Organization standards and the issuance of mutually recognized COVID-19 free certificate valid for 14 by competent authorities.

EABC organized several Private Dialogues with trade facilitation agencies at Busia and Namanga One-Stop Border Posts to facilitate trade across EAC borders.

EABC engaged the EAC Council of Ministers and presented recommendations to cushion businesses from the impact of COVID-19.

EABC JOURNEY 2021

EABC's successfully organized virtual webinars and developed surveys, study reports and briefs on the impact of COVID-19 on business sectors.

• Impact of COVID-19 on Tourism

• Impact of COVID-19 on Financial sectors in the EAC

• Impact of COVID-19 on business and investment in the EAC

• Impact of COVID-19 on Manufacturing

• Impact of COVID-19 on Agriculture

• Impact of COVID-19 on Transport & Logistics

• Impact of COVID-19 on Tourism

• EABC 2020/2021 Budget Proposals amidst COVID-19 Pandemic

• Position paper on Open Skies in the EAC

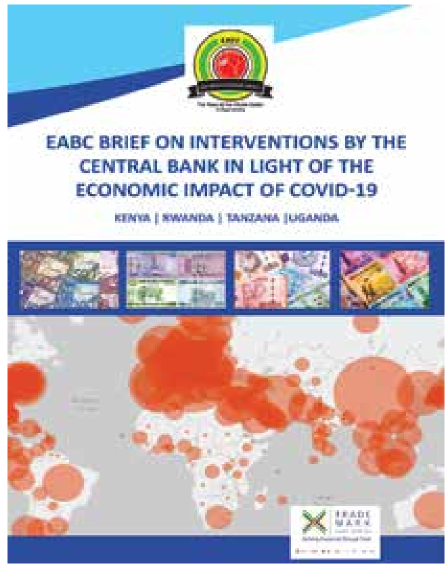
• EABC brief on Post Covid-19 Rebound/Recovery Strategy for Businesses in the EAC

• Brief on Positioning the EAC private sector to take advantage of the African Continental Free Trade Area (AfCFTA).

• Brief Private Sector Papers on the Leather, Fruits and Vegetables Value Chain in the EAC

• Survey on the Impact of COVID-19 to Business and Investment in the EAC and Proposed Recovery Measures to the EAC Economies

• Study on Market Opportunities in the Democratic Republic of Congo



2021

The 21st EAC Heads of State Summit appointed Hon.Dr. Peter Mathuki the former Executive Director of EABC Secretariat as the new Secretary-General of the EAC.

H.E. Paul Kagame, President of the Republic of Rwanda and H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda re-opened the Gatuna /Katuna border in line with the Quadripartite Summit held on 21st February 2020 and EABC's plea to their Excellences in 2019.

The Government of the Republic of South Sudan waived visa fees for East Africans

The Government of the Republic of South Sudan provided police escorts to trucks traveling to Juba. This was a quick solution to the cross-border trade impasse due to security concerns.

EABC JOURNEY 2021

H.E. Paul Kagame, President of the Republic of Rwanda and H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda re-opened the Gatuna /Katuna border in line with the Quadripartite Summit held on 21st February 2020 and EABC's plea to their Excellences in 2019.

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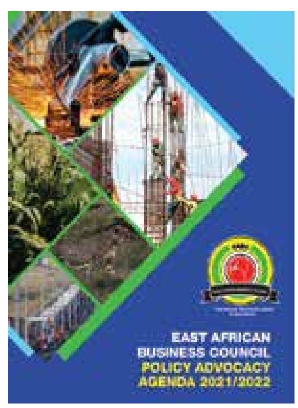
Republic of Burundi and the United Republic of Tanzania ratified the AfCFTA Agreement on 17th June, 2021 and 9th September, 2021 respectively

The United Republic of Tanzania ratified the EAC Sanitary and Phytosanitary (SPS) Protocol which is set to boost intra-EAC trade of agri-products, quality and food safety.

EABC Chairman presented private-sector policy priorities to H.E. Samia Suluhu Hassan, President of the United Republic of Tanzania and H.E. Uhuru Kenyatta President of Kenya during the Tanzania -Kenya High-Level Bilateral Forum on 4th May 2021. EABC Board of Directors also participated in High-Level Kenya - Burundi Bilateral Forum held on 31st May 2021 during the state visit to Kenya by H.E. Evariste Ndayishimiye, President of the Republic of Burundi. The presidential fora have been central to eliminating Non-Tariff Barriers and boosting bilateral ties.

Following the assumption of office as the EAC Secretary-General, Hon. Dr. Mathuki launched a formal dialogue channel dubbed "EAC-EABC Technical Working Group" to resolve trade and investment barriers. The Technical Working Group composes of members of national apex private sector associations in the EAC region and is chaired by the EAC Director General of Customs &Trade and co-chaired by EABC CEO.

The EABC Secretariat developed and presented EABC Policy Advocacy Agenda 2021/22 to the EAC Council of Ministers and articulated private sector policy priorities to the EAC Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) held on 24th to 28th May 2021.



EABC JOURNEY 2021

EABC Secretariat in partnership with African Economic Consortium (AERC) and Bill and Melinda Gates Foundation, conducted 3 studies and rolled out Webinar on Trade & Investment Recovery amidst COVID-19 and the Impact of COVID-19 on Agriculture, Light Manufacturing, Tourism & Hospitality. The studies recommended for implementation of a regional coordinated approach to COVID-19 measures by the EAC Partner States.


POLICY BRIEF

Impact Assessment of COVID-19 Pandemic on the Tourism and Hospitality Industry in the EAC and Post Recovery Strategy for the Sector

September 2021

Context

EABC in partnership with AERC organized a Webinar on Regional Perspectives on Trade & Investment Recovery amidst COVID-19.

The webinar assessed the impact of COVID-19 on business sectors. The webinar discussion revealed that intra-EAC trade dropped by 5.5% in 2020 due to COVID-19. EABC urged for more public-private dialogue and championing of Buy East African Campaign to drive the economic recovery agenda of the EAC bloc

EABC-Afreximbank- AfCFTA Trade Opportunities Meeting & Launch of the Africa Customer Due Diligence Platform (MANSA Repository Platform) in the EAC Partner States. The meeting sensitized over 600 companies & SMEs on the trade opportunities availed by the AfCFTA and the MANSA digital platform. Watch : https://youtu.be/lyZM2EH1yKs

EABC Round Table Meetings

EABC and National Focal Points organized CEOs Round Table Meetings and prepared policy priorities areas and issues for advocacy at EAC level. The Round Table Meetings called upon EAC Partner States to develop a common COVID – 19 Vaccination Certificate to hasten the economic growth

AfCFTA

AFRICAN CONTINENTAL FREE TRADE AREA

Creating One African Market

The East African Business Council in partnership with the East African Tourism Platform and the East African Community rolled out Tembea Nyumbani campaign to promote national and regional tourism products and services amid COVID-19

UNECA- EABC successfully organized the Webinar on AfCFTA – Opportunities for the EAC Private Sector.

EAC – EABC co-organized the 1st EAC Tourism Expo- 2021 to showcase the Tourism products and market the EAC region as a single tourism destination. EABC also co–organized the side session on Collaboration in combating poaching and illegal wildlife trade in the EAC.

EABC JOURNEY 2022

2022

EABC in partnership with the Kenya Ports Authority and the Shippers Council of Eastern Africa organized Regional Round Table for Maritime Leaders in Mombasa Kenya.

EABC Chairman participated in the Signing Ceremony of the Treaty of the Accession of the DRC into the EAC on 8th April 2022 at State House, Nairobi

The 19th Ordinary Summit of EAC Heads of State held on Tuesday, 29th March, 2022 admitted DRC into the EAC.

Following EABC & PSFU advocacy Uganda eliminated mandatory re-testing of COVID-19 at Malaba and Busia OSBP.

Following EABC's robust media advocacy campaigns calling upon EAC Partner States to Mutually Recognize COVID-19 test the Republics of Kenya, Uganda and South Sudan, the United Republic of Tanzania have eliminated the need for confirmatory testing at the airport and border for fully vaccinated passengers.

In line with EABC policy proposals to the EAC Council of Ministers, EAC Partner States adopted the EAC Tariff Offer for Category A products (90.1 percent of total lines) and submitted it to the AfCFTA Secretariat.

EABC Secretariat developed EABC Position Paper on the Maximum CET rate which was presented in the Meetings of Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) and EAC Ministerial/Cabinet Secretary Retreat on Comprehensive Review of the EAC Common External Tariff (CET). Finally, the EAC Partner States adopted 35% as the Maximum CET Rate of the new EAC CET which will be implemented effective from 1st July 2022.

EABC-GIZ Launched the EAC Business and Investment Barometer & Outlook 2022/23

EABC-GIZ Launched the Barometer on Trade in Services in the EAC

EABC in partnership with TradeMark East Africa (TMEA) sensitized private sector players on EAC trade/incentive schemes

EABC in partnership with TMEA sensitized Women, Youths and Cross border traders on EAC Simplified Trade Regimes

EABC JOURNEY 2023

EABC Conducted Industrial Visit to Edible Oil, Leather, textile, Cement and iron& Steel sub-sectors in Tanzania and Uganda to assess their capacity, challenges and opportunities amid the implementation of the new EAC CET 2022 Version

EABC in partnership with COMESA and SADC business councils launched the African Tripartite Business Council to spearhead the inclusion of private sector proposals in the negotiations of the African Continental Free Trade Area (AfCFTA) Agreement and the African Tripartite Free Trade Area (TFTA).

EABC –TMEA rolled out Regional Public-Private Engagement on Standards (Conformity & Mutual Recognition)

EABC-GIZ officially launched the East African SMEs Platform

EABC-TMEA held high-level engagements on barriers to intra-EAC trade with Revenue Authority and Permanent Secretaries

EABC Secretariat organized the Pre-Heads of State Summit and presented memoranda of private sector issues to the EAC Council of Ministers during the High-Level Summit on Common Market Protocol held in July 2022. Seven (7) out of ten (10) EABC Policy Priorities were adopted in the Communique of the EAC Council of Ministers on Common Market Protocol.

EABC in partnership with the EAC organized a trade mission to the Democratic Republic of the Congo under the leadership of the EAC Secretary General. The EABC cemented partnership with the Federation of Enterprises of the Congo (FEC) to boost trade ties.

EABC organized a public-private dialogue on Sea Freight Transport and logistics, focusing on fresh produce.

EABC-Afreximbank organized the Zanzibar Trade and Investment Forum 2022.

2023

H.E. Samia Suluhu Hassan, President of the United Republic of Tanzania officially handed over title deed for plot of land No.4/2 situated at Mateves Arusha containing twelve thousand three hundred and fifty-five (12,355) square meters (3 hectares) allocated to the East African Business Council.

REFLECTIONS

Interview with Dr. Manu Chandria, EABC Founding Member and Chairman of The Safal Group of Companies

Thank you very much Dr. Chandria for this opportunity to interview you for the East African Business Council (EABC) 25th Anniversary Commemorative Journal. As you must know, you occupy a special place in EABC's history as one of its founding members. Perhaps we could begin with understanding the history of the organisation – How was the Council established?

The idea to establish a regional apex body to champion the interests of the business community in East Africa was conceptualized way back in the late 1990s. At the time, I was Chairperson of the Kenya Association of Manufacturers which had been established in 1959, as a Private Sector body to offer a common voice for manufacturing companies and service providers in the country; and for a while, had known Amb. Francis Muthaura, who was then based in Arusha, Tanzania as the Secretary General of the revived East African Community following the signing of the Treaty for EAC's re-establishment in 1999.

One day, Amb. Muthaura called, and expressed his concerns that the regional integration process had been evolving for some years without any tangible participation from the Private Sector. He therefore, requested me to think of ways in which the regional business community could be engaged more actively in the process.

We scheduled an appointment for further deliberations on this matter, and he travelled from Arusha, Tanzania to Nairobi, Kenya for this meeting.

His point was very clear: He did not want the EAC Secretariat to be seen to be making legislations and regulations which would be seen to be inhibiting the expansion of businesses in the region. This, in his view, could only be addressed through a structured and organized participation by the business community in the integration process.

I informed him that the Kenya Association of Manufacturers – which was the leading business association in the country with a strong focus on the manufacturing sector, had, amongst its corporate membership, most of the leading business enterprises – whose direct engagements in this arrangement would be crucial for its success.

However, for the idea to make greater regional sense, I promised him that I would have to engage our Private Sector counterparts in the other two EAC Partner States of Tanzania and Uganda for further consultations.

I considered this to be a fairly easy assignment, as I was aware that national Private Sector apex bodies in the manufacturing sector had already been established in the other two EAC Partner States. Besides, I had a good rapport with the leaderships of these counterpart associations with whom I used to interact regularly, because of our group's vast regional business interests. Leveraging on my standing in the region, I set up a meeting with Hon. Juma Volter Mwapachu who was then Chairman of the Confederation of Tanzania Industries and the late Dr. James Mulwana who was one of Uganda's leading industrialists, and who had played a key role in the revival of the Uganda Manufacturers Association, on the need for us to create joint synergies so that we could effectively represent in our respective countries, interests and concerns of businesses from all the three EAC countries.

This is how we started having regional consultative business meetings. Once we had consensus on the structure of the envisaged regional Private Sector apex body, I travelled to Arusha, Tanzania and briefed Amb. Muthaura on the progress so far realized; and enquired from him what kind of position the EAC Secretariat was willing to extend to the Private Sector upon the establishment of this regional entity.

He said, "We will give you right now, an Observer Status. You will be welcome at all meetings of the Council of Ministers, and once or twice a year, whenever we have the Summit meetings of the EAC Heads of State".

We were in agreement.

Shortly after we had formalized the organization's basic set-up with my counterparts, Amb. Muthaura travelled to Nairobi, Kenya for the formal launch, and it is here that together with Hon. Mwapachu and the late Dr. Mulwana, we officially inaugurated the East African Business Council at the Jacaranda Hotel in 1997.

And I remained the Chairperson for two years – from 1998 to 1999 because of difficulties and lengthy processes in having the Council formally registered. Initially, we only targeted associations as members, and not corporates. It was also going to be a voluntary organisation, run by associations. The Chairmanship was going to be rotational, for 1 year only, so that everybody got the opportunity to lead and engage in EAC integration matters.

Which primary objectives underpinned the establishment of the EABC?

The main objective for the establishment of the EABC was the need for a bigger market for our businesses. As you are aware, no business enterprise can expand unless there is access to a larger market – since it is very easy to saturate a small market. Expansive and predictable markets are the biggest incentives for integrated economies such as the European Union and the United States.

Following the re-establishment of the Community, the size of the market expanded quite considerably to about 80 million people. This has since, significanity grown, to about 185 million people today, in EAC's current six Partner States.

Secondly, we needed to have a singular and inclusive voice for the Private Sector – so that our regional concerns

Interview with Dr. Manu Chandria, EABC Founding Member and Chairman of The Safal Group of Companies

could be solved more easily. At the time, Private Sector concerns were only addressed at the national level; and the Government was fed up with giving audience to so many individuals and groups from each country, each purporting to represent the Private Sector. This was the same case in Tanzania and Uganda. Whenever they met, they would never agree on anything.

Third, because of the stronger regional status that the EABC was going to provide in all the 3 countries, the Council was going to be better positioned to have greater potential in collectively influencing our people, businesses and decision makers; and in so doing, exercise stronger bargaining power in championing Private Sector interests.

As you look back at EABC's formative years, what were the main challenges that you encountered in the process of setting up EABC's operational infrastructure?

This was not an easy task, occasioned by the significantly different levels of economic development in the three countries. Kenya was much higher because of its capitalistic policies; Uganda was very low because of Former President Idi Amin's policies which did not promote economic development; while Tanzania was in-between because of its socialistic policies. This situation was compounded by major ideological differences and rivalries amongst the three countries on quite a number of fronts at the time. This meant that the level of generating Private Sector interest in the regional body was always going to be difficult. I remember the skepticism that met our early efforts only too well.

Second, was the process of getting EABC registered. We had to undertake this process in all the three EAC Partner States. While we got this done fairly easily in Kenya and Uganda, the process was difficult in Tanzania, and it took us nearly nine months to complete this process. That is why I had to remain the Chairperson for two years so as to see this exercise to its conclusion.

Third, were difficulties in understanding the unique business issues in the three Partner States and developing a coherent and visionary regional plan to address emerging Private Sector concerns.

Last was the question of adaptability to this new management approach in the region, and therefore, the challenge of keeping the Council's leadership and the Private Sector in the region continuously engaged and charged – through regular telephone calls and consultative meetings. You understand that initially, EABC had no offices in Arusha, or any support staff there, the Chairman's office was wherever you were – I ran the Secretariat up until I handed over the Amb. Mwampachu. Each of us had to rely on own staff and our own money and resources to carry out EABC related work, including going to negotiation meetings in Arusha, Tanzania. This was a key commitment of the founding chairs, given that we were also simultaneously running businesses in our own countries. We understood this was important in order to lay the foundation.

Did the Observer Status enable the EABC to discharge its mandate effectively?

No, the Observer Status was supposed to be EABC's entry point in our formal participation in EAC affairs. Ultimately, it was our wish to be accorded the status as a constituent and independent body of the Community – just like the East African Development Bank – for example – so that the Council could have greater influence.

Leveraging on your experiences in the formation of the East African Business Council, how did you influence the development of Private Sector apex bodies and promotion of the dialogue nexus between the Government and the Private Sector in Kenya?

Let me take you first to my personal experiences prior to the establishment of the EABC.

I was born in Kenya. I moved to Dar es Salaam from 1966 to 1971 to manage the manufacturing companies of our Group, before relocating back to Kenya in 1972. When I came to Nairobi, Kenya, I realized that there were no linkages between the Government and the business community – including, the large manufacturers.

So, I had a meeting with Sir Ernest Vasey – who had been the Minister for Finance in Kenya during the colonial Government and who was later invited to Tanzania to become the country's First Minister for Finance, Former President Nyerere's Government.

Sir Ernest who would later become an Advisory Chairman of the EABC, advised me: "Mr. Manu, unless you can get the manufacturers together, you will not be able to achieve much".

Upon assuming the leadership of the Kenya Association of Manufacturers, I realized that the Chairman's position had been occupied by only two or three people – for 25 years. The dynamism which was critical for the development of the Association was, largely, lacking. I therefore, mobilized the Association's membership to review its constitution so that after every two years, its leadership would be re-energized through the election of new Boards.

Secondly, I mobilized the major manufacturing businesses to come together and establish common positions so that we could negotiate our issues more effectively with the Government.

Third, I got the Chairmen of the major businesses in the country to become members of KAM, and also, to be on the Association's Board. These included the British American Tobacco (BAT), Kenya Breweries Ltd (KBL), Mabati Rolling Mills (MRM) and Bamburi Cement Company and others.

That significantly enhenced our negotiating power. And I coined a word – Corporate Business Responsibility (CBR) – which enabled our businesses to focus on improving the business environment in the country. CBR has nothing to do with corporate social responsibility (CSR) - it is about businesses' responsibility to create an environment that enables, not only I, but all other businesses to grow.
That is how the term "Doing Business in Kenya" came about.

Following the establishment of the East African Business Council several years later, it happened, coincidentally, that all the three EABC founding business associations were from the manufacturing sector.

The growth of the entire business community meant that we had to embrace all the businesses in other economic sectors in our respective countries. An inclusive business association was, therefore, one of my priorities as the Founding Chairperson of the Kenya Private Sector Association (KEPSA) as the voice of the Private Sector in the country, and whose primary mission was to ensure improvement in overall business environment in the country by working together with the Government and other stakeholders.

Likewise, my two counterparts also played pivotal roles in the creation of Private Sector apex bodies in their respective countries – Hon. Mwapachu in the case of the Tanzania Private Sector Foundation (TPSF), and the late Dr. Mulwana in the case of Private Sector Foundation Uganda (PSFU), respectively – all of which were anchored on similar understandings and shared values.

Following KEPSA's initial successes, at a personal level, I was also, able to play a central role in influencing the creation of a number of institutions like the National Social Economic Council (NSEC) – which worked closely with the Government in the formulation of policies, laws and regulations to govern the business environment – and which were critical to Private Sector development.

The Council worked to ensure that Public-Private Sector Dialogues (PPDs) took place through three main outputs, namely:
• Building of NESC's capacity to identify, analyze and make recommendations on critical policy areas to strengthen national development and the business environment;
• Establishment of a process of interaction with the Private Sector and of monitoring the implementation
of policy prescriptions; and
• Strengthening of NESC support facilities.

The Project accomplished significant progress along all three dimensions.
With additional support and capacity building efforts, NESC also, adopted a cluster strategy for enhanced Private Sector productivity and competitiveness; as well as value-added strategies for several industrial subsectors. It was felt that short term budget do not give Sufficient assurance to investors. As such a Vision 2030

Interview with Dr. Manu Chandria, EABC Founding Member and Chairman of The Safal Group of Companies

was thought of which allowed policies to spread over a longer period so that investor knows the government policy to start with. We also established round table discussions with the office of the President with Parliament and the Judiciary where members regularly met and discussed issues to implement the Vision 2030.

I was one of the Founding Trustees, who helped in the establishment of the of the Kenya Corporate Governance Trust – a Private Sector initiative which was established as a premier and pioneer training institution to foster the highest standards of corporate governance and excellence for all types of businesses. The Centre achieved this mandate by conducting short 2; 3; and 5-day courses for senior-level corporate executives; and playing a major role in the development and dissemination of guidelines on corporate governance principles and practices.

The Centre also facilitated the establishment of the Institute of Directors (IoD) Kenya – which today has more than 2,000 Senior Level Corporate Directors who have already gone through the course.

Would you say that private sector in East Africa has embraced the principle of Corporate Business Responsibility?

Yes, a number of them have. What EABC has been able to achieve is because of quality people who are above personal businesses. Each of us ran our own business, but we have to build our ambitions above the immediate needs of these businesses. East Africa requires each of us to see beyond our own borders, see beyond the competitors, to a common goal and destiny for the region. This calls for people willing to serve beyond their own interests. Those of who have been able to do that are the ones we recognise as business leaders.

From your invaluable work in Private Sector development in the region, how can the development of businesses in East Africa be fostered?

Prior to the re-establishment of the Community the defunct EAC distributed industries across the region on a comparative basis - with specific commercial activities being established in specific Partner States based purely on real demand and application of the principle of competitive advantage and the fair distribution of the industries in the three territories. That way, the political and business leadership was able to identify and agree on how best the demand would be met.

For example, the first textile firm in East Africa was in Uganda – Nyanza Textiles – which used to supply all the textile requirements in the region. When it collapsed, industries such as Kisumu Cotton Mills (Kicomi) and Rift Valley Textiles (Rivatex) and others in Tanzania became household names in the 1970s and 80s by taking over this responsibility effectively, leveraging on their competitive and comparative advantages in the region.

However, when issues of sovereignty of the Partner States come to the fore, compounded by protectionist tendencies; application of wrong nationalistic and industrial policies; and lack of strict guidelines in the promotion of local content, most of our strategic businesses ended up collapsing in spite of the Common Market and Customs Union Protocols being in place.

This situation has seriously compromised our regional capacities to negotiate our trading positions competitively, with third parties.

This trend can therefore, only be reversed through the institutionalization of policies which promote the growth and qualitative outputs of our strategic industries and guide business operations in the region.

As the EABC marks its 25th Anniversary, what, in your view, will be critical in the advancement of its strategic objectives in the East African Community?

East Africa's current and future development will, largely, be premised on, amongst others, the capacity to enhance existing synergies amongst the region's businesses so as to maximize their capacity to meet East Africa's most pressing development challenges.

One of EABC's priority focus areas should therefore, be the development of clear rules and regulations governing business amongst the EAC Partner States, and in the East African Common Market.

The Council must also, in partnership with the East African Community Secretariat, accelerate its initiatives which support and promote a regional trade liberalization programme to address obstacles that persistently impair the free flow of business activities in the region.

Critically, EABC must, also, continue to champion the promotion of dialogue between the EAC Partner State Governments and the Private Sector as one of the key strategies to unlocking barriers which continue to deter the growth of businesses in the region.

It will be prudent for the Council to evaluate the impact of the organization's existing Observer Status at the East African Community, to be transformed to a constituent identity with a view to taking it to the next level of interaction.

Ultimately, it will be imperative for the Council's leadership to remain visionary and influential.

Let us now talk a bit about you Dr. Chandaria - You are hailed as Kenya's leading industrialist and one of the most respected CEOs in Africa and beyond. Share with us some key leadership lessons that other business in the EAC can emulate

The key ingredient for leadership is the ability to listen actively to other people and to understand their viewpoint. Most leaders just drown themselves in their own issues, without acknowledging that everybody has got issues. You have to rise above yourself to really hear others and be able to lead them.

Second, leadership means leaving a legacy. There are many successful people, who hold top rankings in their professions, but mere success is not enough and does not mean anything if that success is not translated into some significance - some legacy that people can remember you by. Today if you go to Nairobi Hospital, you will see the Chandaria Children's Centre and if you don't know me, you will ask – who is this Chandaria? What does he stand for? Significance should be there so people will remember - and that's legacy.

The third is learning from the past and appreciating the good that others have done. When James Mulwana died, his wife called me and said 'Mr Manu, he thought that you were one of the role models for him'. I attended his funeral - this was in appreciation of the work we did together for EABC. Looking at EABC, many of its members and even directors and staff in the Secretariat do not know why and how the organisation was started. Understanding the history of EABC, to know the goals that the organisation was established for, the East African culture it wanted to grow – this is important for EABC's leaders and the organisation's growth and success.

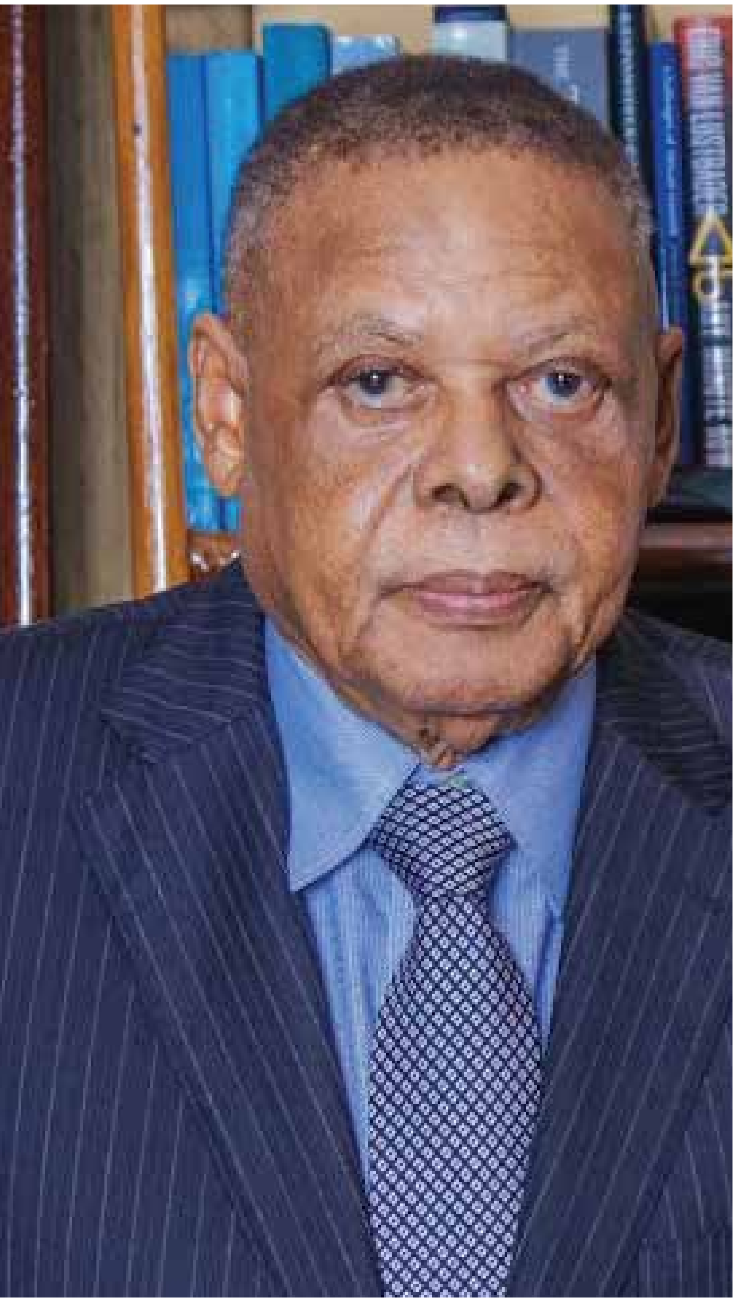
You are also one of the renowned philanthropists, not only in Kenya, but globally. Share with us the factors that describe your personal philosophy

I am a Jain by religion and there are only about 5-6 million Jains in the world. We believe in non-violence; that everybody has got a view point that should be heard and we also believe in non-attachment to material things – use only what you need and you have earned ethically, and give the rest to charity. These are the fundamental principles which have guided me through- out my life.

Growing up, my father and mother set the standard, especially in being compassionate to the plight of others. As I grew up and as I became successful, I started making very sure that my social work also grew to be on standard with my business success. And this is not only in my philanthropic work, but you will also see it in my other social work, such as with the United Nations and street families and in the number of institutions that I have helped built, or have been invited to become a Chair of.

It is a culture of giving and not just taking. And when I say giving, that means I do not only think about the 4000 people who work in my companies in Kenya as my employees alone, but I think of them as my responsibility; because they are my family. If I take an action and somebody gets hurt somewhere, then that is not fair and it is not giving. This kind of giving is what you call guardianship or trusteeship - it is an attitude of 'for all of us and not for me only'.

The Interview with Amb. Dr. Juma V. Mwapachu, 2nd Chairperson of the EABC and 3rd Secretary General of the EAC



1. Few people know that you were one of the founding members of the EABC and also its second Chairman. Tell us what goals motivated the Private Sector to come together even before the Community was reestablished.

The drivers for the Private Sector in East Africa to come together after the failure and dissolution of the first East African Community in 1977 were born from the reality that the development of the East African countries crucially hinged on promoting trade and economic partnerships of economic players, both private and public.

In early 1988, I led a small team of Tanzanian business persons to Kenya to seek the support of the Kenya Chamber of Commerce and Industry for establishing a similar body in Tanzania. The collaboration led to the establishment of the Tanzania Chamber of Commerce and Industry, later to embrace Agriculture (TCCI&A) later in 1988. I became the first Secretary General of TCCIA&A.

The liberalisation of the Tanzania economy upon the accession to the Tanzania Presidency of Ali Hassan Mwinyi in October 1985 spirited the Tanzania Private Sector to reach out to Kenya and Uganda for trade and economic partnership. However, in the absence of a vibrant regional trade and economic co-operation framework, the partnership was fundamentally constricted. It became evident then that the collapse of the EAC in 1977 was undermining the goals of regional Private Sector partnership.

In 1989, four East African academic and public intellectuals, Professor Sam Tulya-Muhika (Ugandan), Professor Joe K. Maitha (Kenyan), Iddi Simba (Tanzanian) and Juma V. Mwapachu (Tanzanian) started informal discussions about re-establishment of East African Cooperation. In July 1992, they adopted a Charter to create the East African Cooperation Forum. Using the Private Sector in the East African States, the Forum led the championing of the re-establishment of the East African Community. The Forum reached out to Presidents Daniel Arap Moi, Yoweri Kaguta Museveni and, initially, Ali Hassan Mwinyi and later Benjamin William Mkapa to jump start the re-establishment of the East African Community.

This spirit and drive cultivated the establishment of the East African Business Council (EABC) in 1997. Three business leaders, Manu Chandaria of Kenya, James Mulwana of Uganda (since deceased) and Juma Mwapachu of Tanzania were the midwives of the EABC with Manu Chandaria becoming the inaugural Chairman.

2. To what extent do you view these founding aims to have been met?

This question of whether the goals that motivated the birth of the EABC have been met fails to understand and appreciate the depth of affinity of those goals with what the pursuit of East African Integration entails. It is important to recognise, in this context, that at the birth of the EAC on 30 November 1999, the East African political leadership honoured me, as the Chairman of EABC, to address East Africans from the podium, in front of the three Heads of State at the Sheikh Amri Abeid Stadium in Arusha, Tanzania.

That day and occasion heralded a historic celebration of the role of the EABC in the emerging re-birth of East

African regional Integration. The EABC was recognised by the EAC political leadership as the 'Voice of East African Business'.

3. The collapse of the former EAC in 1977 is partly attributed to lack of Private Sector involvement in the Integration process. As the 3rd Secretary General of the Community, in which ways did you enhance Private Sector involvement as the EAC Secretary General?

As EAC Secretary General, one of my prime missions was in making the EAC truly market driven in line with what the EAC Treaty Article 7 stipulates. In my first address to the East African Business Community as EAC Secretary General on 27 May, 2006 in Arusha, I made a commitment 'to work with new vigour, energy and speed for EABC's acceptance as an institution of the EAC'. I observed then and continue to believe that East Africans 'cannot seriously talk about the EAC being marketdriven when key institutions that drive the market are only peripherally engaged in EAC's mission and work.'

Throughout the five years as Secretary General, I struggled to make the EABC a 'constitutional' organ of the EAC. Indeed, in August 2008, I invited the EABC leadership, then under Dr Reginald Abraham Mengi of Tanzania to attend the EAC Heads of State Special Summit meeting focused on business and investment. I was able to fix a special session for the EABC with the Heads of State where a case was made for the EABC to be recognised as an 'organ' of the EAC. I have to say that the majority of the Heads of State were agreeable to the appeal. However, one Head of State did not agree to the EABC case. And because the EABC appeal falls under the 'consensus' rule under the EAC Treaty, the EABC case failed.

To-date, the EABC has failed to make in-roads on this matter. It is a pity that the EABC has so far failed to become an Organ of the EAC when all that it sought to realise was to be part of the policy making framework.

The EABC did not seek budget support. Such move would have insulted the meaning and role of the Private Sector in Integration. If anything, the EAC should have approached the EABC to mobilise the East African Private Sector to contribute some percentage of EAC's annual budget.

It can unfortunately be concluded that despite serious efforts on the part of some EAC Secretary Generals, the EABC has failed to build a relationship with the EAC beyond that of largely 'Observer Status'. In turn, it should be admitted that Private Sector issues have lacked an effective avenue to enter the policy agenda of key EAC Organs.

4. Given your experience as both EABC Chairman and EAC Secretary General that dealt a lot with EABC, how can a regional common agenda for the Private Sector be better achieved for easier advocacy?

Much as the EABC has succeeded in organising, from time to time, particularly at the time when I was EAC Secretary General, East African Investment Conferences, East African Media Summits, a Conference to discuss the challenges of Counterfeits and other meetings, the success of the products of those conferences and meetings crucially depended on how the policy organs of the EAC internalised and translated them into policy proposals and championed them. And here lies the rub. The EAC policy organs remain weak because of the fractured nature of the decision making processes. EAC has largely failed to build a supra-national culture and ambition for deepening and widening Integration.

