

EAST AFRICAN COMMUNITY

10TH SUMMIT OF EAC HEADS OF STATE

**Ngurdoto Mountain Lodge, Arusha, Tanzania
28th - 29th April, 2009**

**PROGRESS REPORT OF THE COUNCIL OF MINISTERS
(For the period July 2008 - April, 2009)**

**EAC SECRETARIAT
Arusha, Tanzania
April, 2009**

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A: ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AGOA	African Growth Opportunity Act
AUC	Africa Union Commission
AU	African Union
CASSOA	Civil Aviation Safety and Security Oversight Agency
CCPAD	Corporate Communications and Public Affairs Department
CCRF	Code of Conduct for Responsible Fisheries
CEN-SAD	Central Community of Sahelo-Saharan States
CET	Common External Tariff
CISO	Confederation of Informal Sector Organizations
COMESA	Common Market for East and Southern Africa
CPA	Commonwealth Parliamentary Association
CSO	Civil Society Organization
DEWG	Defense Expert Working Group
EABC	East African Business Council
EAC	East Africa Community
EACJ	East African Court of Justice
EADB	East African Development Bank
EALA	East African Legislative Assembly
EALGA	East African Local Governments
EAPI	East African Parliamentary Institute
EASTECO	East African Science and Technology Commission
EATWCA	East African Tourism and Wildlife Co-ordination Agency
EC	European Commission
ECCAS	Economic Community of Central African States
EDF	European Development Fund
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Region
EU	European Union
FTA	Free Trade Area
GMOs	Genetically Modified Organisms
ICAO	International Civil Aviation Organisation

ICT	Information and Communication Technology
ICTR	International Criminal Tribunal for Rwanda
IGAD	Intergovernmental Authority on Development
ITB	<i>Internationale Tourismus Bourse</i>
ILO	International Labour Organization
IOC	Indian Ocean Commission
IPU	Inter-Parliamentary Union
IUCEA	Inter-University Council of East Africa
JTEC	Japan Telecommunications Engineering Company
KAFTEC	The Kenya Air Force Technical College
LVBC	Lake Victoria Basin Commission
LVFO	Lake Victoria Fisheries Organisation
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NAPAS	National Adaptation Programmes of Action
NBS	National Standards Institutions
NMC	National Monitoring Committee
NTBs	Non-Tariff Barriers
PAP	Pan African Parliament
RECs	Regional Economic Communities
SADC	Southern African Development Community
SALW	Small Arms and Light Weapons
SMEs	Small Medium Enterprises
SPS	Sanitary and Phytosanitary
SQMT	Standardization, Quality Assurance, Metrology and Testing
UFIR	Upper Flight Information Region
UN	United Nations
USOAP	Universal Safety Oversight Audit Programme
WTM	World Travel Market

B: LIST OF TABLES

Table I	Five Year Internal Tariff Elimination
Table II	Consolidated East African Community Budget

EXECUTIVE SUMMARY

This Progress Report summarizes the integration activities undertaken by the Community for the period of July 2008 to April, 2009. The focus of these activities was the consolidation of the implementation of the Customs Union; the commencement of the preparatory activities leading to the negotiation process of the East African Common Market Protocol; recruiting additional staff for the Secretariat and the concretization of regional projects and programmes in various sectors as well as the national consultative process on the fast tracking of the East African Political Federation.

The Report is divided into twelve parts covering the following salient matters;-

- (a) Customs Administration- highlighting achievements that have been registered on application of the East African common external tariff and internal tariff reduction; application of the Customs law and regulations of the Community in Partner States; review of change in the tariff heading criterion under the EAC rules of origin; proposal on amendment of Article 24(2) of the Protocol on the Establishment of the East African Community Customs Union; and progress made on the implementation of trade and transport facilitation project.*
- (b) Trade, Finance and Investments - highlights the achievements on export promotion; competition policy and law; EAC-EPA negotiation; Standardization, Quality Assurance Metrology and Testing, (SQMT); COMESA-EAC-SADC tripartite co-operation in SQMT and Jua Kali/Nguvu Kazi exhibitions.*
- (c) Planning and Infrastructure - highlights progress achieved on the implementation of East African Road Network project; railway; civil aviation; communication; metrology and statistics.*
- (d) Productive and Social Sectors – covering developments and progress made in Agriculture and Food Security; Livestock development with emphasis on prevention and control of animal trans-boundary diseases; energy, specifically on the implementation of the East African Power Master Plan, the Namanga cross border electrification project; formulation of the refineries development strategy and regional strategy on scaling up access to modern energy services and Dar es Salaam –Tanga – Mombasa Gas pipeline; Tourism and Wildlife Management, specifically on the implementation of East African tourism marketing plan and strategy, operationalization of the East African Tourism and Wildlife Coordination Agency, familiarization tours for East African actors responsible for tourism and wildlife, standardization and classification of hotels and other accommodation facilities; facilitation of the movement of persons, immigration, labour/employment and refugees management; Education, Science and Technology, Culture and Sports, specifically on the establishment of the EAC Centers of Excellence, regional study on harmonization of the East African education systems, formation of a forum for Ministers responsible for social development, finalization of bills for the establishment of the East African Science*

and Technology Commission and the East African Kiswahili Commission, and the East African Community anthem; Gender, Community Development and Civil Society Mobilization and Environment and Natural Resources.

- (e) **Legal and Judicial Affairs** – highlights the achievements made in co-operation in legal and judicial affairs include the ongoing review of the Treaty, preparation of Bills and enactment of legislation, conclusion of Protocols, development of a Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice, Regional Judicial Training and Approximation of Municipal Laws in the East African Community Context.
- (f) **Political Affairs** – covering progress made in the national sensitization and consultations on the EAC Political Federation, development of an EAC framework on good governance, development of the EAC Protocol on preventing and combating corruption, implementation of the EAC plan of action on promotion and protection of human rights and operationalization of the EAC forum of national electoral commissions; International Relations -with emphasis on upgrading the MOU on Foreign Policy Co-ordination into a Protocol, joint support for candidatures/candidates for international positions, collaboration with African Union, and conclusion of a Protocol on Immunities and Privileges of the East African Community; Peace and Security – reflecting the conclusion of an East African Peace and Security Protocol and the establishment of the Directorate of Peace and Security, conclusion of an EAC early warning and response mechanism, development of an EAC conflict prevention, management and resolution framework, implementation of the AU capacity building project for regional economic communities and the European Union ; Eastern and Southern Africa region conflict prevention management and resolution project.
- (g) **Co-operation in Defence** – covering the progress made in upgrading the 1997 Memorandum of understanding for co-operation in defense into a Protocol; military training; military exercises; technical assistance and visits and exchange of information.
- (h) **Human Resources and Administration**- an overview of progress made in the operationalisation of the roadmap to integrate the Republic of Rwanda and the Republic of Burundi; outcomes of the strategic workshops and retreats; development of standards human resource policies and procedures manual; upgrade of automation systems at the EAC Secretariat; and the East African Community website.
- (i) **Information and Library Services** – covering the EAC on-line reports database; information sharing and networking; deposit libraries in the Republic of Rwanda and the Republic of Burundi; the EAC Re- Branding Project ; and the EAC 10th Anniversary celebrations.

- (j) *Organs of the Community – covering development and achievements of the East African Legislative Assembly in enactment of legislation and exercise of oversight powers; the East African Court of Justice including formulation of the rules of procedures for the Court ; and sensitization on arbitration jurisdiction and institutional capacity.*

- (k) *Activities of the Institutions of the Community – indicating development at, and achievements of the East African Community Civil Aviation Safety and Security Oversight Agency; the Inter- University Council for East Africa; the Lake Victoria Basin Commission and the Lake Victoria Fisheries Organization.*

The Council recommends to the Summit to take note of the progress made on various projects and programmes and to give directions on the further development of the Community. In respect of Customs Administration and Management, the Council seeks specific decisions of the Summit as indicated in the attached report.

1.0 CUSTOMS ADMINISTRATION

1.1 INTRODUCTION

The East African Community Customs Union is now in its fifth year of implementation which is the last year of the transitional period. The main thrust of implementation has been focused on harmonisation of customs and trade instruments, and the uniform application of these instruments in the Partner States. The report outlines progress on the development and implementation of the various instruments and project undertaken by the Directorate of Customs.

1.2 EAC COMMON EXTERNAL TARIFF

The application of the EAC Common External Tariff (CET) as a tariff policy instrument has been consistent and supports the objectives of liberalizing intra-regional trade in goods, promotes efficiency in production and enhances investment in the Community. In response to the dynamic economic environment, the Council, in exercise of powers conferred by Article 12 of the Protocol on the Establishment of East African Community Customs Union, have reviewed duty rates on specific tariff lines under the pre-budget consultation framework. The changes were accordingly published in the EAC Gazette for implementation during the period under review. The reviews were informed by research and analysis undertaken by the Secretariat and experts from Partner States to determine demand, production capacity, potential supply in the region and price competitiveness.

1.3 INTERNAL TARIFF REDUCTION PROGRAMME

On 1st January, 2009, the EAC internal tariff elimination programme entered the 5th phase of reduction on specified goods imported into Tanzania and Uganda originating from Kenya. A complete free tariff marking the end of the transitional period of a full fledged Customs Union will be attained on 1st January, 2010. Duties on 400 products from Kenya imported into Uganda have reduced to 2%. In the case of goods imported into Tanzania from Kenya, 146 items attract 5%, 15 attract 3%, 20 attract 2%, and 516 attract 1%, 168 products have moved to 0% as indicated in the table below.

The Directorate continued to monitor the phase down process provided the necessary guidance.

