

Tabled by Hon. Cai Deng  
Chairperson C TI on 27/2/2019

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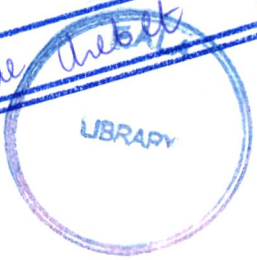


**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT ON THE CAPACITY BUILDING WORKSHOP FOR MEMBERS OF THE  
COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENT IN THE AREA OF  
TRADE AND TRADE RELATED MATTERS IN THE EAC, FEBRUARY 2019**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 28 MAR 2019	<b>DAY:</b> Thursday
<b>TABLED BY:</b>	LON
<b>CLERK-AT THE-TABLE:</b>	Gubende <i>[Signature]</i>



**Clerk's Chambers  
EALA Headquarters, 3<sup>rd</sup> Floor  
EAC Headquarters  
Arusha – TANZANIA**

**February, 2019**

## **ACRONYMS**

<b>ACP</b>	African, Caribbean and Pacific Group of States
<b>AGOA</b>	African Growth and Opportunity Act
<b>AFCTFA</b>	African Continental Free Trade Agreement
<b>CET</b>	Common External Tariffs
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>CM</b>	Common Market
<b>CU</b>	Common Union
<b>CUP</b>	Common Union Protocol
<b>EAC</b>	East African Community
<b>EALA</b>	East African Legislative Assembly
<b>EBA</b>	Everything But Arms
<b>EFTA</b>	European Free Trade Association
<b>EPA</b>	Economic Partnership Agreement
<b>EPZ</b>	Export Promotion Zones
<b>EU</b>	European Union
<b>LDC</b>	Least Developed Countries
<b>GCC</b>	Gulf Cooperation Council
<b>GSP</b>	Generalised System of Preference
<b>MRA</b>	Mutual Recognition Agreement
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>NTB</b>	Non-Tariff Barriers
<b>NTMs</b>	Non-Tariff Measures
<b>PSs</b>	Partner States
<b>RoO</b>	Rules of Origin
<b>RTA</b>	Regional Trade Agreements



<b>US</b>	United States
<b>USAID</b>	United States Agency for International Development
<b>SADC</b>	Southern African Development Community
<b>SACA</b>	Standardisation, Accreditation and Conformity Assessment
<b>SEZ</b>	Specialised Export Zone
<b>SPS</b>	Sanitary and Phytosanitary Measures
<b>SoA</b>	Statement of Accounts
<b>SQMT</b>	Standards Quality Management Metrology and Testing
<b>TBT</b>	Technical Barriers to Trade
<b>TFA</b>	Trade Facilitation Agreement
<b>TFTA</b>	Tripartite Free Trade Area
<b>TIFA</b>	Trade and Investment Framework Agreement
<b>TiS</b>	Trade in Service
<b>TMEA</b>	Trade Mark East Africa
<b>TPRs</b>	Trade Policy Reviews
<b>WTO</b>	World Trade Organization

## **1.0 INTRODUCTION**

The East African Legislative Assembly (EALA) is one of the Organs and Institutions of the East African Community established under Article 9 of the Treaty for the Establishment of the East African Community. Under Article 49 and 59 of the Treaty, and as further amplified by the Rules of Procedure of the East African Legislative Assembly, the Assembly is mandated to exercise legislative, oversight and representative functions over all matters pertaining to the EAC Integration agenda.

Article 49(2)(e) mandates the Assembly to create Committees for purposes of effective discharge of its mandate. Rule 79 of the Rules of Procedure provides for the appointment of relevant Committees to discharge the functions of the Assembly. Specifically, Annex C of the Rules of Procedure outlines the functions of the Committee on Communication, Trade and Investment as follows:

1. To receive reports on the status of implementation of provisions of the Treaty falling within its mandate; complaints of non-compliance in facilitating the achievement of the objectives/goals of the Treaty; oversight of work and activities of the Sectoral Committee of the EAC and organs charged with implementation of provisions in this realm.
2. The broad functions in 1 above shall hinge on the following provisions of the Treaty, but not limited to them, these are:
  - a) Chapter Eleven: Co-operation in Trade Liberalization and Development.
  - b) Chapter Twelve: Co-operation in Investment and Industrial Development.
  - c) Chapter thirteen: Co-operation in Standardization, Quality Assurance, Metrology and Testing.
  - d) Chapter Fourteen: Monetary and Financial Co-operation.
  - e) Chapter Fifteen: Co-operation in Infrastructure and services
  - f) Chapter Twenty Five: The Private Sector and Civil Society
  - g) Chapter Twenty Six: Relations with other Regional and International Organization and Development Partners.