Economic nationalism has undermined the role which the Private Sector can make for such Integration to happen. Inevitably, such geo-political climate has been unhelpful in making national Private Sector associations think and act

Mr. Abid Alam, EABC Board Director(Front 1st left), Hon. Amb. Juma Mwapachu, EAC Secretary General (Front 2nd left), Mr. Anold Kileo, EABC Past Chair (Front-center), Mr. Deogratius Kamala, Ministers for EAC Affairs Tanzania; Mr. Elly Manjale, EABC Executive Director (First right) at the East African Business Forum in 2006 at Ngurudoto Mountain Lodge in Arusha Tanzania.

regional. And EABC, as a supra-national Private Sector body, has consequently suffered. Good recent examples of a fractured East African Private Sector are those that relate to the EAC Railways Project that gave birth to the unfortunate 'twospeed' EAC or 'coalition of the willing' decision making culture to the ratification of the Double Taxation and Avoidance Agreement and to the Economic Partnership Agreement (EPA) issue.

5. Article 7 of the EAC Treaty puts one of the operational principles of the Community to include 'people-centered and market-driven co-operation'. How can the balance between market drive and people- centeredness be better achieved.

Pursuant to the EAC Treaty, the EAC is required to be 'people-centred' and 'market-driven'. Presumably by being 'people-centred' it means that in its structure and operations, the EAC should manifest the centrality of interests of the East African people. Whether, in this context, the EAC is indeed 'peoplecentred'? This question cannot be osed vis a vis the EAC's 'market-driven' character. The two objectives enmesh; they are intimately connected. The market is about people. It is notable, however, that even though the EAC is far ahead all regional Integration organisations in Africa when one takes cognizance of the uniqueness of the East African Legislative Assembly (EALA) and even the East African Court of Justice (EACJ), for that matter, the EAC is yet to realise ideal people-centredness.

EALA can be transformed to be directly elected in the same way that the European Union Parliament is elected. Such move will herald a higher commitment to the role of the people in Integration. The EACJ's jurisdiction can also be extended to cover cases relating to market, trade and economic issues. Presently, the court does not deal with 'market-driven' cases. Given these shortcomings, it can be summed that the East African citizens remain largely spectators, not players in the EAC Integration process. By extension, the role of the EABC in the Integration process remains marginal.

6. EAC Integration is quite ambitious. Protocols to establish a Customs Union, Common Market and Monetary Union; an industrial strategy, infrastructure and energy masterplans agriculture and food security plans to name but a few are all being implemented simultaneously. Evidence on the ground however shows that implementation is not in tandem with timelines and ambitions in these protocols and strategies, impeding realisation of potential benefits that can accrue from deeper Integration. How can the region best achieve this challenge, especially bearing in mind the limitation of resources?

The EAC has no doubt been ambitious in crafting projects that seek to make Integration meaningful for development and prosperity of East African citizens. The EAC leadership has been well seized of the centrality of clarity of policies and programmes of medium and long-term character. It was the best way to garner EAC national support and attract the support of donors as well as attract investors in the region. EAC realised that the transformation of infrastructure (railways, roads, ports, airports, energy, financial and monetary systems, human capital and thus education, telecommunications and information and communications technology) was crucial for agricultural development, industrialisation and tourism. The Private Sector would be the key players in making these infrastructures the game changers of people's lives.

However, it has not been easy to execute all these projects. EAC's major challenge has been and remains how to raise funds. The EAC Partner States have been reluctant in taking bold decisions to change the modes of raising revenue for EAC's financial needs. Since 2006 the EAC has put up proposals before the policy organs to change the equal budget contribution by Partner States to a more equitable contribution which respects the size of the economy of each Partner State. Following the faltering appetite of donors in giving aid to EAC, unless the EAC Partner States quickly change their current mode of contributing their shares in the Annual EAC budget, the EAC will fail to live to its Treaty vision and promise.

7. In terms of achieving sustainable and equitable economic development through the EAC Integration process, what do you view as three critical issues that should guide the EAC governments in the next decade?

The EAC can only best play a role in promoting equitable economic development in the region when the national governments realise that an overreliance on national spaces to drive transformation and unleashing protectionism is unrealistic. In other words, the quest for win-win trade relations is desirable but not realisable like a bolt from the blue. In my view, this mind-set stands out as the first critical issue to address. The second issue is to unleash the full potential of the Common Market Protocol. This means allowing the 'freedoms' encapsulated in the Protocol to happen. Yet even now Non-Tariff Barriers continue to undermine the vitality of the EAC Customs Union. The Private Sector will only become the engine of economic development in the region when such environment emerges. The third critical issue is the avoidance of 'Brexit' type of situations. The EAC needs a political leadership that is firmly committed to Integration; that sees the vision of political unity, in whichever form, as the strategic driver and assurance of sustainable prosperity of the East African people.

8. And for EABC?

Where is the EABC 25 years after its establishment? The answer lies in objectively assessing EABC's
success in becoming a solid edifice and galvanizing pivot of making the vision of EAC Integration achievable. The truth is that much is yet to be realised. This is largely because its role significantly hinges on national policies that impact regional Integration. EABC may have to transform to create national structures that are better able to reach out to different policy makers and stakeholders on issues that closely touch on regional interest.

"On the occasion of the 25th Anniversary of the East African Business Council, it is both a pleasure and honour for me to express my congratulations and good wishes to members and staff of EABC, for the tremendous achievements earned over the years. Your visibility has been quite prominent and you have proved to be a true Voice of the Private Sector in East Africa. I am personally proud to be associated with EABC. May your leadership and vision bring more success in the years ahead."

MR ELLY MANJALE,
EABC FOUNDING EXECUTIVE DIRECTOR.

CONGRATULATORY MESSAGE FROM AMB. FRANCIS K. MUTHAURA, EGH, CHAIRMAN, LAPSSET AND FOUNDER SECRETARY GENERAL OF THE EAST AFRICAN COMMUNITY

The 25th Anniversary of the EastAfrican Business Council affords us an opportunity to reflect and appreciate the role that this important MPrivate Sector regional body has played in the regional Integration of the East African Community.

The primary responsibility of negotiating an appropriate East African Cooperation was entrusted to the Permanent Tripartite Commission of Ministers formed by the three member States, supported by a Coordinating Committee of Permanent Secretaries representing relevant Ministries. The Secretariat's mandate was to support and advise the Commission, prepare working papers after research and facilitationof consultations with the East African people. The Principal objective of the new arrangement was to expand and deepen cooperation on Economic, Social, Cultural, Scientific, Political and Security cooperation.

After the launching of the secretariat of the East African Permanent Tripartite Commission for East African Cooperation in March 1996, the first task we undertook, as a secretariat, was to formulate a draft Development Strategy for East African Cooperation on the basis of the mandate given by the Council of Ministers. The East African Business Council was conceptualized in 1997 as the first East African Cooperation Development Strategy (1997-2000) was being formulated. I was privileged as the first Executive Secretary of the Secretariat for the Permanent Tripartite Commission for East African Cooperation along with two Deputy Secretaries, Executive Secretaries and late Amb.

Fulgence Michael Kazaura of Tanzania and Dr. Sam Mahamya of Uganda as well as Mr. Peter Kiguta, then the macro-economist for the Secretariat to lead the process. After initial analysis of the abrupt collapse of the former East African Community of (1967 to 1977), it was apparent that the former community was exclusively an intergovernmental organization with a very narrow and shallow foundation which could not withstand serious disagreements among the Partner States.

A few intellectuals who waged a campaign for the revival of the East African Cooperative highlighted this weakness and advocated for people led East African Community. We brought some of them to help us formulate the new strategy for East African Community. Among them were Prof. Tulya Muhika of Makerere University, Uganda, and then Deputy Governor of the Bank of Uganda Mr.Louis Kasekende, Mr. Harry Mule, former long serving Permanent Secretary of Finance of Kenya, Mr Ngure Mwaniki, a Consultant Economist of Kenya, Prof. Wangwe of Dar-es-salaam Tanzania and Prof. Benno Ndulu, later Governor of Central Bank of Tanzania. We in the Secretariat, organized meetings of Business organizations, such as Associations of Manufacturers, Chambers of Commerce, Law Societies, Trade Unions, Media Council and Youth and Women organizations which were based in their respective countries with the advice that they form East African wide associations.

The first initiative was from the Association of Manufacturers from the three countries. Dr. Manu Chandaria, was then Chairman of the Kenya Association of Manufacturers hosted the first meeting in Nairobi in 1997 together with their counterparts from Tanzania and Uganda. They invited me and my two deputies to articulate the Vision we held strongly on establishment of a single market for East Africa. It is in that meeting that the East African Business Council was born.

Private business interests sometimes conflict with broader developmental interests from a single expanded market. With the experience of the former East African Community that had collapsed because of what was perceived as unbalanced distribution of benefits between the two countries, the establishment of a single market was a sensitive matter.

The purpose of the regional Integration in the three phases was to ensure that at every step, the principles of equitable distribution of benefits are appreciated by all the three Partner States before advancing to the next phase of Integration. Both Tanzania and Uganda were lagging behind Kenya on Private Sector development and organization and therefore were expressing serious concerns about unregulated competition that would undermine their infant business and industries.

The East African Business Council played a significant role in the formulation of the East African Community Treaty. They ably articulated the content of Articles 127 on creation of enabling environment for the Private Sector development and the civil society; article 128 on the strengthening of the Private Sector and article 129 on cooperation among Business Organizations and professional bodies. It was against the enormous responsibilities assigned to the Private Sector by these articles that the East African Business Council established a permanent office in Arusha so as to take an active role as an observer to the meetings and activities of all the organs of the East African Community.

Almost continuously, the East African Business Council table for discussion in the Council of Ministers matters relating to market protection against cheap imports from outside the community; problems of tariff and Non-Tariff Barriers within the Common Market, such as inappropriate application of Rules of Origin, conflicts relating to trade in agricultural and livestock products, corruption and delays in cargo clearing at the borders, lists of sensitive products protected by tariffs, slow processing of work permits for cross- border investments, police road blocks and high cost transit traffic fees, infrastructural challenges, high cost of manufacturing and other matters relating to market inefficiencies.

Since the EAC Common Market came into force, there has been substantial cross border investments especially by banks, insurance companies, tourist hotels groups and shopping malls. The East African Business Council has major responsibility for advocating for policies that provide enabling environments for cross border investments and transforming East Africa into a competitive foreign investment destination.

East African Business Council is therefore, best placed to play a leading role in ensuring that the Common Market benefits are not eroded by short term and parochial business interests that influence member states to disrupt free flow of goods and services, capital and labour within the community.

It is, however, necessary to appreciate there is nothing like perfect competition and that rules governing market competition have to be reviewed and updated periodically to ensure that the common market brings about a win-win situation to all the members.

The enabling environment brought about by the East African Community Treaty and its related protocols, among them the Common Market Protocol have enhanced East African Integration through high volumes of intra-regional trade and such critical programmes as the East African Community Road network, Cooperation in security exchanges, stabilization of currency exchange rates, cooperation in telecommunications, one stop border posts and easing of movement of East Africans within community. All these cooperation arrangements have made cross-border investments important success benchmarks for the East African business Council. The regime has become continuously rated by the World Bank and the IMF as one of the fastest growing regions of the world. The high-level economic performance has been maintained over the last 17 years since the Treaty for the establishment of the East African Community came into force in the year 2000.

STATE OF EAST AFRICAN COMMUNITY INTEGRATION
Barometer on Business and Investment in the EAC

The East Africa Business Council, with support from GIZ, conducted a study to assess the impact of the COVID-19 pandemic on business and investment in the East African Community (EAC) partner states. The report revealed that the pandemic had profound effects on businesses in the EAC, including the closure of borders, airspaces, and ports, restricting the movement of goods and people. However, some businesses thrived by taking advantage of new opportunities provided by the pandemic. The study utilized both quantitative and qualitative data collection approaches to evaluate business and investment performance, trends, and critical interventions by partner states. The report concludes with a matrix of actionable policy recommendations to help EAC partner states build better businesses and economies and strategic measures to recover from the COVID-19 pandemic. The study generated a barometer with a value of 11% indicating slight optimism in the coming year (2023), reflecting the survey findings regarding the pandemic's impact on business and the effectiveness of the measures introduced by governments in response to the pandemic.

Key Findings

1. The observation show that majority of respondents were male (57.3%), while female constituted 42.0 %.
2. As for age, majority were middle aged 30-39 years (47.3 %) followed by young respondents of less than 30 years comprising 22.5% (middle aged).
3. Those in the range of 40-49 were 16.4% and above 50 years were only 13.7 %.
4. On level of education, respondents with postgraduate and undergraduate degrees were 25.2% and 44.7% respectively. Those with diploma were 19.5%. The three categories constitute 89.5% of the total, indicating that majority were relatively educated group of respondents.
5. Majority of the responding firms were from Kenya and Rwanda, both 23.7%, followed by Burundi 17.9%, Uganda17.6 % and Tanzania15.6% respectively. South Sudan had only 1.5% of the respondents.
6. Most of the businesses indicated that they are based in an urban area only 45.0%, those that operated in both rural and urban area comprised 37.4%.
7. Those businesses that operated in rural area only and border post were10.7% and 6.9% respectively.
8. Micro enterprises with 0-9 employees were the majority of respondents 58.0%, small enterprises with10-49 employees were 23.3%, medium enterprises with 50-99 employees comprised 7.6%, while those with 100-250 employees were 6.9 % and large

firms with over 250 employees were only 4.2%.

9. Majority of business have been in operation for between 1-5 years 48.9%, followed by those with more than 10 years 21.0%.

Those in operation for between 5-10 years were 19.5% and those in operation for less than 1 year were 10.7%.

10. The proportion of the sample firms operating in Kenya were 20.6 %, Rwanda 18.7%, Uganda 16%, Burundi (13.7%, Tanzania 11.5% and South Sudan had the least number of 1.5%. 22 % of the enterprises operated in two countries and 23% operated in more than three countries.

11. Most of The firms were found to have annual turnover of between 0-$5000 constituting 42.4%, with between $5,000-$50,000 were 37.0% of the businesses.

12. Those with annual turnover of $ 50,000-US$8 million were16.0% and only 4.6 % of the businesses had annual turnover of over $8 million.

Key Findings Overall operational/financial performance

1. The sentiment shows worsened performance during the pandemic and recovery across all the six EAC countries
2. The number of employees-COVID -19 pandemic affected employees of private sector businesses in the following ways:

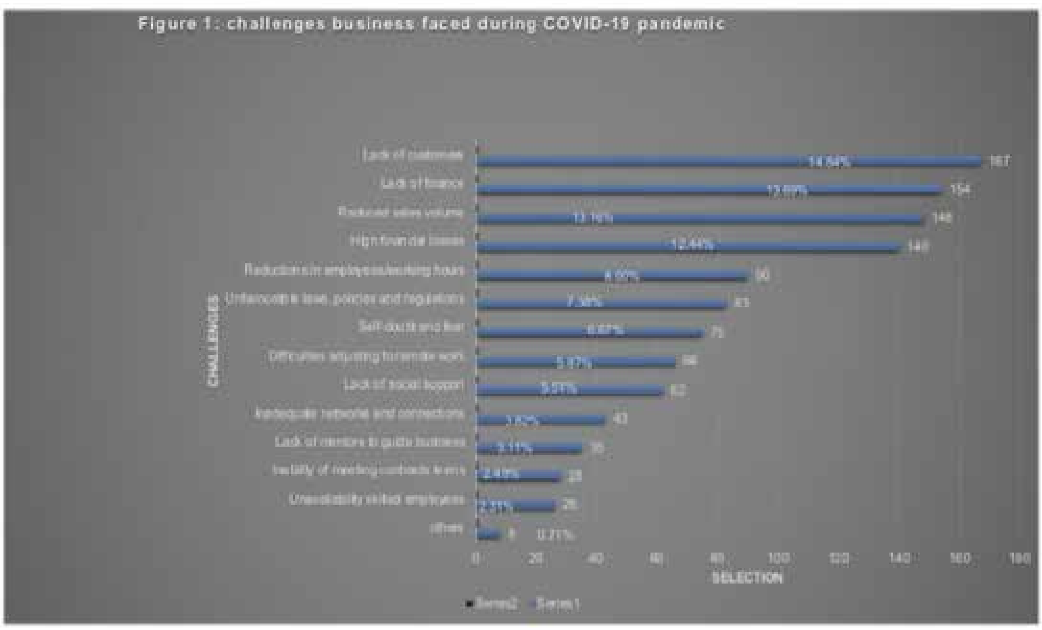
salary cuts

massive lay offs

Utilization of skills to offer individual services Depression due to unexpected salary cut-offs unemployment Cost of labor

3. The cost of labor decreased during the pandemic. The findings are consistent with low levels of operational performance and low levels of employment during the pandemic, thus leading to labor cost savings
4. Cost of cost of doing business
5. Mixed sentiment across the six countries is reported
6. Cost of logistics (such as transport)
7. The businesses felt the cost increased during the pandemic and recovery.
8. Rate of investment in the business
9. During the COVID -19 pandemic, the rate of investments was reported to have reduced. During recovery there was an improvement over the pandemic period, but still below levels prior to the pandemic
10. Cost of acquisition for Raw materials
11. indicatedaperceivedincreaseinthecostduringrecovery.TherearеminorvariationsacrosstheEACcountries but the pattern is similar.

Challenges Business faced during COVID-19



Business Investment Decisions

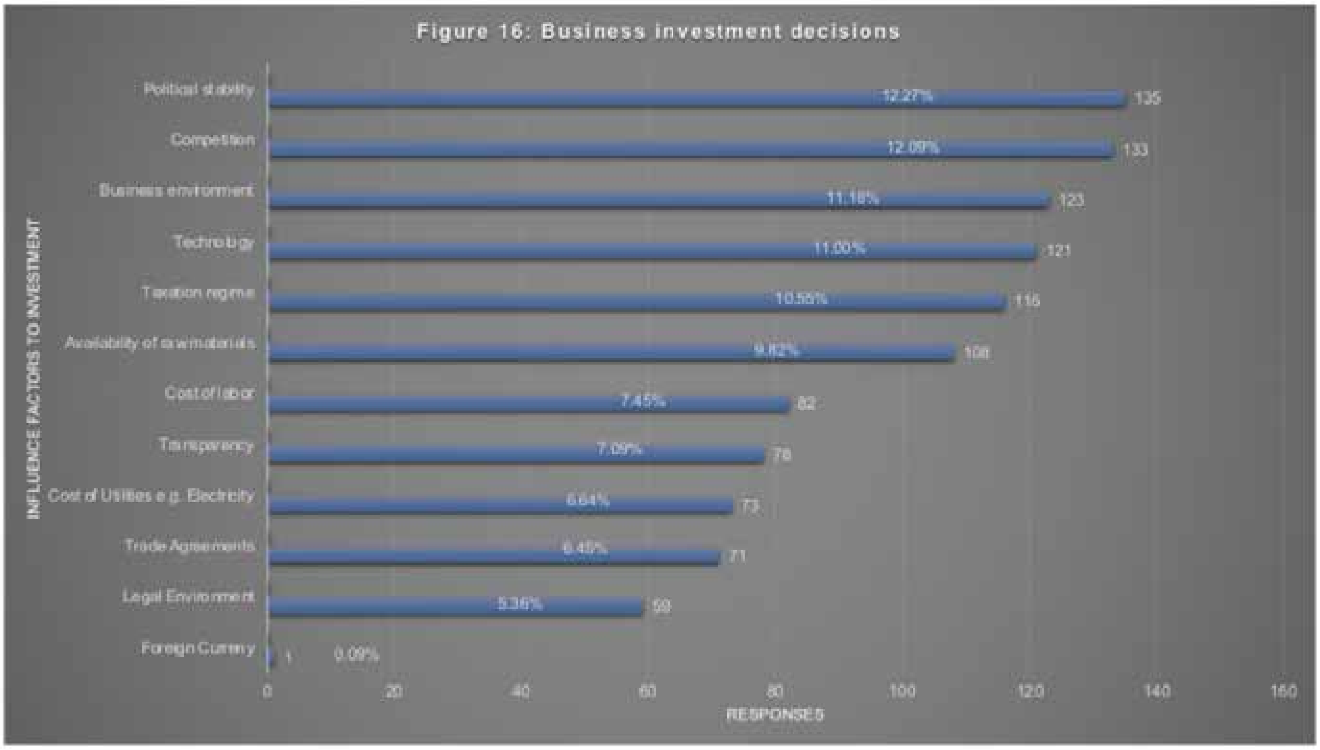


Figure 16: Business investment decisions

Key Recommendations

- Quick resolution of non-tariff barriers.
- Improved investment climate and favorable government policies.
- Provision of corporate tax cuts and tax breaks.
- Provision of low interest business loans and restructuring of current business loans.
- Ensure rapid delivery of SME and entrepreneurship policy support by simplifying access to support and ensuring effective
- Assistance to access additional markets.
- Reduced income tax for employees.
- Provision of subsidized business inputs or services.
- Provision of business premises rental or utilities subsidies.
- Provision of cash transfers and unemployment benefits to vulnerable communities and employees who lost their jobs during the pandemic.
- Strengthen regional value chains, these will help to improve value addition increase competitiveness and reduce dependency on global value chains.
- Setup competitive sectors.
- Build economic resilience.
- Enhance strong structural components on financial flows. q Harmonization of regulatory bodies by EAC partner states.

Strategic Recommendations

- Harmonization of tax regimes across borders:
- Resolution of political differences:
- Harmonization of the policies especially trade regimes: q Implementation of the Monetary Union Protocol:
- Key trade support areas with urgent attention:

Effective implementation or free movement of person's protocol within EAC partner states. This will foster business.

- EAC partner states to work on trade credits.
- Encouragement of business formalization of businesses. q Facilitation of easy access to funds.

Barometer on East African Trade in Services

As part of its advocacy agenda, the East African Business Council (EABC) has developed the Barometer on East African Trade in Services. The barometer's primary objective is to support the growth of services in the East African Community (EAC) by improving the framework conditions for service providers. The first edition of the Barometer on East African Trade in Services focuses on the overall trends in service performance, the state of openness, the restrictiveness of the services trading environment, and the advancements and progress at the national and regional level on the EAC trade in services agenda.

Looking at specific indicators making up the Barometer on EAC Services Trade, we find that services performance indicators show a largely positive trend, with increases noted especially in services contribution to employment and exports. Although the contribution fell in 2020 due to the COVID-19 pandemic, there are signs of recovery based on reported 2021 statistics.

In terms of GDP, services continue to be the largest components of the EAC economies, and the key sectors driving economic growth are mainly transport, travel, which covers tourism, communications, and financial services. Employment in the services sector is also significant, contributing between 10% - 40% to total employment in 2019. It has shown significant growth over the period 2012-2019, with contribution in the informal sector being significant and likely much larger than in formal employment.

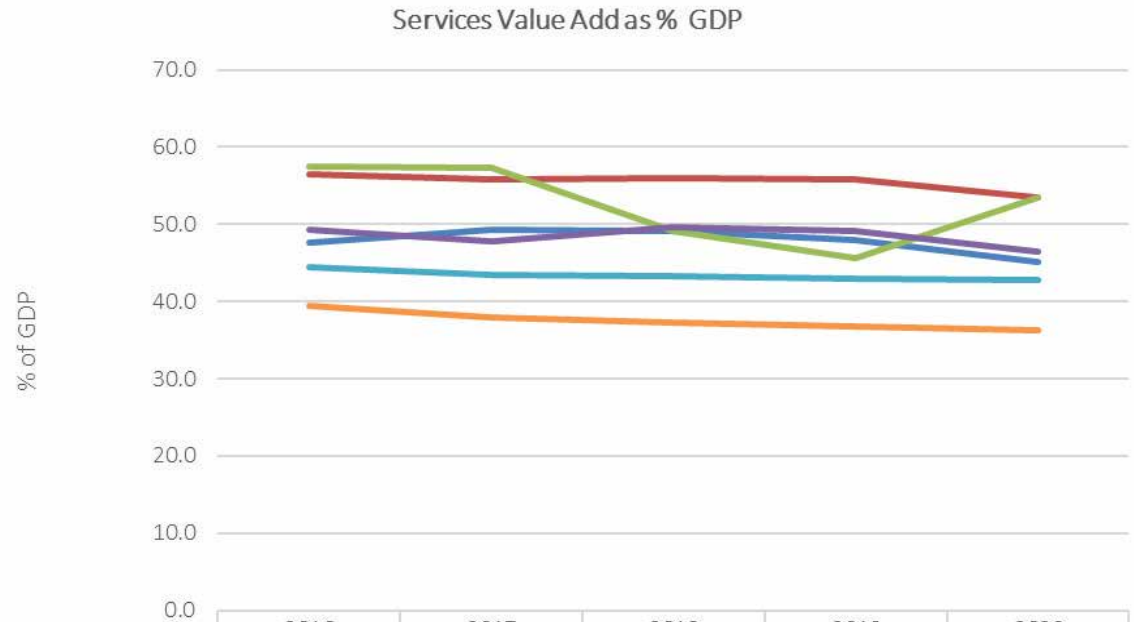
On services trade, the region was a net exporter of services until 2019. Due to the COVID-19 pandemic, services exports declined significantly, particularly driven by the impacts on tourism, transport, and travel. Not accounting for COVID impacts, the overall picture is that exports of services have grown since the common market came into force, growing by 46.6%, from USD 8.8 billion in 2011 to USD 12.9 billion in 2019. Emerging data for 2021 also shows that service trade levels are returning to pre-COVID levels.

The Barometer on the state of openness (commitment to liberalize) shows a very positive trend, with 92 new sub-sectors added under the revised schedule of progressive commitments, thereby laying the foundation to build an integrated EAC services market. The new sectors are in key sectors like business services, transport services, and the financial sector. These sectors are critical as key sectors in their own right and as intermediate inputs in the manufacture of goods and production of other services. In addition, Partner States have increased the overall level of committed sub-sectors as a percentage of possible sectors under the W/120, from 57% in the CMP, to now 69%.

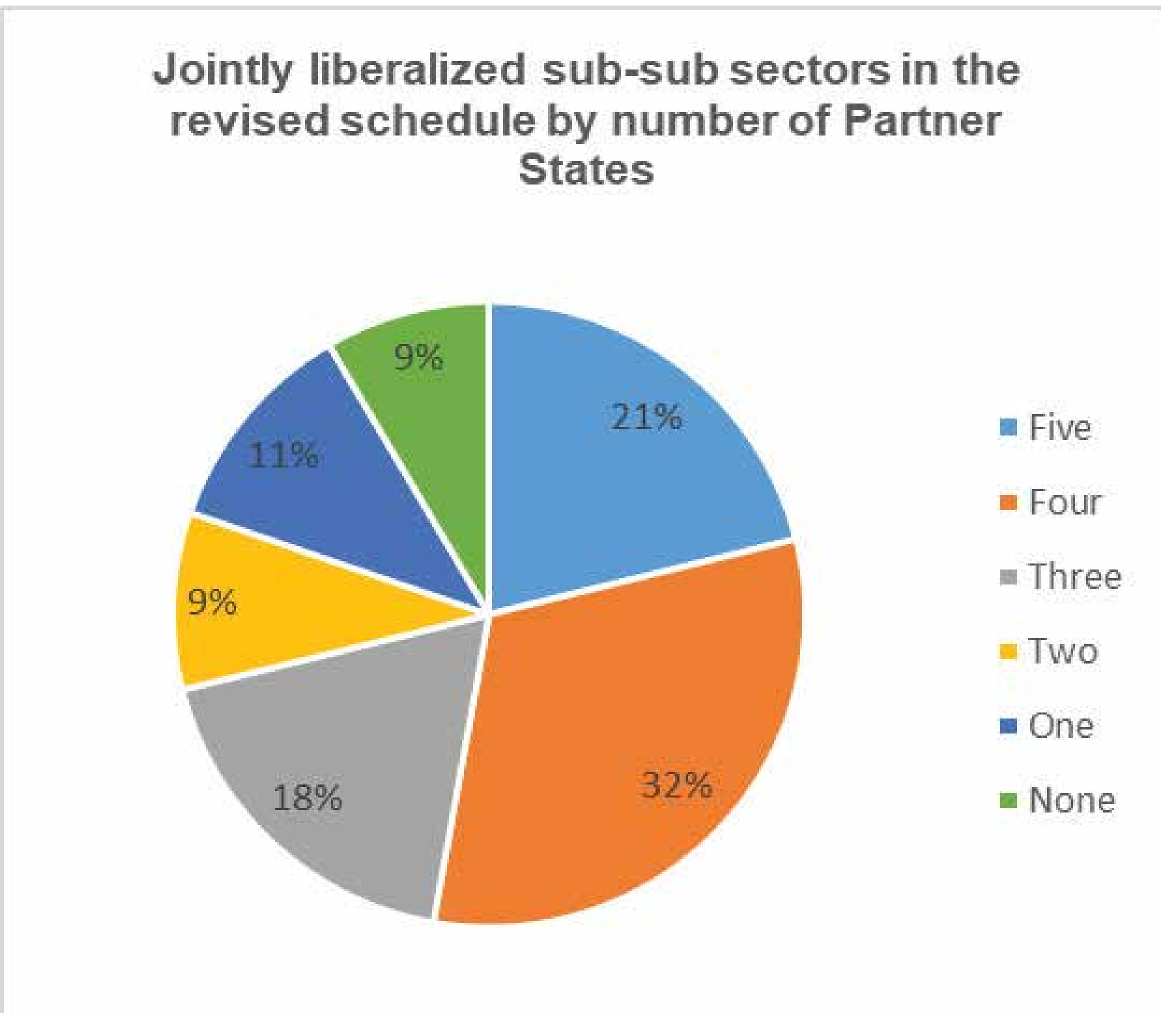
The Barometer on advancements and progress at the national and regional level on the EAC trade in services agenda shows an overall positive trend, with evidence of key reforms at both levels aimed at enhancing trade in services. All EAC Partner States have enacted at least one measure that is supportive of the EAC services agenda, either at a cross-cutting level or at specific sector levels.

The Barometer on the restrictiveness of the services trading environment shows an overall negative trend, with a number of restrictions still being maintained in the focus sectors, despite the transition period to implement all EAC service sector commitments lapsing at the end of December 2015. Only financial services can be deemed to have no overt restrictions, with all the other sectors having a number of restrictions that negatively impact the ability of services and service providers to move. Professional services have the most restrictions, with 35 noted for just the three sectors of focus in this Barometer. Furthermore, all Partner States have a restriction in at least one of the sectors.

Despite the overall positive trends observed by the Barometer, the potential for services to play a key role as a strategic driver of economic competitiveness



	2016	2017	2018	2019	2020
Burundi	47.7	49.3	49.1	47.9	45.2
Kenya	56.4	55.9	56.0	55.9	53.6
South Sudan	57.5	57.3	49.2	45.7	53.5
Rwanda	49.3	47.9	49.7	49.1	46.4
Uganda	44.4	43.5	43.3	43.0	42.8
Tanzania	39.4	37.9	37.2	36.8	36.3



General Recommendations:

a) At the national level, all EAC Partner States should continue to undertake reforms to align their domestic laws with their commitments under the CMP/revised schedule of commitments for progressive liberalization of trade in services.

b) At the regional level, the EAC should expeditiously conclude the following key actions necessary to enhance the framework for an integrated services market in the EAC:

i. Finalization of the process for the adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers.

ii. Fast-track finalization of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.

iii. Develop a regional time-bound framework/roadmap for the removal or easing of restrictions to enhance cross-border movement of services.

iv. To address the challenge of double taxation, review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it with Base Erosion and Profit Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitize key stakeholders on it.

v. Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, to broaden service integration.

Sector-Specific Recommendation:

Professional Services:
a) Complete negotiations for the EAC Cross-Border Legal Practice bill and the Mutual Recognition Agreement for Legal Services.

b) Review the MRAs for engineering and accounting services to address trade-related aspects such as the registration of firms and procedures related to the same.

c) Enhance the regulatory framework for accounting and engineering sectors by i) establishing an engineering sector regulator in Burundi and ii) in accounting services in South Sudan.

d) Put in place a framework to require mandatory registration for all accounting professionals for efficient service delivery and accountability.

Telecommunication Services:
a) Tanzania and Burundi should join the One Network Area (ONA) to bring down the cost of voice and data services across the region.

b) All taxes and charges on roaming should be removed as part of the ONA initiative.

c) All taxes on ICT equipment and related services should be removed to enhance their affordability and access by MSMEs and the general population.

Air Transport Services:
a) Implement the open skies policy, inline with the Yamoussoukro Decision and the Single African Air Transport Market (SAATM).

b) Expeditiously finalize the development of the EAC Liberalization of Air Services Regulations and adoption of the Regulations by all Partner States.

c) Harmonize the taxation regimes on air transport services to bring down the cost of airfares.

d) Review and harmonize charging mechanisms, fees, and taxes to reduce the ticket cost and stimulate demand in air transport. The harmonization should comply with the ICAO Policy guidelines on airport charges.

e) Promote the development of low-cost carriers by giving incentives that include terminal facilities supporting their operations.

Tourism Services:
a) Remove all restrictions to the free movement of tourism practitioners (travel agents, tour operators, and guides).

b) Develop/bring the EAC tourist visa under the ambit of the EAC, with a view to bringing all EAC Partner States on board and streamlining/automating the issuance process.

c) Enable mutual recognition of tourism qualifications and collaboration on tourism-related education and training.

d) Put in place measures to support the development of low-cost airlines to enhance/grow intra-EAC tourism business.

Financial Services:
a) Expedite the enactment of the EAC Insurance Act and thereafter its implementation to support mutual recognition of insurance covers/policies across the region.

b) In commercial banking, adopt and implement the draft EAC regional Payment System roadmap to reduce costs for cross-border transactions.

c) Industry and regulators should put in place

High-Level Retreat on the EAC Common Market

"11Years of Realising the Commitments of the EAC Common Market: A Reflection on the Achievements, Challenges and the Journey Ahead"

Introduction

The High-Level Retreat on the EAC Common Market was held on 20thJuly 2022 at the EAC Headquarters in Arusha. The objective of the Retreat was to provide an opportunity for the Heads of State to take stock of the progress, challenges in the implementation of the EAC Common Market Protocol and provide strategic direction and impetus to accelerate implementation.

The objective of establishing a common market 11 years ago was to promote accelerated economic growth and development through the attainment of the free movement of goods, persons, labour, the rights of establishment and residence and the free movement of services and capital.

The Region has recorded several achievements in the implementation of the CMP including the use of an electronic EAC Passport as a common travel document, removal of visa requirements for the EAC citizens from one Partner State to another, issuance gratis student passes among others. The region has also witnessed increased regional trade and investment and many companies are expanding beyond their home countries in various sectors such Finance, Manufacturing, Hospitality, Tourism and Education.

Though significant efforts have been made to implement the CMP, laws, and regulations of the EAC Partner States continue to present barriers to increased cross-border trade and investment in the region. In goods, the Partner States have deviated from their commitments through application of tariff equivalent measures, resulting to an increase in Non-Tariff Barriers. In services, although some reforms have been made, EAC Partner States remain non-compliant in implementing their commitments, with the total number of Non-Conforming Measures (NCMs) rising. In capital, EAC Partner States continue to maintain restrictions against the freedom of movement of capital.

The retreat reflected on and provided a way forward on the CMP post negotiation activities which have been pending for the past 11 years including the harmonisation of mutual recognition of academic and professional qualifications, annex on social security benefits in the Community, additional commitments under the schedule on the progressive liberalisation of services and additional commitments under the schedule on the Free Movement of Workers.