Table 1

Five Year Internal Tariff Elimination							
Year	UGANDA	TANZANIA					
	426	14	15	20	516	112	54
2005	10	25	15	10	5	3	2
2006	8	20	12	8	4	2	1
2007	6	15	9	6	3	1	0
2008	4	10	6	4	2	0	0
2009	2	5	3	2	1	0	0
2010	0	0	0	0	0	0	0

1.4 APPLICATION OF THE EAC CUSTOMS MANAGEMENT ACT AND REGULATIONS

The uniform application of the Customs Law and Regulations of the Community in the Partner States has progressed well. Amendment of the EAC Customs Management Act, 2004 has been undertaken by the Council and enacted by EALA to cater for the trade and business environment. Two Amendments Acts were enacted during the period under review. A re-printed EAC Customs Management Act, incorporating all the amendments since 2005 has been published for distribution to the Partner States.

The Council adopted the Working Arrangement Regulations between the Directorate of Customs and the Partner States Customs Administration as provided for under Section 4 (3) of the EAC Customs Management Act, to facilitate close working arrangements between the Directorate of Customs of the Secretariat and Customs of Partner States. The EAC Duty Remission Regulations were adopted by the Council and have been operationalised in the Partner States. Gazettement of qualifying manufactures is regularly done to enable them to utilize the EAC Tax incentive system.

1.5 REVIEW OF CHANGE IN TARIFF HEADING CRITERION UNDER THE EAC RULES OF ORIGIN

Implementation of the EAC Rules of Origin as a policy instrument which is intended to promote production and intra-EAC trade has progressed well. The Council at its 17th meeting lifted the stay of the criteria on change of Tariff Heading under the EAC Rules of Origin following a successful completion of its review. The review and modification of the EAC Rules of Origin which is an annex to the Protocol Establishing the EAC Customs Union has to be approved by the Summit in accordance with Article 42 (2) (1) of the same Protocol in order to make it take effect.

1.6 AMENDMENT TO ARTICLE 24(2) OF THE PROTOCOL ON THE ESTABLISHMENT OF THE EAST AFRICAN COMMUNITY CUSTOMS UNION

Following the admission of the Republic of Rwanda and the Republic of Burundi into East African Community, the Council has proposed the amendment of Article 24 (2) of the Protocol on the Establishment of the East African Community Customs Union to cater for the participation of members from Rwanda and Burundi in the Committee on Trade Remedies.

The Council amendment enables each Partner State including Rwanda and Burundi to nominate three members. The amended provision reads:

"The Committee shall be composed of members, qualified and competent in matters of trade, customs and law"

1.7 PROGRESS ON THE EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT

The Directorate of Customs with support from the African Development Fund is currently undertaking a number of activities to enhance harmonisation customs processes and facilitate trade. The programmes being supported include among others studies for the development of the EAC Customs strategy, EAC Customs Procedures and manuals/user guides, Customs Union Monitoring and Evaluation mechanisms, EAC Customs Curriculum and EAC Regulations on Customs Compliance and Enforcement

The project also covers the implementation of a Regional Customs IT interconnectivity system that integrates the Partner States Customs computer systems in line with international best practice in order to enhance efficiency for seamless exchange of customs information among Partner States. It will also involve establishment of regional customs compliance database.

1.8 TRAINING AND SENSITISATION

As part of its activities, the Directorate of Customs conducted training and sensitization workshops for public and private sector stakeholders in the Partner States. The main objective was to discuss implementation aspects of the Customs Union and ensure the involvement of stakeholders in the policy formulation process. The programme covered traders, manufacturers, clearing agents, customs officials, chambers of commerce and farmers from the five Partner States.

1.9 EVALUATION OF THE IMPLEMENTATION AND IMPACT OF THE EAC CUSTOMS UNION

A study to evaluate the implementation and impact of the EAC Customs Union since 2005 by the three original Partner States has been undertaken and a final report is being developed. The findings and recommendations of the impact study will be considered by the Sectoral Council on Trade, Industry, Finance and Investment at its meeting in May/June 2009. The areas covered by the study were:

- (i) Evaluation of the impact of the CU in relation to (a) trade performance, (b) revenue performance, (c) investment flows, (d) application of the main instruments of the CU [namely: the CET, EAC CMA, internal tariffs, rules of origin, customs regulations, etc], (e) elimination of non-tariff barriers, (f) awareness of the CU by the stakeholders, (g) information exchange between the executing agencies, including but not limited to the customs administration, Directorate of Customs, etc.
- (ii) Identification of the challenges in implementation of (i) above;
- (iii) Proposed measures to address the gaps identified in (ii) above;
- (iv) Proposed policy measures on the consolidation of the CU from a transitional level to the fully fledged CU; and
- (v) Assessment of the performance of the institutional framework for the implementation of the CU as prescribed under the EAC Customs Management Act in the Partner States.

The Council recommends to the Summit to:

- (a) take note of progress in Customs Administration;
- (b) approve the reviewed EAC Rules of Origin in accordance with Article 24 (1) of the Protocol on the Establishment of the EAC Customs Union; and
- (c) approve the proposed amendment of Article 24 (2) of the Customs Union Protocol.

2.0 TRADE, INDUSTRY, FINANCE AND INVESTMENT

2.1. TRADE

2.1.1. Export Promotion

The Directorate of Trade has prepared a draft roadmap towards the effective export promotion in the East African Community. The document was presented to the EAC Meeting of Stakeholders in Export Promotion held on 10th - 12th December 2008 in Nairobi, Kenya. The document underlines some of the main challenges to the implementation of the roadmap.

Furthermore, the Directorate of Customs and Trade organized a meeting in Bujumbura, Burundi on 12th – 13th February, 2009 to prepare for the up coming 8th US-Sub-Saharan African Trade and Economic Cooperation Forum or African Growth and Opportunity Act, (AGOA) Forum to be held in Nairobi, Kenya in August, 2009.

2.1.2. Competition Policy and Law

In order to operationalise the EAC Competition Act 2006, during the second half of 2008, the Directorate of Customs and Trade organized three expert meetings to draft and finalize the EAC Competition Regulations. The regulations were finalized in December 2008 in Entebbe, Uganda during a meeting of the Competition Authorities. Subsequently, the Draft EAC Competition Regulations were endorsed by the Heads of Competition Authorities during the Dar-Es-Salaam (2nd – 6th February 09) meeting of Heads of Competition Authorities. In line with the road map for the operationalisation of the EAC Competition Act and the establishment of the EAC Competition Authority, the regulations shall now be forwarded to the Committee on Trade, Industry and Investment, for consideration.

2.1.3. EAC- EPA Negotiations

The EAC Partner States and the European Commission (EC) continued with the Economic Partnership Agreement (EPA) negotiations. Except for market access offers, that are now finalised by both parties (EAC Partner States and the EC), negotiations are ongoing in all the clusters as hereunder:

- (a) Market access: (Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Customs and Trade Facilitation) both parties have finalized negotiations except for a few provisions under the scope of cooperation and development;
- (b) Studies: The study on Trade in Services was finalized and has been validated by the Partner States. They noted that this study would not move the process forward but nonetheless contain important recommendations that would be drawn upon. The study on Rules of Origin is already being validated by the EPA experts and bilateral negotiations on this subject will subsequently be launched. Other ongoing studies include Agriculture, EAC Development Strategy in the Context

of EPA, Development Matrices (with and without indicative costs) and benchmarks for monitoring and evaluation of EPA;

- (c) Agriculture: The Secretariat has secured a total of US\$ 112,000 from Kilimo Trust, to undertake a strategic study to support evidence-based negotiation position of the EAC with respect to agriculture sector between EAC and European Commission. The study will identify the potential social economic implications arising from the implementation of EPA and provide for mitigating measures aiming at reducing the likely negative impacts on agricultural sector in the region. The study is expected to be completed by end of May 2009.
- (d) Development and Economic Co-operation: In the meantime text-based negotiations on Development and Economic Cooperation are ongoing. The studies on development related issues are aimed at informing the Partner States position on EPA negotiations and particularly seek additional resources over and above the European Development Fund (EDF) 10. These resources would be instrumental in mitigating supply side constraints and related adjustment costs associated with EPA negotiations;
- (e) Trade in Services: The Partner States have resolved to continue with regional EPA negotiations and also prepare and fill gaps at the national level left by the study mentioned in (b) above. In the meantime both parties have exchanged their approach on Trade in Services pending the launching of negotiations;
- (f) Other Areas: The EC has indicated its approach on Trade Related Issues (Trade and Sustainable Development, Competition Policy, Intellectual Property Rights and Transparency in Public Procurement).

Time is a major constraint in EPA negotiations given the complexity of the issues relative to the tight finalisation deadline of 31st July 2009. Partner States need more time to undertake national and regional consultations particularly on Development and Economic Cooperation, Trade in Services and Trade Related Issues. Non-availability of adequate financial resources is the foremost constraint on both regional and EPA negotiations. Despite these constraints the Secretariat has managed to facilitate and backstop the EPA negotiations that are ongoing in accordance with the EAC-EC-EPA Joint Roadmap.

The Sectoral Council on Trade, Industry, Finance and Investment at its meeting in April, 2009, directed the Secretariat to enhance information sharing with EALA in EPA Negotiations and to convene a strategy meeting to allow the Ministers the opportunity to be fully briefed on EPA Negotiations.