The above is a vast and complex mandate. By its very nature, parliamentary work covers a wide range of subject matter; from health to politics, regional integration to diplomacy, from trade/taxation to security, among others. Filling in knowledge gaps relating to such a range of subject matter can only be systematically done through customer-tailored capacity enhancement - building programs.

## **2.0 BACKGROUND**

Trade has been and remains a major and most important component of the socio-economic development for all nations. In its different aspects, it is a significant stimulant

to the improvement of the people's welfare and advancement. However, if not properly managed, it may lead to disastrous socio-economic and political consequences.

The major objective of the Treaty for the Establishment of the East African Community is the improvement of the economic welfare of the people of East Africa. The Treaty treats trade as a central feature of the East African integration process. The theme of trade and its role runs through the entire Treaty. Trade constitutes the glue with which the Community is to be joined together and the oil with which it is to be run. Trade regimes established in East Africa must be such that they result in maximum socio-economic benefits to the people of East Africa.

In view of the foregoing, it was deemed important that all Members of the Committee on Trade, Communication and Investment regardless of their academic and professional background, needed to be exposed to specialized knowledge on pertinent issues in respect of the mandate of the Committee, particularly in the area of Trade. Accordingly, the Committee conducted a capacity building workshop for the Members of the Committee in the area of Trade and trade related matters in the EAC from 7<sup>th</sup> – 9<sup>th</sup> February, 2019 in Kampala, Uganda. It is the Committee's view that such knowledge can be systematically imparted through organized, customized capacity enhancement-building training programs from time to time.

### **3.0 OBJECTIVES OF THE ACTIVITY**

The Capacity Building workshop for Members of the Committee on Communication, Trade and Investment aimed at realising the following objectives:

- i) to enable Members appreciate the role of Trade in the EAC Integration Agenda;
- ii) to enhance Members' technical knowledge on the Trade Agreements that the EAC is part of (COMESA-EAC-SADC Tripartite Free Trade Area, African Continental Free Trade Area, EAC-EU Economic Partnership Agreements, EAC-U.S Trade and Investment Partnership, EAC-European Free Trade Association);
- iii) to enhance the knowledge of Members on the Common External Tariffs (CETs);
- iv) to appraise Members on the operationalization of the EAC Committee on Trade Remedies as per Article 24 (2) of the Protocol on the Establishment of the East African Customs Union; and
- v) to come up with recommendations for the furtherance of the EAC integration agenda, particularly in the area of trade.

### **4.0 SCOPE OF THE CAPACITY BUILDING**

The training focused on Trade and Trade related matters in the EAC Integration process. The presentations covered the following thematic areas:

- i. EAC Protocol on the Establishment of the Customs Union.
- ii. The EAC Common External Tariff.
- iii. The EAC and Trade Integration.
- iv. The Strategic Interventions for EAC Trade Promotion.
- v. EAC Trade Agreements.
- vi. Challenges to the EAC's Trade.
- vii. Operationalisation of the EAC Committee on Trade Remedies.

## **5.0 METHODOLOGY**

During the training, Committee Members:

- i. Received presentations from resource persons from the Directorate of Trade and Customs of the EAC Secretariat;
- ii. Reviewed and made reference to a number of documents including but not limited to, the Treaty for the Establishment of the EAC, the EAC Protocol for the Establishment of the Customs Union, Trade Agreements signed by the EAC, select Summit and Council decisions;
- iii. Held plenary discussion with the resource persons; and
- iv. Came up with recommendations for the furtherance of the EAC integration agenda, particularly in the area of Trade.