The Retreat was attended by the Council of Ministers, Permanent/Principal Secretaries from the Partner States, Heads of Diplomatic Mission, Captains of Industry, Civil Society, academia, and media representatives.

RESOLUTIONS OF THE RETREAT

The Retreat resolved to:

1) increase intra EAC Trade from the current 15% to 40% in the next five years and direct Partner States to:

a) finalize the Regional Local Content Policy and prioritizing resources in agriculture and industrialization to boost production;

b) ratify Article 24(2) of the Protocol on the Establishment of the Customs Union to operationalize the trade remedies Committee to handle disputes on trade related matters;

c) fully Implement commitments undertaken in Annex V on trade in Services;

d) Prioritize the harmonisation of domestic taxes by July, 2024;

e) Develop regional laws to enhance the implementation of the Common Market Protocol; and

f) Expedite the implementation of the One Area Network on voice and data.

2) Direct Partner States to fast track establishment of a single EAC Air transport market and harmonize fees, levies and taxes on aviation and support cargo services.

3) Direct Council to expedite the establishment of the Sectoral Council on labour, employment and migration to oversee implementation of commitments under the Sector including portability of social security benefits.

4) Direct Council to establish a regional mechanism to coordinate Portability of public health insurance.

Impact of Global crises on food security in the EAC

There are several policies within Partner States that tackle food security issues, aligned to the EAC Food and Nutrition Security policy, continent-wide initiatives such as the Comprehensive Africa Agriculture Development Programme (CAADP), and the African Common Position on Food Systems at the global scale. Despite the policies and strategies being in place, there seems to be a disconnect between the commitments and the actual situation on the ground, partly because of global crises and the failure to follow through on the initiatives by providing a conducive environment for actors in the agricultural value chain to thrive. Additionally, the lack of a proper coordination structure impairs the regional and national abilities to monitor progress made while following through with the proposed recommendations. In order to realize the objectives of the plans and policies, it is necessary to ensure that there are coordinating mechanisms and supporting laws that make it easy to implement the prioritized frameworks. It is important to also find what works for each population for which a policy targets.

The East African Community (EAC) has developed several food security plans, including the Food Security Action Plan (FSAP) 2011-2015 and the Food and Nutrition Security Action Plan (FNSAP) 2018-2022, to address persistent food insecurity issues. The immediate outcomes of these plans include improved agricultural production, trade and market access, job opportunities, disaster risk management, post-harvest handling, agro-processing, value addition, and nutrition. Agriculture, food security, and rural development are central to the EAC Vision 2050, and the East Africa Food and Nutrition Security Strategy (FNSS) 2019-2023 aims to eliminate hunger, malnutrition, and extreme poverty by the year 202

3.Impact of Global Crises on Food Security in the EAC
Food security status in the EAC amidst global rankings: Prior to the Covid-19 pandemic, only Kenya had a score above average, followed closely by Rwanda and Uganda. At the height of the pandemic in 2020, only Burundi and DRC improved their scores, with 37 and 40.7, respectively. Consistent improvement over Uganda, Rwanda, and Tanzania could mean quick adaptability to the pandemic, as can be seen from their 2021 scores improving through to 2022.

EAC Hunger Index: The EAC Partner States are prone to hunger compared to global community.

Staple Foods in Partner States: The major food crops in the EAC are maize, rice, potatoes, bananas, cassava, beans, vegetables, sugar, wheat, sorghum, millet and pulses. Cereals are a major food product in EAC. As of December 2021, East African Countries recorded total trade of 182.6 million dollars in cereals. The share of total cost of staple food in a healthy diet is on average 15% of the total cost of food. Export restrictions have usually targeted staple foods that account for the food security of a country.

The food production indices for the EAC region are similar, with 2014-2017 being the lowest levels of the region's food production levels.

Most East African countries are net food importers, but they seem to slow down on this in the recent years possibly due to the developments in their food value chains.

The EAC Partner States are net food importers, with Burundi importing the highest value as a percentage of total merchandise export despite the high production.

EAC Cereal Import Dependency: In the EAC region Burundi, Kenya, and Rwanda had the highest import dependency ratios. This could be due to their staple foods mainly being cereals which are not adequately produced in their respective countries.

Producer Prices: The volatility in global prices and the EAC region has been due to pressures such as poor harvests, high production costs, market structure, subsidy schemes and unforeseen global shocks. The war in Ukraine especially has had a negative impact in the form of higher prices and overall lower fertilizer affordability in 2021/22.

Consumer Prices (Affordability): Globally consumer price inflation rose to record levels with the onset of the COVID-19 pandemic in 2020, impacting food security of countries

In the period January to September 2022, food price inflation in the EAC region (Figure 17) rose gradually due to supply chain constraints and effects of the war in Ukraine on commodities and imports.

The affordability of a healthy diet measures the average cost of the diet relative to income. Rising food costs and prices without corresponding rises in incomes have led to more people at the global and regional levels being unable to afford healthy diets.

Cost of a healthy diet: In the EAC region, the costs of a healthy diet have been rising except for Uganda where there has been a reduction in costs from 2017. Nevertheless, the costs of a healthy diet have been increasing especially in light of global shocks caused by the COVID-19 pandemic and the war in Ukraine.

Fertilizer usage: Fertilizer consumption in the EAC has been steadily on the rise from 2015. Majority of the fertilizer is consumed in Kenya while the least is in DRC.

Energy: Prices for natural gas rose sharply in 2021($16.1 per month) and continued in 2022 ($40.3 per month) due to various reasons such as adverse weather conditions that hampered renewable energy production and fall in gas supplies from the Russian Federation.

At the onset of the Ukraine War, energy prices witnessed a sharp increase amid fears of energy supply disruption and global economic sanctions on the Russian energy industry.

Freight Costs: At the onset of the COVID-19 pandemic, global transportation costs are highest from 2020 -2021 due to disruptions in commodity supply chains and export restrictions by food exporting nations. The sharp increase in 2021 in the shadow of the COVID-19 pandemic; led to concerns of even higher costs for importers and lowered accessibility to international markets for imported commodities such as food and fertilizers as they are traded largely in bulk form.

Temperature: Variability of temperature in DRC is highest when compared with the rest of the EAC Partner States. In 2017, due to worsening climatic conditions, eastern Kenya, South Sudan and Uganda were hit by a recurrent drought that destroyed major crops and raised food prices in these countries. Global warming leads to adverse weather which affects long term food crops.

Agriculture contribution to GDP: Agriculture contribution to GDP is highest in Burundi and lowest in South Sudan. The remaining countries operate between 18.5 - 25.0% agriculture contribution to GDP.

Population – Gender Differences in food Security: There is also a growing gender gap in food insecurity. The COVID-19 pandemic had as disproportionate impact on women's economic opportunities and access to nutritious foods.

Exchange Rates: All the regional currencies maintained gradual depreciation against the dollar, with highest depreciation aligned to climate change variabilities, COVID 19 and Ukraine-Russia war.

Food security indicators: The EAC has made steady progress toward improving food security by registering positive growth from 2012.

Intra-Industry Trade: The aggregate intra-industry trade index provides an overall measure of the EAC regions economic trade profile. The highest economies of scale in the agricultural sectors are found in animal and animal products; dairy products; cereals and food preparations respectively. It also shows that aggregate intra-industry trade remained stable until 2022 where the index score decreased by 32% 2022 from the index value of the previous year. The concentration of intra-industry and intra-firm trade in particular products means that the international transmission of the certain industry- or product-specific global shocks may be especially rapid. This is seen by the decline in grains, oilseeds, fats and oils from 2020 and especially in 2022. This can be attributed to the lingering effects of the COVID-19 pandemic and the war in Ukraine. The most traded items were cereals and food preparations followed by dairy products.

AFCFTA'S GUIDE TRADE INITIATIVE TAKES OFF, SET TO EASE AND BOOST INTRA-AFRICAN TRADE

8 countries kick off trade under African Continental Free Trade Area's preferential terms in step towards One African Market

12 October 2022, A pilot initiative to accelerate trading among countries under the African Continental Free Trade Area (AfCFTA) has kicked off with consignments of Kenyan tea being shipped to Ghana earlier this month.

The Guided Trade Initiative (GTI) was launched in Accra, Ghana on 7 October and seeks to allow commercially meaningful trading, and test the operational, institutional, legal and trade policy environment under the AfCFTA.

"The products earmarked to trade under this initiative include ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits, and sisal fiber, among others, in line with the AfCFTA focus on value chain development," says Secretary-General of the AfCFTA Secretariat, Wamkele Mene.

The eight countries participating in the GTI are Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia and represent five regions of Africa.

The products earmarked to trade under this initiative include ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits, and sisal fiber, among others, in line with the AfCFTA focus on value chain development

Other countries that have met the requirements and deployed the AfCFTA E-Tariff Book and the Rules of Origin Manual and have officially published their tariff rates and have had them approved by the Secretariat—will also be able to take part in the Guided Trade Initiative.

At least 96 products will be traded under the GTI and the initiative will be reviewed annually to expand the list of countries.

Mr. Mene says intra-continental trade and investment will be rapidly boosted in the coming years and months because of the elimination of "Africa's financial borders" and the launch of the Pan-African Payment and Settlement Systems(PAPSS), which "will release the continent from overdependence on external players and factors."

The AfCFTA Secretariat will support the eight countries in trading, from shipment to customs clearing, and presents an opportunity to monitor the impacts of trade documents and procedures on pre-selected goods to get a sense of if tariffs are reduced in line with AfCFTA procedures

The AfCFTA Secretariat will support the eight countries in trading, from shipment to customs clearing, and presents an opportunity to monitor the impacts of trade documents and procedures on pre-selected goods to get a sense of if tariffs are reduced in line with AfCFTA procedures.

It will be a test of the effectiveness of the free trade area's operations and policies, experts believe.

Under the AfCFTA, up to 90 per cent of liberalised goods will have tariffs reduced by the latest 2030 and 7 per cent by 2035. Countries are allowed to tax 3 per cent of produced goods.

The Agreement establishing the continental free trade area entered into force on 30 May 2019, and trading approved to kick off on 1 January 2021. The AfCFTA aims to consolidate a market of about 1.3 billion people with a combined GDP of $3.4 trillion. In addition, the World Bank says it could potentially lift 30 million Africans out of extreme poverty and increase the income of the continent by $470 billion by 2035.

Source: Africa Renewal: Pavithra Rao

AFCFTA ADJUSTMENT FUND

AfCFTA Secretariat and Afreximbank Sign AfCFTA Adjustment Fund Host Country Agreement with the Republic of Rwanda

Kigali, Rwanda, 10 March 2023 – The AfCFTA Secretariat and African Export-Import Bank (Afreximbank) today in Kigali, signed the Host Country Agreement for the AfCFTA Adjustment Fund with the Republic of Rwanda, paving the way for the operationalisation of the Fund.

The Agreement was signed by H.E. Wamkele Mene, Secretary-General of the AfCFTA Secretariat, Professor Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank and Dr. Vincent Biruta, Minister of Foreign Affairs and International Cooperation of the Republic of Rwanda.

The Fund, now headquartered in Kigali, Rwanda, will support AfCFTA State Parties to adjust to the new liberalised and integrated trading environment established under the AfCFTA Agreement. It was established by the AfCFTA Secretariat and Afreximbank following a mandate from the African Union (AU) Summit of Heads of State and Government and the AfCFTA Council of Ministers responsible for Trade.

Critical instrument in the realisation of the African Continental Free Trade Area, the Adjustment Fund addresses among other things, potential tariff revenue losses, infrastructure deficits to facilitate trade growth and possible supply chain disruptions that States Parties may face in the implementation of the African Continental Free Trade Agreement.

The AfCFTA Adjustment Fund consists of three sub-Funds namely, the Base Fund, the General Fund, and the Credit Fund. The Base Fund will utilise contributions from AfCFTA State Parties as well as grants and technical assistance to address tariff revenue losses that would result from the implementation of the AfCFTA Agreement. The General Fund will finance the development of trade enabling infrastructure while the Credit Fund will be used to mobilise commercial funding to support both the public and private sectors enabling them to adjust and take advantage of the opportunities created by the AfCFTA.

The Fund for Export Development in Africa (FEDA), the impact investment arm of Afreximbank, has been selected as the Fund Manager of the AfCFTA Adjustment Fund.

Dr. Vincent Biruta, Rwanda's Minister of Foreign Affairs and International Cooperation, said: “As we sign this Host Country Agreement for the AfCFTA Adjustment Fund, we reaffirm our commitment to the African Continental Free Trade Area and its potential to transform the continent's economy. This Fund will play a critical role in supporting African countries to adjust to the new realities of the free trade area and seize the opportunities it presents. We look forward to working closely with the AfCFTA Secretariat and Afreximbank to ensure its success.”

H.E. Wamkele Mene, Secretary-General of the AfCFTA Secretariat, said: “The AfCFTA Adjustment Fund is a critical instrument in the realisation of the African Continental Free Trade Area. The Fund addresses among other things, potential tariff revenue losses, infrastructure deficits to facilitate trade growth and possible supply chain disruptions that States Parties may face in the implementation of the African Continental Free Trade Agreement.”

Prof. Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank, commented: “The signing of this Host Country Agreement is critical to the operationalization of the Adjustment Fund, as it facilitates the establishment of the Fund and the requisite structures in Rwanda. With the signing of this Agreement, the incorporation of the fund’s legal entities will be completed as well as the establishment of the necessary governance structures that will facilitate its day-to-day operations. It breathes new life into the AfCFTA Agreement and empower the AfCFTA Secretariat to deliver on the promise of the Agreement."

EABC-COMESA-SADC AFRICAN TRIPARTITE BUSINESS COUNCIL

Saturday, 12th August 2022, Kigali, Rwanda: The East African Business Council, COMESA, and SADC Business Council have officially launched and formed the African Tripartite Business Council to spearhead the inclusion of private sector policy proposals in the negotiations of the African Continental Free Trade Area (AfCFTA) Agreement and the African Tripartite Free Trade Area (TFTA).

This is one of the resolutions from the Consultative Meeting of Regional Business Councils on the Implementation of the African Continental Free Trade Area (AfCFTA) Agreement organized by the East African Business Council (EABC) with support from TradeMark East Africa (TMEA).

"The African Tripartite Business Council will put forward joint private sector policy positions to the AfCFTA Secretariat in Ghana and Tripartite Ministerial Council Meetings to accelerate the implementation of the agreements," said Mr. John Bosco Kalisa, EABC CEO.

Mr. Kalisa called upon the member states from COMESA, the East African Community (EAC), and the Southern Africa Development Community (SADC) to ratify the Tripartite Free Trade Area to achieve the threshold of 14 ratifications required to enable the agreement to enter into force.

Mr. Dickson Poloji, CEO of COMESA Business Council, said, "It is important for the private sector to be knowledgeable about the trade instruments of Rules of Origin, Standards, and Dispute Settlement Mechanisms under the AfCFTA." He elaborated that the implementation committees of the AfCFTA should be co-chaired by the private sector.

On his part, Mr. Peter Varndell-CEO, SADC Business Council, said, "The African Tripartite Business Council will improve coordination and development of positions on AfCFTA policy formulation and negotiations."

Mr. Dennis Karera, EABC Vice Chairman, said, "Trading under AfCFTA is the answer for Africa to respond better to external shocks of conflict, Covid-19, and climate change."

Ms. Nadia Uwamahoro, Managing Director of Data Systems, urged for the finalization of the AfCFTA protocol on digital trade to promote youths and the emergence of African-owned e-commerce platforms.

Mr. Antoine Muzaneza, EABC Vice Chair, urged for capacity building for the private sector on the benefits of AfCFTA and strategies to boost agriculture and industrial value addition. He expounded on the importance of access to affordable credit and private sector involvement in the development of national strategies on AfCFTA.

Russia-Ukraine war The African countries depend on imports for food and energy and will be hurt by higher global energy prices due to the Russia-Ukraine war. The war has disrupted wheat imports into the region. 16%-17% of food imports for East African countries are wheat, and approximately 50% of wheat imports are from Russia and Ukraine.

Dr. Rodgers Mukwaya, UNECA Sub-regional Office for Eastern Africa, said, "The COVID pandemic and the Ukraine crisis have disrupted global supply chains. As a result, firms and nations are moving away from global to domestic and regional supply chains. We have to leverage the AfCFTA to create regional value chains."

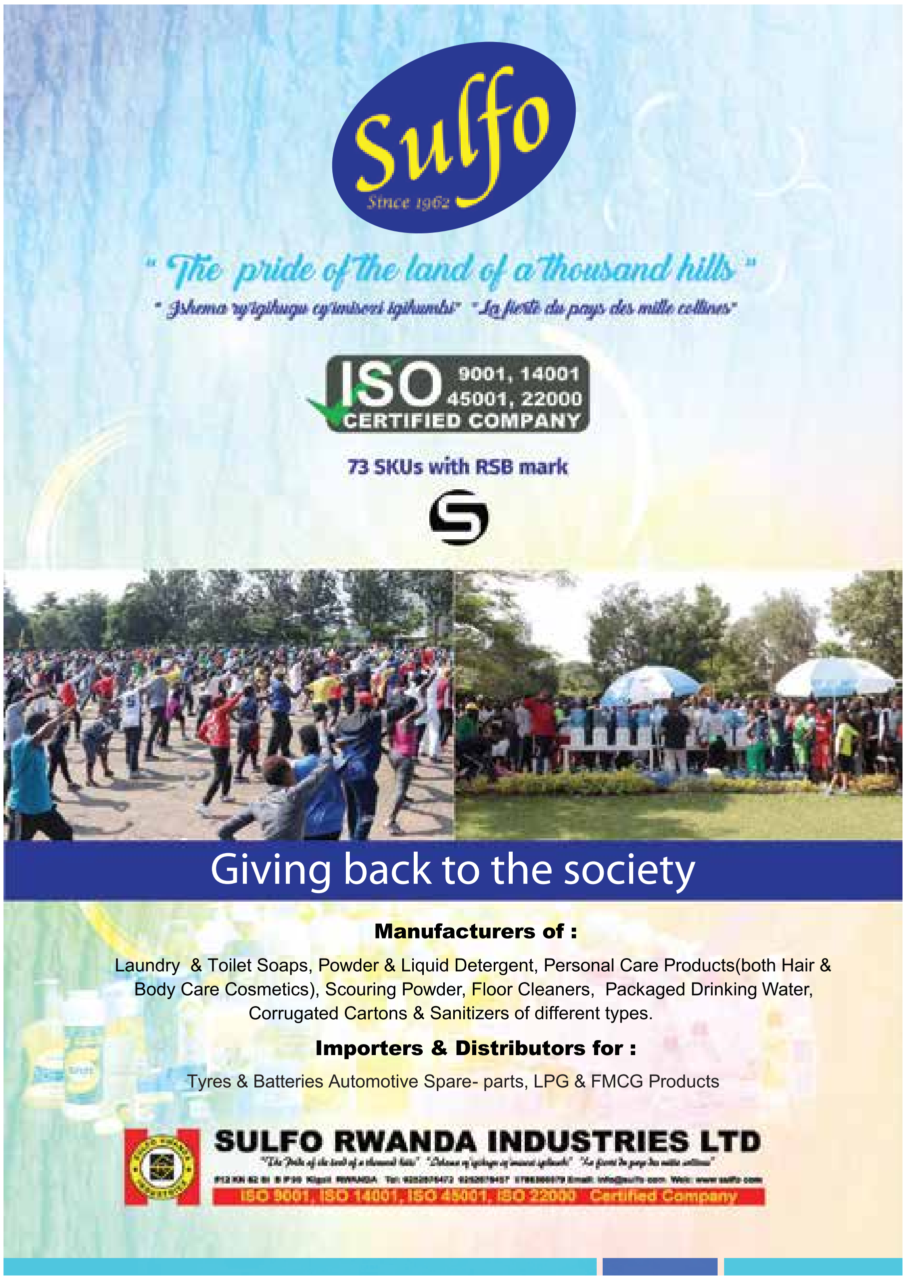
Dr. Mukwaya elaborated that African Central Banks have to control inflation without adversely affecting GDP growth.

Mr. Angelo Lado Gore, General Manager of South Sudan Chamber of Commerce, Industry & Agriculture, said, "South Sudan has the potential to be an agricultural hub and change the country's narrative of oil dependence and conflict."

Mr. Stuart Mwesigwa, EABC Board Member, said, "We need to disrupt the status quo on the delay in implementation of AfCFTA and TFTA by moving faster as the private sector and trade."

Mr. Victor Ogola, Deputy Chief Executive Officer of KEPSA, said counterfeit products and illicit trade set back the growth of local industries in Africa. East Africa loses USD 500 million each year due to illicit trade.

Other resolutions outlined to move the AfCFTA agenda forward include sustaining political goodwill, capacity building for youth in technology, African local content policy government procurement, improving trade facilitation, investments in cross-border infrastructure, elimination of non-tariff barriers, resource coordination, finalization of national AfCFTA strategies, improving industrial productive capacities, liberalization of air transport services in Africa, capacity building for youth, women, and SMEs, enhancement and mapping of skills, industrialization and value addition, participation in the AfCFTA Business Forum in Dakar, and regional response mechanisms to global shocks such as a regional plant for fertilizers.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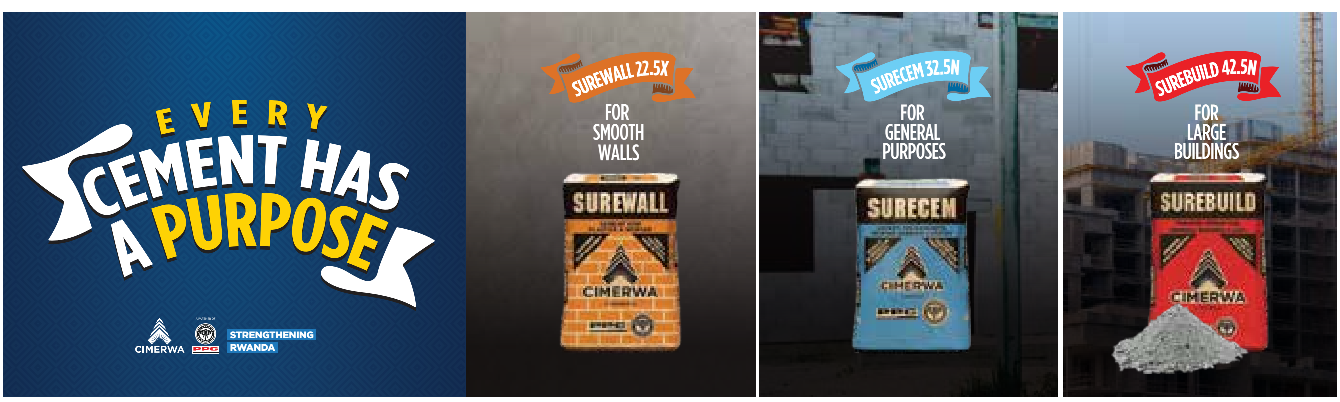
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Impact of the war in Ukraine on sustainable development in Africa

The war in Ukraine comes at a time when African countries are still struggling to recover from the destabilizing effects of the global COVID-19 pandemic, which caused deep economic regression, significant loss of productivity, worsening inequalities, planetary pressures, and in some cases security challenges. It is threatening to derail development progress in African countries, pushing the 2030 Sustainable Development Goals and the aspirations of the African Union's Agenda 2063 further out of reach.

The direct impacts of the crisis in Africa include trade disruption, food and fuel price spikes, macroeconomic instability, and security challenges. The crisis pushed the price of a barrel of Brent oil above the $100 dollar mark for the first time since 2014. At the same time, food grain prices continued to rise even higher as supply disruptions from Russia and Ukraine (actual and anticipated) rocked global markets. Food and fuel account for over one-third of the consumer price index in most African countries. The pass-through of consequent inflation will be swift and hard-hitting, especially for vulnerable groups like women and children.

There are also indirect impacts of the crisis to consider, which include imported inflation, difficult energy transitions, and a potential geopolitical realignment.

To fully diversify, Europe will have to search for new providers to fill the remaining two thirds gap. Africa's gas producers, like Algeria, Libya and Nigeria, are well positioned to fill this gap. But there are two mmediate consequences of the increase in the global demand for oil and gas. First, it could undermine progress towards ensuring a just transition to sustainable energy sources which are much more environmentally friendly. Second,it could limit the continent's access to natural gas in the near-term as African countries export their gas supplies to Europe.

The impact of the war could push Africa into serious debt distress, making countries less likely to meet their debt obligations. It could also increase inequality because high food and fuel prices typically hit the most vulnerable households hardest. Reduced access to electricity and cooking fuel would make more households multidimensionally poor, while shrinking budgets may trigger households to dispose of their assets, thus reducing their ability to cushion themselves from future shocks. Overall, these indirect effects would constrain overall economic activity and could trigger social tensions and unrest.

The crisis appears to be a harbinger of a Cold War redux, which could undermine democratization across Africa and fuel political instability. A global geo-political realignment could also retard economic development through the adoption of economic policies and ideologies that are not pro-poor, planet-friendly and equitable. Indirectly, economic stress could trigger violent protests and unconstitutional transfers of political power.

Moreover, there appears to be a threat to multilateralism, which could hamper the ability of development partners to provide consistent support that would put African countries back on track to attain shared global development aspirations. Weakened multilateralism would unravel significant development progress attained over the past decades and roll back gains made in fighting COVID-19 globally. This is why the development community, including bilateral and multilateral partners, must redouble their efforts to provide adequate and timely support across the continent.

Priority actions to protect development gains in Africa would be:

1. Prioritize immediate efforts to expand the fiscal space in African countries and stabilize African economies via enhanced bilateral assistance, innovative multilateral initiatives (including the expeditious re-channeling of new sources of funds such as the Special Drawing Rights), increased liquidity (e.g. through access to central bank swaps or access to IMF emergency windows) and debt relief (e.g. addressing the slow pace of the Common Framework that has only started working with Chad and Zambia on their respective credit committees).

2. Strengthen resilience to global shocks by reducing Africa's dependency on food and fuel imports, accelerating access to energy based on a just transition, de-risking critical investments in technology and infrastructure, and promoting innovative approaches to entrepreneurship.

3. Foster structural economic transformation in Africa by intensifying support to regional integration and economic diversification, and mobilizing resources to fill strategic infrastructure, health and education gaps.

Testimonial from Line Plast Group

Line Plast Group is a strong alliance delivering increased quality management and cost efficiency at reduced turnaround times. We leverage the power of synergy to deliver highly competitive one-stop services for all your PET, HDPE packaging, and printing needs for both flexographic and offset.

Line Plast Group has been a member of the East African Business Council (EABC) since 2017.

The East African Business Council (EABC) is the regional apex body of Private Sector associations and corporates in the East Africa with a single purpose of driving the East African Community integration process through trade and investment. EABC provides regional integration by encouraging the trade flow between member states, to facilitate more efficient allocation of resources by stimulating competition through increasing the capacity of the internal market. It is against this backdrop that we decided to join.
EABC has given us an opportunity to raise issues affecting the manufacturing sector in our region. We have gotten professional support in terms of trainings and participated greatly in government engagements.

EABC works tirelessly to update its members on information about business interactions in the EAC region. This information is important intel that enables us to understand the market trends and to foresee the future of EAC market.

Our Group managing Director Mrs. Mary Ngechu sits at the East African Business Council (EABC) Board and she is currently the EABC SME Goodwill Ambassador -Kenya Chapter. Under her leadership we have been able to tap into opportunities that promote our business growth across the EAC region.

As we celebrate the 25th EABC anniversary we would like to encourage other businesses to join the family and enjoy the business growth and networks that come with being a member.
Happy 25th Anniversary EABC!!!

Testimonial from Serensic Africa

“As a Tanzanian leading cybersecurity company operating in East Africa, we would like to express our gratitude to the East Africa Business Council (EABC) for providing us with valuable business opportunities in the region. The EABC has been instrumental in promoting regional integration and economic growth, and their efforts have helped to create a more conducive business environment for companies like ours.

The EABC has provided our company with access to market intelligence, regulatory updates, and business matchmaking services. Through their business matchmaking services, we have been able to connect with potential clients in the region, which has enabled us to expand our operations and grow our business.

The EABC has also played a crucial role in advocating for policies that support the growth of businesses in the region. Their advocacy efforts have led to the implementation of policies that reduce trade barriers, promote cross-border trade, and facilitate the movement of goods and services across the region. This has improved the ease of doing business in East Africa, making it a more attractive destination for local and foreign investors.

We commend the EABC for their commitment to promoting the growth of the private sector in East Africa. Their contribution in providing business opportunities to our cybersecurity company has been invaluable, and we are grateful for their continued support. Thanks to the EABC, we have been able to create new jobs, expand our operations, and contribute to the growth of the digital economy in the region.

In conclusion, we thank the EABC for their tireless efforts in promoting regional integration and economic growth in East Africa. Their support has been instrumental in the success of our company , (Serensic Africa), and we look forward to continued collaboration with them in the future. Together, we can build a more secure and sustainable future for East Africa.”

Esther L. Mengi,
CEO, Serensic Africa
www.serensic.co.tz

Testimonial from RUBEYA & Co-Advocates, an active stakeholder in regional integration policy matters related to trade and investment

Introduction

RUBEYA & Co-Advocates is a multi-practice business law firm based in Burundi, with over 22 years of experience and 14 lawyers. It is highly regarded for its outstanding legal services and has consistently achieved top rankings in major legal directories such as Chambers Global Guides (Band 1), IFLR1000 (Tier 1) and Legal500EMEA (Tier 1), thus consolidating its position as one of the best law firms in the country.

RUBEYA & Co-Advocates is a member of DLA Piper Africa, a Swiss Verein whose members are independent law firms in Africa working with DLA Piper. At the regional level, the firm is a member of the East Africa Business Council (EABC) and the East Africa Law Society (EALS). At the national level, the firm is a member of the Burundi Bar Association and the Federal Chamber of Commerce and Industry of Burundi (CFCIB).

Expertise of the firm in regional integration matters

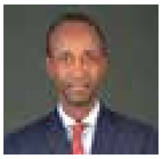
RUBEYA & Co-Advocates is a leading law firm specializing in facilitating the integration process and providing legal advice to navigate the complex and varied legal frameworks relating to regional integration in the EAC. The firm has acquired considerable expertise in this area since Burundi joined the community:

1. Analysis and domestication of the commitments of the EAC Treaty, its protocols and annexes to enable the free movement of people, goods and capital within the EAC
2. Advise clients on the legal implications of integrating trade and investment in the EAC
3. Represent clients in litigation related to regional integration
4. Provide training and capacity building on EAC regional integration issues

Experience

Our experience with EAC regional integration has been very instructive, particularly in the areas of trade, investment and governance. One of the most significant developments in this regard was the completion of an analysis of Burundi's trade and investment policy framework and the proposal of reforms where appropriate; the analysis of the compliance of Burundi's legal texts with the commitments made by Burundi when signing the EAC Common Market Protocol; Facilitation of a workshop on the free movement of goods, services and capital for all lawyers in the community; provision of legal assistance to Trade Mark East Africa (TMEA) during Phase 2 of the excise tax harmonization study.

Contacts



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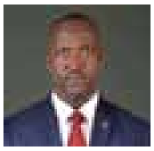

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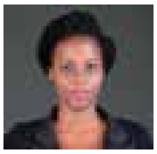

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Study on Air Space liberalisation in the East African Community

A FOCUS ON COST DRIVERS AND REGULATIONS

Introduction

Amidst the progress made by the East African Community (EAC) in the Air transport industry, the East African Business Council (EABC) is concerned with the high cost of air transport. EABC, therefore, commissioned a study to analyze the air space liberalization, cost drivers and regulations (including taxes, levies and other related charges), on the cost of doing business within the EAC.

The approach used in the study was textual analysis (document review), economic modelling and stakeholder interviews focusing on aviation regulators and the private sector players.

Key Findings

1. Juba International Airport is currently the fourth most expensive airport in terms of passenger charges in Africa just below Niamey, Monrovia, and Bissau airports. The airport tax charged of USD 122 at Juba International Airport on passengers is above the EAC regional average of USD 60.4.

2. Non-uniformity in the passenger handling charges in EAC with Uganda imposing a charge of USD 0.6 per boarding pass and the USD 10 on transfers, which are not imposed by other EAC member countries.

Table 1: Passenger Departure, transfer and arrival fees at EAC airports (USD)

Country	Airport	Passenger Service Charge	Security charge	Passenger Handling charge	Airport tax	Departure taxes	Transfer fees	Arrival fees	Total
Uganda	Entebbe	40	10	0.6		50.6	10		60.6
Tanzania	Julius Nyerere	40	8			48			48
Rwanda	Kigali	37	5			42			42
Kenya	Jomo Kenyatta	50				50			50
Burundi	Bujumbura	30	10			40			40
South Sudan	Juba				122	122			122
	Average	39.4	8.25	0.6	122	58.8	10		60.4

Source: Civil aviation authorities' legislations and African Airline Association

3. Passenger departure and transfer fees in the EAC region are lower than those in the Economic Community of West African States (ECOWAS) and Central African Economic and Monetary Community (CEMAC) blocs. However, they remain relatively higher compared to charges at airports in Common Market for Eastern and Southern Africa (COMESA), Southern Africa Development Community (SADC), Europe and the Middle East.

4. The EAC countries charge uniform passenger departure fees for both flights within and outside the EAC region. Comparatively, COMESA, SADC, ECOWAS and CEMAC member countries have preferential taxes and fees for flights among member states.

5. On average passenger departure charges account for 13% of the ticket price for flights in the EAC and 8% for flights to other African countries outside the EAC. However, there are aircraft-related charges, labour costs, and fuel costs among other costs that are indirectly transferred to ticket prices. Labour costs account for 25.4% of the operational costs of Airlines while fuel costs account for an estimated 20-30% of the operational costs.

Table 2: Average passenger departure, transfer and arrival fees in regional blocs (USD)

Regional Bloc	Regional Departures	International Departures	Transfer fees	Taxes on arrival
SADC	37.8	41.5	25.0	41.1
COMESA	44.3	46.8	30.8	22.1
EAC	58.8	58.8	10.0	
ECOWAS	84.5	94.6	48.9	9.9
CEMAC	86.2	103.1	63.2	.6
Other African Countries	34.7	37.7	25.8	10.7

6. Airports in the EAC are the least expensive in terms of aircraft-related charges with an average of USD 429.6 followed by countries in the COMESA with USD 511.9, SADC countries with USD 539.8. Airports in Europe are the most expensive in terms of aircraft-related charges at USD 1,116.9.

7. The Air transport regulatory environment in the EAC Partner States is influenced by the existing Bilateral Aviation Safety Agreements (BASAs) for respective countries and domestic air services regulations for the air transport industry at the national level. However, they continue to limit the fifth freedom and limit operations of foreign airlines in the domestic market of a contracting party.

8. Some of the key challenges affecting air transport in the EAC include limited infrastructure and lack of standardized regulations, high air transport costs. South Sudan lacks full control of its airspace due to a lack of well-developed infrastructure and qualified personnel to control the airspace. In Burundi, the number of flights to Bujumbura is limited, compounded by a lack of a national carrier, which contributes to an increase in the cost of air transport.

9. No single African state is fully implementing the Yamoussoukro Decision provisions. The Bilateral Air Service Agreements for EAC partner states remain largely non-compliant with Yamoussoukro Decision provisions, with a compliance rate of 19%. COMESA has a compliance rate of 23%, SADC 33%, CEMAC 45% and 59% by ECOWAS.