2.1.4 Standardization, Quality Assurance, Metrology and Testing (SQMT)

2.1.4.1 Progress on Decisions of the Sectoral Council on Trade, Industry, Finance and Investment on SQMT Issues

On 11th September 2008, the Sectoral Council on Trade, Industry, Finance and Investment directed the EAC Secretariat to develop a Draft Policy Proposal on harmonizing standards between EAC, COMESA and SADC by December 2008. The Draft Policy was developed and circulated to stakeholders in Partner States through the National Standardization Institutions for wider inputs. The Final Draft Policy Proposal will be presented to the next Sectoral Council meeting for consideration.

2.1.4.2. Awareness Workshops on SQMT Act, 2006 to Stakeholders in Partner States (July to September 2008)

For purposes of sensitizing all stakeholders on the implications of the East African Community Quality Assurances Metrology and Testing Act, 2006, the SQMT Department carried out a two months sensitization program (July to September 2008) in form of workshops in all Partner States targeting staff of National Standards Institutions (NBSs), Government regulatory bodies, exporters, industrialists, consumer organizations, academia and private sector. The exercise was executed in collaboration with the Office of the Counsel to the Community (CTC). The attendance of stakeholders was as follows;

- a) Uganda 140 participants
- b) Rwanda 120 participants.
- c) Kenya 160 participants
- d) Tanzania 57 participants.
- e) Burundi 46 participants.

2.1.5. COMESA-EAC-SADC Tripartite Cooperation in Standardization, Accreditation and Metrology

Subsequent to all initiatives undertaken to ensure COMESA-EAC-SADC Tripartite Cooperation at all levels in the set up of the RECs in year 2008, the EAC SQMT Department initiated some activities. On 27th - 31st October 2008, the Department in collaboration with COMESA and SADC Secretariats' Standardization experts organized a COMESA-EAC-SADC Tripartite Cooperation in Standardization, Accreditation and Metrology workshop in Nairobi. The workshop was attended by 39 EAC- COMESA-SADC experts in accreditation, metrology and quality assurance.

2.1.6. Jua Kali/Nguvu Kazi Exhibition

The 10th Jua Kali / Nguvu Kazi Exhibition was held on 27th November - 7th December 2008 at Gikondo show grounds, Kigali, Rwanda. The Exhibition was jointly funded by Partner States, Confederation of Informal Sector Organizations (CISO) and British American Tobacco Ltd. The opening was preceded by a day symposium on 28th November 2008 at Gikondo Show grounds.

The 10th exhibition was attended by 850 exhibitors from the five Partner States who exhibited Textiles, Handcrafts, Food Processing, Metal Products, Leather Products Woodwork, Herbal Medicine, Agro-products (Bee-Keeping) and Building Materials.

2.1.7 Non-Tariff Barriers

The Council at its 16th Meeting held on 13th September 2008, considered, among others, a report on EAC consultation mission to Partner States on the operationalisation of EAC mechanism on Non-Tariff Barriers and directed EAC to among others:

- (i) hold Capacity Building workshops for the members of the National Monitoring Committees on NTBS by 31st December 2008;
 - (ii) launch the Regional Forum on NTBS and to prepare a time bound programme for the elimination of identified NTBS in the region.
- (b) **Capacity Building Workshops for Partner States National Monitoring Committees, October/November 2008**

In accordance with the decision made by the Council at its 16th Meeting, the EAC held National capacity building workshops in the Partner States to train members of National Monitoring Committees on EAC mechanism on NTBs as follows:

(i) Burundi

The National Workshop was held on 6th October, 2008 in Bujumbura and thirty members of the Burundi NMC and other relevant stakeholders were trained on EAC Mechanism on NTBs. On 7th October 2008, the Mechanism was formally launched in Burundi. The NMC has since commenced its monthly meetings to deliberate on NTBs faced by businessmen in the country.

(ii) Rwanda

The National Workshop was held on 9th October, 2008 in Kigali and twenty two members of Rwanda NMC and other stakeholders were trained on EAC Mechanism on NTBs. On 10th October 2008, the Mechanism was formally launched in Rwanda. The NMC has since commenced its monthly meetings to deliberate on NTBs faced by businessmen in the country.

(iii) Uganda

The National Workshop was held on 10th – 11th November 2008 in Kampala, Uganda and eleven members of NMC were trained on EAC Mechanism on NTBs. The NMC has since commenced its monthly meetings to deliberate on NTBs faced by businessmen in the country.

(iv) Kenya

The National Workshop was held on 12th – 13th November 2008 in Nairobi, Kenya and sixteen members of NMC were trained on EAC Mechanism on NTBs. The NMC has since commenced its monthly meetings to deliberate on NTBs faced by businessmen in the country.

(v) Tanzania

The National Workshop was held on 14th – 15th November 2008 in Dar es Salaam, Tanzania and twenty members of NMC were trained on EAC Mechanism on NTBs. The NMC has since commenced its monthly meetings to deliberate on NTBs faced by businessmen in the country.

(c) Launching of the EAC Regional Forum on Non-Tariff Barriers

In accordance with the decision made by the Council at its 16th Meeting, the EAC Regional Forum on NTBs was launched on 20th December 2008 in Entebbe, Uganda. The launching was attended by Partner States National Monitoring Committee Members, EAC Secretariat and East African Business Council (EABC)

(d) Development of a Draft EAC Time - Bound Programme on Elimination of Identified Non-Tariff Barriers

The launching of the EAC Regional Forum on NTBs was preceded by an EAC Regional Forum on NTBs on 18th - 19th December 2008, in Entebbe, Uganda where a draft EAC Time -Bound Programme on the Elimination of Identified NTBs was prepared.

(e) Studies

With the support obtained from the Partnership Fund the Directorate of trade has identified areas where in depth studies are needed.

- i) A study which will look at the constraints and how to promote SMEs in-order to take advantage of the available market due to Customs Union and Common market. The preparatory stages for this study have commenced;
- ii) Funds to assist in the capacity building on NMC. This is an ongoing activity as indicated above;
- iii) Pilot study on discrepancies arising out of informal cross border trade in order to ascertain what factors contribute to this. The study will also come up with methodologies to capture the data in the longer term basis;
- iv) Further United Nation Economic Commission for Africa has shown interest to assist the Directorate in capacity enhancement to undertake research and other activities by establishing a Trade Policy Unit within the Directorate. Preparatory work is underway

and once completed it will give capacity for Directorate of Trade to undertake research.

2.1.8 The COMESA-EAC-SADC Tripartite Arrangements

The Tripartite Summit at its meeting held in October 2008 in Kampala, Uganda agreed among other areas of cooperation on customs, trade and infrastructure, to establish a Free Trade Area amongst themselves. The establishment of the FTA was to be informed by a study which would cover the roadmap, the institutional framework and free movement of business persons.

The procurement of Consultants has been undertaken and work has commenced. The work of the consultants will be backstopped by a team of experts drawn from the three Secretariats of the RECs.

An Aid for Trade Roundtable Conference for the North South Corridor was held on 6th and 7th April 2009 in Lusaka Zambia. The Conference hosted by the president of Zambia was attended among others by the Chairpersons of Summit of COMESA and SADC. EAC was represented by His Excellency President Museveni of Uganda. During the conference a total pledge of USD 1.2 billion was made by the Development Partners.

The Conference agreed that the North South Corridor Project should be replicated on other corridors including the Central and Northern Corridors

2.1.9 Trade and Investment Framework Agreement (TIFA)

The TIFA between the EAC and USA was signed on 16th July 2007 in Washington D.C. The signing of the TIFA by the EAC is generally rated as progress in opening up regional trade and advancing economic integration among the Partner States. The USA deems the TIFA as a major step towards deepening U.S.-EAC trade and investment relationship, intensifying and diversifying bilateral trade, and improving the climate for business between U.S. and EAC based economic operators.

The signing of the U.S.-EAC TIFA has the potential to ascertain regular, high-level talks on the full spectrum of U.S.-EAC trade and investment topics, including the African Growth and Opportunity Act (AGOA), the World Trade Organization's Doha Round, trade facilitation issues, and trade capacity building assistance.

At the time of signing the TIFA the US Trade Representative had noted that EAC has established a Customs Union and is working toward a Common Market. The USTR said that the bilateral trade between the United States and the EAC region exceeded \$1.2 billion in 2007. U.S. imports from EAC members under African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences amounting to US\$265 million in 2007. All five member states of the EAC are eligible for trade benefits under AGOA.

2.1.9.1 Operationalisation of the TIFA

Subsequent to the signing of the TIFA, the Directorate of Trade initiated dialogue with the USTR's office aimed at developing TIFA work-plans and agree on the areas of Cooperation. The areas of cooperation agreed upon so far include:-

- (i) Improvement of market access and removal of trade and investment barriers;
- (ii) Coordination and consultation on AGOA implementation;
- (iii) Improvement of technical regulations and standards;
- (iv) Strengthening agricultural trade and agribusiness linkages;
- (v) Promotion and protection of intellectual property rights;
- (vi) Coordination and consultation on issues and positions in multilateral trade negotiations, including in the World Trade Organization;
- (vii) Development and strengthening the financial sector and improving access to trade finance;
- (viii) Encouraging improvements in trade-related infrastructure, including transportation and energy; and
- (ix) Encouraging commercial and academic exchange programs.

2.1.10 Study on Anti- Counterfeit Practices in East Africa

The Council has, with financial assistance from the Investment Climate Facility for Africa, launched a study on anti-counterfeit Practices in East Africa. The purpose of the study is to review relevant national policies and legislation on this matter with a view to establishing a viable regional mechanism to deal with counterfeits products in the region.