## **6.0 SALIENT ISSUES NOTED DURING PRESENTATIONS**

### **6.1 AN OVERVIEW OF TRADE AND TRADE RELATED MATTERS IN THE EAC**

The Committee was briefed by the Director Trade, Dr. Al-hajji Rashid Kibowa about the following thematic areas: the EAC Trade Integration; Strategic Interventions for EAC Trade Promotion; EAC Trade Agreements; and Challenges to EAC's Trade. Ms. Flavia Busingye, Principal Customs Officer made a presentation on the Customs Union Protocol and Common External Tariff while Ms. Monica Mihigo, Principal Internal Trade Officer gave a brief on the status of establishment of the EAC Committee on Trade Remedies. The following issues were noted:

## **6.1.2 THE PROTOCOL FOR THE ESTABLISHMENT OF THE EAC CUSTOMS UNION**

In order to promote the objectives of the EAC as provided under Article 5 of the Treaty, the Partner States established the Customs Union as one of the pillars of the EAC integration.

In accordance with the provisions of Article 75 of the Treaty, the Protocol for the Establishment of the EAC Customs Union came into force in 2005 and it inter alia, provides for the:

- i. Customs administration;
- ii. Application of the principle of asymmetry;
- iii. Elimination of internal tariffs and other charges;
- iv. Elimination of NTBs;
- v. establishment of a Common External Tariff;
- vi. Rules of Origin;
- vii. Anti-dumping measures;
- viii. Safeguard measures;
- ix. Export promotion schemes;
- x. Exemption regimes;
- xi. Subsidies and countervailing measures;
- xii. Measures to address imbalances arising from the establishment of the Customs Union;
- xiii. Trade Agreements with Countries and Organisations outside the Customs Union;
- xiv. Dispute settlement.

### **6.1.2.1 Objectives of the Customs Union**

The objectives of the Customs Union are to:

- i. Further liberalise intra-regional trade in goods on the basis of mutually beneficial trade agreements among Partner States;
- ii. Promote efficiency in production in the Community;
- iii. Enhance domestic, cross-border and foreign investment in the Community; and
- iv. Promote economic development and diversification in industrialization in the Community.

## **6.2 CO-OPERATION IN TRADE LIBERALISATION AND DEVELOPMENT**

In order to promote the achievement of the objectives of the EAC as set out in Article 5 of the Treaty, the Partner States undertook to develop and adopt an East African Trade Regime and co-operate in trade liberalisation and development as per the provisions of Article 74 to 78 of the Treaty. Precisely, under the Customs Union, the EAC Partner States agreed to facilitate trade and development by developing, establishing and adopting, inter alia, the following:

- i) The principle of asymmetry;
- ii) Safe guard measures;
- iii) Common External Tariffs;
- iv) Measures for Trade Facilitation, and Trade liberalization;
- v) Rules of Origin;
- vi) Security and other restrictions to trade;
- vii) Duty drawback, refund and remission of duties and taxes;
- viii) Re-exportation of goods;
- ix) Export promotion; and
- x) Trade Policy



## **6.3 STRATEGIC TRADE INTERVENTION AREAS**

In a bid to promote trade within the region and the outside world, the EAC has developed and adopted the following strategies and measures:

### ***6.3.1 Promotion of Intra-EAC Trade***

- i. Elimination of Non-Tariff Barriers.
- ii. Operationalisation of national and regional trade facilitation committee, the EAC Trade Remedies Committee (Art 24 (2) of the CU Protocol, and the Customs Committee.
- iii. Promotion of Trade in MSMEs products through the holding of the Annual Trade Exhibitions and symposia.
- iv. Facilitating the implementation of the Simplified Trade Regime (STR) for Small Scale cross-border traders.
- v. Collection, analysis and dissemination of trade information –Trade portals and Annual Trade and Investment Reports.



### **6.3.2 Promoting EAC Trade with the Rest of the World**

- i. Coordinating negotiations and implementation of trade Agreements: TFTA ; AfCTFA; EAC-US; AGOA; EAC-EU EPA; EAC-EFTA Cooperation;
- ii. Developing and coordinating the implementation of EAC Export Promotion Strategy.
- iii. Harmonisation of export promotion programmes and incentives schemes in the Partner States like Special Export Zones.

### **6.3.3 Trade in Services (TiS)**

- i. Liberalisation of Trade in Services by the Partner States.
- ii. Development of a mechanism for removal of Existing restrictions
- iii. Implementation of TiS in the priority 7 Sectors (Business; Distribution; ; Education; Finance; Communication; Tourism; and Travel-related; and Transport).
- iv. Liberalisation of the remaining additional 5 (Environment; Health related and Social; Recreation Culture & sporting; and, Other Services- not included anywhere).
- v. Development of MRAs and regulation on Free Movement of Services and Services Suppliers.
- vi. Generation of statistics on EAC Trade in Services.