10. Air transport has a positive and significant impact on the economy. A percentage increase in passenger traffic leads to a 0.0515 percentage increase in GDP. This is achieved through an increase in trade, tourism, inbound investment, production and employment.

11. There is a positive and significant impact of passenger traffic and carrier departures on tourism receipts. A percentage increase in passenger traffic leads to a 0.1666 percentage increase in tourism receipts. Similarly, a percentage increase in freight carrier departures leads to a 0.299 percentage increase in tourism receipts.

12. The tourism sector in the EAC is affected by the limited investment which contributes to the infrastructure gap, limited air connectivity and lack of direct flights connecting some tourist destinations and Visa restrictions within East African countries given that, it is only Kenya, Uganda and Rwanda implementing the Single Tourist Visa.

13. Cargo mainly transported by Air from the EAC includes flowers, vegetables, herbs, fruits, and cuttings. The major destination of these exports is the Netherlands and Belgium. The intra-EAC trade of the highlighted perishable goods is low.

The demand for Air cargo influences the routing options in addition to the level of freedom accorded, Efficiency, cost and reliability.

14. Further liberalisation of Air Transport in the EAC can be achieved by concluding the signing of the EAC Air Transport Liberalization Regulation, continuously strengthening the harmonized legal mechanism and developing and harmonizing competition rules.

15. The Airline consolidation, mergers and acquisitions in the United States and Europe which resulted from the need to stimulate growth within the Airline industry, is a practice that can be adopted within EAC, by adopting a joint EAC airline business

Recommendations

1. EAC countries should harmonize the regulatory charges and fees. The harmonization of the fees will greatly level the playing field for the different players which will ultimately promote competition among the different air business operators in the EAC region.

2. The airport tax charged of USD 122 at Juba International airport on passengers should be revised to the EAC regional average of USD 60.4. This will reduce air ticket costs from South Sudan to other countries.

3. To achieve uniformity in charges within the EAC region, Uganda should consider eliminating the passenger handling charge of USD 0.6 per boarding pass and the USD 10 on transfers.

4. EAC should consider eliminating the BASAs to ease the air service agreements. To achieve a single air space for EAC and in line with the EAC Common Market. The current regulatory process seeks to liberalize air transport services. Instead of different BASAs between EAC Partner State countries, the region should be moving towards a single air services agreement for the region.

5. Conclude the signing of the EAC Air Transport Liberalization Regulation

6. Domesticate the Competition and regulatory regime as enriched in the Yamoussoukro Decision. Compliance with the recently agreedupon rules by the respective EAC countries would help ensure harmonization and fair play for all players in the aviation sector.

7. Tanzania, Burundi and South Sudan need to adopt a single EAC tourist visa to promote tourism in the region and increase demand for air transport services. Kenya, Uganda and Rwanda are already implementing the single tourist visa

8. In the long term, EAC partner states can develop and implement a joint EAC airline business to grow the sector within the region, and increase its global competitiveness.

State of Financial Services in East Africa

Key Recommendations

a) Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers

b) Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.

c) Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.

d) Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.

e) Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, in order to broaden service integration

f) Expedite the enactment of the EAC Insurance Act and thereafter its implementation in order to support mutual recognition of insurance covers / policies across the region.

g) In commercial banking, adopt and implement the draft EAC regional Payment System roadmap to reduce costs for cross-border transactions.

h) Industry and regulators should put in place measures to address the key drivers of the high cost of credit in the region and the access to affordable credit for MSMEs.

Introduction

As part of its advocacy agenda, the East African Business Council (EABC) has developed Barometer on East African Trade in Services, whose overall objective is to support improvements in the framework conditions for growth of services in the EAC. The Barometer focuses on the on overall trends on services performance (GDP, employment and export trade); state of openness with consideration to the revised schedule of progressive liberalisation of trade in services vis a vis commitment in the Common Market Protocol (CMP); the restrictiveness of the services trading environment and the advancements and progress at national and regional level on the EAC trade in services agenda.
Amongst the sectors of focus in the Barometer is the tourism services sector. This Policy Brief on Financial Services highlights the key findings against the

indicators of the Barometer and the main recommendations made to support the sectors' growth and trade in the EAC.

Financial Services Sector

Under the W/120 Services Sectoral Classification List, financial services comprise the following sub-sectors:

• Insurance and insurance-related services (CPC 812), which includes life, accident and health insurance services; Non-life insurance services; Reinsurance and retrocession; and Services auxiliary to insurance, including broking and agency services

• Banking and other financial services (CPC 811 and 813), including acceptance of deposits and other repayable funds from the public; lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction; Financial leasing; All payment and money transmission services, including credit, charge and debit cards, travellers' cheques and bankers' drafts; Guarantees and commitments; among others.

Studies demonstrate that a well-functioning financial sector is essential for development and poverty alleviation especially in a developing country situation such as in East Africa. Without efficient and competitive financial services to facilitate investments in businesses as well as support productivity, economies cannot function. Studies by the World Bank note that access to financial services such as banking and insurance contributes directly to poverty reduction, allowing individuals to improve their standards of living by setting up micro-businesses and manage their risks better. In the EAC, like in many developing countries, access to finance is limited, especially for small and medium-sized businesses and the cost is also prohibitive. Thus, achieving financial integration, by creating economies of scale and competition among financial institutions, is fundamental in addressing the constraints in the financial sector.

Financial Services in the EAC

The insurance industry is a major component of the EAC economy by virtue of the amount of premiums it collects, the scale of its investment and, more fundamentally, the essential social and economic role it plays by covering personal and business risks. The sector has a number of players, with some cross- border investment, especially by Kenyan companies. Insurance penetration (the gross written premium value to GDP) in the EAC is generally low. In 2020, the highest penetration rate was in Kenya, at 2.17% in 2020. This pales in comparison to global average which is 7.4% and Africa's leader who is South Africa at 16.99%. For other EAC Partner States, penetration rate was as follows in 2020: 0.93% in Burundi; 1.8% in Rwanda; 0.53% in Tanzania and 0.77% in Uganda. The low penetration rates in the EAC mean there is a significant avenue to deepen insurance markets in the region.

The banking sector in East Africa is quite developed and has been playing a major role in enhancing regional financial integration across the region, particularly through investment. The commercial banking industry in Kenya is the fourth largest in Sub Saharan Africa after South Africa, Nigeria and Mauritius with 39 banks. Other EAC Partner States have as follows: Tanzania (35); Uganda (25), Rwanda (11), Burundi (14) and South Sudan (30).

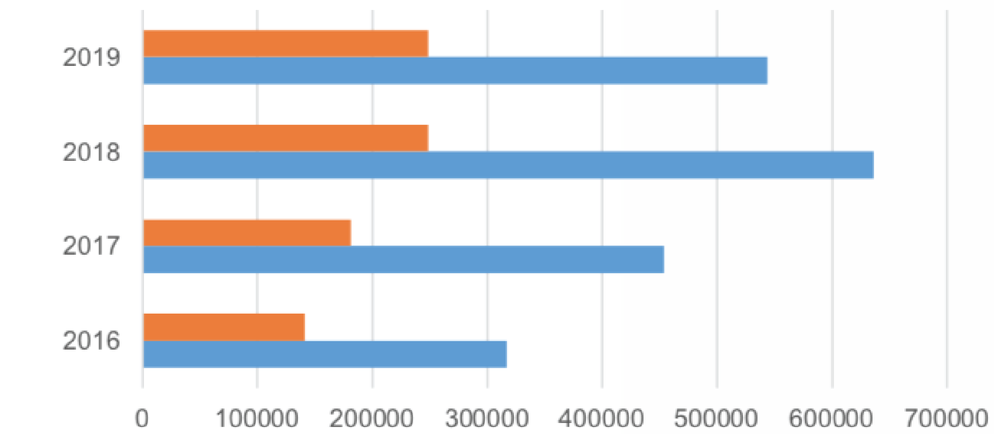
Cross-border expansion of banking in the region started in the 2000's with Kenyan banks setting up in other EAC Partner States. Among all EAC Partner States, Kenya has the highest number of banks with subsidiaries in other countries, with 8 banks having cross border subsidiaries. These are: KCB Group Holdings Plc, Diamond Trust Bank Group, NCBA Group Plc, Guaranty Trust Bank Kenya Limited, Equity Group Holdings Plc, I&M Holdings Plc, African Banking Corporation Limited and The Cooperative Bank of Kenya Limited. For these banks, subsidiaries in the DRC account for 34.45% of the total asset base, up from 30.58%. Uganda follows at 19.3%, Rwanda at 16.71%, Tanzania and 16.01%, Mauritius at 9.62%, South Sudan at 2.56% and Burundi at 1.34%. Tanzania also has two banks with cross-border activities; CRDB has a subsidiary in Burundi, while Exim Bank has subsidiaries in Djibouti and the Comoros and a representative office in Uganda.

A notable feature of the EAC financial landscape is the growth of use of financial technology, particularly internet banking as well as mobile money, which has had a great impact on the sector. For example, in Kenya, where M-Pesa was pioneered, it is estimated that 60% of Kenya's GDP is moves through mobile money. All EAC Partner States have active mobile money operators, through Airtel Money (Kenya, Uganda, Tanzania and Rwanda); M-Pesa (Kenya and Tanzania);

MobiKash (Kenya and Burundi); MTN Mobile Money (Uganda and Rwanda) and M-Cash (MobiCash) (Uganda and Rwanda). There are served by numerous money transfer operators.

The region is a net exporter of financial services (comprising banking and insurance services). In 2018, the year for which data is available for all Partner States, the region exported financial services worth USD 636.6M, against imports of USD 248.4M. Only Burundi is a net importer of financial services. Kenya dominates both exports and imports of financial services, in line with her dominance of the sector in the EAC. See Figure 1 and Table 1 below.

Figure 1, Trade in Financial Services



	2016	2017	2018	2019
Imports	141085	181291	248391	248330
Exports	316597	453545	636503	543679

Source: ITC TradeMap, Accessed July 2022

Table 1, EAC Partner States imports and exports (Financial Services)

	2016		2017		2018		2019		2020	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
EAC Aggregation	316597	141085	453545	181291	636503	248391	543679	248330	47162	16978
Uganda	29000	9693	30940	9729	21148	4827	27781	8910	35851	11717
Rwanda	9105	6583	11854	5591	12895	4837	14137	4223	11311	5261
Burundi	1183	3714	843	2530	773	2195				
Kenya	256782	115055	383479	149489	589703	214810	478404	217876		
Tanzania	20527	6040	26429	13952	11984	21722	23357	17321		

Source: ITC TradeMap, Accessed July 2022

State of liberalisation of financial services in the EAC

In the CMP / Revised Schedule of Commitments, Burundi, Kenya, Rwanda and Tanzania have committed to liberalise all sub-sectors of insurance sector, across all modes. Except for Tanzania for services auxiliary to insurance services, all Partner States have no market access and national treatment limitations. For services auxiliary to insurance services, under Mode 3, Tanzania has limitations on market access, in that she requires that at least 1/3 of the members of the board must be citizens of Tanzania and for national treatment, at least 1/3 of the controlling interest, whether in terms of shares or paid-up capital or voting rights be held by citizens of Tanzania. Uganda has made no commitment to liberalise insurance sector.

In the revised schedule of commitments, all EAC Partner States have committed to liberalise banking services, with no market access and national treatment limitations. For all EAC Partner States, Mode 4 is unbound for both insurance and banking services, except for contractual service suppliers, independent service suppliers, business visitors, intra-corporate transferees and trainees (for Burundi, Kenya and Rwanda). In Tanzania, Mode 4 is unbound except for business visitors (with limitation of temporary entry and stay of no more than 90 days in a calendar year); contractual service suppliers (with 2+years' experience) and independent service suppliers (with 5+ years' experience), plus limitation on the latter two to temporary entry and stay of no more than 6 months in any twelve-month period, or for duration of contact, whichever is less. For Uganda, Mode 4 is unbound except for contractual service suppliers, independent service suppliers, independent professional service suppliers, business visitors and trainees.

For insurance services, only Tanzania is currently maintaining restrictions on insurance services. Under the Insurance Act, 2009, the following provisions contain restrictions for foreign service providers:

- Section 44 .1 (c): The Minister may, by regulations require an insurer or all insurers to invest any percentage of the insurance funds of any insurers or insurer, as the case may be, accruing in respect of their or its insurance business in Tanzania in any Tanzanian securities and any other securities in Tanzania, as may be specified.

- Section 44.3: Except with the prior consent in writing of the Commissioner, no insurer shall invest or otherwise lend insurance fund moneys outside Tanzania.

- Section 67 (b): An insurance broker registered to conduct business or seeking registration shall satisfy the Commissioner that at least one third of the controlling interest whether in terms of shares, paid-up capital or voting rights are held by citizens of Tanzania;

- Section 133.2: Where a class of insurance required to be placed with a Tanzanian insurer is not available to a person seeking insurance, that persons may place that insurance with a non-resident insurer provided that he obtains the prior written approval of the Commissioner.

- Section 134: Any general insurance business policy effected by a Tanzanian resident or Tanzanian resident company, other than an insurer registered under this Act, with any non-resident insurer shall be effected through the offices of a Tanzanian registered insurance broker.

At the regional level, there are various initiatives that EAC Partner States are implementing, with a view to supporting the integration of the EAC Financial sector. These include:

– In 2013, EAC states began working toward a common insurance market and Partner States have agreed to harmonize their regulations around the 26 Insurance Core Principles (ICPs) issued by the International Association of Insurance Supervisors (IAIS).

– Launch of East African Payment System (EAPS) in 2014, which was meant to bring down the cost of cross border transactions as well as the time taken.

– Development and approval by Council of the EAC Banking Certification Policy and Implementation Strategy

– Development and approval by Council of the EAC Banking Certification Program

– Finalisation of the study on the promotion of interoperability of card switches in EAC

– Finalisation of the study on the requirement for implementation of cross border mobile payments

– Development of the draft EAC regional Payment System roadmap

– Development and approval by Council of the EAC Insurance Policy and Implementation Strategy

– Development and approval by Council of the EAC Insurance Certification Program Implementation Strategy (2019-2024)

– Development of a harmonized EAC Insurance Bill and 21 enabling regulations.

Despite there not being any overt restriction, banking services suffer from a number of constraints that hinder cross border movement of commercial banking services and also the growth of the sector as a whole. Among these is the high cost of cross border payments – sending and receiving payments from one Partner State to the other. Despite the launch of the East African Payment System (EAPS), and noting that data for EAC cross border payments is not available, comparable research shows that the average cost of cross-border payments in Africa is about 12 to 18% of the value of transaction against a global average of 6-7%. A report by AfricaNenda et al note that EAPS has exhibited limited uptake to date in general, processing only a small share of total cross-border bank payments. The report also notes the lack of designated low-cost digital payment solutions for cross border transactions, pointing out that digital payment transactions through banks and forex bureaus are expensive, while mobile money transactions have some transaction limitations and are not seamless due to limited mobile wallet interoperability.

Although there has been notable growth in access to finance, the other key issue relating to the banking sector is the high cost of credit in the region, which affects ability of businesses - especially MSMEs - to borrow to support business expansion. High borrowing costs are driven by various factors, including but not limited to high government borrowing, which sets the floor rates high; as well as various costs associated with taking loans, including bank fees and charges to third party costs, such as legal fees, insurance and government levies.

Telecommunication in East Africa

Key Recommendations

a) Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers

b) Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.

c) Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.

d) Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.

Telecommunications Sector Recommendations

a) Tanzania and Burundi should join One Network Area (ONA) in order to bring down the cost of voice and data services across the region.

b) All taxes and charges on roaming should be removed as part of the ONA initiative.

c) All taxes on ICT equipment and related services should be removed in order to enhance affordable access to MSMEs and general population.

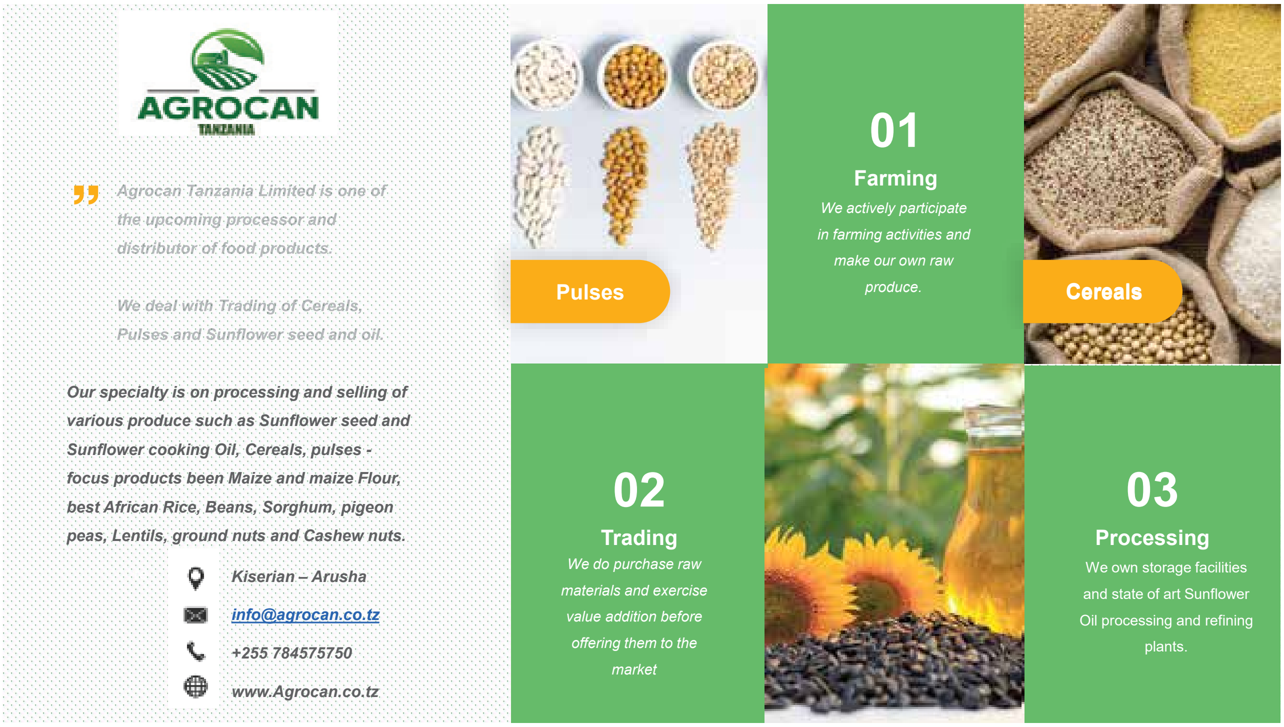
Introduction

As part of its advocacy agenda, the East African Business Council (EABC) has developed Barometer on East African Trade in Services, whose overall objective is to support improvements in the framework conditions for growth of services in the EAC. The Barometer focuses on the on overall trends on services performance (GDP, employment and export trade); state of openness with consideration to the revised schedule of progressive liberalisation of trade in services vis a vis commitment in the Common Market Protocol (CMP); the restrictiveness of the services trading environment and the advancements and progress at national and regional level on the EAC trade in services agenda.

Amongst the sectors of focus in the Barometer is the Telecommunications Services Sector. This Policy Brief on Telecommunication Services highlights the key findings against the indicators of the Barometer and the main recommendations made to support the sectors' growth and trade in the EAC.

The Telecommunications Sector

Telecommunication is the main sub-sector under communication services. When the General Agreement on Trade in Services (GATS) was initially negotiated over 30 years ago in 1991, technology had not advanced to the levels that it has today, explaining the sub-sectors used to classify telecommunication services. The W/120 list classified telecommunications into 14 sub-sectors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as which included voice telephone services; packet-switched data transmission services; circuit-switched data transmission services; telex services; telegraph services; facsimile services; private leased circuit services; electronic mail; voice mail; on-line information and data base retrieval; electronic data interchange (EDI); enhanced/value-added facsimile services, incl. store and forward, store and retrieve; code and protocol conversion and on-line information and/or data processing (incl.

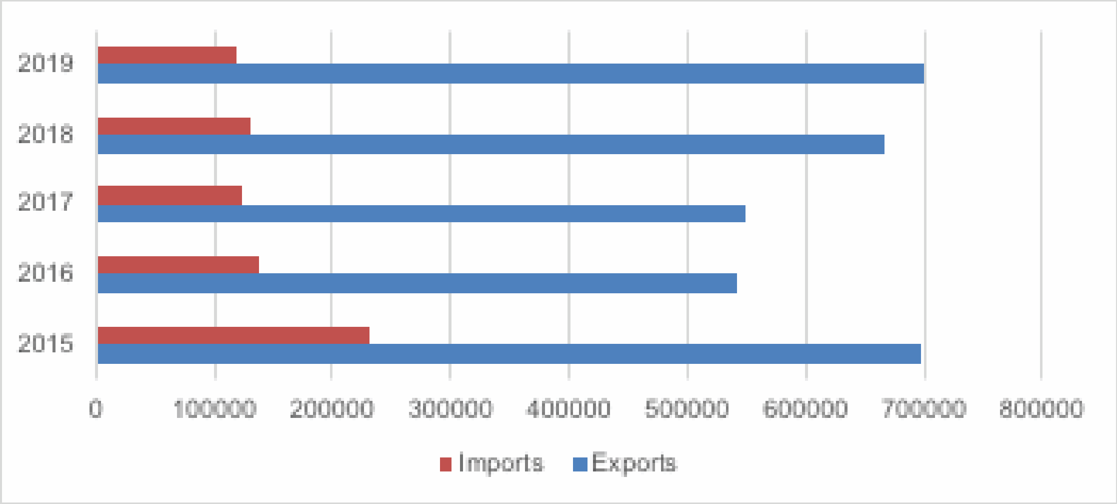
transaction processing). Given the revolution that telecommunications and the broader communication sector has undergone over the last two decades, the classification does not serve any meaningful purpose and most of the sub-sectors listed in W/120 are both outdated technology-wise and immaterial from an economic point of view.

Today, telecommunication services continue to revolutionise how the world communicates and economies function. From e-commerce, social media, digital trade, mobile banking, internet banking, including remittance services, mobile money, e-government, e-education, e-health to global availability of information in real time through numerous online platforms, telecommunications services lie at the heart of the increasingly information driven world, both as a direct creator of wealth and as an enabler of wealth creation in related services. In fact, beyond the devastation wrought on lives and economy by the COVID-19 pandemic, one positive impact has been the acceleration of digital transformation, as governments, businesses, school and ordinary citizens alike embrace and employ digital means across all spheres of life, from working from home across various communication platforms, to digital delivery of products, to online learning and digital classrooms and digital entertainment. Research by ITU shows that COVID-19 led to 'a greater demand for digital reliance across the board, and this outcome is likely stay in the "new normal", as the utility of more abundant data and the ever-lower cost of using those data influence how entrepreneurs, policy-makers and professionals make decisions'. Furthermore, technology continuous to grow and evolve – there are new concepts like artificial intelligence (AI); internet of things, big data, cloud computing, digital and crypto currencies, distributed ledger technology, precision medicine, digital trade, autonomous mobility and many more, which depend on telecommunications as an enabler.

Telecommunication Sector in the EAC

Telecommunication services is a significant sector in the EAC, contributing substantially to GDP and trade in all the EAC Partner States. In terms GDP, communication services contributed as follows in each Partner State: 3% in Burundi; , 2.5% in Kenya; 2% in Rwanda; 1.5% in Tanzania; and 1.8% in Uganda; . between 1% and 9% of GDP in 2017/2018/2019, across the EAC Partner States.

In 2018 (the year in which data is available for all Partner States (except South Sudan), EAC's trade in telecommunication, computer and information services was worth USD 797.2M, a decrease from 2015 figure of USD 928M, but an increase from 2016 and 2017 figures. Of the total trade, Kenya accounts for 78.3% (USD 624M); followed by Uganda at 10.1% (USD 80.3M); Tanzania at 5.9% (USD 57.5M) and Rwanda and Burundi at USD 33.1M and 12.7 million respectively. See figure 1 below:



Source: ITC TradeMap, Accessed July 2022

DOING BUSINESS IN THE EAC - TESTIMONIALS FROM A COMPANY OPERATING ACROSS THE EAC

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Based on the table below, the region as a whole is a net exporter of telecommunication, computer and information services. In 2018, 83.7% of the total trade (USD 667M) was export services, while the balance (USD 130.2M) was imports. The situation is however different when looking at specific Partner States – Kenya, Uganda and Rwanda are net importers, while Burundi and Tanzania are net importers.

Table 1, EAC Partner States imports and exports (telecommunications, computer and information services)

	2015		2016		2017		2018		2019		2020	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
EAC Aggregation	696303	231727	542578	138454	549922	123435	666952	130239	700090	120055	50341	43078
Burundi	7731	7388	3610	4832	3165	8039	4172	8582				
Kenya	550307	73672	451360	29371	473086	37964	570246	53741	628828	54972		
Rwanda	22229	12440	18585	11835	18595	14511	17892	15215	19740	16452	19642	17010
Tanzania	50677	57182	29082	38507	15963	26216	22249	24925	28744	28803		
Uganda	65359	81045	39941	53909	39113	36705	52393	27776	22778	19828	30699	26068

Source: ITC TradeMap, Accessed July 2022

State of liberalisation of telecommunication services in the EAC

All EAC Partner States have committed to liberalise telecommunication services under the CMP. While Burundi, Rwanda and Uganda maintain no limitations on market access and national treatment across all modes, Kenya and Tanzania have limitations particularly with regard to Mode 3. Kenya requires under mode 3 that all commercial presence should have 20% Kenyan shareholding within 3 years of receiving a license, while for Tanzania, for Telex, Packet switched & circuit-switched data transmission services, a minimum of 25% local shareholding is required through listing in stock exchange.

In terms of state of liberalisation, telecommunications is one of the sectors that has been liberalised across the region, leading to an exponential growth of mobile telephony especially. Despite the liberalisation, several restrictions limit the free movement of telecommunication services and several challenges constraint the growth of the sector. For example, based on International Telecommunications Union (ITU) 2020 data, the region is yet to cover all the population with mobile 3G data, with the highest coverage being at 98% in Rwanda and South Sudan having the lowest coverage at 15%. In terms of individuals using the internet, Kenya has the highest percentage at 30%, while for persons with fixed broad-band, Tanzania leads with 1.9 persons per 100 people. This compares poorly with global average, where 95% have access to 3G and above; 63% of individuals use the internet and 17 out of 100 people have fixed broadband subscriptions (based on ITU data).

Table 2 below represents the data for all Partner States.

State	Percentage of population with at least 3G coverage	Individuals using internet	Fixed Broadband Subsrciption per 100 people
Burundi	85%	9.4%	0.036 people
Kenya	94%	30%	1.3 people
Rwanda	98%	27%	0.14 people
South Sudan	15%	6.5%	0.0018 people
Tanzania	85%	22%	1.9 people
Uganda	85%	20%	0.13 people

A contributing factor to low access to telecommunication and ICT services is lack of deployment of communications infrastructure and services in many underserved, rural and remote areas, that may not be deemed to offer good returns to investment. While Partner States have adopted Universal Service Fund (USF) models, the reach is yet to be at par with global averages, with many areas remaining both un-served or under-served.

Besides availability of communication infrastructure, other key factors impacting internet use include high cost of smartphones, relative to average income levels, and limited digital skills among rural and less literate populations. Inadequate access to reliable analogue complements such as electricity that are necessary to support enhanced access and use of ICT. Studies have shown that lack of lack of electricity results in higher costs of internet access, through for example, mobile stations having to be powered using use diesel generator, or users in rural areas having to travel to recharge their devices.

Policy Recommendations

For telecommunications to play its rightful role in supporting the growth of all businesses as well as be a growth sector of its own, the above challenges will need to be addressed. This policy brief therefore makes the following recommendation, with proposed timelines and responsible institutions.

Recommendation	Timeline	Responsible Authorities
General Recommendations		
Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers	By December 2023	EAC Secretariat, EAC Council of Ministers
Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.	By December 2023	EAC Secretariat, Sectoral Council responsible for Education, Council of Ministers
Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.	By December 2023	EAC Secretariat, SCTIFI
Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.	By December 2023	All Partner States; EAC Secretariat, EAC Ministers of Finance, EAC Monetary Affairs Committee
Telecommunication Specific Recommendations		
Tanzania and Burundi should join One Network Area (ONA) in order to bring down the cost of voice and data services across the region.	By December 2023	United Republic of Tanzania, Burundi
All taxes and charges on roaming should be removed as part of the ONA initiative.	By December 2023	All Partner States / EAC Minister of Finance
All taxes on ICT equipment and related services should be removed in order to enhance affordable access to MSMEs and general population	By December 2023	All Partner States / EAC Minister of Finance

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State of Professional Service in East Africa

Key Recommendations

a) Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers

b) Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.

c) Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.

d) Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.

e) Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, in order to broaden service integration

Professional Services Sector Recommendations

a) Complete negotiations for the EAC Cross Border Legal Practice bill and the Mutual Recognition Agreement for Legal Services.

b) Review the MRAs for engineering and accounting services in order to address trade related aspects such as registration of firms and procedures related to the same.

c) Enhance regulatory framework for accounting and engineering sectors by i) establishing an engineering sector regulator in Burundi and ii) in accounting services in South Sudan.

d) Put in place a framework to require mandatory registration for all accounting professionals for efficient service delivery and accountability.

Introduction

As part of its advocacy agenda, the East African Business Council (EABC) has developed Barometer on East African Trade in Services, whose overall objective is to support improvements in the framework conditions for growth of services in the EAC. The Barometer focuses on the on overall trends on services performance (GDP, employment and export trade); state of openness with consideration to the revised schedule of progressive liberalisation of trade in services vis a vis commitment in the Common Market Protocol (CMP); the restrictiveness of the services trading environment and the advancements and progress at national and regional level on the EAC trade in services agenda.

Amongst the sectors of focus in the Barometer is professional services, specifically accounting, engineering and legal services. This Policy Brief on Professional Services highlights the key findings against the indicators of the Barometer and the main recommendations made to support the sectors' growth and trade in the EAC.

Professional Services

Under the W/120 classification, professional services are a sub-sector under the broader category of business services. Professional services include Legal Services; Accounting, auditing and book-keeping services; taxation services, architectural services, engineering, medical and dental, veterinary services, among others. There is no universally accepted definition of professional services. The European Union's Professional Qualifications Directive (2005/36/EC) defines "regulated professions" as professions where one needs a particular professional qualification to be allowed to exercise the profession. The ILO on the other hand notes that professional services consist of individuals, partnerships, firms or corporations of contractors or consultants who provide such services as accountancy; public relations; translation and interpretation; system analysis and design; real estate agencies, etc.

At a global level, of the accredited professional sectors, architectural and engineering services are the largest, representing nearly 20% of global exports. Both sectors are strongly related to the construction sector and other business services. Accountancy is an essential input into other goods and services, particularly regarding implementation and enforcement of financial regulatory measures, while the legal sector underpins international trade contracts and disputes. The accountancy, legal and management consulting sectors together represent a smaller percentage of global exports (18%) than architectural and engineering services.

Professional services are key in enhancing firm level productivity and represent a necessary input in all economic sectors. Professional services play a key role in national economies through their direct and indirect contribution to economic growth by adding new skills and methods of production and thus lowering production cost and creates spill-over benefits to other sectors of the economy. For example, engineering services are needed not only in construction, e.g. buildings, infrastructure and the environment, but also in industry (manufacturing, equipment and process plants) thus providing necessary input for sectors such as mining, manufacturing, fisheries, agriculture, testing, energy distribution, security equipment maintenance, building services; management consulting. Accountancy services enhance good corporate governance, accountability and financial management of firms while legal services contribute to certainty in the business environment, facilitating contract engagement and mitigation of investment risks.

Professional Services in the EAC

Although data on contribution to jobs, trade and GDP for the focus professional services is not systematically collected, the sectors are vibrant in the EAC. For example, in engineering services, the region has over 60,000 practitioners, comprising in Kenya: 19, 291 graduate engineers; 150 consulting engineering firms; 482 consulting engineers; 2408 professional engineers and 208 temporary professional engineers; in Rwanda 793 professional engineers; 61 Technologists and 114 firms; in Tanzania's total registered professionals Graduate Engineers (21,369); Professional Engineers (7,857); Temporary Professional Engineers (2,700); Temporary Consulting Engineers (152); Consulting Engineers (476); Incorporated Engineers (494); Graduate Incorporated Engineers (725); Foreign Engineering Consulting Firm (123); Local Engineering Consulting Firm (275); Material Testing Laboratory (40) and Engineering Technicians (1,979) and in Uganda -1516 registered engineers and 156 temporary engineers.

For legal services, the number of registered professionals is as follows: Burundi has 623 registered lawyers under the Bujumbura Bar Association and over 400 under the Gitega Bar Association. Kenya has 17,000 practicing advocates and more than 3,000 paralegals in Kenya. In Rwanda, the bar's current membership exceeds 1,073. According to the Tanzania Law Society, there are 10,436 registered advocates in the country , while Uganda has 5,004 advocates. The number of firms / lawyers in Burundi and South Sudan is not known

For accounting services, Kenya has the highest number of accounting firms in the EAC with around 2000 accounting firms, followed by Uganda with around 247 firms, Tanzania with 226 firms, Burundi with 46 auditing firms and 58 firms is Rwanda. In terms of number of professionals, Kenya has the highest density of accounting professionals in the region, with 25,000 registered professionals at the end of 2021. Tanzania had 5,969 registered members; Uganda 2,581 registered members; Rwanda 400 and Burundi 402. While the number may seem low, giving a perception of scarce accounting services resource, in practice, the number of accounting professionals in all Partner States is significantly higher than those of good standing (i.e. registered with the regulator). For example, in Kenya over 500,000 professionals have passed KASNEB exams, and many are practicing without registration.

State of liberalisation of professional services in the EAC

In the CMP/Revised Schedule of Commitments, all EAC Partner States have committed to liberalise accounting and engineering services, while for legal services, Tanzania has not committed to liberalise the sector. For accounting services, Uganda has placed limitations under Mode 3 for market access, under which accounting and auditing services branches are not allowed, and where ownership is all foreign, at least one must be resident in Uganda and all partners must be members of The Institute of Certified Public Accountants of Uganda (ICPAU). For legal services, Uganda has limitations under Mode 3, which requires that foreign/non-Ugandan law firms are to be partnerships in order to have a legal recognition of their own operations.

To facilitate movement of professionals across the region, EAC Partner States have negotiated and signed Mutual Recognition Agreement (MRAs) as follows:

• Mutual Recognition Agreement between Competent Authorities of Engineering Professions in the East African Community. Signed in September 2012. Current parties to the MRA – Kenya, Rwanda, Tanzania and Uganda.

• East African Community Institutes of Accountants (EACIA) Mutual Recognition Agreement – signed in September 2011. Current parties - Burundi, Kenya, Rwanda, Tanzania and Uganda.

For legal services, despite several attempts, an MRA has yet to be signed and the EAC Cross Border Legal Practice bill has yet to be concluded.