2.1.11 Investment and Private Sector Development

Investment Promotion activities continued over the period. EAC participated in the India Africa Business Forum in New Delhi, India; the Petroleum Conference in Mombasa, Kenya; the Confederation of Indian Industries conclave in Dar es Salaam, the City of London Investors Conference among others. Currently, preparations are under way for the forthcoming investment mission to Canada and 2nd EAC Investment Conference slated for Nairobi Kenya 4th-6th August, 2009. A dedicated and interactive website for investment issues in the Community which is hyperlinked to the Investment Promotion Agencies in the Partner States has been established at the Secretariat. Cooperation with East African Business Council (EABC) continued over the period.

A study on the development of an EAC Investment Strategy with an enabling institutional framework commences in early May 2009.

2.1.12: EAC Joint Trade Negotiations Act, 2007

The Sectoral Council on Trade, Industry, Finance and Investment at its meeting held on 8th-9th April, 2009 reviewed the resolution by the East African Legislative Assembly (EALA) which if operationalised would require the Council of Ministers to constitute and establish negotiating structures as outlined in the East African Joint Trade Negotiations Act, 2007 in accordance with Article 14 (3) (c) of the Treaty.

The Council noted that the Joint Trade Negotiations had budgetary implications on the Community and its operationalisation would affect on-going negotiations. The Sectoral Council urged the full Council of Ministers to direct the Secretariat not to operationalise the East African Joint Trade Negotiations Act, 2007 and that it be referred to the Sectoral Council on Legal and Judicial Affairs to draft the necessary amendments.

The Council recommends to the Summit to take note of the progress in Trade, Finance and Investment.

3.0 PLANNING AND INFRASTRUCTURE

3.1 ROADS SUB SECTOR

Road works earmarked for implementation of the East African Road Network project progressed well during the intervening period for the three former EAC Partner States. The Council has adopted the prioritized road network projects from the Republics of Rwanda and Burundi that link to the EAC corridors for joint investment promotion and marketing. Specifically, major works on the road sections, links and bypasses on the Central (Dar es Salaam to Mutukula and Mwanza) and Northern Corridors (Mombasa – Katuna) is progressing. These works on the two corridors are earmarked for conclusion by 2012. Burundi and Rwanda roads will be incorporated and prioritized for development at the regional level during the ongoing study on the EAC Roads Development Programme financed by ADB.

Other developments in this sub sector relate to:

- a) The progress on modernization works of the Arusha – Namanga -Athi River Road to be launched officially on 28th April 2009;
- b) The contract finalization for the consultancy Study for the feasibility and detailed design for the Arusha – Holili/Taveta – Voi Road, which will commence in early May 2009;
- c) The signing on 17th April 2009 of the Contract for the consultancy study on the EA Transport Strategy and the Roads Development Programme;
- d) The approval by the Council of Ministers of the implementation framework for the Tripartite Agreement on Road Transport. The implementation has commenced under the Trade and Transport Facilitation Project.

3.2 RAILWAYS SUB SECTOR

The focus of implementation of the projects and programmes planned for the period under the railways sub sector was the development of the EAC Railways Development Master Plan. The Final report of the Master Plan was considered by the Sectoral Council on Transport, Communications and Meteorology (TCM) on 17th April 2009. The Master Plan report was noted with amendments. The Sectoral Council directed the Secretariat in collaboration with the Partner States to update the Master Plan within three months.

The recommendations in the Master Plan cover the engineering aspects, legal regime restructuring, potential for private public partnerships, development of the missing inter connectors, new railway lines, investment requirements and ownership options.

A railways investors' conference is planned for the last quarter of 2009 to shore up support for the sector. Several development partners have indicated support for the revitalization of this mode of transport.

3.3 CIVIL AVIATION SUB SECTOR

The implementation of projects and programmes earmarked for the sub sector has been satisfactory over the period. The following achievements have been recorded:

- a) The Partner States, in line with the Tripartite (COMESA, EAC, SADC) directive on the implementation of the Yamoussoukro Decision of the African Heads of States towards greater liberalization of air transport in the three sub regions have agreed on the development of a Protocol to anchor the implementation of the Decision. The Protocol is in the final stages of completion. Pending the conclusion of the Protocol, Partner States have established an Air Transport Sub Committee to oversee the orderly liberalization of air transport in the region in collaboration with the Joint Competition Authority established by the Tripartite Summit in Kampala in October last year.
- b) The strengthening of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) continued over the period through recruitment and procurement of equipment and facilities. The Agency took the lead in the development of guidance manuals for the implementation of the revised civil aviation regulations that are now being implemented in the three former EAC Partner States and which Rwanda and Burundi will soon accede to. Further, the Agency assisted Partner States during the International Civil Aviation Organization (ICAO) Universal Audit that was concluded in November 2008. The findings of the Audit lauded the establishment of CASSOA as an important infrastructure towards enhancing safety and security oversight in the region. The Agency relocates to its headquarters in Entebbe, Uganda later this year.
- c) The establishment of the EAC Unified Upper Flight Information Region (UFIR) is on course. The study on the establishment of the regional UFIR has been finalized and the road map for its establishment is under Council consideration and approval. The establishment of the Unified Upper Flight Information Region will enable the region to develop better and efficient navigational capabilities and capacities through the pooling of resources and efficient use of regionally developed facilities.
- d) The revision and harmonization of the Partner States' Civil Aviation Regulations was completed for the three former Partner States during the period. Technical assistance to Burundi and Rwanda to revise their regulations is ongoing and good progress has been reported particularly for Rwanda.

3.4 COMMUNICATIONS SUB SECTOR

The implementation of projects and programmes earmarked for the sub sector has been as follows:

- a) International Connectivity Networks: The East African Submarine Cable System (EASSy) and the TEAMS Submarine Cable Project.

The EASSy and TEAMS projects, which have substantial private sector participation are being constructed along the Indian Ocean coastline. Though the projects are separate, they will both provide broadband international connectivity to African countries on the Western coastline of the Indian Ocean.

For both networks survey and system design works are complete and construction works at landing points is progressing. The Fibre cables are being manufactured and the laying of the cables has commenced. Both networks are expected to be ready for commercial service in late 2009 and early 2010.

b) East African Community Broadband Infrastructure Network (EAC-BIN)

The EAC-BIN is a project conceived by the EAC to realize the objectives of AU's Connect Africa initiative. It will provide fibre cable inter-connectivity for the five National Fibre Terrestrial Networks for the EAC Partner States with interconnectivity for the five capitals realized.

EAC has secured a grant of US\$ 450,000 from AfDB under the framework of NEPAD Infrastructure Projects Preparation Facility (NEPAD-IPPF) Special Fund for the pre investment studies. Contract negotiations for the study phase of the project with Japan Telecommunications Engineering Company (JTEC) have taken place and the study will commence by mid May 2009. It is expected that the exercise will be concluded by a bankable project document by the end of 2009.

(c) Development of a Harmonized Regional Information and Communications Technology (ICT) Policy Framework and Strategy for East Africa

The draft document on the harmonization of the regional Information Communications Technology (ICT) policy framework and strategy for East Africa was discussed and validated at Regional ICT stakeholders workshop on 16th-18th January 2009 in Entebbe, Uganda. The document is being reworked with inputs from the workshop for subsequent adoption by the Council in June 2009 for implementation. The harmonization of ICT development and policies will be an important achievement for the region bearing in mind the growing importance of IT in trade in Services.

(d) Harmonization of the EA Communications Regulatory Regime

A study on Harmonization of regulatory regime in East Africa has been finalized for the three former EAC Partner States. The extension of the study into Burundi and Rwanda is under way with the support of the Regional ICT Support Project funded by the EC. The study identified areas that require regulatory interventions and made proposals on the actions required to move towards a harmonized regulatory regime in East Africa.

The Final Report of the study including Burundi and Rwanda will be considered by the Council in June 2009. The study points towards the need for expedited **harmonization** of processes in the sub sector to underpin trade in the communications services under the Common Market.

e) **MoU on Cooperation in Communications/ICT Subsector**

An MoU on Cooperation in Communications/ICT Sub sector among the five Partner States has been finalized. It is however, being upgraded into a Protocol.

3.5 METEOROLOGY SUB SECTOR

The implementation of the Five Year Meteorological Development Plan and Investment Strategy progressed over the period. Key strategic areas of focus for prioritisation in the Meteorological Sub Sector include:

- (a) Implementation of the recommendations in the Plan touching on public weather forecasts, disaster preparedness, weather information for use by other sub sectors including – civil aviation, construction, marine services, agriculture and food security among others;
- (b) Enhancement of safety of navigation and efficient exploitation of natural resources on the Lake Victoria and its basin by strengthening of meteorological services over the Lake;
- (c) Enhancement of disaster prevention and management capacities for sustainable development by strengthening meteorological early warning systems in the EAC region; and
- (d) Development of a regional Master Plan on climate change focusing on mitigation and adaptation measures.

A donors' conference is planned at the end of this year to shore up support for the Meteorological Sector and the priority programmes.

3.6 FISCAL AND MONETARY AFFAIRS

- (i) Monetary policy harmonization: The main project in the area is the Consultancy Study on the Monetary Union. The tender has been awarded to the European Central Bank (ECB) and the contract agreement between EAC and ECB negotiated. It is expected that the Contract will be fully signed by end of April 2009. The ECB Consultants have however, submitted an Inception Report of the Study which will be considered at the meeting of the Monetary Affairs Committee planned for May 2009 in Kigali, Rwanda.
- (ii) Fiscal policy harmonization: Harmonization is being undertaken within the framework of the negotiations on the EAC Common Market Protocol in order to create one single market by eliminating tax distortions. The Tax Harmonization Project funded by GTZ which aims at harmonizing and rationalizing tax policies within EAC has recorded good progress. The last Fiscal Affairs Committee meeting held on 26th-28th January 2009 discussed the Conceptual framework and project design, the action plan 2009 and the Terms of reference for the study on tax system in EAC. The first regional training workshop on VAT harmonization

was held in Bujumbura on 12th -13th March 2009 and plans are in place to hold subsequent ones in all the Partner States.