### **6.3.4 Harmonisation and Observance of Standards-Fair trade, consumer safety and environmental protection**

- i. Development of Standards for commonly traded goods and mutual recognition of Certification marks.
- ii. Operationalisation of the EAC Accredited board and the SQMT institutional framework.
- iii. Peer assessment of Partner State standards infrastructure.
- iv. Partner States conformity assessment procedures, standards and Proficiency testing harmonized.
- v. Notification system for new standards by Partner States.

### **6.3.5 Cross-cutting Issues**

- i. Sensitisation of Stakeholder and Capacity Building
- ii. Monitoring and Evaluation
- iii. Review and Enactment of appropriate law-SACA Bill, Metrology Bill, EAC NTB 2017 Act Review, plus development of Regulations to operationalize the Law.
- iv. Partnerships/collaborations and membership with private sector, the Development Partners, Civil Society Organisations plus Regional and international bodies.

## **6.4 TRADE AGREEMENTS THAT HAVE BEEN CONCLUDED/ARE ONGOING BETWEEN THE EAC AND THIRD PARTIES**

The East African Community has negotiated and or is negotiating the following agreements:

### **6.4.1 COMESA-EAC-SADC Tripartite FTA**

- i. The Tripartite Free Trade Area has membership of 29 Partner/Member States.
- ii. The Tripartite Free Trade Area Agreement was initially signed by 15 countries in Sharm el Sheik, Egypt on 10<sup>th</sup> June 2015 during the 3<sup>rd</sup> Tripartite Summit.
- iii. To date 22 Tripartite Member/Partner States have signed the Agreement-Egypt first to ratify the Agreement on 3 May 2017 followed by Uganda; Kenya and South Africa.
- iv. 14 ratifications are required for the Agreement to come into force but only 4 Partner/Member States have ratified the TFTA. Sudan, Comoros, Swaziland and Rwanda are expected to ratify soon.
- v. Fourth Summit is planned to launch implementation by June 2019.
- vi. EAC Partner States ratification is crucial to the implementation of the agreement by the EAC.

### **6.4.2 African Continental Free Trade Area (AfCFTA)**

- i. The African Continental Free Trade Area negotiations are in two phases; Phase I is about Trade in Goods and Services while Phase II is about Intellectual Property Rights; Competition Policy and Investment;
- ii. AfCFTA was signed by 44 Countries in Kigali, Rwanda in March 2018. To-date, 52 countries have signed. Among the EAC Partner States it is Kenya, Uganda and Rwanda that have ratified.
- iii. Up to 18 Member/Partner States have ratified the AfCFTA out of the required 22 ratifications for entry into force.
- iv. The level of ambition for tariff liberalisation is 90% to be achieved in the 1st phase of tariff liberalisation between 5 years for Non-LDCs and 10 Years for LDCs for Non-Sensitive products.
- v. Sensitive products cover 7 percent with 5 year transitional and will be liberalised over a longer period of time ranging between 10-15 years.
- vi. Products excluded from liberalisation will cover 3 percent subject to double qualification with import value limitation of 10%.

### **6.4.3 EAC-EU Economic Partnership Agreement (EAC – EU EPA)**

- i. Negotiations of the Agreement was concluded in October 2014, and it provides for:
  - a) Duty free quota free access into the EU for all imports from EAC
  - b) Asymmetric & gradual opening of the EAC to EU goods, taking full account of the differences in levels of development between the parties.
  - c) Trade defence provisions with safeguards allowing each party to reintroduce duties if imports threaten others economy and special safeguard conditions to protect EAC infant industry.
  - d) Flexible Rules of Origin which fully take into account EAC specificities & industrial aspirations, amongst others.
- ii. Rwanda and Kenya signed but Kenya ratified.
- iii. Currently, the EAC Partner States are trading with EU under the GSP and Kenya a more restricted GSP being a Non-LDC under the Market Access Regulation (MAR).
- iv. EPA needs to be signed and ratified by all EAC Partner States if it is to be implemented and all 28 EU member states will also need to ratify the agreement.
- v. The Republics of Kenya, Rwanda and Uganda have no concern but Uganda wants the EAC Partner States to move and sign as a bloc.
- vi. The Republic of Burundi wants the EU to rescind its position on severing relations with Burundi.
- vii. The United Republic of Tanzania has serious concerns:-that EPA will have negative impact on Partner States revenue, EAC agriculture and EAC industrialisation programme.
- viii. The full integration of the Republic of South Sudan is critical.