Based on diagnostic studies undertaken by GIZ, as well as the EAC Scorecard 2020 , the three professional services of focus have a number of restrictions in them, as follows:

Restrictions in accounting, engineering and legal services

	Legal services	Accounting Auditing and Bookkeepin g	Engineerin g services	Sub-total
Burundi	4	5	0	9
Kenya	0	0	7	7
Rwanda	0	4	2	6
Uganda	4	0	1	5
Tanzania	n/a	2	6	8

A sample of these restrictions (as extracted from Scorecard 2020) is included as an Annex 1.

Looking at the supply side, the sub-sector is constrained by various challenges, among them skills shortages, particularly in engineering; skills mismatch, which leaves many professionals without jobs and underdeveloped markets where professional services are less efficient, more costly and less widely available relative to other countries at comparable levels of development (for example, poor quality of auditing and reporting systems, poor enforcement of property rights). With less than one firm for 100,000 people in many professional services, East Africa has lower densities of service providers than more advanced comparators.

In terms of supply, the availability of middle-level professionals is another issue. Data on accounting technicians, paralegals, and engineering technicians suggests that, with the exception of accounting technicians in Kenya, East Africa is facing a middle-level skills vacuum. For example, in Tanzania, middle-level professionals account for 6% of all accountants. This contrasts with Kenya where there are 4 times as many accounting technicians than qualified accountants. Generally, across the region, demand outstrips supply, especially at the middle level. The low densities of service providers is a cause for concern in light of evidence showing that productivity gains of using professional service providers can be as high as 10-45%

Policy Recommendations

For professional services to continue playing its rightful role as a critical intermediate input to all sectors, the above challenges will need to be addressed. This policy brief therefore makes the following recommendations, with proposed timelines and responsible institutions.

Recommendation	Timeline	Responsible Authorities
General Recommendations		
Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers.	By December 2023	EAC Secretariat, EAC Council of Ministers
Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.	By December 2023	EAC Secretariat, Sectoral Council responsible for Education, Council of Ministers
Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.	By December 2023	EAC Secretariat, SCTIFI
Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.	By December 2023	All Partner States; EAC Secretariat, EAC Ministers of Finance, EAC Monetary Affairs Committee
Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, in order to broaden service integration.	By December 2023	EAC Secretariat, SCTIFI
Professional Services Specific Recommendations		
Complete negotiations for the EAC Cross Border Legal Practice bill and the Mutual Recognition Agreement for Legal Services.	By December 2024	EAC Legal Services Regulators, Ministries of Justice, EABC, EALS and EAC Secretariat
Review the MRAs for engineering and accounting services in order to address trade related aspects such as registration of firms and procedures related to the same.	By December 2024	EAC engineering and accounting regulators; Sector BMOs, EABC and EAC
Enhance regulatory framework for accounting and engineering sectors by i) establishing an engineering sector regulator in Burundi and ii) in accounting services in South Sudan.	By December 2024	Burundi and South Sudan, EAC Secretariat, EABC
Put in place a framework to require mandatory registration for all accounting professionals for efficient service delivery and accountability.	By December 2024	Accounting services sector regulators.

i https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32005L0036

ii https://www.ilo.org/global/industries-and-sectors/financial-services-professional-services/lang--en/index.htm

iii https://lsk.or.ke/about-lsk/

iv https://www.rwandabar.org.rw/about-rba

v https://tls.or.tz/

vi www.uls.or.ug

vii EAC-GIZ, April 2019. Sector Studies of Priority Services Sectors and their Economic Impact to Trade in Services and Investment in the EAC Region (Unpublished)

viii The EAC Common Market Scorecard is an EAC tool that monitors the implementation of the CMP through review of legal compliance to commitments made by Partner States. It is supported by the World Bank Group and the TradeMark East Africa. The Services Chapter of the Scorecard focuses on professional services (Legal, accounting, engineering and legal), road transport and distribution. The 2020 Scorecard as adopted by the Sectoral Council for Ministers Responsible for EAC Affairs and Planning in Nov 2021.

ix World Bank (Dihel, Nora, Ana M Fernandez and Aaditya Matoo), 2010. Reform and Regional Integration of Professional Services in East Africa: Time for Action. Washington DC.

x Ibid

Tourism
in East Africa

Key Recommendations

a) Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers

b) Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.

c) Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.

d) Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.

e) Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, in order to broaden service integration

Tourism Services Sector Recommendations

a) Remove all restrictions to the free movement of tourism practitioners (travel agents, tour operators and guides).

b) Develop / bring the EAC tourist visa under the ambit of the EAC, with a view to bringing all EAC Partner States on board and also streamline / automate the issuance process.

c) Enable mutual recognition of tourism qualifications and collaboration on tourism-related education and training.

d) Put in place measures to support the development of low-cost airlines to enhance / grow intra-EAC tourism business.

Introduction

As part of its advocacy agenda, the East African Business Council (EABC) has developed Barometer on East African Trade in Services, whose overall objective is to support improvements in the framework conditions for growth of services in the EAC. The Barometer focuses on the on overall trends on services performance (GDP, employment and export trade); state of openness with consideration to the revised schedule of progressive liberalisation of trade in services vis a vis commitment in the Common Market Protocol (CMP); the restrictiveness of the services trading environment and the advancements and progress at national and regional level on the EAC trade in services agenda.

Amongst the sectors of focus in the Barometer is the tourism services sector. This Policy Brief on Tourism Services Sector highlights the key findings against the indicators of the Barometer and the main recommendations made to support the sectors' growth and trade in the EAC.

The Tourism Services

Under the W/120 Services Sectoral Classification List, Tourism and Travel Related Services are categorised into four sub-sectors: Hotels and restaurants (including catering), Travel agencies and tour operators' services, Tourist guides services, and a residual "Other" category. These definition does not take into account other services or activities such as transport, distribution, business services, and recreational services that are linked to tourism services but placed within other W/120 sectoral categories. The updated CPC (version 2) thus introduces substantial changes in tourism and recreational services, allowing for more sub-categorisations under the broader tourism sector. CPC version 2 categorises Tourism and Travel related services into 3 sections:

• CPC 631: Accommodation services for visitors, including new subcategories such as Room or unit accommodation services for visitors, in time-share properties (63113);

• CPC 633: Meal serving services, including new subcategories such as Event catering services (63391) and Contract food services for transportation operators (63392), and

• CPC 855: Travel arrangement, tour operator and related services, including new subcategories such as including Reservation services for transportation (8551) and Tourism promotion and visitor information services (8556).

Tourism Services in the EAC

In the EAC, tourism is one of the most significant sectors in all the economies of the region and an area of comparative advantage for all EAC Partner States given the natural endowments. Before COVID pandemic, the sector contributed an average of about 17% to export earnings and on average, 10% of GDP and about 7% to employment. In Zanzibar where the sector is one of the devolved functions, tourism contributes 39% to the GDP of Zanzibar and about 80% of her foreign exchange earnings. Further, tourism is linked to other sectors in the economy such agriculture, manufacturing, insurance, and finance among others. Below is an overview of tourism services contribution to the EAC Partner States

Table 1: Tourism services contribution to GDP and employment in the EAC PS (2021)

	Value of Contribution to GDP (2021) – USD (millions)	% of GDP	Number of Jobs	% Total employment
Burundi	121.6	3.5%	69,300	1.4
Kenya	5,396	4.9	1,420,000	7.9
Rwanda	733.7	6.8%	302,600	4.8
Tanzania	4,033	5.9%	1,380,000	5.3%
Uganda	1,790.6	4.2%	533,3000	3.1

***Source**: Compiled from World Travel and Tourism Council, 2021 Annual Research Key Highlight Country report*

The region is a net exporter of travel and travel related services. Based on travel and travel related data (covers personal and business travel, travel accommodation and food service and other tourism related services), the region exported total travel services worth USD 5.3 billion in 2019, against imports of USD 1.4 billion. Both figures are likely to be higher given that Burundi has not yet reported its 2019 data. See figure 1 below.

State of liberalisation of tourism services in the EAC

Under the CMP, Partner States made varying commitments to liberalise tourism services.

- Burundi, Kenya and Rwanda have committed to liberalise all sub-sectors of tourism sector across all modes, with no limitations on market access and national treatment.

- For Tanzania, all subsectors except tourism guide services have no limitations on market access and national treatment. In addition, Tanzania has also committed to liberalise hunting by tourist and sport fishing under 'other tourism services', with no market access and national treatment limitations across mode 1-3 and Mode 4 is unbound except for business visitors (with limitation of temporary entry and stay of no more than 90 days in a calendar year); contractual service suppliers (with 2+years' experience) and independent service suppliers (with 5+ years' experience), plus limitation on the latter two to temporary entry and stay of no more than 6 months in any twelve month period, or for duration of contact, whichever is less.

•Uganda has commitments to open all sub-sectors, only Mode 1 has no limitations for market access and national treatment. Under tour agencies and tour operators, Mode 1 and 2 are unbound, but Mode 3 has limitations in that non- Ugandan services / service providers should incorporate or register the business locally and joint venture and local content requirements may apply to non -Ugandan services / service providers. For national treatment, non- Ugandans cannot own land, but can lease it for development purposes, upon approval by the sector ministry. These Mode 3 restrictions also apply for other tourism services. For tourist guide services, mode 3 is unbound for both market access and national treatment.

Based on the above, Partner States maintain a number of restrictions as follows:

Table: illustration of restrictions in tourism services

Partner State / Legal Source	Non- Conforming Measure / Restrictive Provisions
Kenya, **Tourism Act, 2011**	Tourism Act provides that a person shall not undertake any of the tourism activities and services unless they are licensed by Tourism Regulatory Authority (TRA). While the regulations place no restrictions on the free movement of services under in the various sub-sectors, they provide the following: In case of employment of expatriates (non-Kenyan citizens), TRA has to approve such employment and among the conditions that the employer may need to satisfy the TRA include a) that there is no Kenyan citizen qualified to fill the vacancy; and b)the employer has identified a suitable citizen to undergo training / understudy the non-citizen with a view to taking over the position within a specified time.
Tanzania **Tourism Act No. 11 of 2008** **+** **the Tourism Agents (Registration and Licensing) Regulations, 2015.**	*Registration of Tour Operators:* For foreigners (non-citizen owned companies) that want to register for tour operator business, the have to meet the following requirements: i. Have a fleet of not less than 10 new vehicles of the type approved for tour business by the TTLB; ii. All tour vehicles must not be more than 5 years old from the date of the first Registration; iii. Provide evidence that, the business project has been registered by Tanzania Investment Centre (TIC) and must provide copy of Certificate of Registration and Incentive from TIC. *Registration for Travel Agent:* Travel Agent registration is issued to companies which are fully owned by Tanzanians as stipulated in the Tourism Act No. 11 of 2008, section 58 (2). The applicant must have not less than two employees who are Tanzanians; whereas the said employees must have International Air Transport Association (IATA) Certificate/Diploma.

Important to note also is that the EAC has not yet committed to liberalise the important 'recreational, cultural and sporting services' sub-sectors, which are a crucial complement to tourism services. Based on a 2019 mapping of culture and creative industries in the EAC, the sector is under-developed, but with significant potential for social and economic growth. Music was noted as the most significant sub-sector under the creatives industry. The mapping indicated that in 2014 (the year for which data could be established), the EAC earned approximately USD 2 billion in trade for culture goods and services. Recreational and cultural services sector represent significant economic potential, in terms of job creation, GDP and trade and underpin the social fabric on which national and regional identities are defined. The EAC Development Strategy (2017-2021) recognised explicitly that cultural and creative industries are an asset for the EAC economy and competitiveness. Moreover, as part of the efforts to promote the sector, the EAC adopted in 2015 the EAC Creative and Cultural Industries Bill, which seeks to provide an environment conducive to the enhancement and stimulation of creativity and innovative endeavours among the citizens of the Community. Also noteworthy is the national level mapping of culture and creative industries in all Partner States and the undertaking of first and second editions of the EAC Arts and Culture Festival (Jumuiya ya Afrika Mashariki Utamaduni Festival– JAMAFEST). These initiatives however have had a limited 'trade' component, being seen more as a social sector, pointing to a need to liberalise and develop the sector in order to enhance cross border trade and collaboration as well as strengthening the productive and export capacity of players in the sector.

Policy Recommendations

For tourism to continue playing its rightful role as a leading contributor to GDP, employment, foreign exchange as well as supporting other sectors' growth, the above challenges will need to be addressed. This policy brief therefore makes the following recommendation, with proposed timelines and responsible institutions.

Recommendation	Timeline	Responsible Authorities
General Recommendations		
Finalise the process of adoption of the revised schedule of commitments and the EAC Regulations for the free movement of services and services suppliers	By December 2023	EAC Secretariat, EAC Council of Ministers
Fast-track finalisation of Annex VII of the EAC Common Market (Mutual Recognition of Academic and Professional Qualifications) Regulations.	By December 2023	EAC Secretariat, Sectoral Council responsible for Education, Council of Ministers
Develop a regional timebound framework / roadmap for removal or easing of restrictions in order to enhance cross border movement of services.	By December 2023	EAC Secretariat, SCTIFI
Review the EAC Agreement on the Avoidance of Double Taxation (DTA) to align it to Base Erosion and Profiting Shifting (BEPS) Action Points. Thereafter, implement it across the EAC region and sensitise key stakeholders on it.	By December 2023	All Partner States; EAC Secretariat, EAC Ministers of Finance, EAC Monetary Affairs Committee
Agree on a timetable for the negotiation of the 5 service sectors not covered under the CMP, in order to broaden service integration.	By December 2023	EAC Secretariat, SCTIFI
Tourism Services Specific Recommendations		
Remove all restrictions to the free movement of tourism practitioners (travel agents, tour operators and guides).	By December 2023	United Republic of Tanzania and Kenya
Develop / bring the EAC tourist visa under the ambit of the EAC, with a view to bringing all EAC Partner States on board and also streamline / automate the issuance process.	By December 2023	EAC Secretariat and all Partner States
Enable mutual recognition of tourism qualifications and collaboration on tourism-related education and training.	By December 2023	All Partner States / EAC Minister of Labour and Education
Put in place measures to support the development of low-cost airlines to enhance / grow intra-EAC tourism business.	By December 2024	All EAC Partner States; EAC Partner States, Ministers responsible for Transport

New EAC Common External Tariff and Impact on Trade

Introduction

The four-band EAC Common External Tariff (CET) structure came into force effectively on 1st July 2022. The process of reviewing the EAC CET rates started over five years ago with the intention to promote trade and industrialization in the region. The EAC Council of Ministers adopted the four band tariff structure through Legal Notice EAC/117/2022. The new 4 band CET structure has a minimum rate of 0 per centum, rates of 10 per centum, 25 per centum and a maximum rate of 35 per centum in respect of all products imported into the EAC. In addition, the new tariff structure has a list of sensitive items with import duty rates higher than 35 per centum ranging from 50% to 100%.

Structure of the New EAC CET Structure HS 2022

The first implementation of the EAC-Common External Tariff (CET) commenced in January 2005 after coming into force of the EAC Customs Union Protocol. Before coming into force the 4 band EAC CET which is HS 2022 Version the EAC implemented four versions which were HS 2002, 2007, 2012 and 2017. In summary, the revised 4- band EAC CET increase the tariff lines from the former 5, 688 as per HS 2017 to 5, 955 as per HS 2022. The 444 new tariff lines were created under HS 2022 and 172 tariff lines were deleted from HS 2017. The main difference between the previous and new EAC CET is the introduction of the 4th band with 35% as the maximum rate which covers 499 tariff lines and rates of sensitive items increased from 35% to 50% as the minimum rate to 100% as maximum. The sensitive items consist of 50 tariff lines.

Table 1: Summary of the New EAC CET

EAC CET Rate	Cate	No. of tariff lines in the EAC CET
0 %	Raw materials and capital goods	2,245
10 %	Intermediate goods	1,174
25 %	Final/finished goods not sufficiently available/produced in the EAC region	1,965
25% or USD 200/MT whichever is higher	Final/finished goods not sufficiently available/produced in the EAC region	22
35 %	Final/finished goods sufficiently available/produced in the EAC region	496
35% or USD 0.40/KG whichever is higher	Final/finished goods sufficiently available/produced in the EAC region	3
50%	Sensitive	19
60%	Sensitive	17
75% or USD 365/MT	Sensitive	5
100% or USD 460/MT	Sensitive	9
Grand Total		**5,955**

4^{th} Band Products Attract 35% Tariff

Under the current EAC CET (HS 2022 Version) there are 499 tariff lines (products) that are classified under the 4th band. This consist of just 8.37% of total EAC tariff lines. While 496 tariff lines were those products which were previously attracting 25%, the other 3 items are those which were previously classified as Sensitive Items e.g. worn articles, batteries, wheat grain.

Some of the products under 4th band which attract 35% tariff rates are: meat, dairy produce, live trees, furniture, edible vegetables, edible fruits, tea, coffee and mate, animal and vegetable fats & oils, preparations of meat and fish, cocoa and cocoa preparations, preparations of cereals, cement, paints, cosmetics, plastic water tanks, wigs, ceramic products, textiles, iron and steel, pen, beverages, spirits and vinegar.

Criteria for Classifying Goods Under the 4th Band of 35% Tariff

The rationale of the 4th band is to support development through increased intra-regional and continental markets and diversification of product base including building on informal sector potentials. The main criteria used to classify goods under the 4th band which attracts a 35% tariff are:

- Availability of the products – import/export data was used as proxy since there was no data on local production
- Promotion of sectors with long value chain – key sectors outlined in the EAC Industrialization strategy e.g. textiles and apparel, iron & steel, hides and skin, chemicals
- Strategic goods (revenue contribution e.g. luxurious goods, unfair competitive goods, subsidized and dumped goods, employment, food security, rural development, livelihoods, security, foreign exchange, welfare promotion e.g. Chapter 33 cosmetics
- Food security and rural development.

Justification for the 4th Band of 35% Rate

The reasons behind of introduction of the 4th band of 35% include;

- National and regional policies/strategies on industrialization in EAC region
- Changes in the regional economic structures, where value chains and further processing of intermediate materials were beginning to take root
- Frequent use of SOAs where the 3-band structure was no longer applicable
- Safeguarding government revenues
- Stakeholder contributions to the CET processes

Private Sector Position on 35% for 4th Band

During the review process, the EAC Partner States had divergent positions on the maximum CET rate of either 30%, 33% or 35% on the 4th tariff band. However, the majority of the EAC private sector led by EABC supported 35%. The reasons were:

- 35% tariff rate provides an adequate tariff deferential of 10% which is required to incentivize industrial investments in EAC
- Products identified for the 4th band were those that are sufficiently manufactured/available in the EAC region
- The proposed 35% tariff rate was arrived at from a consultative process with EAC private sector led by manufacturers in collaboration with EABC
- The tariff lines to be classified under the 4th band represents just 8.37% of the total EAC tariff lines and hence have little impact on consumer price since they can be accessed duty-free (0% Import duty) in the region and other markets in which the EAC has Free Trade Arrangements i.e., COMESA, SADC, Tripartite and AfCFTA, etc.
- Many products are currently lumped in the 3rd band of 25% CET rate which is for products not available in the region
- The tariff differential of just 5% between 25% and 30% is not sufficient to attract investment in the region as opposed to 35%;
- In terms of the social welfare erosion, the items proposed for the 4th tariff band are those sufficiently produced in the region hence welfare erosion does not arise
- Price inflation would not be an issue as evidenced in products where the higher rate has already been applied by the Partner States through stays of applications (SoAs).

Ministerial Decision Adopting 35% as the Maximum Rate

The EAC Ministers adopted 35% as the maximum rate instead of 33% or 30% based on the following reasons:

- The macroeconomic impact of the proposed maximum CET rates on revenue, employment, welfare, trade and industrial development is more significant than the other rates (33% and 30%). The only negative impact was welfare loss which is transitory and can ably be alleviated by increased industrial production, trade creation, employment creation and revenue generation
- The Ministers / Cabinet Secretary emphasized the need to facilitate regional industries by adopting policies that are favorable to support their production.
- The Ministers / Cabinet Secretary emphasized that the region has the potential to produce its own products, particularly in the area of agro-processing.
- It was highlighted that the current global trade disruptions due to the crisis in Ukraine and Russia and lessons learned from the Covid pandemic should be a starting point for regional industrialization.
- The Ministers / Cabinet Secretary emphasized the need to facilitate regional industries by adopting policies that are favorable to support their production

Positive Effects of the 4-Band CET Rate (2022 Version)

Full implementation of the 4-band CET rates and especially the 35% uniformly by all EAC Partner States will contribute positively to revenue, intra-regional trade, expansion of trade and investment as part of building the supply capacities; sustaining food security and rural development; improving on competitiveness; creation of employment opportunities and safeguarding of revenues. The only negative impact is welfare loss which is transitory and can ably be alleviated by increased industrial production, trade creation, employment creation and revenue generation.

In summary, the implementation of the maximum 35% CET rate will have positive effects of: reduced imports due to trade diversion (exporter substitution), expansion of intra-regional trade and product diversification. Other positive effects are: the creation of employment opportunities from production switch (trade creation and diversion), creation of opportunities in informal trade, sustenance of regional food security and rural development and reduction in the use of SOAs to support the development of national and regional value chains.

Table 2: Summary findings from Analysis on impacts of proposed maximum CET rates of 30%, 33% and 35% of EAC Partner States

Macroeconomic Indicators	Country	Max 30%	Max 33%	Max 35%
Tariff Revenue (% change)	Burundi	10.2%	10.9%	11.3%
	Kenya	3.2%	4.1%	4.7%
	Rwanda	4.1%	5.5%	6.3%
	URT	5.4%	6.7%	7.6%
	Uganda	6.1%	7.6%	8.5%
Trade Diversion & Creation (USD)	Burundi	1,113,834	1,260,560	1,363,749
	Kenya	3,710,169	4,526,766	5,099,829
	Rwanda	2,163,747	3,082,011	3,714,495
	Tanzania	184,586	247,445	291,288
	Uganda	5,866,088	7,396,403	8,456,681
Welfare Effect (USD 000)	Burundi	-180.4	-180.4	-180.4
	Kenya	-384.7	-516.1	-610.8
	Rwanda	-7,844.5	-7,844.5	-7,844.5
	Tanzania	-7,166.2	-7,166.2	-7,166.2
	Uganda	-8,248.8	-9,106.5	-9,722.1
Industrial Production (% change)	Burundi	0.10%	0.11%	0.12%
	Kenya	0.04%	0.05%	0.06%
	Rwanda	0.14%	0.18%	0.20%
	Tanzania	0.01%	0.02%	0.02%
	Uganda	0.02%	0.02%	0.02%
Formal Employment (% change)	Burundi	0.05%	0.05%	0.05%
	Kenya	0.05%	0.06%	0.07%
	Rwanda	0.03%	0.04%	0.04%
	Tanzania	0.04%	0.05%	0.05%
	Uganda	0.05%	0.07%	0.08%
Macroeconomic Indicators	Country	Max 30%	Max 33%	Max 35%
Tariff Revenue (% change)	Burundi	10.2%	10.9%	11.3%
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	Uganda	0.02%	0.02%	0.02%
Formal Employment (% change)	Burundi	0.05%	0.05%	0.05%
	Kenya	0.05%	0.06%	0.07%
	Rwanda	0.03%	0.04%	0.04%
	Tanzania	0.04%	0.05%	0.05%
	Uganda	0.05%	0.07%	0.08%

Source: Calculations from simulation results

Performance of EAC Transport Corridors

1.0 INTRODUCTION

According to East African Shippers Council (EASC) Logistics Performance Survey 2021, the efficiency and cost of freight transport services play a critical role in the competitiveness of international traders and by extension the economic performance of a country. Transport and logistic providers have been enlisted as essential service providers during the imposition of the COVID-19 containment measures. This underscores the importance of transport and logistics in the regional economy.

Attempts to measure the efficiency of logistics services of a country have been done through the World Bank Logistics Performance Index (LPI), which attempts to rank the logistics performance of countries based on the following set of indicators namely;

- Customs
- Infrastructure
- International Shipment
- Logistics Competence
- Tracking and timelines.

One of the main agendas of economic growth and competitiveness is improving freight logistics performance. Globally, the freight logistics sector has been recognized as one of the core pillars for economic development. Improving trade logistics through enhancing trade facilitation measures has continued to be important to EACs regional integration agenda. The logistics performance in the region over time has improved as a result of a decline in tariffs and removal of trade barriers.

2.0 COVID-19 PANDEMIC

The financial implications of COVID-19 on trade and supply chains are significant. According to the Institute of Shipping Economics and Logistics (ISL), container throughput index, which measures the number of people and goods that pass-through shipping ports daily, declined from 113.3 in January 2020 to 107.7 in May 2020, a decline of 9.5%. In addition, the International Air Travel Association (IATA) stated that Industry-wide air Cargo Tonne-Kilometres (CTKs) fell by 15.3% year-on-year in the three months to April 2020.

Explaining further, cargo volumes plunged but lack of capacity boosted loads and yields. This implied that sea and air cargo transport had been adversely affected by COVID-19. According to the World Bank (2020), due to COVID-19, in 2020 globally, there was an increasing decline in the number of port calls, particularly from container ships. The decline was a result of blank sailings, and scheduled container services that either did not run at all or did not call at particular ports on a scheduled route, due to insufficient traffic.

3.0 EAC TRANSPORT CORRIDOR ANALYSIS

3.1. Northern & Central Corridor Transport Networks
The Transport Corridor network consists of surface modes of transport in the Northern and Central transport

corridors. The entire Northern Corridor Road network covers approximately 12,707 km in length distributed as follows; 1,323.6 km in Kenya, 2,072 km in Uganda, 1,039.4 km in Rwanda, 567 km in Burundi, 4,162 km in DRC and 3,543 km in South Sudan. The main arterial cargo highway runs from the port city of Mombasa through Nairobi and Kampala to Kisangani in eastern DRC. Tributaries branch off to Mwanza, Juba, Bujumbura, and Kigali. The currently installed pipeline system consists of 1,342 Kilometres of pipeline with the capacity to handle about 6.9 billion liters of petroleum products annually with eight (8) depots on the network.

The Central Corridor by road stretches from the port of Dar es Salaam through the United Republic of Tanzania, where it splits to enter Burundi at Kobero/Kabanga border posts, Rwanda at Rusumo/ Rusumo border posts and Uganda at Mutukula/Mutukula border posts. The Corridor continues to Goma and Bukavu through Rwanda. The Central Corridor by central railway line links Uganda through the inland port of Mwanza on Lake Victoria and links Burundi and Eastern DRC through the inland port of Kigoma on Lake Tanganyika. The Central and Northern Corridors are linked through various road arteries that run through member Countries. Kenya links to Tanzania through the Namanga border via the Namanga-Athi- River route, Taveta/Holili border via the Voi- Taveta Route, Isebania/ Sirari border via the Isebania- Ahero route and Lunga Lunga/ Horohoro border via the Likoni – Lunga route.

3.2 Mombasa & Dar es Salaam Port Performance

The COVID-19 global pandemic affected various key performance indicators at the port of Mombasa and the Port of Dar es Salaam in 2020. The table below shows the summary of the performance indicators between 2019 and 2020 for the two ports.

3.2.1 Port of Mombasa

a) Cargo Throughput

A total of 34.13 million tons of cargo were handled in 2020, which is 1.8 million tons shy of the target of 35.90 million tons. It is worth noting that the pandemic and containment measures stifled domestic activity and disrupted global trade. Compared to 2019, the Port of Mombasa recorded a marginal decline of 0.9% in total cargo throughput in 2020. The decrease was mainly attributed to disruptions to the supply chain because of global lockdowns imposed due to the raging COVID-19 pandemic.

b) Ship Turnaround Time

Ship turnaround time in terms of days remained constant at 3.92 days (94 hours) between 2019 and 2020. The average turnaround time performance falls short of the 81 hours' target. This could be partly attributed to delays encountered by transporters to meet the COVID-19 health protocols.

c) Dwell Time

In the Port of Mombasa, the average dwell time improved significantly from 100 hours in 2018 to 88 hours in 2019. This time worsened to 106 hours in 2020, which could be linked to the longer ship turnaround time in the same year. Performance of this indicator was short of the Charter set a target of 78 hours. The poor performance could be attributable to the longer time to complete cargo clearance formalities and temporary storage time.

d) Transit Time

Current data shows that in 2020 Mombasa-Kigali route was the slowest averaging 9.75 days followed Mombasa-Cyanika (8.38 days), Mombasa-Mpondwe (8.33 days). This suggested that there were factors constraining cargo movement on these routes. The Mombasa-Elegu (6.29) and Mombasa Kampala (6.42 days) routes were the fastest. The data indicates that there was an increase in average transit times between 2019 and 2020 which was mainly attributed to COVID-19 pandemic.

e) Transport Rates

The transport freight rates from Mombasa to the EAC Partner States increased in 2020 compared to previous years. The increase in the average transport rates from Mombasa to these destinations was attributed to the novel Coronavirus (COVID-19) outbreak. The pandemic constrained logistics operations which led to delivery delays, congestion, and higher freight rates. Further analysis revealed that cross-border logistics bottlenecks hurt the cost of cargo transportation to different destinations. Other factors that led to cost escalations include costs related to driver testing for COVID-19, including quarantine, multiple border charges and road conditions.

Average Transport Rates (USD) to various destinations from Mombasa Port

From	To	Distance(Km)	Tariff Per Container/Km in USD			Number of Trips	
			2016	2018	2020	2019	2020
Mombasa	Nairobi	481	1.78	1.62	1.77	8	6
Mombasa	Kampala	1,169	1.86	1.79	1.88	4	2
Mombasa	Kigali	1,682	2.16	2.23	2.08	2	2
Mombasa	Bujumbura	1,957	2.55	3.07	3.07	1	1
Mombasa	Goma	1,840	3.33	3.13	1	1	1
Mombasa	Juba	1,662	2.86	3.01	2.29	2	2

Source: KTA Data: 2016-2020

3.2.2 Port of Dar es Salaam

a) Total Cargo Throughput

The total cargo through-put at the Port of Dar es Salaam slightly decreased by 1.03% from 16,022,952 Mt in 2019 to 15,857,870 Mt in 2020 as a result of COVID-19 global pandemic. The volume of Transshipment Cargo also decreased by 77.04% during the same period from 86,388.00 Mt in 2019 to 19,837.00 Mt in 2020.

b) Ship Turnaround Time

The Ship turnaround time in terms of days increased by 61.11% from 3.6 days in 2019 to 5.8 days in 2020. This increase was attributed to the ship waiting time at Outer Anchorage (OA) and Berth time which affected the overall ship turnaround time.

c) Truck Turnaround Time

The data in Table 2-3 shows that Truck turnaround time for the calendar year 2019 at TICTS was on average of 2.14 hours whereas in 2020 it averages of 1.84 hours. This showed that TICTS system was operating efficiently to make sure Truck turnaround time is effectively reduced.

d) Dwell Time

The Ship Dwell time decreased by 10.6% from 11.41 days in 2019 to 10.2 days in 2020. This decrease was mainly attributed to ongoing improvements at the port and joint efforts from stakeholders to make the port efficient and productive.

The available data shows that there was an increase of 132%, 65.4%, 73.2%, 136% and 134% in transit times to Kigali, Bujumbura, Kampala, Bukavu and Goma respectively from the Port of Dar es Salaam from 2019 to 2020. This tremendous increase of transit time was mainly attributed to the COVID- 19 global pandemic that had forced Central Corridor governments to respond with travel restrictions and bans to minimize the spread of the disease within the local community and from Country to Country.

e) Road Transport Rates

The road transport rates (Imports) to various destinations per container during the period 2019 to 2020. The container transport rates (USD/TEU & FEU) to Kigali and Bujumbura decreased by 3.4% and 3.2% during the period 2019 to 2020. Container transport rates (USD/TEU &FEU) to Kampala increased by 1.5% during the same period. On the other hand, the container transport rates in terms of Cost (USD/Km) for Kigali (3.6%) and Bujumbura (3.2%) decreased whereas that to Kampala increased by 1.1%. the main reason for the decrease in transport rates from 2019 to 2020 was attributed to the decrease in volume to transporters in Tanzania as a result of transporters in other countries purchasing trucks.

Road Transport Rates Imports Per Container

Destination	Transport Rates (USD/TEU & FEU)2019	Transport Rates (USD/TEU & FEU)2020	Annual Change (2019-2020)	
Kigali	2,900	2,800	-3.4%	
Bujumbura	3,100	3,000	-3.2%	
Kampala	3,250	3,300	1.5%	
Bukavu	4,900	4,900	0.0%	
Goma	4,200			
Destination	**Distance (Km)**	**Cost (USD/Km)2019**	**Cost (USD/Km)2020**	**Annual Change (2019-2020)**
Kigali	1,495	1.94	1.87	-3.6%
Bujumbura	1,640	1.89	1.83	-3.2%
Kampala	1,780	1.83	1.85	1.1%
Bukavu	1,769	2.77	2.77	0.0%
Goma	1,635	2.57	2.63	2.3%

Source: CCTO 2021

With the corridor performance declines illustrated above, operational constraints in both small and top players in the supply chain sector and Non-Tariff Barriers have also to led to delivery delays, congestion, and higher freight rates. In addition, due to the insufficiency of a recovery plan, most small players in the transport and logistics sector have been severely hit, leading to the closure of operations. In contrast, top players resorted to invoking the ‘Force Majeure’ clause that allows contracts to be declared null and void due to acts of God or other unexpected circumstances on all their contracts due to COVID-19 (IFC, 2020).

4.0 CORRIDOR PERFORMANCE & IMPACT ON EAC BUSINESS COMPETITIVENESS

In order to highlight the current corridor trends post Covid-19, the East African Business Council organized a webinar aimed at appreciating the work being done by the management of both the central and northern transport corridors, challenges faced by the users as well as come up with recommendations that would strategically improve the cost of movement of goods and consequently reduce the cost of trade in the EAC region.

The main objectives of the webinar included;

- Receive the performance update of both northern and central trade corridors post-Covid 19 and their contribution to the transport and logistics sector in the EAC

- To analyze the transport and logistics-related infrastructure that discusses the infrastructure by modes of transport in the EAC.

- To examine the trade facilitation initiatives and discuss the developments to facilitate the transport and logistics sector.

- To establish the policy, legal and regulatory framework that talks about the transport and logistics policy environment at regional and national transport policies of EAC

- To examine the challenges and constraints facing transport and logistics in EAC.

- Propose interventions to promote the EAC trade corridors to ensure effective trade facilitation across the region.

4.1 Challenges on the Central and Northern Corridors

The challenges faced by the private sector using the Trade Corridors include;

- Poor physical and soft infrastructure leads to increased dwell time and truck turnaround time,

- Low competitiveness due to none appreciation of the importance of transport and logistics in facilitating trade across the region by policymakers,

- Limited public-private collaboration to support transport and logistics players,

- The level of automation of services by the private sector is low,

- Low border agency coordination leads to delays at the border posts,

- Low port efficiency due to limited human and equipment capacities,

- Lack of a regional approach to supporting the transport and logistics sector, leading to a silo operation mindset,

- The existence of Non-Tariff Barriers and other technical barriers such as roadblocks across the corridor has affected the performance of the EAC corridors.