(iii) Banking and financial markets harmonization: The following projects are being undertaken towards the development of capital markets in the East African Community under the funding of the International Finance Corporation and Efficient Securities Markets Institutional Development Initiative (IFC-ESMID). These are:

- Consultancy study on the EAC Capital markets Regionalization which has been finalized and awaits Council consideration;
- Consultancy study on bond markets which has also been finalized;
- Assistance to Regulators;
- Capacity Building.

A workshop to consider the progress on the foregoing projects is planned for May 2009 in Arusha.

3.7 STATISTICS SUB SECTOR

The implementation of the East African Statistical Database Project is ongoing. National workshops on harmonization of statistical indicators for the Project are currently ongoing in the three original Partner States. The extension of the Project to cover Burundi and Rwanda has been finalized and funding has been provided for under GTZ support. It is however, noted that the two countries have actively participated in the deliberations on the implementation of the EA Statistical Database and agreement has already been reached on the core framework for the extension of the project into the two countries. They have already established technical working groups to facilitate the implementation of the extension.

The Council recommends to the Summit to take note of the progress in Planning and Infrastructure.

4.0 PRODUCTIVE AND SOCIAL SECTORS

4.1 AGRICULTURE AND FOOD SECURITY

4.1.1 Development of EAC Action Plan to Address Food Security

A Draft EAC Action Plan to address food security in the region has been developed by EAC food security experts. The Action Plan will be considered by the Sectoral Council meeting scheduled in May, 2009. The plan covers areas of provision of an enabling policy environment, increase agricultural production and productivity, improve access to food, and ensure stability of availability/access, implementation strategy and monitoring and resource mobilization.

4.1.2 Development of EAC SPS Protocol

The decision to develop the EAC Protocol on SPS was adopted by the 1st Meeting of Sectoral Council on Agriculture and Food Security held on 8th September, 2006 in Arusha, Tanzania. A Second Draft of EAC SPS Protocol has been developed and national consultations and regional workshops for validation and value addition are ongoing and will be concluded by May, 2009.

4.2 LIVESTOCK DEVELOPMENT

4.2.1 Prevention and Control of Trans-boundary Animal Diseases

The Regional Steering Committee on Trans-boundary Animal Diseases has identified eleven important trans-boundary animal diseases in the EAC region. The Steering Committee also noted that emerging and re-emerging animal diseases are a challenge to the region. The Committee therefore called for increased funding for the livestock sector to enable improved disease control activities.

4.2.2 European Union Funded EAC Regional Avian Influenza Project

The project will contribute to the socio-economic welfare and public health in the East African Community by minimizing the impact of Avian Influenza. The project was launched in December, 2008. FAO is involved in the project as an implementing agency while the EAC Secretariat supervises and coordinates the activities. The three year Project is funded by the European Union (EU) to the tune of €3 million. Only one million euro of the total of the project funds will be channeled through the EAC Secretariat.

4.2.3 Pastoralism and Drylands Development

A Regional Steering Committee with specific Terms of Reference to handle issues on pastoralism development in the region has been proposed and will soon be constituted. The Steering Committee is expected to promote investment in the dry areas of EAC and hence improve the welfare of pastoralists.

4.2.4 Animal Breeding and Farm Animal Genetic Resources

A Regional Committee on Animal breeding and Farm Animal Genetic Resources (AnGR) has been proposed. The Committee will advise the Agriculture and Food Security Sectoral Council on matters of animal breeding and Farm Animal Genetic resources utilization and conservation.

4.3 ENERGY

4.3.1. Implementation of East African Power Master Plan

Partner States continued implementation of priority generation and transmission projects identified in the East African Power Master Plan. In addition, the African Development Bank has accepted to fund review and update of the Power Master Plan. The scope of the Master Plan has been expanded to incorporate ongoing initiatives by other regional bodies namely the Eastern African Power Pool (EAPP) and the Nile Basin Initiative. The study will develop a consolidated long term vision of electricity infrastructure for ten countries covered by EAPP and EAC in line with the directive of the Tripartite Summit of the Heads of State and Government of COMESA, EAC and SADC on joint coordination and harmonization of Energy Master Plans. The expanded study will be jointly coordinated by EAC and EAPP and it is expected to commence in June 2009. However, in addition to the Master Plan for the larger region, one of the outputs of the study will be a separate Master Plan for the EAC.

4.3.2 Implementation of Namanga Cross-border Electrification Project

Electrification of Namanga (Tanzania) from Namanga (Kenya) is one of the projects identified for implementation under the Cross-Border Electrification Programme. The distribution network in Namanga town which will be interconnected with the Kenyan system has already been constructed. Work on interconnection of the two systems commenced on 23rd April 2009. Namanga (Tanzania) is expected to be on supply by 28th April 2009.

The EAC Secretariat is working with the Partner States to develop a common policy on cross border electrification that will facilitate faster implementation of such projects.

4.3.3. 4th East African Petroleum Conference

The 4th East African Petroleum Conference on Petroleum Potential and Investment Opportunities in East Africa was held in Mombasa on 11th - 13th March 2009. The theme of the conference was '*Exploration and Exploitation of Oil and Gas for Social and Economic Development*'. The Conference programme included field excursions to all the Partner States to promote sites for petroleum prospecting with a bit of tourism. The Conference attracted over 500 participants from all over the world, notably international oil companies, oil industry service companies, government institutions, academic institutions, international geo-scientific journals, non-oil and gas institutions and the media.

Significant progress has been made in oil and gas exploration, development and production in the Partner States due to increased joint promotional efforts especially through the East African Petroleum Conference in addition to increasing importance of Oil and Gas on a global scale.

4.3.4 Refineries Development Strategy

A Regional Refineries Development Strategy was prepared and approved by the Council of Ministers at its 16th Meeting which was held in September 2008. The Strategy address all aspects related to refineries development in a holistic way. It recommends construction of a refinery in Uganda upon confirmation of commercial reserves of the oil discoveries in addition to developing a number of infrastructural projects to enhance the storage and distribution system in the region in order to improve its effectiveness and efficiency.

4.3.5 Regional Strategy on Scaling Up Access to Modern Energy Services

A Donors Conference to mobilize resources for the implementation of the Regional Strategy on Scaling Up Access to Modern Energy Services was held in November 2008. The Conference was preceded by a meeting of Focal Points for the Strategy and some members of the Working Group on New and Renewable Energy Sources and Energy Conservation and Efficiency. The Conference recommended the gradual implementation of the Strategy based on availability of resources and the formation of a Development Partners Group to coordinate support for the Strategy. Arising from the Donors Conference, the Royal Norwegian Government will support additional capacity at the EAC Secretariat through a grant of US\$ 232,000 to recruit a Project Development Officer for a two year contract to spearhead implementation of the Strategy.

4.3.6 Dar es Salaam – Tanga – Mombasa Gas Pipeline

The African Development Bank (AfDB) has extended a grant of USD 561,700 to the Secretariat to finance a feasibility study for a natural gas pipeline from Dar es Salaam to Tanga and Mombasa which will be used to export natural gas from Southern Tanzania to Tanga, Mombasa and other centres for power generation and industry use. The study will prepare the project for implementation. The study will commence in May 2009. The Bank is in the process of considering other EAC energy infrastructure projects including extension of the oil products pipeline from Kampala to Kigali and Bujumbura.

4.4. TOURISM AND WILDLIFE MANAGEMENT

4.4.1. Implementation of East African Tourism and Wildlife Marketing Plan and Strategy

The promotion of East Africa as a single tourist destination continued over the period. Delegations from Partner States and the Secretariat attended two major International Tourism fairs of World Travel Market in London and Internationale Tourismus Bourse (ITB) in Berlin in November 2008 and March 2009, respectively. Two EAC Partner

States namely the Republic of Rwanda and Republic of Kenya came in among the top three at the ITB in Berlin. Joint activities e.g. traditional dances, music and joint cocktail were organized. It is also planned that Asian and Far East Asian markets will be explored in this year. The objective is to undertake joint promotion campaigns through workshops, press conferences and marketing consultations as part of the consolidation and exposure of EAC integration agenda abroad. The Sectoral Council on Tourism and Wildlife Management has set the year 2010 for the EAC Partner States to be under one roof in all major International Tourism Fairs. The Secretariat has prepared a road map with clear time frame and is working closely with Partner States towards achieving this objective.

4.4.2 Harmonization of Policies and Laws

Terms of Reference for the study on harmonization of policies and laws on Tourism and Wildlife have been approved. The study is expected to commence in July 2009 and be concluded by December 2009.

In collaboration with the Immigration authorities a readiness assessment study will be undertaken with a view to have a single Tourist visa by 2010. The United Republic of Tanzania is also consulting on modalities of removing visa fees for Burundi nationals.

4.4.3 Operationalisation of the East African Tourism and Wildlife Coordination Agency (EATWCA)

A Board has been established to oversee the operationalization of East African Tourism and Wildlife Coordination Agency (EATWCA). The draft Protocol and Operational Manual for the Agency are under consideration.

At its meeting in February 2009, the Sectoral Council on Tourism and Wildlife Management expressed concerns on the East African Tourism and Wildlife Commission (Private Members' Bill) particularly over the parallel process involved in the creation of the East African Tourism and Wildlife Agency. The Protocol for the Establishment of EATWCA exists. The Sectoral Council recommended to the full Council of Ministers to give guidance on whether to go with the Protocol or the Private members' Bill to establish such an Agency.