### **6.4.4 EAC – U.S Trade and Investment Partnership**

- i. The EAC and U.S have a Trade and Investment Framework Agreement (TIFA) signed on 16<sup>th</sup> July 2008, which establishes a framework for expanding trade and investment.
- ii. In July 2012, the Parties upscaled the TIFA into a Trade and Investment Partnership comprising of four components on Investment, Trade Capacity Building, Commercial Dialogue and Trade Facilitation.
- iii. The EAC and U.S. signed a Letter of Intent on the EAC – U.S. Commercial Dialogue in November 2012 and a Cooperation Agreement on Trade Facilitation SPS and TBT signed in February 2015. Implementation of these agreements is underway.
- iv. EAC developed work plans on Trade Facilitation, SPS and TBT in 2016 under which the U.S. supports in the implementation under current existing mechanisms i.e.

USAID, TMEA (for Trade Facilitation) and the Trade and Investment Hub (for SPS & TBT).

- v. On investment, discussions with the U.S. on a proposed Regional Investment Treaty became protracted and reached a standstill.
- vi. The Parties have also discussed the future of U.S. – Africa trade relations after the expiry of AGOA in 2015. While the U.S intends to negotiate a model free trade agreement with each sub-Saharan African country, the EAC and other AU Members do not favor the U.S. approach but want a continental approach or at least a regional approach to a future arrangement with the U.S in view of the AfCFTA and ongoing regional integration processes in Africa.

#### **6.4.5 WTO Trade Facilitation Agreement**

- i. The WTO Trade Facilitation Agreement (TFA) was signed in December 2015 and entered into force on 22<sup>nd</sup> February 2017 following its ratification by two-thirds of WTO membership.
- ii. The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.
- iii. Kenya, Rwanda and Uganda are among the WTO members that have ratified the WTO TFA. The EAC Republic of South Sudan is not yet a Member of the WTO, it is currently in the accession stage.
- iv. Implementation of the Agreement is being coordinated at the EAC level – A regional action plan on implementation of the WTO TFA was adopted by the Sectoral Council in 2016.

#### **6.4.6 EAC-EFTA Joint Declaration on Co-operation**

- i. EAC negotiations with EFTA States (Iceland, Liechtenstein, Norway and Switzerland) are ongoing on a joint Declaration on Cooperation on Trade and Investment.
- ii. The draft Joint Declaration focuses on co-operation on trade, private sector development and investment with the possibility of further developing their trade and investment cooperation including through a free trade agreement.

#### **6.4.7 Future Trade negotiations**

- i. The EAC Partner States have received requests from Turkey, China and Singapore to negotiate Free Trade Area Agreements.

- ii. The Sectoral Council on Trade, Industry, Finance and Investment in February 2016 directed the Secretariat to initiate a cooperation framework between the EAC and the Gulf Cooperation Council (GCC) – United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait, with the aim of creating new strategic partnerships.

## **6.5 CHALLENGES TO EAC TRADE INTEGRATION AND EFFECTIVE IMPLEMENTATION OF EAC TRADE AGREEMENTS**

The Committee noted the following as the challenges affecting EAC Trade Integration and the effective implementation of the EAC trade Agreements:

- i. Persistence of NTBs arbitrarily enforced by PSs agencies.
- ii. Delays in harmonisation of key Trade Policy Institutes such as Export Promotion Zone PZ/Specialised Export Zone, Ratification of Article 24 (2) of the Customs Union Protocol, Domestic taxes harmonisation; Trade in Services liberalisation under Mode 4.
- iii. Non-implementation of the CET -Distortions caused by Statement of Accounts and remission of duties by individual PSs  $\Sigma$  =Low Intra-EAC trade.
- iv. High cost of doing business leading to poor export competitiveness & investment.
- v. Poor funding and support towards Trade Integration Work.
- vi. Nationalistic, protectionist tendencies by the EAC Partner States.
- vii. Differentials in the level of economy and export competitiveness.
- viii. Delays and Disharmony in trade negotiations –EPA, Tripartite.
- ix. Poor negotiation and trade –economics skills
- x. Lack of financial resources for negotiations
- xi. Delayed ratification of Trade Agreement by Partner States including Tripartite FTA and AfCFTA and EAC-EU EPA