5.0 RECOMMENDATIONS TO IMPROVE PERFORMANCE OF EAC CORRIDORS

The public and private sectors have a big role to play in ensuring that the EAC trade routes remain as competitive to be able to enable trade across the region. The major proposed interventions to support the efficiency of the central and northern corridors include;

- Need for a structured formal engagement between the public and private sector in the identification of cost drivers and other challenges in the transport and logistics sector,

- Need to address technical and administrative challenges that are affecting ports performance,

- Need to invest in research to enable effective advocacy at the national and regional levels,

- Adoption of e-commerce and private sector automation to enable business to business initiatives that help to connect with their global counterparts,

- EAC governments to invest in physical and soft infrastructure along the trade routes,

- Need to develop the capacity of maritime players such as clearing and forwarding players to be able to match continental and global development trends,

- Need to invigorate investment in the rail system and maritime sector in EAC as an alternative mode of transport,

- Need for continuous monitoring of the corridor performance to address competitiveness challenges, leveraging on best practices from other regions.

Youth in Business

In Africa, the job market is not equipped to absorb a massively growing youthful population who over 65% are under the age of 35 years. It is projected that by 2063 the continent's population will be 3 billion. More remarkable is the fact that the increase in Africa's labor force between now and 2063 will be young people. This youthful population has obviously been seen by human development specialists as a challenge: more mouths to feed, more bodies to keep healthy, millions of job seekers waiting in line. Important to note are the concerns about how to equip youth for an increasingly evolving knowledge and work economy.

In 2019, following the launch of the Under 40 Business Leaders Forum, we established the Youth in Business, Trade and Enterprise pillar, with the aim of enhancing the capacity of youth in Business, Trade and Enterprise to advocate for an enabling policy and institutional environment for pursuing economic opportunities and decent work for youth.

The advent of the African Continental Free Trade Agreement, a priority instrument of the African Union to economically integrate the African Continent brought a lot of excitement and promises to create 30 million jobs and create a market for millions of youth businesses. This prioritisation by the Assembly of the Heads of State and Government, actually finds expression in the fact that as of today, 45 countries out of 55 have ratified the agreement establishing the AfCFTA.

However, if the youth in trade are to benefit from the agreement, they need to meaningfully participate in its implementation processes. In a research study we conducted dubbed "Making the AfCFTA Promises a Reality to African Youth", the findings show a huge information deficit. Whereas most youth have heard about AfCFTA mainly through social media, a large number do not have the knowledge on how to make good of the common market, and how they can, besides being beneficiaries of the AfCFTA, be active participants and contributors in the implementation processes. This informed the implementation of our AfCFTA Youth Inclusion Accelerator Project.

What was achieved in 2022

In the year 2021, National Government-Private Sector Roundtables were held for the first time in each of the EAC Partners States, with the support of Ministries of EAC, National Business Apex Organizations, the private sector, EAC Youth Ambassadors Platform, and YouLead Africa Consortium Member Organisations. The groundwork was laid to provide an even more productive platform in 2022, for the corporate sector to participate in AfCFTA Youth Inclusion initiatives, and furthermore, through this support, over 250 youth physically attended the 2021 YouLead Africa Summit, with over 3,000 attending virtually from across Africa. The EAC Youth Enterprise Awards were also continued based on the 2020 milestones. No awards were given due to funding shortages but a Continental bootcamp on AfCFTA for youth business leaders and policy makers as well as the youth business skills workshop were held in Arusha during a week preceding YouLead Summit 2021. These activities foundation for continued engagement with major success for 2022 as summarised in the section below.

YouLead Summit 2022

The East African Community (EAC), MS Training Centre for Development Cooperation (MSTCDC), East African Business Council (EABC) convened the 6th YouLead Summit 2022, from 12-16 December in Arusha Tanzania under the theme: Digital Access and Future of Work. Other partners for 2022 included the Danida Fellowship Centre (DFC), Oxfam, African Union's African Peer Review Mechanism Secretariat (APRM), International Trade Centre, Independent Continental Youth Advisory Council on AfCFTA (ICOYACA) ActionAid International and Julius Nyerere Leadership Centre based at Makerere University. Ahead of the summit, a series of pre-summit activities and events were held, including the Continental Bootcamp for 60 Youth Leaders and Policy Makers on Youth inclusion in Social-Economic Development and Policy Formulation in Africa held Monday 05.12 – Friday 09.12, 2022 in Arusha Tanzania that drew participation from 15 African countries.

The summit had 620 delegates from over 45 African countries physically in Arusha and over 2300 virtual delegates. The summit was delivered in form of 4 main forums: the Under 40 Political Leaders Forum held on Monday 12 December that also featured the Policy Makers and Development Partners Roundtable and a Continental Fireside chat on Leadership for the Africa we want, the Under 40 Business Leaders Forum focused on how to make the the AfCFTA work for youth through the Protocol on Women and Youth in Trade, held on 13th December that featured the East Africa Youth Enterprise Awards (YEA), the Gender Equality Forum and the Arusha Peace Forum held on Wednesday 14th December.

To ensure that the life of summit discussions go beyond the summit reports, Thursday 15th December was dedicated to developing a Post-Summit Agenda of Action by the delegates and partners as a proactive post-summit program mechanism and providing the right entry points and opportunities for both policy and program level interventions and partnerships.

The summit featured key unveilings and launches, among them, presentation of the EAC Youth Leadership Fellowship - an Emerging Leaders Fellowship Initiative being developed by the East African Community, Jakaya Kikwete Foundation (Tanzania), MS Training Centre for Development Cooperation (Ms TCDC), East African Business Council, Julius Nyerere Leadership Centre (Uganda) and Emerging Leaders Foundation (Kenya).
The Under 40 Business Leaders Forum featured the Pitching session for EAC Youth Enterprise Accelerator Awards (EAC YEA) for cross-border trade innovations focused on post-COVID-19 economic recovery and aimed at creating decent jobs for youth. The Business Leaders Forum was crowned by the launch of the Afrikan Youth Business Council (AfYBC) by H.E Albert Muchanga, African Union's Commissioner for Economic Development, Trade, Tourism, Industry and Minerals. The AfYBC is a continental apex body for youth-led business entities. The key recommendations emanating from the Summit informed the development of the Post-summit Agenda of Action.

More than just a summit, the Arusha Experience allowed delegates to explore the numerous tourist destinations and sites that give Arusha its rich history and relevance in the African renaissance. As per YouLead's practice of participatory approaches and youth-led decision making, the summit was climaxed with a popular survey for delegates to contribute toward the YouLead Summit 2023 theme and destination. A majority of participants voted for the 2023 theme to be "Youth economic empowerment" followed by "The role of youth innovations in advancing the Buy Africa - Build Africa Agenda".

On the destination city for the 2023 YouLead Summit by vote, delegates wish to see the summit hosted in Nairobi, Kigali, Kampala, Arusha, Bujumbura, Kinshasa and Juba respectively. Important to note is that voting by delegates is one among other factors that are considered for the theme and destination of each year's YouLead Summit.

Notable Speakers of the summit included H.E Fatoumata Tambajang, former Vice President of The Gambia, Hon. Amb. Ezéchiel Nibigira, Chairperson, EAC Council of Ministers, who doubles as Minister Ministry of East African Community Affairs, Youth, Sports and Culture Republic of Burundi, Hon. Rebecca Miano, Cabinet Secretary Ministry of EAC Affairs, Hon. Paula Ingabire, Minister responsible for ICT and Innovation in the Republic of Rwanda, H.E Albert M. Muchanga, Commissioner for Economic Development, Trade, Industry, Mining (ETIM) at the African Union, Mr. John Bosco Kalisa, Chief Executive Officer-East African Business Council, H.E Donald J. Wright, US Ambassador to Tanzania, Ms. Charlene Ruto, First Daughter of the Republic of Kenya, H.E Mette Norgaard, Danish Ambassador to Tanzania, Prof. Eddy Maloka, Hon. Dr. Peter Mathuki, EAC Secretary General represented by Dr Irene Charles Isaka (Ms), Director Social Sectors, EAC, Ms Hodan Addou, UN Women Representative in Tanzania, Hon. Maasay Pamela Simon-EALA MP, Tanzania, Hon. Nusrat Hanje, MP. Tanzania, Dr Mona Girgis, Director of Plan International Tanzania, Ms Chido Cleopatra Mpemba, AU Youth Envoy among other dignitaries, Ms. Pamela Coke-Hamliton, Executive Director of the International Trade Centre, Ms. Yafika Chitanda representative of the AfCFTA Secretariat, Ms. Makena Mwobobia, Executive Director of MS TCDC and Mr. Ivan Atuyambe, Head of Leadership and Governance Academy at MS TCDC who also doubles as Director of YouLead.

Notable initiatives in 2021/2022

AfCFTA Youth Inclusion Accelerator Project (AFCFTA-YIAP)

This was a two-year project being implemented by MSTCDC/YouLead Secretariat with the financial support from the German Agency for International Cooperation (GIZ) - African Union's office. The project was developed following the official launch of trading under the AfCFTA on January 1, 2021, and the necessity of positioning young people at the forefront and capacitating them to ensure the successful implementation of the AfCFTA agreement. Activities of the project includes: Making the AfCFTA promises a reality for African youth; a continental study on capacity gaps, policy constraints and prospects of youth inclusion in AfCFTA and AfCFTA Continental Young Leaders and Policy Makers Summer Bootcamp - a major outcome of the continental bootcamp was the formation of the Independent Continental Youth Advisory Council on AfCFTA (ICOYACA) - https://www.youlead.africa/afcfta. Since then, we have been able to conduct over two bootcamps in collaboration with the East African Business Council.

The East Africa Youth Enterprise Awards (YEA) - Seeks to support youth-led businesses and ideas that are resilient, innovative and action oriented towards providing decent livelihoods for youth and addresses gender-based economic inequalities especially against young women and promotes e-commerce innovations.
About Youlead Africa

Africa's flagship Youth Leadership Program, working to unlock youth leadership potential for a prosperous continent by identifying, connecting and fostering cooperation among Africa's vibrant and influential young leaders and their initiatives. YouLead is a joint initiative of MS Training Centre for Development Cooperation and the East African Community (EAC) in Arusha, Tanzania. In 2021, the EABC joined the partnership as part of its mandate to support the Economic empowerment of youth within the East African region. H.E. Jakaya Kikwete, Former President of the United Republic of Tanzania, is YouLead Africa's current Patron.
More: https://www.youlead.africa/

Championing Prosperity for Women in Business in East Africa

The EAC Treaty provisions enumerated in Articles 121-122 endorse that women in East Africa play an important role in the economic, social, and political development of the region. The Treaty recognizes the importance of creating an enabling environment for the private sector to take full advantage of the community. Furthermore, one of the operating principles of the EAC integration, stipulated in the Treaty, is a people-centered and market-driven economy. These pronouncements give impetus to the EAC private sector to fully participate, contribute and take advantage of the integration benefits through a private sector and market-driven process. In order to have meaningful private sector participation in the integration process, there is a need for more inclusive private sector development recognizing that the EAC private sector is diverse, and opportunities need to be provided for the development of enterprises of all sizes (small and medium enterprises (SMEs) and large enterprises).

SMEs in EAC account for 60% of employment opportunities and have the largest proportion of newly created jobs. Despite their important role in entrepreneurial development and employment creation, the contribution of SMEs to the national Gross Domestic Product (GDP) in EAC has been low at about 27%. Women, despite constituting over 60 percent of the EAC population, are still marginalized in the decision-making processes in comparison to their male counterparts. Currently, trade and most of the African economy are not gender-neutral; it remains biased in favor of men due to social inequalities and a disempowering patriarchal culture that subordinates women. SMEs face several challenges restricting their entry into processing, manufacturing, and value addition in services. SMEs in EAC face obstacles in accessing the regional, continental market, and internal market opportunities due to their size, which diminishes their economies of scale. Other challenges are cumbersome tax administration and difficulties in accessing affordable finance, trade-related information, compliance with standards and procedures at borders, discrimination and sexual harassment, and social norms making women opt for informal cross-border trade and create more gender-based barriers to cross-border trade.

Intra-African trade can serve as a catalyst to promote gender equity through gender-centric trade policies. Women SMEs account for more than 80% of the informal cross-border trade. Hence, to encourage formalization and inclusion of women in trade, the African Continental Free Trade Area (AfCFTA) Secretariat is undertaking preparatory work towards the negotiations and development of the AfCFTA Protocol on Women and Youth. The Protocol is expected to address the specific constraints and barriers women face in doing trade across the continent. It will create an enabling environment for women to utilize the opportunities availed by the AfCFTA Agreement. The launch of AfCFTA is seen by women-led SMEs across the continent as a huge opportunity to drive Africa from a low 15% intra-African trade to even 40%. The main objective of the AfCFTA is to create a single continental market for goods and services. To be fully implemented in 2030, the AfCFTA will create a single market with a collective GDP of USD 2.5 trillion. The progressive elimination of tariffs on intra-African trade will make it easier for women to trade within the continent and benefit from the larger African market. Women-owned businesses need to be integrated deeper into regional and continental value chains as most SMEs are confined to non-tradeable sectors or in low-value-added nodes in the value chains.

EAWiBP is committed to influencing policy formulation in order to champion gender-sensitive trade policies at the EAC and AfCFTA levels. For women-led businesses to thrive and fully take part in intra-African trade, it is essential to assess existing policies, benchmark best practices, identify gaps, incorporate policy priorities for women-owned

EAST AFRICA ECONOMIC OUTLOOK

AFRICAN DEVELOPMENT BANK GROUP

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Introduction

I am delighted to present highlights of the thematic chapters of the African Development Bank's (AfDB) 2022 East Africa Regional Economic Outlook (REO). REO is AfDB's annual flagship report that reviews the economic performance of 13 countries in the Bank's East Africa Region, namely: Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda. The 2022 report, under the theme 'Supporting Climate Resilience and a Just Energy Transition', examines how East Africa (EA) can adapt to climate change effects and reduce greenhouse gas emissions, while continuing to grow their economies.

Climate resilience - energy transition nexus

EA is highly vulnerable to climate change due to the sensitivity of the region's livelihood and economic sectors. The region has relatively low levels of climate resilience, with an average Climate Resilience Index score of 25 during 2010-2019, behind Southern Africa (43.6) and North Africa (63.5) regions. Temperature rises averaged about 1.2oC since the 1960s, with highest rise recorded in Tanzania at 1.30C and lowest in Kenya at 1.00C. The impact on various sectors is enormous, with key livelihood and economic sectors such as agriculture, water, health, energy, and natural resources among the worst affected. Over 70% of EA's population are small scale farmers dependent on rainfed agriculture. Successive failures in rainy seasons during 2018-2022 especially in arid and semi-arid regions of Ethiopia, Kenya, Sudan, and Somalia have affected agricultural productivity, and food and nutritional security. In the absence of remedies, yield declines of crops such as wheat could rise by as much as 72% across EA by 2080.

Climate induced hazards are generating direct economic costs in the EA region, and without a significant uptick in adaptation measures, climate change will continue to have negative impacts on the region's gross domestic product (GDP). For instance, Rwanda's GDP is projected to decline by up to 4.9% by the 2030s, while Tanzania and Kenya are projected to experience declines of up to 6.0% and 4.4%, respectively, under a high warming scenario. Climate change impacts manifest differently across gender, with women and young people being more susceptible, considering that young people constitute about 63% of EA's population. Climate change significantly affects job security in agro-industries, tourism, health, and energy sectors. Uganda's coffee industry for instance risks over 12 million casual and permanent jobs. Climate related risks also extend to other aspects of the job market including reduced productivity because of unreliable power supply, heat stress, and low labor productivity. Based on current trends, up to 90% of work hours could be lost to climate impacts by 2030 in the agriculture sector across East and Central Africa.

All EA countries have submitted their revised nationally determined contributions (NDCs), signalling their enhanced commitments to climate change adaptation and mitigation. The NDCs have triggered increased investment in transitioning to renewable energy options e.g., geothermal, and natural gas, building green infrastructure and developing common regional markets to foster cross border trade and enhance connectivity. While the region has several opportunities for building climate resilience through clean energy transition, more than 60% of the region's population still rely on traditional biomass. EA's access to electricity averaged 55.8%, with high variations across countries. Ethiopia, Kenya, South Sudan, and Uganda have shown immense commitment towards the use of renewable energy and are at the forefront of clean energy transition. Some countries have set ambitious renewable energy targets, for instance, Rwanda targets at least 60% of its total energy mix powered by renewable energy sources by 2030, while Tanzania expects to reduce greenhouse gas emissions by 10-20% by 2030.

Financing climate resilience and a just energy transition

Cognizant of the threats posed by climate change, weather variability, and other environmental challenges, the world is now taking more rapid action towards transitioning to a low carbon and climate resilient development pathway. Most of the EA countries need funding to double their renewable energy generation capacity by 2030. At the same time, these countries' GDP will need to grow fivefold by 2050 to achieve the sustainable development goal (SDG) on energy. On average, US$65.96 billion is required annually over 2020–2030 to implement the NDCs. Cumulatively, EA's NDC climate financing needs are estimated at US$ 726 billion over 2020-2030, with adaptation and mitigation financing needs estimated at US$219 billion and US$390 billion, respectively. The region received approximately US$5.77 billion annually in climate finance between 2016 and 2020, largely for adaptation. Consequently, EA's annual average climate finance gap is estimated at US$60.19 billion during 2020-2030 and is highest in Ethiopia (US$29.95 billion) followed by South Sudan (US$9.02 billion) and Kenya (US$7.18 billion). These trends demonstrate that EA's conditional NDCs are not likely to be delivered as is the case for several SDGs.

EA countries have access to a variety of climate finance sources for resilience and energy transition, including private and public sources. Public sources include the United Nations Framework Convention on Climate Change financing mechanisms such as Green Climate Fund, Adaptation Fund and Global Environment Facility; development finance institutions (multilateral development banks – MDBs, bilateral and national development banks); international climate finance initiatives; and national and sub-national climate finance initiatives. On the other hand, the private climate finance sources include commercial banks; institutional investors such as insurance companies, pension funds, private equity, philanthropists; and strategic and corporate investors. However, the key challenges and limitations to accessing these resources include absence of a strong business case for investment in adaptation projects; lack of pipelines of investment ready projects; lack of capacity among government officials to develop bankable proposals; low allocations for climate funding in national budgets; complexity and technicalities of gaining access to some of the global climate funds; and fragmentation of the climate finance architecture.

Policy recommendations

Climate resilience - energy transition nexus: In the **short-term,** development partners (DPs) should initiate an MDB dialogue/ roundtable on just energy transition to support the EA region to develop a common position on just energy transition, building on the Ministerial Conference on Environment and the African Group of Negotiators. This dialogue will inform policy development on just energy transition, financing modalities, and catalyze technology development and transfer. Furthermore, DPs and EA countries should agree on just energy transition guidelines to ensure that the current energy sector portfolio and pipeline projects also deliver 'just' outcomes. In the **medium-term,** focus should be placed on capacity development and technical assistance on just energy transitions, and the opportunities for achieving national development priorities. At the same time, there is need for a just transition policy that realigns existing climate mitigation targets to incorporate poverty and economic development goals and timelines to facilitate regional synergy in current renewable energy development efforts. In the **long-term,** there is need to harness technologies like geothermal, solar, wind, and hydro power at regional level to synchronize and scale-up the abundant opportunities for addressing energy poverty in the region. Furthermore, with DPs support, just transition needs to be incorporated within existing and upcoming financing programmes for renewable energy initiatives.

Financing climate resilience and a just energy transition: In the **short term,** project preparation facilities supported by MDBs should be enhanced to improve bankability of adaptation projects. Increased access to project preparation resources will accelerate the development of a pipeline of bankable projects and increase the likelihood of attracting financing. Also, there is need to re-align national budgets to respond to climate change. Re-prioritization of spending is necessary to support just transition. In the medium term, technical support and capacity building is required to develop expertise and skills on how to access, manage, and track climate finance. In addition, countries should provide incentives to mobilize private sector finance for adaptation and energy transition investments. Incentives include feed-in-tariffs, tax credits, and loan guarantees. In the **long term,** integration of climate change and just transition actions in national development frameworks; diversifying the financing mix for just transition; and building capacity to design bankable funding proposals are crucial.

AFREXIMBANK SUPPORT TO INTRA-AFRICAN TRADE AND INVESTMENT

When the African Export-Import Bank (Afreximbank) was created 30 years ago, the founding fathers of the Bank were clear that the Bank should serve as an institutional vehicle for the realisation of an economically integrated Africa through the financing and promotion of intra-African trade and investment. To support the efforts towards promoting regional economic integration in line with the Bank's mandate and the African Union's Agenda 2063: Afreximbank, took a deliberate decision in 2016 to prioritise the promotion of intra-African trade under its 5th Strategic Plan dubbed IMPACT 2021. In this context and in anticipation of the African Continental Free Trade Agreement (AfCFTA), Afreximbank developed an Intra-African Trade Strategy to facilitate intra-African trade and investment. Furthermore, the Bank also established the Intra-African Trade Division, (which has now been elevated to an Intra-African Trade Bank) – the only one of its kind on the continent- to promote, facilitate and finance intra-African trade and investment.

In this context, the Bank has been unrelenting in its support to the AfCFTA. For example, under its 5th Strategic Plan which expired in 2021, the Bank disbursed over US$20 billion in support of intra-African trade and investments. Intra-African trade is also given prominence in the Bank's 6th Strategic Plan dubbed "Impact 2026: Extending the Frontiers". Under this plan, the Bank has committed to disburse US$40 billion to support intra-African trade by 2026. The 6th Strategic Plan is based on four pillars, namely, Intra-African Trade and AfCFTA Implementation, Industrialisation and Export Development, Leadership in Global Trade Banking in Africa, and Financial Sustainability.

To promote intra-African trade under the AfCFTA the Bank has developed various interventions and products, including among others:

(i) **AfCFTA Adjustment Fund,** Afreximbank and the AfCFTA Secretariat were mandated by the African Union Heads of State and Government and the AfCFTA Council of Trade Ministers to establish an AfCFTA Adjustment Fund. The US$10 billion Fund is expected to help countries to adjust in an orderly manner to AfCFTA tariff removals, improve trade-enabling infrastructure, boost industrialisation and support the development of regional value chains and manufacturing capacity and prepare them to achieve enhanced competitiveness in order to participate in the new trading regime. The Bank has committed to directly provide US$1 billion to the Adjustment Fund to support the Credit Fund and the General Fund which will mobilise commercial and concessional funding respectively plus a seed grant funding of US$10 million to support the operationalisation of the Base Fund which will provide support to compensate those countries that may incur short term revenue loss. The Bank is working with the AfCFTA Secretariat to mobilise additional funding from other African and non-African financial institutions.

(ii) **Intra-African Trade Fair (IATF)** implemented in collaboration with the African Union Commission and the AfCFTA Secretariat, the IATF is the premier marketplace for the promotion of cross-border trade and investments. The US$20 million biennial Fair fully funded by the Bank, provides a platform to showcase the diversity of tradable goods and services across Africa and create business linkages and foster integration. The first two fairs convened in Cairo and Durban generated business deals of over US$75 billion with more than 1,100 exhibitors participating in each. The third edition, IATF2023, is scheduled to hold in Abidjan, Cote d'Ivoire from 21 to 27 November 2023 and is expected to generate more intra-African trade and investment deals. Those interested in participating in IATF2023 can access this link https://www.intrafricantradefair.com/.

(iii) **The African Trade Gateway (ATG)** is a digital ecosystem created to facilitate intra-African trade. The ecosystem comprises an integrated and function-specific set of platforms that help surmount impediments to cross-border trade. The key platforms include:

• **The Pan-African Payment and Settlement System (PAPSS**) – The Pan-African Payment and Settlement is an instant payment market infrastructure that securely transfers money across African borders, minimising risk and contributing to financial integration across the regions. it makes it possible for African entities to conduct cross-border payments in national currencies, thereby saving the continent at least US$5 billion in transfer and settlement charges, while returning to our continent trades that are diverted to non-African markets. The Bank has committed a US$3 billion settlement facility to support a seamless operation of the platform. Currently 9 central banks, around 60 commercial banks and 7 national switches have joined PAPSS (https://papss.com/).

• **Mansa Digital Platform (African Customer Due Diligence Information Repository)** - Mansa Platform is the pan-African customer due diligence platform to facilitate the conduct of Know Your Customer / Customer Due Diligence (KYC/CDD) on African entities in order to ease compliance costs and restore investor confidence and financial flows into Africa. It is a single source of primary data for conducting customer due diligence checks on African entities, Financial Institutions, Corporates and SMEs, thereby standardising KYC/CCD and providing visibility on counterparties whilst creating and strengthening trust for onboarded entities. It eases compliance costs and restore investor confidence and financial flows into Africa. Currently, there are over 10,000 profiles, consisting of 288 Financial Institutions, 3910 Corporates and 5873 SMEs, constituting 3%, 39% and 58%, respectively. To join the platform or obtain more information please follow the link (*https://www.mansaafrica.com/*).

• **TRADAR Club** - is a member driven network of international businesses and executives dedicated to transforming Africa through the vehicles of trade and investment. TRADAR is comprised of two platforms TRADAR Intelligence and TRADAR Regulations. TRADAR Intelligence provides African trade intelligence, market information and opportunities, while TRADAR Regulations provides a centralised digital source of regulations and legislative requirements for all trade and investment activities across Africa. TRADAR Club Members are global industry leaders, African and foreign businesses, intergovernmental organisations, policy makers and other influential stakeholders committed to the shared objective of unlocking growth and development in the African continent. Members of Afreximbank's TRADAR Club receive curated trade intelligence via our digital solutions; are invited to attend strategic networking events and receive discounted access to relevant capacity development trainings and strategic advisory services. (https://www.tradar.africa/)

• **African Trade Exchange (ATEX).** ATEX is a Business-to-Business (B2B)/Business-to-Government (B2G) platform that brings together African buyers and sellers of goods underpinned by the AfCFTA rules of origin. The main objective of the Africa Trade Exchange (ATEX) is to facilitate the implementation of the AfCFTA with a centralized platform where buyers and suppliers can meet at a common marketplace to not only improve cross-border trade but also provide businesses with quality products from verified African suppliers in an efficient way and at reduced average trading costs based on AfCFTA rules. To date the Bank has over 750 Buyers and Sellers which including 55 African fertiliser companies, over 223.8 million dollars in Request for Quotations has been generated across fertilizers and grains, and we are working on converting them into transactions. The Bank continues to add products and product categories on ATEX, and to date, we have added 112 products. In the short term, ATEX was repurposed to assist African countries to deal with shortages of food, fuel and fertilizer many Africans are currently experiencing due to the Ukraine crisis. Buyers and Sellers can register and be onboarded on ATEX by following this link (https://www.atex.africa/).

(iv) **Afreximbank African Collaborative Transit Guarantee Scheme** - is a scheme that will ensure seamless transportation of goods across multiple borders, through the issuance of a single technology enabled transit bond. The scheme is backed by a US$1 billion commitment provided by the Bank and currently being implemented in COMESA and will be expanded to the continental level under the AfCFTA. For those interested in accessing affordable transit bonds please send an email to: iati@afreximbank.com

(v) **Export Trading Companies** - In 2019, the Bank developed its Strategy to facilitate the emergence and expansion of Export Trading Companies (ETCs) in Africa. ETCs address institutional market failure by providing market intelligence, logistics services, aggregating products and branding them and assisting small and medium enterprises (SMEs), smallholder farmers, informal cross-border traders and even large manufacturers or producers to participate in intra-African trade under the AfCFTA as well as in global trade. Afreximbank offers training and capacity building as well as advisory services to support the emergence of ETCs. The Bank will also work with the AfCFTA Secretariat to develop the regulatory framework on ETCs and ensure that they play a vital role in facilitating intra-African trade, especially of manufactured goods under the AfCFTA. The Bank is also developing an African Buyers Programme, which will provide support to African buyers to enable them to source products from Africa and to address all their pain points including financing, logistics and access to market intelligence.

(vi) **Support for the African Creative Industry** - Afreximbank recognises the potential of the creative industry in driving trade and socioeconomic development in Africa and has consequently created a special $1 billion facility to support African creatives. It covers film, arts, music, fashion, sports, culinary arts and crafts. To participate or obtain more information please send an email to *info@creativeafricanexus.com*

(vii) **Support for Value Addition and Industrialisation** - Afreximbank is also at the forefront of transforming the structure of African trade through aggressive support for the development of industries and industrial infrastructure. This includes a $1 billion facility for the automotive sector, support to African countries and the private sector to develop and expand Industrial Parks (IPs) and Special Economic Zones (SEZs) to deal with infrastructural constraints to industrialisation. SEZs and IPs Projects have been implemented or are ongoing as across the continent, including in Togo, Gabon, Malawi, and Cote d'Ivoire. The Bank is also facilitating the establishment of Africa Quality Assurance Centres to provide Testing, Inspection and Certification services to enable exporters to comply with standards and technical regulations in export markets. Furthermore, the Bank in collaborating with African Organisation for Standardisation (ARSO), Arab Bank for Economic Development in Africa (BADEA), International Islamic Trade Finance Cooperation and Physikalisch-Technische Bundesanstalt (PTB) Germany has supported work on harmonisation of close to 400 standards in automotive, medical and pharmaceutical sectors as well as textiles and clothing.

(viii) **Afreximbank's Country-Africa and Regional Economic Community Business Councils (CARBC)** Programme facilitates the emergence and institutionalisation of Business Councils as vehicles to actively promote trade and investment opportunities in African countries and contribute to the implementation of the AfCFTA. One such Business Council is the EABC-Africa Business Council launched on 22nd July 2022.

(ix) **Investment Promotion and Facilitation.** The Bank is providing support on investment promotion and facilitation through a number of initiatives including organising investment forums and developing a methodology for measuring African Direct Investment (ADI). In addition to supporting investment through financing and risk bearing instruments the Bank is also providing thought leadership on ADI to promote awareness on intra-African investment and promoting ADI as major catalyst for Africa's industrialization and structural transformation.

(x) SME Programme. The Bank has also developed an SME Programme, which is an integrated, cross-cutting solution for African SMEs. It seeks to provide financial and non-financial support to enterprises that are aligned to achieving the Bank's Intra-Africa Trade and Export Development objectives. The programme will provide the resources necessary for SMEs with strategic relevance (including export-oriented businesses, local operators with the capacity to integrate into international value chains, technological start-ups, creative industries, youth entrepreneurs and women-led businesses), who are operating within identified focus sectors, to expand and contribute to Africa's economic growth in a sustainable basis.

To optimize the benefits of the AfCFTA and support its implementation, the Bank is making available a range of trade, investment and corporate finance products deployed through loans and guarantees to facilitate intra-African trade and investments. These include:

(i) Trade Finance facilities to bridge the enormous gap in export and other forms of trade financing to medium and large exporters. Some of the key trade finance products include Packing Credit Finance and Guarantee, Intra-Africa Trade Support Services and the Intra-African Export Financing Facility.

(ii) Investment Finance. Through these facilities, the Bank supports the mobility of capital across African countries as it seeks to promote African Direct Investment (ADI). The facilities include Intra-African Investment Finance and Guarantee Facility, the Franchising Finance Facility and Bank Acquisition Finance.

(iii) Corporate Finance. To promote the growth and competitiveness of African enterprises, the Bank offers corporate loans through which it takes direct risks in emerging African entities as well as top African multinational enterprises. The Bank's interventions in this regard mitigates the impact of non-availability of such financing from global banks who are de-risking from the continent. Examples of corporate financing facilities include Global Credit Facility, Contract and Toll Manufacturing and Term Loans.

Afreximbank is helping African countries and their financial systems to manage the withdrawal of trade finance and trader services support by international banks by onboarding about 500 of the continent's 600 regulated commercial banks under its Afreximbank Trade Finance Facility (AFTRAF) and providing them with Trade Credit Confirmation lines and direct credit lines. The Bank's goal is to provide at least US$8 billion of AFTRAF lines to African banks by 2026. The Bank is also capacitating African banks and investors to acquire international banks divesting from the continent by providing them the required financing to buy-out these banks. So far, we have helped African banks to acquire banks in Guinea, Burkina Faso, Egypt, and Nigeria with additional acquisitions amounting to over US$1.5 billion being processed in Nigeria, Togo, Mauritius, Egypt, and the UK.

For further information on Afreximbank's support for intra-African trade and investment, contact feedback@afreximbank.com.

About Afreximbank

Afreximbank is a Pan-African multilateral trade finance institution established in Abuja, Nigeria in 1993 under the auspices of African Governments and the African Development Bank with the mandate to promote and finance intra and extra-African trade. The Bank is headquartered in Cairo with regional branch offices in Abidjan, Cote d'Ivoire, Abuja, Nigeria, Harare, Zimbabwe, Kampala, Uganda and Cameroon, Yaoundé.

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East Africa's Industrialisation and Regional Value Chains

East Africa's Industrialisation and Regional Value Chains: By Phyllis Wakiaga

East Africa has long been known as a region of great natural beauty and abundant wildlife, but it is also a region with tremendous potential for industrial development. Over the past decade, East African countries have made significant progress in their efforts to build up their industrial sectors and create regional value chains that can drive economic growth and development.

One of the key drivers of East Africa's industrialisation has been the establishment of the East African Community (EAC) in 1999, which comprises seven member states: Burundi, Democratic Republic of Congo, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. The EAC aims to promote regional integration and economic development through the establishment of a common market, a customs union, and a common currency. East Africa is a region that has a large and growing population, which is expected to reach 758 million people by 2030. This means that there is a large market for goods and services, which creates opportunities for businesses to grow and expand. By working together, the EAC countries can leverage their individual strengths and resources to industrialise and create regional value chains that can drive economic growth and development.

EAC Industrialisation Policy

East Africa's industrialisation efforts have been particularly focused on the manufacturing sector, which has been identified as a key driver of economic growth and development. The EAC's Industrialisation Policy and Strategy, launched in 2012, aims to create a competitive and diversified industrial base that can support sustained economic growth and development. The policy identifies four key pillars of industrialisation: infrastructure development, policy and regulatory reform, human capital development, and promotion of innovation and entrepreneurship.

Infrastructure development is a critical component of East Africa's industrialisation efforts, as it is essential for the development of regional value chains. The EAC has made significant investments in infrastructure development, including the construction of roads, railways, ports, and airports. One stop border posts have also been developed at a number of EAC borders. These investments have helped to improve connectivity between the EAC countries and create a more integrated regional market.

Policy and regulatory reform is also an important component of East Africa's industrialisation efforts. The EAC has worked to harmonise policies and regulations across the member states, which has helped to reduce trade barriers and create a more conducive environment for business. The EAC has also established a regional investment promotion agency, the East African Investment Promotion Agency (EAIPA), which is tasked with promoting investment in the region and facilitating the establishment of regional value chains.

Human capital development is another critical component of East Africa's industrialisation efforts. The EAC has worked to improve education and training opportunities in the region, particularly in science, technology, engineering, and mathematics (STEM) fields. This has helped to build a skilled workforce that is able to support the development of regional value chains and drive innovation and entrepreneurship.

Promotion of innovation and entrepreneurship is also important for East Africa's industrialisation efforts. The EAC has established several initiatives to support innovation and entrepreneurship, including the East African Business Council (EABC), which provides a platform for businesses to engage with policymakers and share best practices. The EAC has also established a regional innovation fund, the East African Science and Technology Commission (EASTECO), which provides funding and support for innovative projects in the region.

Development of Regional Value Chains

A key part of achieving industrial development in EAC is the development of regional value chains. Regional value chains involve the integration of production processes across multiple countries, with each country specializing in a particular stage of the value chain. The goal of regional value chains is to create a more efficient and effective way of producing goods and services, which can lead to increased economic growth and development. This approach helps to create efficiencies and reduce costs, while also building stronger economic ties between the participating countries.