4.4.4 Familiarization Tours for EAC Ministers Responsible for Tourism and Wildlife

The 2nd Sectoral Council on tourism and Wildlife met in Kigali, Rwanda from 23rd – 28th February 2009. The Ministers visited the Volcano National Park for Gorilla Tracking. The next Sectoral Council is proposed to be held in the Selous Game Reserve in Tanzania. This will continue to provide an opportunity and live experience to stakeholders in the region on what the region can offer.

4.4.5 Standardization and Classification of Hotels and other Accommodation Facilities

The Criteria for Standardization and Classification of Hotels have been concluded. Certificates and Plaques (template samples) to be awarded to classified establishments have been finalized and given to all Partner States. Curriculum for Training of Assessors

for Accommodation and Catering facilities in East Africa has been developed. Twenty trainers (4 from each Partner State) were trained in November 2008 as trainers for the regional assessors. The trainers will be responsible for overseeing the standard and quality of classification exercise work in the region.

4.4.6 Classification Exercise in the Partner States

Rwanda and Tanzania have undertaken training of assessors in their main cities of Kigali and Dar es Salaam respectively. Tanzania commenced the classifications in March 2009 and Rwanda will commence theirs in May 2009. All Partner States have been urged to finalize the classification work by 2010.

4.5 FACILITATION OF THE MOVEMENT OF PERSONS, IMMIGRATION LABOUR/EMPLOYMENT AND REFUGEE MANAGEMENT

4.5.1. Movement of Persons and Immigration Matters

The Chiefs of Immigration have continued to meet twice in a year to review the implementation of Council decisions at regional level which relate to the facilitation of the free movement of persons. The Chiefs have also followed up the issue of issuance of Identity cards by the United Republic of Tanzania and Uganda to their Nationals. Both Countries have made considerable progress in the preparation of this exercise in terms of putting the relevant laws and structures in place, and in the choice of technology to be utilized for issuance.

4.5.2. Labour and Employment

The Ministers responsible for Labour and Employment met in Kampala, Uganda in November 2008 to discuss Labour and employment issues in the region. The Ministers reiterated their 2007 request to the Council to direct the Secretariat to convene an Extra Ordinary Summit focused on "Employment Creation and Poverty Reduction with a special focus on Youth Employment." They further directed the Secretariat to develop a Regional Issues Paper addressing the main factors impacting on youth unemployment in the region, identify sectors that can be targeted to generate employment and recommend strategies which need to be put in place by the Partner States to address the Youth Employment Challenge.

The Secretariat in collaboration with the ILO and the Partner States Ministries responsible for Labour/Employment and Youth Affairs developed the Issues Paper and validated it through national and regional stakeholder consultations. The Paper will be presented to the 4th meeting of the Ministers responsible for labour and employment in early April 2009 for consideration and endorsement. The next step will be the presentation of the recommendations and strategies on Youth Employment in the region to the EAC Summit for consideration.

Resource Mobilisation for regional Manpower Survey to be carried out by Partner States is ongoing at both Partner State and regional levels. The Secretariat has prioritised the convening of a Donor round table resource mobilisation dialogue in June 2009.

The study on “Harmonization of Employment Policies in East Africa” and on “Harmonization of Labour Legislation in East Africa” have been extended to the Republics of Rwanda and Burundi.

4.6 EDUCATION, SCIENCE AND TECHNOLOGY, CULTURE AND SPORTS

4.6.1. Establishment of EAC Centers of Excellence

The Sectoral Council noted that by the 30th of March 2009 only the United Republic of Tanzania and the Republic of Kenya had submitted both the lists of the officers to constitute the Vetting Committee and candidate institutions for designation as Centers of Excellence.

The Sectoral Council further noted that other Partner States reported difficulty in applying the criteria in the form in which it had been approved by Council. Institutions were raising issues that delayed the process of in-country preliminary vetting prior to submission of the final lists of candidate institutions to the Secretariat.

The Sectoral Council directed the Secretariat to convene a Technical Committee Meeting between 24th – 26th May 2009 to review the criteria and address the issues mentioned above before commencing the verification exercise; and accordingly review the road map for conducting the verification exercise.

4.6.2. Regional Study on the Harmonization of the East African Education Systems

The Sectoral Council noted that the study on harmonization of the EA Education Systems and Training Curricula has taken long time to be completed. This study, it was observed, should have benefited the current negotiations on the establishment of the EAC Common Market particularly with regard to the finalization of the Annexes to the Protocol on Directives and Regulations on Harmonization and Mutual Recognition of Academic and Professional Qualifications. The conduct of the harmonization study should be expedited if it is to inform this process.

In this regard, the Secretariat had deemed it appropriate to use the expert services of one of its organs, the Inter- University Council for East Africa, to undertake the study.

The Sectoral Council directed the Secretariat to ensure that the study is completed within the stipulated 60 working days.

The Sectoral Council directed the Secretariat to facilitate the Technical Committee to effectively perform its quality assurance responsibilities throughout the conduct of the study.

The Sectoral Council directed the Secretariat to monitor and ensure that the study on harmonization of the EAC Education systems and training curricula directs the process of aligning the Directives and Regulations on Harmonization and Mutual Recognition of

Academic and Professional Qualifications which will form part of the annexure to the Protocol on the establishment of the EA Common Market; and
The Sectoral Council directed the Secretariat to ensure that Directives and Regulations on Harmonization of Education Curricula And Mutual Recognition of Academic and Professional Qualification as reached by the High Level Task Force on the Common Market Negotiations are approved by this Sectoral Council before they are submitted to the Council of Ministers.

4.6.3. Formation of Forum for Ministers responsible for Social Development

The Council of Ministers directed the Secretariat to initiate the convening of the Forum of Ministers Responsible for Social Development. The first meeting of the Forum of Ministers responsible for Social Development took place from 15th to 19th September 2008 in Kigali, Rwanda. A number of recommendations, including the formation of the Sectoral Council on Gender, Youth, Children and Community Development were made.

4.6.4 Finalizing Bills for the Establishment of Institutions of the Community

The Sectoral Council directed the Secretariat to re-examine the Protocol on the establishment of the E.A. Science and Technology Commission (EASTECO) to include an article on the functions of the Governing Board.

The 17th Ordinary Council of Ministers held in February 2009, directed the Secretariat to submit the Protocol on the Establishment of the East Africa Kiswahili Commission to the Sectoral Council on Legal and Judicial Affairs for further legal input. The Protocol provisions need to be reviewed to ensure that the Kiswahili Commission reports to the Council of Ministers. The Protocol has further been harmonized with the Bill.

4.6.5 EAC Students Essay Writing Competition.

The Students Essay Writing Competition has continued to be held every year and has been extended to the Republics of Rwanda and Burundi.

The Council directed the Secretariat to facilitate commencement of the competition at tertiary institutions level. The Secretariat has not been able to implement this directive due to inadequate financial resources. However this is under consideration and will be implemented during the FY 2010/2011.

Secretariat has compiled and published winning essays both at national and regional levels. Winning essays have also been posted on the EAC Website.

The 6th Sectoral Council considered the report presented by the Secretariat on the EAC Essay Writing Competition for 2008. The Session noted that the National Awards ceremonies were successfully conducted in all the Partner States. The essay winners' tour was also successfully conducted.

The Sectoral Council directed the Secretariat to extend the period of submission of essays to June 2009; and consider printing the materials within Partner States.

4.6.6 The EAC Anthem

The Development of the EA Anthem: the merger of the three Anthems

The Regional Technical Committee on the Development of the EA Anthem sat on 1st and 2nd September 2008 in Arusha to develop the road map towards the presentations of the Anthem proposals to the Summit.

The 5th Sectoral Council recommended that since the Republic of Rwanda and Burundi had adopted the three Anthems as they were presented to the Summit in Kampala in June 2007, the three Anthems be presented to the 7th Extra Ordinary Summit sitting in Kampala on 21st October, 2008.

Consequently, the Technical Committee presented the three Anthems to the Council in Kampala on 21st November 2008. The Council recommended the three Anthems to the Summit which in turn directed that the Council vets the three Anthems and recommends one to it for approval.

On the 22nd October 2008 the Council directed that the three Anthems be merged into one truly-East African Anthem. The Technical Committee was directed to work out the road map and the budgetary implications for this merger. It met on 23rd October 2008 in Munyonyo, Kampala and drafted the road map and budget.

The 17th Council sitting in Arusha in February 2009 directed the Secretariat to convene and facilitate the Regional Technical Committee on the EAC Anthem to merge the three songs into one. It also directed the Secretariat to source for funding to implement the anthem road map by June, 2009. It further decided that the budget made by the Technical Committee be reduced to cater for the most essential components of the merger. The budget was reduced from USD 283,652 to USD 176,920.

The Secretariat has since then tried its best to solicit for funds to facilitate this merger. All these efforts have been fruitless. At its meeting held on 26th April, the Finance and Administration Committee directed the Secretariat to prioritize its activities and accommodate EAC Anthem within the 2009/2010 budget.

4.6.7 Verification of Kenya's, Rwanda's and Tanzania's Application to Host EASTECO and Tanzania's to host the Kiswahili Commission.

The 6th Sectoral Council discussed the report of the Technical Committee on the Verification of facilities for Hosting the EASTECO, and noted that the Republic of Kenya scored 87.6%, the United Republic of Tanzania 86.3% and the Republic of Rwanda 85.7%, although the report observed that all the three Partner States which applied to host the EASTECO qualified. The Sectoral Council received the report of the Technical Committee on the Verification of facilities for Hosting the East African

Kiswahili Commission, and noted that the United Republic of Tanzania was the sole applicant for hosting this Commission.