## **6.6 STATUS OF OPERATIONALISATION OF THE EAC COMMITTEE ON TRADE REMEDIES**

- i. The Protocol on the Establishment of the East African Customs Union under Article 24 established the East African Community Committee on Trade Remedies.
- ii. According to Article 24(2) Committee was supposed to be composed of Nine (9) Members, three (3) from each Partner State (Kenya, Uganda and Tanzania).
- iii. The Committee is mandated to, among others, handle matters pertaining to:
  - a) Rules of Origin;
  - b) Anti-dumping measures;
  - c) Subsidies and countervailing measures;
  - d) Safeguard measures; and

- e) Any other matters referred to it by the Council of Ministers.
- iv. With the Republics of Burundi, Rwanda and South Sudan Joining the EAC, it meant that the membership of the Committee would increase from nine (9) to eighteen (18).
- v. The 10th Ordinary Summit of the EAC Heads of State held on 29th April, 2009 in Arusha in the United Republic of Tanzania, approved the amendment of the Article 24 (2) (a)
- vi. The amended Article provides that "the committee shall be composed of members, qualified and competent in matters of Trade, Customs, and Law". However, Article 24(2)(b) which requires each Partner States to nominate 3 members to the Committee was not amended.
- vii. All the Partner States with the exception of the Republic of South, nominated and forwarded the names of persons constitute the Committee.
- viii. To-date, the EAC Committee on Trade Remedies has not been operationalised because none of the Partner States has ratified the amended provisions of Article 24(2) of the Protocol despite numerous reminders from the EAC secretariat since 2010. The Committee is yet find out why the Partner States have failed to ratify the amended Customs Union Protocol.

## **7.0 OBSERVATIONS**

The following observations were made:

- i. Apparently, the African Continental Free Trade Area is working faster than the EAC-COMESA-SADC (Tripartite Free Trade Area). Out of the required twenty two (22) ratifications, the ACFTA has got eighteen (18) ratifications compared to the Tripartite Free Trade Area which has secured only four(4) out of the required fourteen (14) ratifications, which is proof of low/lack of political will.
- ii. The Committee commends the leadership and governments of the Republics of Kenya and Uganda for signing and ratifying both the African Continental Free Trade Area and the Tripartite Free Trade Agreements. The Republic of Rwanda's stance is equally impressive since it ratified the ACftA and is also expected to ratify the Tripartite FTA soon.
- iii. The ratification of the Tripartite FTA by all the EAC Partner States is very critical for the implementation of the Agreement in the region.
- iv. It was noted that the EAC Secretariat is undertaking a comprehensive cost benefit analysis on the implications of EAC negotiating Free Trade Area Agreements with

selected third Parties. The analysis will cover the EAC Partner States and the following trading partners: Turkey, China, Singapore, United States, India, Brazil, EFTA States and the GCC.

- v. The persistent NTBs, poor funding and the high cost of doing business has led to low levels of trading at intra and extra levels, dwindling of exportation and deteriorating balance of trade for the EAC region since 2013.
- vi. The failure by the EAC Partner States to ratify the amended Protocol on the Establishment of the EAC Customs Union indefinitely put on hold the operationalisation of the EAC Committee on Trade Remedies.
- vii. The non-operationalisation of the EAC Committee on Trade Remedies continues to negatively impact the EAC Trade Integration as evidenced by the persistent unfair trade practices and trade disputes and non-operationalisation of the EAC Elimination of NTBs Act, 2017.
- viii. Whereas the Protocol for the Establishment of the EAC Customs Union provides for a regular review of the EAC Common External Tariff, the Tariff was last reviewed in 2010 whereby the three band rate was maintained. This means that, in its current form, the CET does not cater for sectors with long value chains, differentiation between basic raw materials and semi-processed goods, protection of specific goods of economic value to the region as well as backward and forward linkages in the manufacturing industry process whereby some industries manufacture inputs for other industries (value chain).
- ix. While the Committee commends the leadership of the Assembly for the induction training of Members of the 4<sup>th</sup> Assembly, it was noted that the Assembly needs to strengthen its capacity for training and supporting Members in acquiring specialised expertise and knowledge on relevant topics concerning the mandates of their respective Committees. This represents a strategic commitment necessary to support EALA in producing high quality work in all its functions.
- x. Whereas the Assembly is committed to upholding and exercising its oversight mandate without the direction and influence of a third party, the Committee recognises the need to strengthen its working relations and continually engage with other Organs and Institutions of the EAC in furtherance of the EAC integration agenda.