To promote industrialisation in East Africa, regional value chains are being developed across various sectors. One such sector is agriculture, which is a key driver of economic growth in the region. East Africa is home to some of the world's most fertile agricultural land, and the region is a major producer of crops such as coffee, tea, and horticulture products. However, much of the agricultural production in East Africa is still done on a small-scale basis, and there is a need to modernise the sector and increase its efficiency.

To achieve this, regional value chains are being developed in the agriculture sector. For example, there are plans to develop a regional value chain to produce high-quality coffee beans. This involves integrating the coffee production activities across different countries, from the growing of the beans to the roasting and packaging of the final product. This aims to improve the quality of the coffee produced will be improved, and that it will be more competitive on the global market.

Another sector that is being targeted for industrialisation and the development of regional value chains is the manufacturing sector. East Africa has a nascent manufacturing industry, with most of the production activities focused on the processing of raw materials such as agricultural products and minerals. However, there is a need to diversify the manufacturing sector and develop more value-added products.

To achieve this, regional value chains are being developed in the manufacturing sector. For example, there are plans to develop a regional value chain to produce textiles and garments. This involves integrating the production activities across different countries, from the production of the raw materials to the manufacturing of the final products. His would utilise local raw materials, improve the quality of the textiles and garments produced, and make the finished products more competitive on the global market.

Benefits of Regional Value Chains

Regional value chains can provide several benefits to East Africa. By collaborating with firms in other countries within the region, East African businesses can gain access to larger markets and take advantage of economies of scale. Regional value chains can help businesses to diversify their products and markets, reducing their exposure to external shocks and market fluctuations. Collaboration between firms in different countries can promote the transfer of technology, knowledge, and best practices, leading to higher productivity and innovation.

Regional value chains can also increase the competitiveness of East African firms by enabling them to access new markets, reduce costs, and improve quality. This has the effect of creating jobs throughout the region, particularly in the manufacturing sector, which can provide higher wages and better working conditions than traditional agriculture.

Challenges to be addressed

However, there are still challenges that need to be addressed if the development of regional value chains is to be successful in East Africa. These include continued investment in infrastructure, including transport, energy, and telecommunications. Access to finance is also a significant challenge for businesses in East Africa, particularly small and medium-sized enterprises (SMEs). Banks are often reluctant to lend to SMEs due to their perceived riskiness, lack of collateral, and limited financial history. This affects the ability to develop value chains.

There is also a shortage of technical expertise in the region, particularly in the areas of engineering, technology, and innovation. This limits the ability of firms to develop new products and processes, and to integrate effectively within RVCs. Weak institutions, including regulatory frameworks, legal systems, and intellectual property protections, are significant barriers to the development of RVCs. This makes it difficult for firms to establish and enforce contracts, resolve disputes, and protect intellectual property.

Trade barriers, including tariffs, non-tariff barriers, and customs procedures, are also significant obstacles to the development of RVCs in East Africa. These barriers increase the cost and complexity of doing business, making it difficult for firms to integrate effectively within RVCs.

Addressing these challenges will require significant investment in infrastructure, access to finance, technical expertise, and institutional reform. It will also require coordinated efforts between governments, private sector actors, and international organisations to promote regional integration and overcome trade barriers. They also need to promote collaboration between firms in different countries within the region to create more integrated and efficient production processes.

By investing in industrialisation and regional value chains, East Africa can unlock its full economic potential, reduce poverty, and improve the lives of its people. The road ahead will be challenging, but with the right policies and investments, East Africa can build a more prosperous and sustainable future for its citizens.

The Writer is an Advocate of the High Court of Kenya. She is a Private Sector Development, Public Policy, and Sustainability Expert. She is currently a Senior Advisor at the Tony Blair Institute for Global Change.

Making East Africa a Single Tourist Destination

Author:
Yves Ngenzi
Regional Coordinator of the East Africa Tourism Platform

East Africa is a region of incredible diversity, with a rich cultural heritage and some of the most breathtaking natural landscapes in the world. From the snow-capped peaks of Mount Kilimanjaro and Mount Kenya to the vast savannahs of the Serengeti and the Maasai Mara and the tropical beaches of Zanzibar and the Kenyan coast, Mountain Gorilla and Chimpanzee Trekking in DRC, Rwanda and Uganda. East Africa offers really a wide range of experiences for visitors.

Tourism is an important industry in East Africa, contributing significantly to the region's economy and providing employment opportunities for local communities. According to the World Travel and Tourism Council, the travel and tourism industry in East Africa grew by 4.6% in 2021 and by an average of 4.8% annually over the next decade. The COVID-19 pandemic has significantly impacted the tourism industry worldwide, and East Africa has been no exception. The East Africa Tourism Platform (EATP) has been working to mitigate the pandemic's effects on the region's tourism industry. The region has successfully controlled the spread of COVID-19, and there are strong signs that the tourism industry is recovering.

The EATP was established in 2011 with the goal of increasing tourism to the region by creating a unified and coordinated approach to advocacy, tourism marketing, capacity building, and development. The organization has been working to promote the region as a destination and to support the tourism industry during the pandemic. The East Africa Tourism Platform (EATP) and the East African Business Council (EABC) are two organizations that play a key role in promoting tourism and business in the East African Community (EAC).

Promoting East Africa as a single tourist destination is an ongoing goal for the East Africa Community (EAC) countries. This effort aims to increase the region's visibility as a whole and to attract more visitors to the region. One of the main ways to promote East Africa as a single tourist destination is by creating a unified and coordinated approach to tourism marketing and development. This will be achieved by implementing the regional tourism marketing strategy that focuses on promoting the region's diverse culture, natural beauty, and adventure activities to target markets. The East Africa Tourism Platform (EATP) has been working closely with the East Africa Community Secretariat (EAC) to promote the region as a destination through its participation in regional and international tourism trade fairs and events, such as the newly established East Africa Regional Tourism Expo, Karibu Kili Fair, ITB Berlin and the World Travel Market.

Another way to promote East Africa as a single tourist destination is by improving infrastructure and connectivity within the region. This includes improving transportation links between the EAC countries and making it easier for tourists to travel around and access different destinations. The EAC countries are working to improve infrastructure and connectivity, which will help to increase the number of visitors to the region. To make East Africa a single tourist destination, it is also important to promote sustainable tourism in the region. This includes developing sustainable tourism products and activities that promote conservation, cultural heritage, and community development. The EATP has been working to promote sustainable tourism in the region, which has helped establish the region as a responsible and environmentally-friendly destination.

Another important aspect is creating awareness of the region's tourism offerings. Many potential tourists need to be made aware of the diverse range of experiences the region offers, and more information about destinations and activities is often needed. The EATP has been working to create awareness and provide information about the region's tourism offerings, which will help. Tembea Nyumbani is a campaign launched by the EATP in collaboration with the EAC to promote domestic tourism in the country. The campaign, which means "Travel at Home" in Swahili, aimed to encourage East Africans to explore their own country and discover the diverse and rich cultural heritage, natural beauty, and adventure opportunities in East Africa. One of the Tembea Nyumbani campaign's key components was a media and influencers campaign, promotional videos and creating a comprehensive website that serves as a one-stop-shop for tourism information in East Africa. The website, visitafrica.net, and its microsite of Tembea nyumbani feature detailed information on destinations, attractions, and activities in East Africa, as well as information on visa requirements, transportation, and accommodation options. The website also includes a section on sustainable tourism and a calendar of events.

The East Africa Tourism platform will continue to work towards promoting the region as a safe and attractive destination for visitors.

Textiles Industries the frontier for jobs creation in East Africa

By Jaswinder Bedi

I just want to share success story of the country called Bangladesh. In 2015, Bangladesh was exporting $25 billion of garments and apparel to the world and set up a plan to grow and double its exports $50 billion by 2025. Interestingly, Bangladesh attained its target in of $50 billion in 2019 four (4) years in advance. Today Bangladesh has more than 4.2 million direct jobs employed in the apparel sector. In 2015, Bangladesh's manufacturing contribution to Gross Domestic Product (GDP) was 16% now its 22%.

I'm happy that East African Community (EAC) Industrialization Policy and Strategy 2012-2032 targets to raise the manufacturing share of GDP to at least 25 percent from an average of 10 percent. It is possible if Bangladesh has done it, East Africa can too!

The textile apparel sector is one of the biggest supply chains in the world. Huge market opportunity. Kenya is the largest textile exporter under African Growth and Opportunity Act (AGOA). Kenya's exports USD$500m account for only 0.5% of US textile & apparel imports under the AGOA legislation. It's a shame considering we are duty-free whilst Bangladesh exports attract import duty into the USA!

Bangladesh is exporting much more to the USA despite paying duty!

Huge market opportunities for the EAC textile industries.

The AGOA textile market is estimated at $100 billion. The European Union's 27 countries offer another market of $150 billion. The total global pie for fashion, textile & apparel is USD$1.6 trillion

The ONLY lesson I can preach is "Size of the pie, slice of the pie!"

We really don't have an option. Our number one Agenda is jobs and these jobs lie in labour intensive industries such as the textile apparel industry.

Trade in textiles accounted for about 3.7 percent of the total EAC trade for the period 2013-2017. EAC exports of textiles and apparel is estimated at $ 680 Million, accounting for about 4.9 percent of the region's exports. Imports are valued at $ 2.7 Billion accounting for about 3.3% of the EAC imports.

The demand for fabrics in the EAC bloc is about 2.75 billion Meters of fabric per year based on 2.5 kg per capita consumption of fabrics. Assuming the domestic industries supply 50% of this fabric market, The EAC region needs at least 93 factories (textile miles with 70 looms capacity) producing woven fabrics alone.

The implementation of the EAC Industrialization Policy and Strategy will hasten the development of regional value chains; strengthen of business and regulatory climate; enhance access to finance; facilitate the development of relevant technical skills; promote research, development & innovation and access to market opportunities.

Harnessing the EAC textile value chains will deliver the needed jobs and connect farmers from the field to fashion!

Zanzibar private sectors readiness in the participation of blue economy

The private sector provides around 90% of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital. The private sector's traditional role in development, which consists of providing support for economic growth, in the process of attaining its vision to assist countries in eradicating poverty and reducing disparities and exclusion as part of broader sustainable development including the recently emerging blue economy.

The blue economy refers to the activities of production and consumption of goods and services in the sea and areas adjacent to the sea such as beaches. It is a concept that has been discussed enough in various island countries having long beaches and large part of the sea suitable for various activities comprising the blue economy sectors.

Zanzibar has similar characteristics as a small island country which can reap the benefits of a rapidly growing blue economy. But it cannot be left to the government alone. With the partnership and innovation of the private sectors, the blue economy can help Zanzibar in turning its geographical isolation from a liability to an asset for ocean-based economic development. By diversifying in the blue economy sectors and moving away from predominantly land-based development, Zanzibar could create new employment opportunities, enhance climate action, marine environment conservation and build more resilient economies.

Zanzibar has developed and implemented a wide range of policies and initiatives during the last 20 years to reform the economy and put it on a higher growth trajectory while also making it more diverse, competitive, and inclusive. In order to foster economic development, social inclusion, and an improvement in the standard of living for Zanzibaris, the 8th phase Government of Zanzibar has declared that it will focus on the blue economy. This will also ensure the sustainability of the oceans and coastal areas and the preservation of the environment. According to Zanzibar Blue Economy Policy of 2020, there are five key areas of focus; namely: i) Fisheries and Aquaculture; (ii) Maritime Trade and Infrastructure; (iii) Energy; (iv) Tourism; and (v) Marine and Maritime Governance.

Participation of Zanzibar Private Sector in Blue economy

Many private sector players in Zanzibar have shown their readiness to participate in the "blue economy," by deriving economic value from oceanic environments and the resources directly associated with them. The blue economy projects which Zanzibar Private Sectors involves from a wide variety of sub-sectors, such as fisheries, ocean and ecological conservation, waste management, ports and shipping, tourism, and so on and so forth.

Implementation of these blue economy activities requires significant investments by the public and private sector, with the potential for substantial economic growth and enhanced social well-being. For this to happen, new institutional arrangements, technologies, and financial vehicles and assets are needed to mainstream innovative blue economy projects that have the potential to transition economies and communities to more sustainable development paths.

Since the declaration of blue economy as the focus of economic development in Zanzibar, there has been a thrust of stakeholders, both at corporate and association levels supporting this drive through their respective sectors with anticipation of transforming the country and individual living standards. The private sector sectoral associations, working under the umbrella of Zanzibar National Chamber of Commerce (ZNCC), are behind this move pushing the blue economy agenda.

Fisheries sector, for instance, has proved crucial in alleviating poverty and supporting livelihoods through creating thousands of direct jobs and indirect jobs for those working up the value chain. The Revolutionary Government of Zanzibar has recently opened a modern fish market at Malindi as a supportive gesture to support the blue economy actors in fisheries. Some of the key in this sector include Zanzibar Association for Farmers and

Fishermen Development, Zanzibar Seaweed Cluster Initiative and Tanzania Zanzibar Organic Producers.

The Export, maritime trade and infrastructure sector in Zanzibar plays a key role in facilitating international trade. With the sum of exports and imports in Zanzibar has shown an increasingly favorable trading environment, both physically and legally, it has become an increasingly crucial component of the economic growth. The private sector participating in this area include Zanzibar Exporters Association and Zanzibar Freight Forwarders Bureau.

Tourism is one of the key pillars of the Zanzibar economy, providing more than eighty thousands jobs in the service sector, representing an important source of government revenue and GDP growth. As a coastal destination, Zanzibar's tourism sector is directly linked to the blue economy, particularly marine tourism and beach holidays. This sector involves many stakeholders in Zanzibar such as Zanzibar Association of Tourism Investors, Zanzibar Association of Tour Operators and Hotel Association of Zanzibar.

Marine and maritime governance is a cross-cutting area that covers maritime security and climate change. Though it is not an economic sector unlike the other four BE priority areas, governance is just as important in influencing development outcomes. This is because blue economy initiatives cannot be carried out unless the country's coastal and marine environments are kept safe, secure and climate resilient. Associations like Zanzibar Climate Change Alliance plays a key role in making marine environments safe, discussing the environmental risks associated with climate change.

Conclusion

Implementation of the Zanzibar Blue economy plan will be required to develop successful collaborations on several levels and among private sector organizations in order to maximize the potential benefits of a blue economy. There has been a resounding demonstration of support for the blue economy activities, particularly from the point of view of those who operate within the private sector. Given the fact that blue economy is multi-sectoral, inter-sectoral, and inclusive of all actors, there is a need for increased involvement of private sector stakeholders in identification, planning and carrying out of blue economy initiatives.

There is also a need to pursue the protection and sustainable development of the marine and coastal environment and its resources in Zanzibar so as to keep a conducive environment for coastal and marine investment as well as to be the best tourism destination. Also the Zanzibar government should play a central role in promoting the blue economy by reviewing academic curriculum and establishing new courses of blue economy to onboard the younger generation in this long term national vision.

Tanzania Breweries Limited continues to set standards for sustainability from every angle.

Throughout the years, Tanzania Breweries Limited (TBL) has not only grown from being a top manufacturer and employer but has also become a key partner in Tanzania's socio-economic development by setting sustainable standards.

A beer maker with a history dating back to 1933 has identified eight environmental, social, and governance (ESG) concerns. Among the focus areas are Climate, Water Stewardship, Sustainable Agriculture, Circular Packaging, Ethics, Transparency, Entrepreneurship, Diversity and Inclusion. TBL believes that these eight priorities can drive shared value for the country.

The beer legend understands that brewing great beers also depends on a resilient natural environment, and healthy and strong communities of farmers and beer consumers. Last year, the business was recognised as one of the winners in environmental conservation activities and initiatives, in a competition that involved other breweries across the city of Dar es Salaam.

The focus on ESG is a commitment in line with the business's 2025 Sustainability Goals which include having 100% of TBL's direct farmers being skilled, connected and financially empowered, ensuring that 100% of communities in high stress areas will have measurably improved water availability and quality by 2025, making it possible for 100% of all products that are packaged to be returnable or made from a majority recycled content by 2025 and an ambition to have 100% of all purchased electricity to be from renewable sources and reduce carbon emissions by 25% across our value chain by 2025.

In an industry that is fighting an uphill battle against previous complacencies TBL has worked on ensuring that it uses the opportunities it has to innovate, identify and tackle issues that have negatively impacted the business in the past.

A great success story from TBL's ESG initiatives has been the launch and success of the BanQu Blockchain Application in partnership with leading service provider Vodacom. Last year, the platform was launched to become a useful tool for both the drink maker and its raw material suppliers. Additionally, the system provides immutable records of their financial transactions.

Farmers do not need sophisticated gadgets to access the platform. This is because it has USSD/SMS functionality so farmers can register by creating a user ID on BanQu that can later be linked to a phone. The BanQu platform will record all transactions between TBL and farmers and present them in the form of a digital ledger known as an 'economic passport'.

The ledger describes every agricultural cycle from planting to harvest. By keeping a transparent and traceable payment history of each kilogram of crops sold, it can improve productivity and business practices.

The platform will also provide access to a digital record of members. It will provide detailed records of sales and purchases tracked and traced to each individual farmer as well as a summary of payments and inventory of harvest or inputs.

To date the BanQu platform has already connected over 36% of 4850 contract farmers to the TBL value chain. This includes grape, sorghum, and barley farmers. This is only the beginning of ensuring that both suppliers and TBL get the maximum benefit out of the partnerships it has secured. This is to not just be a more sustainable driven business but to create a future with more cheers.

HORTICULTURE;
A Tanzania's Sleeping Giant

Tanzania is among the world's top 20 producers of vegetables. Exports have grown from $64 million in 2004 to $779 million in 2019, according to the Tanzania Horticultural Association (TAHA).

The growth of the horticulture industry is 11% per annum while overall agriculture has a growth of 4% in Tanzania. The subsector employs more than 450,0000 people with 65 -70% being women.

The country has a goal to increase exports to $2 billion by 2030. Tanzania has favorable conditions for being a major grower of fruits and vegetables.

With its temperate and tropical climates as well as different altitudes and temperatures, it can grow a wide variety of fruits, vegetables, herbs, and spices.

Tanzania also has a stable economy, strong political will, and competitive labor costs to support the horticulture industry.

High volumes of the following fruits and vegetables are grown in Tanzania:

• Vegetables: Tomatoes, cabbage, onions, spinach, amaranth, chives, mint, okra, carrot, green peas, eggplant, sweet pepper, green beans, potatoes, snow peas, baby corn.
• Fruits: Oranges, avocado, mangoes, pineapple, banana, passion fruit, blackberries, strawberries, peaches, plums,

pears, apples, lime, jackfruit

Globally, the horticulture industry is largely focused on fresh produce and suffers high rates of food loss and waste, often estimated at 30%-50%. Fruits and vegetables account for 46% of the total FLW.

Food loss assessments for horticulture often show that FLW occurs throughout the chain from harvest, storage & handling, distribution to the final consumer.

In Sub-Saharan Africa, food loss at the distribution stage can be quite high – fragmented value chains with the product being handled multiple times, long transportation times, lack of temperature management options, and poor handling and packaging, all contribute to high losses at this stage.

It is only at the processing stage, that food loss is very low for fruits and vegetables.

Tanzania's horticulture subsector suffers from many of these food loss and waste issues. Food loss for the domestic market is estimated at 40% while the losses in the export market value chain are considerably lesser at 10%.

Tanzania exports mainly to the European and Middle Eastern markets as well as regional trade through the East African Community and the Southern African Development Community.

The main reasons behind the disparity between the domestic and export market loss rates are that the exported produce sector has improved production and postharvest practices, infrastructure (packaging, temperature management, electricity, and transportation) as well as a streamlined value chain.

Since 2004, Tanzania Horticultural Association (TAHA), a member-based trade association, has been working to tackle several of these challenges in the horticulture supply chain.

It advocates for the growth and competitiveness of the horticulture sector in Tanzania. TAHA represents 42,000 farmers and its members include producers, exporters, processors, suppliers, and smallholder farmers.

TAHA also collaborates with international agencies like USDA and USAID to disseminate good agricultural practices in the country.

TAHA's work in reducing high postharvest losses (40-50%) in the horticulture sector includes capacity building of farmers, connecting farmers to markets, and developing infrastructure throughout the value chain at critical loss points.

For capacity building, its field-up approach where its agronomists work with farmers in 21 regions has resulted in increased production as well as the preservation of quantity and quality of the produce through postharvest management and handling best practices.

TAHA is connecting smallholder farmers to processors and exporters. TAHA has been launched an initiative where it is linking smallholder farmers with buyers and retailers, focusing on production, packaging, and export.

TAHA has also developed strategic infrastructure including packhouses and collection centers. One of its biggest initiatives has been TAHAFresh, which was established in 2008 and is a premier logistics service provider in Tanzania.

It provides integrated logistics services covering airfreight, sea/ocean freight forwarding, trucking, customs clearing, forwarding, and insurance.

It also provides cold rooms at various ports. Moreover, TAHA does lobbying for the horticulture export subsector and provides inspection and certification services such as GlobalG.A.P., Rainforest Alliance, Fair Trade, etc.

Tanzania's horticulture industry has a lot of opportunities. TAHA's work is tackling many aspects throughout the value chain from production, harvest, packaging and handling, processing, distribution, and export.

Its emphasis on capacity building initiatives, linking to markets, and catalyzing investments in infrastructure throughout the value chain has charged up the export sector but is also uplifting the domestic market on the whole.

TAHA's work has increased the productivity and supply of horticultural crops. Production has even commenced in non-traditional areas like Dar es Salaam and Zanzibar.

Using low cost and open source technology solutions like screen houses and charcoal coolers, and providing continuous farmer capacity building through training and visits, TAHA is scaling up the useful solutions that are inclusive of smallholder farmers.

TAHA's work has improved marketing at the export and domestic level. Value chain actors are now doing collective marketing using the collection centers. Investments throughout the value chain in infrastructure as well as processing will continue to yield high results for Tanzania in the coming years.

THE AFRICAN GRAIN FARMER – GOING FAR TOGETHER!

EASTERN AFRICA GRAIN COUNCIL

By Gerald Makau Masila

Grains generally refers to dried seeds from the cereals and pulses crops. Cereals being from the grass family that includes maize, wheat, rice, sorghum, millet, barley among others and pulses from the legume family such as common beans, peas – chickpeas, cowpeas, pigeon peas, green grams, dolichos and many others. Grains are staple foods for many and are a potent source of nutrients and energy. It is the drying that differentiates the grains from vegetables seeds. Drying also enables the grains to be stored – in bags or bulk, and to be transported in long distances to markets for sale and to be availed for consumption many months after harvest. Grains therefore not only retain value over time, but also gain value as the supply declines in the face of increasing demand as per the economics law of demand and supply.

In Africa, majority of the population resides in rural areas and are predominantly occupied in agriculture, mainly crop production and livestock rearing. Grains – particularly maize, beans, rice, sorghum are produced by smallholder farmers – essentially for their own subsistence and for sale to raise income to meet other household needs. These smallholder farmers rely on rains as irrigation is simply not available. The crop calendar is therefore dictated by the rainfall seasons with some areas receiving two rain seasons in a year – referred to bimodal rains – which yield two crop harvests and others getting only one rain season, yielding only one crop in a calendar year.

Besides rainfall, the soil conditions, crop harvests are greatly affected by the management of weeds, pests, and diseases. Smallholder farms predominantly rely on labour provided by the family or hired from the community and utilizes rudimentary tools – the hoe. The use of oxen to plough the farms is also common and popular given the efficiency it provides, cutting on labour cost and accelerating the speed of work in the farms.

Such is the scene that is the activity of producing grains in most countries in Africa, which unfortunately has not only remained unchanged over the years despite decades on interventions but has been deteriorating because of continued subdivision of land to smaller and smaller parcels, depletion of soils due to increased monocropping and inappropriate use of synthetic chemical fertilizers, herbicides and pesticides all causing a decline in the yields. The low yields are further taken down by post-harvest losses to pests and contamination due to lack of appropriate post-harvest handling facilities as knowledge.

To retain the value, it is important that the grain is stored in conditions that minimize of eliminate attacks by pests – insects and rodents as well as contamination by pesticides residues or toxic microorganisms such as fungi that produce mycotoxins such as aflatoxins. The invention of hermetic technologies that uses the principle of asphyxiation by eliminating oxygen in the storage device by making the containers airtight has been very successful with record adoption at household/on farm level storage particularly by smallholder farmers who coincidentally suffer the most food insecurity and are most vulnerable to impacts of drought.

To earn an income, the farmers present their crop harvests to the markets, oftentimes selling to small traders at the farm gates or to the nearest market centres – usually on market days. Since everyone in the neighbourhood would also have harvested the same crops, the demand at the local market by the rural folks is usually low relative to supply, meaning that the price offered at the local markets soon after harvest are the lowest, many at times not sufficient to even cover the costs of production. Having no alternatives, and with pressing needs for cash, the farmers part with their produce at the price offered by the buyer, buys a few household essentials and goes home. This vicious cycle continues to repeat and will only get worse in future as climate change further complicates matters for the farmer.

The grain sector therefore comprises of millions of such fragmented smallholder farmers, not only trapped in this vicious cycle, but having to deal with climate change with errant rainfall droughts and floods, monster weeds taking over their farms, superbugs devouring the little grains they harvest, invisible and odourless lethal microorganisms infecting the grains with mycotoxins, a faceless, obscure and opaque market offering contemptuous prices in an environment with blind, deaf and unpredictable policies that are only keen on squeezing dry the last drop of blood on the farmer.

Although others first earn the income and then they are taxed on the income earned, the farmer is charged taxes on farm inputs, implements and packaging well in advance, regardless of whether he/she will make any income. Whether the seeds will germinate or not, come rain or drought, the farmer is always taxed.

Whereas the manufacturer can pass on taxes to the consumers and pay taxes as they sell and after computing their profits, the farmer pays the taxes in advance and is hardly able to pass on the expense to their buyers. Since the crop farming cycle takes time from three to six months, the farmer only realises that they have lost money when the harvest fails completely, and they have nothing to sell and when the market pays a price that cannot cover the costs of production, sinking the farmer deeper into poverty.

This African farmer is one among the thousands of farmers who through their farmer groups are members of the Eastern Africa Grain Council (EAGC). Established in 2006, EAGC is a not for profit, membership-based council of firms and organizations in the grain value chain with a mandate covering ten countries in the Eastern Africa region, these being Kenya, Tanzania, Uganda, Rwanda Burundi, Malawi, Zambia, DR Congo, South Sudan and Ethiopia. Aiming to be the Leading Voice of the Grain Industry in Africa, and facilitating efficient, structured, inclusive and profitable grain trade, EAGC has been working to address the challenges afflicting the grain value chain enumerated above.

It is important to recognise that the state in which the Africa farmer finds herself in today, is a result of factors, conditions, plans and schemes that have been well designed and executed long before the 1884 conference in berlin that partitioned Africa, which was preceded by centuries of trading Africans as a commodity known as slaves and hundreds of years of colonial rule of Africa that among others established the structures today referred to as the smallholder farmer.

An attempt to cure the smallholder agriculture was made through the 1954 Swynnerton Plan that undertook registration and consolidation of African smallholdings in Kenya. However, today, 70 years after the consolidation of the smallholder farm lands, the average farm sizes are smaller and continue to reduce with continued subdivision further compounding the problem. In addition, the change of user of prime agricultural land to other uses – industrial, commercial, and residential cities continue to rob the continent of a key finite productive resource for food production. On the contrary, in the West, the average size of farmland has increased with more and more consolidation and use of bigger and high-tech machinery and equipment including robots and drones supported by satellite, remote sensing technologies and biotechnology for precision, further driving up efficiency.

At EAGC we hold the view that the cure to the smallholder problem is simply to do away with it by not addressing or engaging with an individual farmer. Our first prescription is ensuring the farmers form and register into a group to undertake the farming enterprise as a collective contribution and efforts of the group. There is no doubt that pooling together the smallholder pieces into larger and larger farmlands is the key and the solution for the African farmer. The solution is about going back to the basics to the African philosophy known as Ubutu which says. “I am because you are, and since you are therefore I am”. But then such ideas may not be palatable to the proponents of capitalism, which of necessity promotes individualism even at the expense of the collective good. In agreeing with the Kiswahili saying that, “one finger cannot kill lice”, I also accept the other Africa proverb that says, “if you want to go fast go alone, if you want to go far, go together”, and hence we suggest that we choose to go far together.

In 2021, EAGC facilitated the Turima Tumaini farmer group, a GHuB in Tharaka-Nithi County, Kenya, to acquire a brand new tractor from Massey Ferguson with lease financing arranged by EFKen Leasing Limited.

Delivery of a consignment of fertiliser from Yara to a GHuB in Nandi County, Kenya amidst the Covid-19 pandemic in 2020. During the pandemic, the GHuB model provided a cost-effective and invaluable supply line for farmers to access farm inputs amidst supply chain disruptions.

This idea of going far together is the concept behind the EAGC Grain Trade Business Hubs, popularly known as the EAGC GHuBs. At EAGC we support, facilitate, and enable the farmers to get together into a farmer group that is legally registered. It could be a cooperative, a self-help group, a faith-based organization – but the central piece is a Farmer-based Organization. EAGC trains the farmers on group dynamics, governance and basic business management skills such that the GHuB is an Agribusiness enterprise owned by the farmers. EAGC further trains the farmers on grain pre-production, production, post-harvest management, quality control and food safety.

Further EAGC links the farmers to the markets for inputs – seeds, fertilizers, mechanization etc by consolidating the demand and channelling the requirements directly to a service provider who has signed a GHuB Partnership Agreement (GPA) with EAGC, who is then paid by the EAGC GSoko clearing and settlement account after delivering supplies to the farmers. Once the farmers have received the inputs, produced and harvested, they aggregate their produce in a central warehouse - the GHuB where it is dried, cleaned, sampled, tested, certified, bagged and the farmer issued with a document of title known as a G-Note which is similar to a warehouse receipt. The farmer can use the grain in the GHuB as security for short-term borrowing and elect to sell their grain when they see the price is right by nominating their G-Note for listing in the GSoko trade catalogue.

Issued every Thursday, the GSoko trade catalogue is circulated to stakeholders, members of EAGC and other interested buyers and includes requirements from the buyers. Buyers select offers of interest and contact the GSoko trade desk which organizes a business-to-business session between the buyer and the GHuB where they negotiate terms. Upon agreement, they sign a tripartite contract witnessed by EAGC, after which the buyer deposits cash in the GSoko clearing and settlement account then GSoko notifies the GHuB to release the commodity to the buyer. Once the buyer confirms receipt, GSoko settles the GHuB and retains a small transaction fee having facilitated the trade and mitigated all counterparty risks.

A clean warehouse with grain stocks neatly arranged at KACOFA Farmers Cooperative, one of EAGC's GHuBs in Uganda which has benefitted from extensive training and trade facilitation support from EAGC over the years.

EAGC staff engaging a women-led GHuB of Mgazini AMCOS in Ruvuma region, Tanzania to support them with market access, appropriate post-harvest handling technologies and compliance with grain quality standards.

The GHuB model is already delivering tangible results for our farmers. It has delivered fertiliser and seeds to farmers in the North Rift regions of Kenya amidst Covid-19 lockdowns and supply disruptions. It has delivered tractors to farmers in Eastern Kenya looking to mechanize their farmers, and helped farmers in Tanzania and Uganda access more and better markets by improving the quality of their crops and linking them with reputable off-takers. In 2022, EAGC facilitated market access for almost 8,000MT of various commodities worth over USD 2.4 million from 52 GHuBs in Kenya, Tanzania and Uganda.

EAGC remains grateful to the many partners who have over the years worked closely with EAGC in developing the many interventions to the grain trade sector and in particular the GHuB concept. The Swedish International Development Agency (Sida), USAID, UKAID, AGRA, TradeMark Africa and CTA, to mention but a few who have walked the journey with EAGC of transforming the staple food grains sector in Eastern Africa. We have together successfully developed the solution and seen the proof of concept and have seen it work. We now need together to scale it up to reap the benefits of economies of scale to cure the challenge of smallholder agriculture in Africa. We are seeking partners to support us in the scaling up of the EAGC GHuB solution in an inclusive and sustainable manner because it is only when we are together that we can go far!

The writer is the Executive Director,
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March 2023

EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTECO) LAUNCHES REGIONAL INNOVATION-LED BIOECONOMY STRATEGY TO IMPROVE FOOD SECURITY IN THE REGION.

The EAC Council of Ministers approved regional innovation-led bioeconomy strategy that will be a key factor for promoting food security and sustainable agriculture in the region.

The bioeconomy strategy – the first of its kind in Africa and the second in the world after that of the European Union – will increase opportunities for the EAC Partner States to deepen their cooperation in developing a sustainable and resilient bioeconomy.

"Through the strategy, EAC Partner States will scale-up their bio-innovations, share scientific knowledge, and harmonise policies, standards, and regulations for bio-manufacturing and regional trade," said Dr. Mathuki.

The East Africa region has a comparative advantage for bio-manufacturing and bio-based products, given its rich diversity in biological resources and a large proportion of arable land. At the moment, agriculture contributes more than 30% of the region's GDP, making it the backbone of the economy for the Partner States.

The strategy is aligned with expressed commitments to environmental sustainability, climate change adaptation and mitigation, and changing of unsustainable practices by countries in the region.

The strategy provides a compelling framework for putting in place agreed goals and interventions that countries in East Africa can use to achieve the continental aspiration of integrating African Union Agenda 2063 and the United Nations (UN) 2030 Agenda for Sustainable Development into inter-sectoral national development plans, and the regional aspiration contained in EAC Vision 2050 through which Partner States aspire to become middle-income countries by the year 2050.

The Strategy can benefit the neighboring countries of the EAC given their similar aspirations and bioresource base. It is a desire of the EAC that other regional economic communities can use this strategy as an example or benchmark to develop their own regional bioeconomy strategies.

The strategy builds on existing national and regional science, technology, and innovation (STI) policies and related instruments that aim to create an enabling environment for increased STI investments to support sustainable development and socio-economic transformation.

The strategy makes it possible for universities, research institutions, and other innovation centres in the region to use their scientific knowledge to add social and economic value to biological resources and adopt modern technologies and know-how for local bio innovations.

The development of the East African Regional Bioeconomy Strategy began in 2019 through a national and regional consultative process spearheaded by EASTECO and the national councils and commissions of science and technology, and the support of BioInnovate Africa, a regional science and innovation-driven initiative for Eastern Africa based at International Centre of Insect Physiology and Ecology (icipe) in Nairobi, Kenya.

With the strategy in place, great cooperation and partnerships within the region and internationally are expected to be strengthened for its better implementation. Opportunities for cooperation exist in bioeconomy capacity building, product and business development, standards, regulation and market creation, among other things.

Underpinning this potential for Bioeconomy in the region is the need to bolster scientific knowledge, and innovation capacity through among others strengthening the research, policy and business linkages. EASTECO has also developed the *"State of the Bioeconomy in Eastern Africa: 2022"* Report which provides the latest scientific evidence of the status of bioeconomy in the region.

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Africa's first regulation Centre for excellence in the offing

The Government of the United Republic of Tanzania donated a ten-acre plot of land for the construction of the first-ever University status institution in Africa, the Energy Regulation Centre of Excellence (ERCE) in Arusha.