It was noted, however, that the Verification Report indicated that the East Africa Centre for Research of Oral Traditions and African National Languages (EACROTANAL), which is the proposed institution to host the EA Kiswahili Commission, was established to serve a membership comprising nine (9) African Countries. This institution was, until 1994, receiving support from the OAU (now AU), SIDA and UNESCO, although the United Republic of Tanzania has now assumed full responsibility for maintaining this Centre.

In view of the above, the Meeting required assurance from the United Republic of Tanzania over the legal ownership and control of this institution, which the latter gave. The Sectoral Council approved the report of the Verification Committee which proposes the United Republic of Tanzania as host for the East African Kiswahili Commission.

The Sectoral Council noted the request made by the Republic of Rwanda to host EASTECO and also the positions advanced by the Republic of Kenya to host the same.

The Sectoral Council took note of the report of the Verification Committee on the Hosting of EASTECO. It also noted that there was no objection to Republic of Rwanda hosting EASTECO from all the other Partner States except from the Republic of Kenya. It further noted Kenya's position that the decision to host the East African Kiswahili Commission and EASTECO be stayed until the Secretariat prepares a report to the Council of Ministers on rationalization of procedures for hosting of all EAC Institutions, and that the Council of Ministers makes decisions on the hosting of all EAC Institutions taking into account the principle of equity.

8 Establishment of the East African Culture and Sports Commission

The Sectoral Council noted that there is no substantive progress from the time of submission of the Draft Protocol to the Partner States in May 2008. The Protocol does not need further input from the stakeholders as it contains feedback from Partner States Consultations. The Sectoral Council directed the Secretariat to forward the Protocol on the establishment of the Culture and Sports Commission to the Council for approval.

The Sectoral Council noted Kenya's position that the decision to host the East African Kiswahili Commission and EASTECO be stayed until the Secretariat prepares a report to the Council of Ministers on rationalization of procedures for hosting of all EAC Institutions, and the Council of Ministers makes decisions on the hosting of all EAC Institutions taking into account the principle of equity.

4.6.9 Appointment of Principal Culture Officer and Principal Sports Officer

The 6th Council noted that at its 17th Meeting, the Council of Ministers approved the establishment of two positions of a Principal Culture Officer and Principal Sports Officer and the provision of funds for recruitment of the former during FY 2009/2010 who will

perform the functions of Sports Officer until funds are sourced for recruiting a Sports Officer during FY 2010/2011.

The Sectoral Council directed the Secretariat to initiate the recruitment process for the officer to assume office by August 2009.

4.6.10 The Inter University Council for East Africa (IUCEA)

The Executive Secretary of the IUCEA reported that the Council decision to charge local and other East African Partner States students the same fees has not been implemented by some universities. Consequently, the Governing Board of the IUCEA decided to sanction the universities which are not implementing the Council decision.

The Sectoral Council took note of these developments and requested the IUCEA to present a progress report on the implementation of the Council decision at the next meeting of the Sectoral Council.

4.6.11 Situation Analysis (SITAN) on the Education Sector Response to HIV and AIDS

The Sectoral Council noted that the country SITAN reports have been finalized and Consultants are in the process of submitting these reports to the Partner States for validation and ownership.

The Sectoral Council urged the Partner States to expedite the validation of the country reports.

4.7. GENDER, COMMUNITY DEVELOPMENT AND CIVIL SOCIETY MOBILIZATION

4.7.1 Gender and Community Development

In order to mainstream the Republic of Rwanda and the Republic of Burundi into the EAC Gender and Community Development Framework, a situation Analysis of the two Partner States was undertaken from September 2008 to December 2008 and the findings have been incorporated in Framework.

In March 2009, a meeting of Experts developed a draft Strategic Plan and implementation guidelines in the areas of Gender, Youth, Children and Community Development. The formulation of the draft strategic plan took into account the recommendations made by the first meeting of the Forum for Ministers responsible for Social Development by incorporating Youth and Children issues.

4.7.2 Civil Society Mobilization

In the area of the Civil Society Mobilization, the focus has been:-

- (a) Formulation of partnership with regional Civil Society Organizations (the East Africa Law Society), the East African Local Governments and the Eastern African Sub-Regional Support Initiative for the Advancement of Women;
- (b) Need for organizing workshops in Burundi, Kenya, Tanzania and Rwanda on the role of Local Governments in regional integration has been recognized. A draft sensitization manual has been produced in order to reach community-based organizations.

In addition, the 3rd Annual East African Civil Society Forum which was held from 20th – 21st March, 2009, called for an all inclusive nature and involvement of all non-state actors (with particular reference to the civil society) in the formal structures of the integration process and its full involvement in the EAC institutional framework. The Forum also recommended establishment of a consultative mechanism to involve the Civil Society in the on-going negotiations on the EAC Common Market and the Economic Partnership Agreements (EPAs) with the EU-ACP at national committee level.

The forum further recommended promotion of good governance in the Partner States; support of local and national CSOs; establishment of closer working relationship with the East African Legislative Assembly (EALA) in the development of regional law; and mainstreaming of gender youth, children and other marginalized groups.

4.8 ENVIRONMENT AND NATURAL RESOURCES

4.8.1. Implementation of the Protocol on Environment and Natural Resources Management

Partner States are in the process of ratifying the Protocol on Environment and Natural Resources Management.

4.8.2 Harmonization of Laws and Policies

The harmonization of the Biosafety policies on Genetically Modified Organisms (GMOs) is ongoing. TORs for the Multi Sectoral ad hoc working group to harmonize the policies are in place.

4.8.3 Climate Change Master Plan

As directed by the 5th Meeting of the Sectoral Council on Transport, Communication and Meteorology, held on 9th – 13th June 2008, EAC is developing a Climate Change Master Plan. EAC held 2 meetings on Climate Change in August 2008 and February 2009. A review of the implementation of National Adaptation Programmes of Action (NAPA) in

Partner States has been done and the TORs for the working group to develop the Climate Change Master Plan have been prepared.

4.8.4. Joint Participation in International Treaties and Conventions

Country roundtable meetings, involving all stakeholders in Climate Change arena to consolidate National Climate Change positions are ongoing. The first Country roundtable meeting was held in Naivasha, Kenya from 30th March to 2nd April 2009. The Uganda Roundtable meeting was held in Kampala, Uganda from 15th to 17th April 2009. The Burundi Roundtable meeting is scheduled to take place in Bujumbura from 29th to 30th April 2009. Rwanda and Tanzania negotiations are scheduled to take place during the second week of May 2009. The outcome of the negotiations will feed into the African Ministerial Conference on the Environment meeting scheduled for June 2009 and will contribute to the preparations for the post Kyoto Climate Change Negotiations to be held in Copenhagen in November 2009.

4.10 HEALTH

4.10.1. The 3rd Annual East African Health and Scientific Conference

The 3rd Annual East African Health and Scientific Conference was hosted by the Government of the Republic of Kenya through her National Ministry of East African Community, the National Ministry of Public Health and Sanitation, the National Ministry of Medical Services, the Kenya Medical Research Institute (KEMRI), the Kenya Medical Association (KMA) and various National Health Professional Boards, Councils, Associations and Societies from 25th to 27th March 2009 in Nairobi, Kenya.

4.10.2. Proposed amendments to Article 118 of the Treaty for the establishment of the EAC as regards regional cooperation on health

As part of the ongoing review and amendments of the Treaty for the establishment of the East African Community, the Sectoral Council proposed amendments to Article 118 of EAC Treaty and referred them to the EAC Sectoral Council on Legal and Judicial affairs for further consideration and legal input.

4.10.3. Establishment of the "East African Regional Inter-Parliamentary Forum on Health, Population and Development (EAPF-HPD)"

In order to further deepen and widen regional integration on health and other public health-related initiatives among various organs and institutions of the EAC at both regional and national level, the Sectoral Council approved the establishment of the "East African Regional Inter-Parliamentary Forum on Health, Population and Development"

The East African Regional Inter-Parliamentary Forum on Health, Population and Development is an EAC regional parliamentary network comprising the East African Legislative Assembly and all the EAC Partner States' National Parliaments, National Assemblies and House of Representatives. It serves as a platform for cooperation and

coordination of the various parliamentary committees responsible for handling health, population and development issues.

The Council recommends to the Summit to take note of progress made in Productive and Social Sectors.

5.0 LEGAL AND JUDICIAL AFFAIRS

5.1. REVIEW AND AMENDMENT OF THE TREATY

The collation of views from the Partner States, organs and institutions of the Community and other stakeholders on the Council of Ministers' proposal to amend the Treaty is in its final stages. Collected views on the fundamental legal attributes of the Treaty, adequacy of the provisions on areas of co-operation, institutional and related lacuna will be studied by a High Level Task Force on the Amendment of the Treaty for subsequent consideration by the Council of Ministers and submission to the Summit of Heads of State. The amendment also addresses the annexes to the Treaty such as Rules of Procedure for the Meetings of the executive organs of the Community. The Council has deemed it appropriate to ensure that the Treaty amended process is as comprehensive as possible. The comprehensive list of the proposals for the amendment of the Treaty for the Establishment of the East African Community will be tabled to the Council of Ministers in June 2009.