## 8.0 RECOMMENDATIONS

In view of the foregoing, the Committee would like to make the following recommendations:

1. There is need for the EAC Partner States to appreciate and accept that EAC is a Single Market and, for the Community to realize its objectives as outlined in Article 5 of the Treaty, the Partner States need to prioritise and give unwavering support the EAC integration agenda by amending the Common Market Protocol to remove all restrictions and barriers to intra-EAC Trade.
2. Urge the Council of Ministers to direct Partner States to embrace and expeditiously fast-track the harmonization of Domestic taxes.
3. Urge the Assembly and EAC Secretariat to continually sensitize the stakeholders on EAC Integration, including the border communities/agencies.
4. There is need to build and link up trade, industry, investment and finance & Infrastructure development as a single platform/belt driven by the Private Sector.
5. Urge the Partner States that have not yet ratified the ACFTA and Tripartite FTA Agreements to expeditiously do so in order to implement Tripartite and Continental trade integration.
6. Urge the EALA Commission to develop a well-thought out Capacity Enhancement-Building Programme for Members and staff of the Assembly. Besides specialised knowledge and skills, Members of the Assembly need to be formally exposed to parliamentary Rules of Procedure, the role of a regional Parliament, relations with national, other regional and continental Parliaments, the mandates and standard operating procedures of sectors under their respective Committees, among others.
7. Urge the EAC Secretariat to expedite the finalization of a comprehensive cost benefit analysis on the implications of EAC negotiating Free Trade Area Agreements.
8. The Assembly should strengthen its working relations with other Organs and Institutions of the Community through a well structured collaborative engagement and timely information sharing framework.



9. Urge the Partner States and the Council of Ministers to take bold steps and investment towards export promotion & export competitiveness.
10. Urge the Council of Ministers to expeditiously, and regularly review Partner the Common External Tariff in order to promote exports and avoid Non Tariff Barriers.
11. Urge the Council of Ministers to put in place mechanisms for addressing the menaces associated with RTAs like: limiting the fiscal space, trade diversion; loss of national sovereignty & cultural erosion.
12. Urge the Council of Ministers to appreciate the need to give more funding and support towards Trade development.

## **9.0 COMMITMENT BY THE COMMITTEE**

The Committee on Communication Trade and Investment appreciates the importance of the EAC Committee on Trade Remedies and the need to expedite its operationalisation. The Committee therefore, undertakes to engage with the Council of Ministers and the relevant government agencies of EAC Partners on this matter with the view of ensuring that the Partner States ratify the Customs Union Protocol to facilitate the operationalisation of the Committee on Trade Remedies. The Committee will accordingly report back to the House.

**REPORT OF THE COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENT  
ON THE CAPACITY BUILDING WORKSHOP IN THE AREA OF TRADE HELD IN  
KAMPALA FROM 7<sup>TH</sup> TO 9<sup>TH</sup> FEBRUARY, 2019.**

1. Hon. Gai William Deng Nhial

2. Hon. Thoar Gatpan Gideon

3. Hon. Burikukiye Marie Claire

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4. Hon. Rurakamve Pierre Claver

5. Hon. Nsavyimana Sophie

6. Hon. Fred Mbidde Mukasa

.....

7. Hon. Aburi Mpuru Lawrence

.....

8. Hon. Sergon Jematiah Florence

9. Hon. Mbuga Nganga Simon

.....

10. Hon. Rutazana Francine

.....

11. Hon. Bahati Alex

12. Hon. Barimuyabo Jean Claude

.....

13. Hon. Eng. Maassay Pamela Simon

14. Hon. Lugiko Happiness Elias

.....

15. Hon. Eng. Mnyaa Mohammed Habib

.....

16. Hon. Kasamba Mathias

.....

17. Hon. Musamali Mwasa Paul

18. Hon. Dr. Woda Odok Jeremiah

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