Following the visit of Prof Mark Mwandosya, the Energy and Water Utilities Regulatory Authority (EWURA) Board Chairman, to the Arusha Regional Commissioner. Among other things, he sought assurance from the Regional Commissioner regarding the acquisition of the land for the construction of the center.

Currently, all energy regulation-related studies were offered by regulation excellence centers in Europe and the United States, and Africa had been spending a large sum of its budget on training its regulatory experts abroad.

The ERCE is an arm of the East African Energy Regulators Association (EREA), whose headquarters are based in Arusha, with member countries including Kenya, Uganda, Rwanda, South Sudan, Burundi, DRC, and Tanzania.

During the meeting with the Regional Commissioner, Prof Mwandosya said Tanzania was given the honor of hosting the ERCE. Therefore, seeking land for the institution was a matter of paramount importance.

"Before we started construction of the Centre, the EREA Secretariat was tasked with commencing ERCE short courses in regulation at their current offices. Once the Government gave us land, that would be an important news for the upcoming EREA General Assembly in July 2023, which fortunately will be held here in Arusha," said Prof Mwandosya.

In response, RC Mongela thanked Prof Mwandosya for the courtesy call, adding that his office had the mandate to foster regional integration by providing land for the establishment of regional organizations for the benefit of East Africa.

"We are looking to provide such land in the Kisongo Area near the Arusha Airport, and God willing, by the end of this month, I will inform you, Chair, about the status of this matter," said RC Mongela.

Prior to the meeting with the RC, Prof Mwandosya, a seasoned regulator and founder of many regulatory institutions in Tanzania, had a separate meeting with the EREA Executive Secretary, Dr. Geoffrey Mabea. Dr. Mabea said the ERCE would be an institution of its kind in Africa and would be a major milestone for the Government of Tanzania.

Dr. Mabea also stated that ERCE would collaborate with other universities within the East African Community and share information, which would bring useful and crucial information on regulation matters. Currently, EREA has six Country Liaison Officers from Rwanda, Uganda, Kenya, and Tanzania, who are busy working on the ERCE curriculum, proposing courses, identifying training gaps, updating the calendar of regional experts, and looking for funding opportunities.

About EREA:
The Energy Regulators Association of East Africa (EREA) was established by all Government Energy Regulatory bodies to harmonize energy policies of the East African countries, promote competition and information sharing, and provide sustainable capacity building for all players.
Source

AN OVERVIEW OF INTELLECTUAL PROPERTY (IP)

Intellectual property rights include patents, copyright, industrial design rights, trademarks, plant variety rights, trade dress, geographical indications, and in some jurisdictions trade secrets.

Intellectual property is a broad categorical description for the set of intangible assets owned and legally protected by a company or individual from outside use or implementation without consent. An intangible asset is a non-physical asset that a company or person owns.

The concept of intellectual property relates to the fact that certain products of human intellect should be afforded the same protective rights that apply to physical property, which are called tangible assets. Most developed economies have legal measures in place to protect both forms of property.

Companies are diligent when it comes to identifying and protecting intellectual property because it holds such high value in today's increasingly knowledge-based economy. Also, producing value intellectual property requires heavy investments in brainpower and time of skilled labor. This translates into heavy investments by organizations and individuals that should not be accessed with no rights by others.

Extracting value from intellectual property and preventing others from deriving value from it is an important responsibility for any company. Intellectual property can take many forms. Although it's an intangible asset, intellectual property can be far more valuable than a company's physical assets. Intellectual property can represent a competitive advantage and as a result, is fiercely guarded and protected by the companies that own the property

Patents- A patent is a property right for an investor that's typically granted by a government agency. The patent allows the inventor exclusive rights to the invention, which could be a design, process, an improvement, or physical invention such as a machine.
Copyrights- Copyrights provide authors and creators of original material the exclusive right to use, copy, or duplicate their material. Authors of books have their works copyrighted as do musical artists. A copyright also states that the original creators can grant anyone authorization through a licensing agreement to use the work.

Trademarks- A trademark is a symbol, phrase, or insignia that is recognizable and represents a product that legally separates it from other products. A trademark is exclusively assigned to a company, meaning the company owns the trademark so that no others may use or copy it. A trademark is often associated with a company's brand.

Franchises- A franchise is a license that a company, individual, or party–called the franchisee–purchases allowing them to use a company's–the franchisor–name, trademark, proprietary knowledge, and processes.
The franchisee is typically a small business owner or entrepreneur who operates the store or franchise. The license allows the franchisee to sell a product or provide a service under the company's name. In return, the franchisor is paid a start-up fee and ongoing licensing fees by the franchisee.

Trade Secrets-A trade secret is a company's process or practice that is not public information, which provides an economic benefit or advantage to the company or

INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

Attached to intellectual property are certain rights, known as Intellectual Property Rights (IPR), that cannot be infringed upon by those without authorization to use them. IPRs give owners the ability to bar others from recreating, mimicking, and exploiting their work.

Avoid IP Infringement

Many times, infringement is done unwittingly. To avoid being sued for infringement on intellectual property, make sure that your business is not using copyrighted or trademarked material, and be sure your brand or logo is not too like that of others that it could reasonably mislead somebody to think it was the other brand.

Also, do a patent search to ensure that any ideas are your own, and if not that you are able to license them through the proper channels. There are IP lawyers that specialize in this process to make sure that you are not using anybody else's protected IP.

If you hire somebody to do creative work for you or your company, make sure the contract explicitly states that any creative works generated would become the property of the company and not the person you hired.

Usage/Importance of Intellectual Property

Intellectual property can be used for various reasons, such as branding and marketing, as well as to protect assets that give a competitive advantage.

LAW EXCHANGE ASSOCIATES: ('firm')

Law Exchange Associates is a Corporate and Commercial full-service law firm providing innovative legal solutions to its domestic as well as international clients, offers diverse of expertise in all areas of major practice.

It has been listed in the GLOBAL IP DIRECTORY and The Trademark Lawyer Magazine.

THE FOUNDER

Patric David is a Managing partner at Law Exchange Associates and accredited Arbitrator and Mediator. He's an Advocate of the High Court of Tanzania (Tanganyika) and Zanzibar. He has an experience of over 15 years in Manufacturing & Beverage industries as well as in Construction Sector.

His name has been entered into the Register of authorized Patent, Trade and Service Marks Agent and listed as IP AGENT in African Regional Intellectual Property Organization (ARIPO) website eligible to execute Intellectual Property Rights application (IPR) across the member states.

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The Democratic Republic of Congo Joins Intergovernmental Standing Committee On Shipping

The Intergovernmental Standing Committee on Shipping (ISCOS) is a Regional Maritime Organization that operates in Eastern, Central, and Southern Africa. The organization was established in 1967 by Kenya, the United Republic of Tanzania, Uganda, and Zambia with key mandates to Promote, Protect and Coordinate the Shipping and Maritime interests of its members and the region at large.

Over the years, ISCOS has been a key reference point for shipping and maritime matters in the East African Community region. The organization has played a vital role in promoting efficient shipping and maritime activities, such as coordinating cross-sector engagement among different players in the shipping and maritime sector and engaging with regional, multinational, and overseas shipping service providers to mitigate adverse shipping costs and developments.

ISCOS also supports shippers through various initiatives, such as providing information on best business practices in international trade, assisting member state shippers in resolving issues with service providers, and advocating for the seamless flow of cargo across the logistical chain and multi-modal transport network.

In line with the dynamic global shipping environment, a need for greater collaboration and both regional and continental level, ISCOS has opened up membership to the neighboring countries especially those using the Indian ocean to import and or export.

In March 2022, ISCOS held a successful 7th Assembly of Ministers in Entebbe, Uganda, which brought together regional ministers from 12 countries, including the four ISCOS member states (Kenya, Tanzania, Uganda, and Zambia), the Democratic Republic of Congo, Ethiopia, Seychelles, Burundi, Rwanda, Mauritius, Malawi, and Mozambique. The ministers signed resolutions on a need for greater collaboration in shipping and maritime affairs at the regional level.

In line with one of the resolutions of the 7th Assembly, which emphasized the need for greater collaboration in shipping and maritime activities across the region, the Democratic Republic of Congo, as one of the members present during the assembly, felt the need to collaborate with other member states to equally reap the benefits of advocating for efficient shipping and maritime activities and on August 19th, 2022, the Democratic Republic of Congo (DRC) formally joined the Intergovernmental Standing Committee on Shipping (ISCOS) as a full member.

Presenting DRC application to the Secretary General of ISCOS Mr., Daniel Kiange in Bujumbura Burundi during the Lake Tanganyika stakeholders forum on shipping and trade across the lake , the Head of the DRC delegation, Mr. Bienfait Manegabe Mushobora, who represented the Minister of Transport, Means of Communication & Opening up, Mr. Cherubin Okende Senga, called on the other states in the region to join ISCOS so that the region can talk in one voice when advocating for their shipping interests at the global level. The Secretary-General thanked the DRC for her decision to join ISCOS and promised that the organization will continue to promote, protect, and coordinate the shipping and maritime interests of its members and the region at large.

The admission of DRC adds ISCOS further momentum to discharge its key mandates of promoting, protecting, and coordinating Shipping and Maritime activities across the region. ISCOS still envisages bringing more new member states on board, as it's only through collaboration that the region can attain its desire for Seamless Trade Facilitation.

ISCOS Secretary General Mr. Daniel Kiange (right) receiving a submission from the head of the delegation for DRC Mr. Bienfait Manegabe Mushobora to join ISCOS as a full member.

The DRC delegation with ISCOS Secretary General at the presentation of the submission to join ISCOS 19th August 2022 in Bujumbura, Burundi.

International Women's Day 2023: "DigitALL: Innovation and technology for gender equality"

EAC-GIZ Celebrates International Women's Day 2023

On 10 March 2023, the EAC-GIZ cluster in collaboration with the EAC Secretariat and representatives from the East African Legislative Assembly (EALA), East African Science and Technology Commission (EASTECO), East African Business Council (EABC), Inter-University Council of East Africa (IUCEA), students from the Nelson Mandela Africa Centre of Excellence on Science and technology (NM-AIST), East African Women in Business Platform (EAWiBP), among other regional private sector and civil society organizations, jointly celebrated the International Women's Day 2023 through a workshop themed "DigitALL: Innovation and technology for gender equality in East Africa", hosted at the EAC Secretariat.

The workshop provided a platform for dialogue on digital innovation and technology for gender equality in the EAC, it highlighted the status of digitalization, innovation, and technology in East Africa, explored the opportunities, challenges, and impacts of technology on women and youth in the EAC and showcased innovation and technology in practice that were promoting gender equality for women and youth in the region.

In her opening remarks, Mrs Godje Bialluch, Cluster Coordinator EAC-GIZ, noted that, "digital literacy is as important as traditional literacy, although women are slowly making headway into the innovation and technology space in East Africa, there is still more work to be done." Further, she urged EAC Partner States to prioritize targeted policy, legislative and transformative programming as well as structural reforms that bridges gender digital divide in the region.

The EAC has implemented the 50 Million African Women Speak Networking Platform which so far has provided women entrepreneurs digital access to financial and non-financial services to start and/or grow their businesses, fostered networking, mentoring and peer-to peer learning and access to market opportunities between rural and urban areas. Said, the Director Social Sectors, EAC, Dr, Irene Isaka represented in the workshop by Mrs. Ruth Simba, Director, Human Resources and Administration, EAC.

Additionally, Mrs. Ruth Simba remarked that the support provided to over 3000 women cross border entrepreneurs via the Sauti Kenya's market information platform project which was among other pioneer projects supported by the EAC-GIZ programme was a laudable initiative. The project has enabled access to daily exchange rates and prices of various commodities across the borders. She emphasized, that the EAC Partner States not only need to strategize, package information, address challenges and devise mechanism for improving access to digital technology, but also should allocate adequate budget for improvement of ICT infrastructure through a gender lens.

The workshop featured an engaging keynote presentation and a lively panel discussion that recommended the following:

- The finalization of the AfCFTA Protocol on women and youth and AfCFTA e-commerce protocol as a game changer in providing women and youth in Africa, the opportunity to leverage digital technologies in East Africa should be fast tracked.
- The EAC Partner States should fast track the finalization and implementation of the one area network for telecommunication in the EAC to reduce the cost of doing cross border business for women cross border traders in the region.
- The EAC Partner States should harmonize digital policies including cyber-security and set up legal and policy frameworks that educate and protect girls and women from cybercrimes.
- The EAC Partner States should improve digital connectivity and ensure that access to affordable internet is considered a citizen's right – not a luxury.
- EAC Partner States should consider partnering with the private sector in the region to expand broadband coverage in underserved areas and promote policies that encourage greater competition in the telecommunications sector.
- The EAC Partner States to provide an enabling environment for women and girls in the EAC to partake in the digital economy by collaborating with businesses and civil society to provide women with access to digital resources, education, skills, and financial support.
- EAC Partner States were urged to promote women and girls in the ICT sector by developing their digital skills in areas such as coding and provide opportunities for women and girls to pursue careers in science, technology, engineering, and mathematics (STEM).

GIZ remains a key partner for EAC and the East African private sector to improve framework conditions for regional and continental trade

“Integration is about people.” This statement by the East African Community Secretary General Dr Peter Mutuku Mathuki, phrased before taking office in 2021, has been the paramount principle of EAC-Germany cooperation for a long time. Especially in times of multiple crises, regional integration offers opportunities to strengthen economic and social resilience for the benefit of East Africans.

On behalf of the German government, GIZ assists the EAC Secretariat and Partner States in driving the process of regional economic integration together with organisations from the private sector, civil society and academia. Utilising the potential of the AfCFTA, diversification of industries and adding value to products and services in the region is key to this partnership. Furthermore, the cooperation between EAC and GIZ extends to projects in the areas of pandemic preparedness and academic education with a focus on digital skills and innovation. In addition, global and regional projects funded by the German government support border governance and e-Commerce. In 2022, GIZ received new funds to engage with EAC on prominent issues of environment and natural resources – for now focusing specifically on integrated water resource management in the region – as well as to operationalise the cross-border movement of professionals based on a digital mechanism to accelerate trade in services.

Two steps are key to improve the framework conditions for regional and continental trade. In the beginning, strategies and regulatory frameworks for economic sectors need to be developed and obstacles to implementation identified. This has already been accomplished by EAC with the support of GIZ throughout the last years. Now, the developed strategies and regulations must be applied and identified obstacles must be removed while including the voice of the private sector throughout the process. These implementation aspects are the focus of EAC’s and GIZ’s newest flagship project on regional economic integration dubbed “Support to East African Integration” (SEAMPEC II), which is funded by the German Federal Ministry for Economic Development and Cooperation (BMZ).

On the one hand, SEAMPEC II aims at supporting regional and continental trade in products with potential to foster sustainable economic transformation such as agricultural commodities. For this, it supports the implementation of regional agreements that improve framework conditions for increasing value-addition in pharmaceuticals, fruits & vegetables as well as leather and leather products.

On the other hand, SEAMPEC II focusses on strengthening regional and continental trade in services with potential to support sustainable economic transformation, among them ICT, e-Commerce and tourism. The programme also assists the private sector, namely EABC, in developing policy positions and recommendations. Additionally, SEAMPEC II supports the EAC to jointly formulate harmonised positions in the negotiations for the AfCFTA and build capacities of the relevant stakeholders to engage in the continental trade. For this, SEAMPEC II and EABC have jointly embarked on building capacity of the private sector across all Partner States through regular trainings on AfCFTA agreements such as the Trade in Goods Protocol.

The partnership between EAC and GIZ creates various business success stories on the ground in EAC Partner States. Below Natacha Baranyuzwe, Rwandan entrepreneur, tells her story on how a training on Good Manufacturing Practices, offered by EAC and GIZ, changed her business outlook leading to an entrepreneurial success story.

Natacha Baranyuzwe is a Rwandan entrepreneur believing in natural products to heal the world and be a source of livelihood for her community. After having been trained as a pharmacist, she set up her company BARANYUZWE COSMETICS Ltd in 2019 to produce herbal-based products for treatment of fungal infections of the scalp.

Already during her postgraduate studies, Natacha had discovered the therapeutic powers of Pidens Pilosa, a naturally occurring herbal plant in East Africa which has traditionally been used to treat various ailments. Due to intensive research, she was able to formulate a Bidens Pilosa hair shampoo and patented it at the Rwanda Development Board Intellectual Property Office. The product is a welcome relieve to women in Rwanda and beyond as the current alternatives are expensive and hardly effective.

After having set up her business, Natacha decided that she needed more expertise on how to produce high-quality products. Therefore, she partook in a six-week training on Good Manufacturing Practices (GMP) for herbal and traditional medicines offered by the EAC Secretariat via the GIZ SEAMPEC programme to entrepreneurs in all EAC Partner States in late 2020.

In 2022, over one year after the training, GIZ wanted to hear from Natacha, how it has helped her business.

One thing was obvious – her product portfolio is growing. Already in 2020, Natacha had ventured into hand sanitizer production by blending ethanol and the Pidens Pilosa extract. The combination proved effective and has been licensed by both Rwanda Food and Drug Authority and the Rwanda Standards board. According to Natacha, the sanitizer has become so popular that it is now the brand of choice in most weddings and is being widely distributed in the country.

Natacha also used the training to improve the quality of her products even as she expanded her business. She stresses, “What I learned is that for high-quality products, you need highly qualified personal. Since the training, I hired two laboratory analysts and make sure that my staff is constantly trained.” By now, Natacha is employing ten staff members.

Furthermore, Natasha notes, “Through the training, I realised that I cannot be competitive on the East African market with the rudimental instruments I had been using prior." Now, Natacha is using validated equipment to produce high-quality products. Additionally, she has established close working relations with the Rwanda Standards Board, so that she is always up to date on latest developments and can adjust accordingly.

Another aspect of the training was the importance of self-inspection. Since then, if there are any issues during production, Natacha identifies and solves them herself before the product goes on the market. “For each batch number, I have a quality control laboratory in place that checks the batch. The laboratory analyses basic parameters and guarantees high-quality products. If anything is missed, documentation allows to always link back to any specific batch.”

All of this has benefited Natacha’s business. Not only did she just start another new product line – solid soaps for different uses such as showering, hand washing, floor cleaning or laundry – she is also already thinking about developing her own line of drinking water.

Due to her high-quality products, Natacha has raised interest of exporters so that her products can be found in other EAC Partner States. Whilst for now, Natacha herself is only selling in Rwanda, expansion to the rest of EAC – including its newest member DRC – is already on the table.

Background:

The global market for traditional medicines is growing and represents an opportunity for East African manufacturers. Some well-known medicines that are currently in use have been derived from plant sources such as Antimalarials. The EAC has a rich source of biodiversity and a strong history on the use of traditional medicines among its population. But efforts to incorporate the knowledge of traditional medicines into modern healthcare and ensure its quality, safety and efficacy standards has been a challenge. Despite the requirement to follow GMP standards for production of traditional and herbal medicines, not all companies that produce these products comply with international GMP standards and not all regulators understand international best practises when it comes to regulation of the herbal products. Given the importance of the herbal sector to the EAC region and its potential to improve public health and promote economic development, the online GMP Training Course offered by GIZ via the GFA consulting company was aiming to solve these challenges.

More information on the cooperation between the EAC and Germany as well as success stories of regional integration can be found on the www.eacgermany.org

TradeMark Africa is confident to apply the successes of its support to trade facilitation initiatives across major trade corridors in Africa.

TradeMark East Africa, one of the world's leading Aid for Trade organisation, on January 2023, rebranded to TradeMark Africa (TMA). Founded in 2010 in Kenya, TMA now marks expansion to support countries in West and Southern Africa from its previous core operational area of East and Horn of Africa. This will be integral to the implementation of the Africa Continental Free Trade Agreement (AfCFTA). TMA now has a presence in fourteen countries in sub-Saharan Africa (SSA): Kenya, Uganda, Tanzania, Rwanda, Burundi, the Democratic Republic of Congo (DRC), South Sudan, Ethiopia, Somaliland, Djibouti, Malawi, Zambia, Mozambique, and Ghana.

The first two phases of TMA (2010-2024) have contributed to substantial gains in Eastern Africa's trade and regional integration in terms of decreased cargo transit times, improved border efficiency, and reduced barriers to trade. This has had an overall effect of enhancing export competitiveness of African businesses. Among the impact arising from TMA's interventions is reduced time for traders to cross select borders – by 70% on average- TMA has so far supported operationalisation of 15 One Stop Border Posts in the region, 16.5% reduction in the total time it takes to transport a container on the Northern Corridor from Kenya's Mombasa Port to Bujumbura, Burundi. TradeMark Africa has been investing an average of US$80 million in various trade facilitation initiatives.

Other TMA successes over the last 12 years include implementation of 60 Single Window Information for Trade (SWIFT) Systems in partnership with regional government agencies such as the Uganda Electronic Single Window, thus reducing the time and cost of acquiring trade documents. The Regional Electronic Cargo Tracking System (RECTS) on the Northern Corridor in East Africa continues to ensure safety of transit cargo. The Standards, Sanitary and Phytosanitary (SPS) Programme has enhanced the access of regional goods for foreign markets and reduced the time and cost of the service. Reduction of Non-Tariff Barrier (NTBs) has aided grow regional exports by at least 10%.

Further TMA has supported over 200,000 women cross-border traders and small and medium enterprises. Through partnership with the East African Business Council (EABC) and other apex associations in the implementation of the Public-Private Dialogue for Trade and Investment programme, TMA has complemented the efforts of the public and private sector interventions towards an enhanced business environment for business in East Africa.

TMA's renewed focus on digitalisation, green corridors, food security and inclusion will deliver large-scale impact in job creation, poverty reduction and enhanced economic welfare. TMA's new strategy will build on and scale up on its core strengths, to focus on facilitating development of digital and green trade corridors, to position Africa as a partner of choice for global off takers; as well as promoting inclusive trade that drives down poverty levels and ensures that vulnerable groups are more integrated in trading systems.

As part of the pivot to West Africa, the organisation will support the Secretariat of the African Continental Free Trade Area (AfCFTA), based in Accra and Ghana to realise its vision of integrating the $3.4 trillion African market. TMA will also work with regional economic communities (RECs) such as the Economic Community of West African States (ECOWAS), to boost regional economic integration and accelerate trade. Further, TMA will work with Member States to ensure Governments and businesses benefit practically from the opportunities presented by these shifts The successful implementation of the AfCFTA is predicted to boost incomes in Africa by $450 billion by 2030.

During the launch, TradeMark Africa's Board Chairman, Amb. Erastus Mwencha said, "As a leading Aid-for-Trade (AfT) Programme, a continental approach gives TMA an important opportunity to expand its impactful programming progressively, while supporting the aspirations of AfCFTA to unleash the immense impact that free trade in high value products, exists in Africa. Our key aim remains trade facilitation, just like we have always done in the last 12 years in the East and Horn of Africa region, where we were founded and have had great milestones in our programmes."

TradeMark Africa's Chief Executive Officer, Mr. David Beer remarked, "We believe that combining a regional and national approach has always been part of our comparative advantage. With our expanded scope, we are excited now to harness the critical continental dimension to drive faster growth in trade volumes, and to support linkages between regions. TMA's focus on reducing the barriers to trade and improving business competitiveness will also be a core element of tackling the trade challenges of the future, as we pivot towards creating green trade corridors and enhancing regional food security."

Networking. Investing. Developing. Fostering Just Transition in East Africa through Circular Economy: Voice of Companies

Business Scouts for Development

"I knew little about the circular economy aspect, I used to learn through different articles from different people and organizations. It is the IFAT Munich visit that helped me deepen my knowledge of the circular economy aspects. I also learned about the different solutions from digital and machine technologies. I met organizations developing digital platforms similar to what we were also developing. This was a was a worthy experience. life. Thanks to Business Scouts for Development programme",
Allen Kimambo,
CEO Zaidi Recyclers Tanzania.

The circular economy approach in East Africa is on the rise and several companies have integrated circularity into their business practices to foster sustainability initiatives which promotes innovation, environmental protection and create jobs. Despite the opportunities, companies in East Africa still strive for innovative and cost-effective technological know-how and machinery to transitioning into sustainable business practices which in turn will reduce high costs of production, environmental damage and material wastage. Since 2019, GIZ Business Scouts for Development Programme has been providing demand driven advisory services, capacity building and networking opportunities to companies in East Africa to foster competitiveness, innovation as well as exposing companies to latest trend, technology and relevant sectoral networks to help learn best practices towards sustainable business models.

Business Scouts for Development work as develop-ment policy experts in more than 30 countries across the globe. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), they advise German, European and local companies on development policy matters and promote responsible business engagement through cooperation projects. The Business Scouts for Development work closely with partners from business associations and institu-tions and from TVET organisations both in Germany and in each country.

''My participation at the 2022 Plastic Trade Fair which was supported by Business Scouts for Development programme was a success for me as I got a chance to learn about new advanced recycling technologies and meet potential partners and recycling experts who helped me to increase skills and knowledge that impacted my business to growth.'' **Ms. Hellena Mashaka Sailas, CEO Arena Recycling.**

"Knowing well that all plastics first produced in the early 1900s is still here in the waste streams, there is no reason for not looking into a circular economy for whatever amounts we produce now, otherwise the cycle of over 400 years to decompose is too long compared to the industrial growth rate of plastic production across the globe"
Rashid Musoke, Design and Development Lead Nice House of Plastics Uganda

“Big opportunities for small businesses: African Continental Free Trade Area”

Pamela Coke-Hamilton,
Executive Director, International Trade Centre (ITC)

Small businesses are at the heart of Africa’s future economic growth.

The key to unlocking their full potential is the African Continental Free Trade Area (AfCFTA), making trade easier, faster and less costly for small firms, which make up most enterprises on the continent.

The AfCFTA is transformational: It gives Africa the power to change the terms of trade, undoing centuries of dependence on commodities and colonial trade patterns. When 44 African Union Member States signed the establishment of the AfCFTA in 2018, it marked a transition to greater self-reliance through a single market for African-made goods and services. When fully implemented, it will transform Africa’s place in the world.

Investing in intra-African trade

While the trade opportunities are great, so is the need for action. ITC data show intra-African export potential to be $22 billion. At present, only 14% of African exports are destined for countries in Africa and much of this trade is in raw and semi-processed products.

This is where the AfCFTA comes in: It promises to boost intra-African trade and promote industrialization through diversification and value chain development, ultimately contributing to job creation and better livelihoods on the continent.

Accounting for about 40% of intra-African trade, small businesses stand to benefit greatly from the improved market access that the AfCFTA will usher in. The expected lowering of taxes and tariffs and the removal of non-tariff barriers will make it much easier for small businesses to add value to their products and plug into regional value chains. Governments, business support organizations and development agencies must actively support them to make the most out of a liberalized African market, including by creating a business-friendly environment and by demystifying the AfCFTA with the sharing of practical, up-to-date information on how they can benefit from it.

By providing a framework for continental economic integration, the AfCFTA also presents a unique opportunity for African countries to compete in the global economy, reduce poverty and support inclusive development, including for women, youth and people in vulnerable communities.

Aiming for big goals

Under the umbrella of the AfCFTA, policymakers can partner with business leaders to prioritize goals that would otherwise be difficult to achieve, such as accelerating the digital transition to make accessible and affordable connectivity a reality across the continent.

The AfCFTA also offers an opportunity to coordinate a unified response to the existential crisis of our time – climate change – by ensuring that all actions taken as part of the low-carbon transition result in a just transition. While trade is often left out of climate discussions, trade facilitates the diffusion of low-carbon technologies across supply chains and enhances access to finance for investment in climate-friendly practices.

Aiming for these broader goals of digital connectivity and resilience to climate change through the AfCFTA will place Africa securely on a path to sustainable development and economic growth.

Supporting small firms in East Africa

As the lead multilateral agency helping small businesses to become engines of economic growth and employment, the International Trade Centre (ITC) has been actively supporting the smooth, practical implementation of the continent-wide free trade area. With its current project portfolio covering 50 African countries, ITC organizes awareness-raising workshops, public-private dialogues and online training courses on the AfCFTA. Through various regional trade integration initiatives, and in particular in the East African Community region under the EU-funded Market Access Upgrade Programme (MARKUP), ITC is working closely with African policymakers and businesses and with the support of the East African Business Council to ensure regional integration create opportunities for small businesses.

Africa is the youngest continent and brims with entrepreneurial spirit. Through our One Trade Africa Initiative, we work closely with African policymakers and businesses to ensure that regional integration opens doors not only for large companies such as Dangote and Ethiopian Airlines, but also for small businesses, including those owned by women and youth and those operating informally.

Underlying all these efforts to support the smooth, practical implementation of the free trade area is a focus on what works for Africa, by Africa. ITC supports small businesses and policymakers alike, from identifying areas of collaboration to initiating studies and implementing solutions alongside key partners, in East Africa and across the wider continent.

Circular Economy and Business Opportunities for Companies in Europe and East Africa

Circular economy is a concept that is gaining traction globally, and East Africa is no exception. The circular economy model is based on the principle of reducing waste, maximizing resource efficiency, and creating closed-loop systems. This approach to economic development is increasingly relevant in East Africa, where rapid urbanization, population growth, and the rise of middle-class consumers are putting pressure on natural resources and the environment.

The circular economy concept is well-suited to the challenges faced by East African countries, where resources are scarce, and waste management systems are often inadequate. In this context, the circular economy offers an opportunity to create sustainable economic growth and development, while reducing the negative impacts of resource extraction and waste generation.

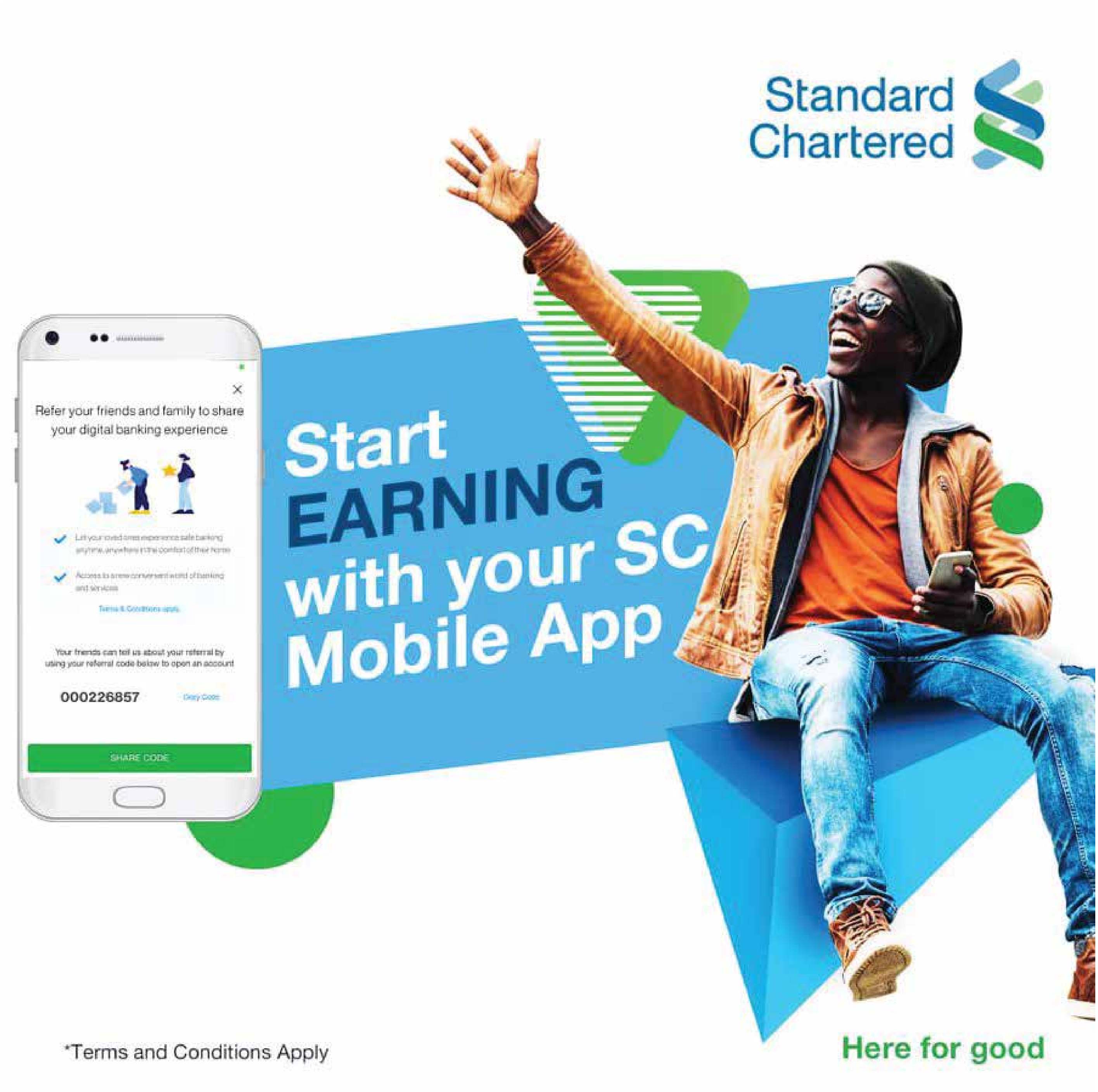
Against this background, it is hardly surprising that projects in this sector are increasingly becoming the focus of attention. Countries like Kenya started implementing measures to encourage recycling via the Sustainable Waste Management Bill and the Extended Producer Responsibility Regulations, Uganda requires all companies producing waste to engage in recycling and Rwanda is a pioneer in banning the use of single-use plastic bags. The Afrika-Verein (German-African Business Association) enhances its focus on Circular Economy in the countries of the East African Community by organizing a business initiation trip for German suppliers, vendors, and service providers in the field of Circular Economy to Kenya and Uganda in June 2023.

German companies are well positioned to take advantage of the business opportunities created by the transition to a circular economy in East African countries. Germany is a global leader in the development and implementation of circular economy solutions, and German companies have a wealth of expertise and experience to offer. There is great interest in German technologies and in well-founded knowledge transfer. This development offers German companies, especially small and medium-sized enterprises, as well as scientific institutions and facilities a good opportunity to expand their field of business. German companies can bring their expertise in areas such as waste management, renewable energy, and resource efficiency to the East African market, helping to accelerate the transition to a more sustainable and circular economy.

One area where German companies can play a key role is in the development of sustainable waste management systems. East African countries generate a significant amount of waste, much of which is not properly managed and can have negative impacts on human health and the environment. German companies can bring their expertise in waste management, including waste sorting, recycling, and composting, to seize opportunities of supporting East African countries to manage increasing waste production and reduce the environmental footprint.

Another area of opportunity for German companies is in the development of renewable energy systems. East African countries are rich in renewable energy resources, including solar, wind, and hydro, and there is a growing demand for sustainable and clean energy in the region. German companies can leverage their expertise in renewable energy to support East African countries transition to a more sustainable energy mix, reducing their dependence on fossil fuels and helping to mitigate the impacts of climate change.

In conclusion, the transition to a circular economy in countries of the East African Community is not only relevant, but also creates significant business opportunities for German companies. By leveraging their expertise in areas such as waste management and renewable energy, German companies can be key partners in supporting the transition to a more sustainable and circular economy in the region, while also benefiting from these new business opportunities.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