5.2. PROPOSED EXTENSION OF JURISDICTION OF THE EAST AFRICAN COURT OF JUSTICE

Pursuant to the provisions of the Treaty, the Council of Ministers, taking into account the growing mandate of the Community and peoples' expectations from the integration process, has decided that the jurisdiction of the East African Court of Justice be extended from the currently delimited role of ensuring adherence to law in the interpretation and application of the Treaty. Accordingly, a draft Protocol to extend the Court's jurisdiction to cover appellate matters, human rights and original jurisdiction has been prepared. Through national and regional workshops identified key stakeholders (including Governments, the National Assemblies, the Judiciaries, EAC organs and institutions, the Business Community, Professional Associations and Civil Society) have made inputs into the initial draft of the Protocol. Following Partner State consideration of the revised draft the Council has deemed it necessary to extend the period of consultations to 31st December, 2009. This will enable the Partner States further address such matters as appellate, human rights and other jurisdiction the pursuit of which at regional level may impact on national constitutions and court systems.

5.3. ENACTMENT OF THE EAST AFRICAN COMMUNITY LAWS

Bills initiated by the Council of Ministers were enacted into the following legislations:-

- (a) The Community Emblems (Amendment) Act, 2008 which revised the Community's emblems following the expansion of the Community's country membership to include the Republic of Burundi and the Republic of Rwanda; and
- (b) The Inter-University Council for East Africa Act, 2007 which established the Inter-University Council as a body corporate.

The Council of Ministers has initiated the following Bills and submitted them to the East African Legislative Assembly for consideration and enactment into law:-

- (i) A Bill for an Act entitled The East African Civil Aviation Safety and Security Oversight Agency Act, 2008;
- (ii) A Bill for an Act Entitled The East African Community Customs Management Act (Amendment) Act, 2009 for the purposes of amending certain provisions that facilitate customs administration and management.

5.4. REGIONAL JUDICIAL TRAINING

Training for Judicial Officers serving on the Partner States' judiciaries and in ancillary para-legal services, through seminars and workshops, has continued. Main areas covered include computer literacy, internet research, accounting and judgment writing. Plans are underway for:-

- (a) involvement of the judiciaries in the Republic of Burundi and the Republic of Rwanda in regional judicial training programmes and activities; and
- (b) regional workshops on Judgment Writing and Taxation of Costs.

5.5. APPROXIMATION AND HARMONISATION OF NATIONAL LAWS IN THE EAC CONTEXT

The approach to approximation and harmonisation of national laws in the East African Community context is being re-oriented towards laying more emphasis to the establishment of the East African Common Market. In this regard, the Partner States' Commercial Laws that relate to the projections under the draft Protocol for the Establishment of the Common Market have been prioritised. Furthermore a study on the Harmonisation of Tax Laws in the region is ongoing with financial assistance from GTZ for Africa. The Investment Climate Facility for Africa will also support a study on the Harmonisation of the Partner States' commercial laws.

5.6 ESTABLISHMENT OF NEW ORGANS AND INSTITUTIONS OF THE COMMUNITY

The Council has received applications by the Bureau of Speakers (of the East African Legislative Assembly and the five National Assemblies) to be established as an organ of the Community and applications by the East African Business Council and the East African Parliamentary Institute to be established as institutions of the Community. In order to enable the Summit admit such bodies and institutions into the Community, the Council has directed the Secretariat and Partner States experts to develop criteria and procedures. These criteria and procedures shall be ready by June 2009.

The Council recommends to the Summit to take note of the progress in Legal and Judicial Affairs.

6.0 POLITICAL MATTERS

6.1 POLITICAL AFFAIRS

6.1.1 Progress Report on the National Sensitization and Consultation on EAC Political Federation

At its 6th Extra Ordinary Meeting, the Summit considered the reports National Consultative Committees on fast tracking the EAC Political Federation from the Republic of Kenya, Republic of Uganda and the United Republic of Tanzania. The Summit *noted the need to mobilize and deepen sensitization on political integration, stimulate greater political will to promote deeper economic integration, lock-in gains achieved from economic cooperation; and directed that the Republic of Rwanda and the Republic of Burundi shall commence, at the earliest, a consultation process on the establishment of a Political Federation.*

In fulfillment of the above directives on deeper sensitization, the Secretariat developed a sensitization programme for various stakeholders and has carried out sensitizations workshops for local government, civil society organizations, political parties, border communities and University students and lecturers. Among the findings, are the need for continuous sensitization of East Africans on the integration process, the need for sharing of information in order to create awareness on the opportunities in regional integration, the need for the development of mechanisms and frameworks to lay the foundation for Political Federation, including mechanisms for promotion of rule of law, access to justice, democracy, respect for human rights, anti-corruption, ethics and integrity. The stakeholders demanded for a model for an EAC Political Federation and a draft federal constitution with clear proposal on devolution of powers between the national governments and the federal one, including the role of political parties, and local government. Other issues raised include peace and security in the region, good governance and democracy, free movement and equitable distribution of economic benefits.

The national consultations in the Republic of Rwanda and the Republic of Burundi, which were launched by the respective Heads of State in February and March, 2008 concluded in December, 2008. The reports containing the findings, recommendations were submitted to the to the Secretariat in February 2009. The findings, recommendations and observations of the consultations are contained in the background paper to the 10th Ordinary Summit scheduled for 29th April, 2009.

The Report on the review of national consultations conducted in the Republic of Burundi and the Republic of Rwanda is attached herewith as **Appendix I**.

6.1.2 Development of the EAC Framework on Good Governance

The Draft EAC framework on good governance is one of the interventions provided for in the EAC Development Strategy within the fundamental principles for the achievement of the objectives of the Community. This policy instrument envisages harmonization and approximation of policies, strategies, programmes and practices towards promoting good governance in EAC integration. It also seeks to address some of the concerns raised by citizens of East Africa during the national sensitizations/consultations on the EAC integration and Political Federation. The draft framework contains the following key pillars: -

- (a) Constitutionalism, rule of law and access to justice;
- (b) Protection of human rights and equal opportunities;
- (c) Democracy and democratization processes; and
- (d) Preventing corruption and upholding ethics and integrity.

The Draft Framework was developed by a Working Group of Experts established by the Council whose membership included representatives from relevant government ministries and departments, including justice and constitutional affairs, Attorneys General's Offices, electoral commissions, judiciary, anti-corruption agencies, human rights commissions, among others. The draft is presently undergoing national and regional stakeholders' consultations for further input and greater ownership. Key among the stakeholders who have been consulted include Chief Justices, East African Court of Justice, East African legislative Assembly, judiciary, national assembly, human rights commissions, electoral commissions, anti-corruption agencies and relevant civil society organizations for their input and comments. Statutory bodies responsible for the identified pillars of good governance have continued to hold their regular meetings to develop institutional framework and mechanisms to operationalise the framework once it is concluded.

6.1.3 Development of the EAC Protocol on Preventing and Combating Corruption

The development of the Draft Protocol on Preventing and Combating Corruption is based on principles of transparency, accountability and proper management of public resources. In addition, corruption knows no borders and concerted efforts among the EAC partner States to prevent and combat it through exchange of information and joint investigations cannot be overemphasized. Corruption is also an anti-thesis to regional integration where the EAC is striving to promote the Community as a single, investment, tourism and trade destination. The protocol provides for developing joint regional policies and strategies to prevent and combat corruption in the region and promote transparency, ethics and integrity. The 2nd Draft Protocol was considered by the Council which directed that national consultations be undertaken to popularize it and get input from more stakeholders.

6.1.4 Operationalisation the EAC Forum of National Electoral Commissions

Following the decision of the Council to establish the EAC Forum of Electoral Commissions, as per the recommendation of the Heads of National Electoral Commissions, the Secretariat continues to convene their meetings in accordance with the Calendar of activities. The objectives of the meetings include sharing information, experiences and challenges in organizing and supervising credible, free and fair elections. The Forum is charged with initiating and developing joint policies, strategies and programmes to enhance cooperation in the sector including harmonization of the electoral calendars and road maps. Efforts are under way to operationalise the Forum through a policy that details its mandate, functions and an institutional framework for its operations.

6.1.5 Progress in Implementing the EAC Plan of Action on Promotion and Protection of Human Rights

The EAC is committed to promoting and protecting human rights in accordance with the African Charter on Human and Peoples rights. The Meetings of National Human Rights Commissions continue to take place within the EAC framework in an effort to harmonize their mode of establishment, independence and reporting mechanisms. The Council adopted the EAC Plan of Action Promotion and Protection of Human Rights which detail joint strategies and programmes in capacity building including establishment of an EAC Bill of Rights.

6.1.6 1st Annual EAC Conference on Good Governance

The Secretariat convened the Conference in Dar es Salaam, United Republic of Tanzania in January 2009. The Conference brought together senior officials from the Partner States including speakers of national assemblies, Speaker-EALA, Chief Justices from the national judiciaries, and Judge President- EACJ, Heads of national human rights commissions, anti-corruption agencies, electoral commissions, civil society, security agencies and media. The aim of the Conference was to popularize the draft framework on good governance and underline the significance of promoting good governance in the EAC integration. The Secretariat also convened the 1st Meeting of EAC Chief Justices which took place in Kigali, Republic of Rwanda on 12th – 13th March 2009. The purpose of the Meeting was the consult with the CJs on the EAC framework on Good Governance and exchange views on their involvement in the EAC integration. The recommendations from the Consultative Meeting of the Chief Justices will be considered by the next Ordinary Meeting of the Council.

The Council took note of the progress in the implementation of programmes and activities in the political affairs department in line with the Summit and Council decisions. The Council further received and considered the National Consultations Reports from the Republic of Rwanda and the Republic of Burundi and noted the recommendations, observations and concerns that need to be addressed.

The Council: -

- a) took note of the progress and the recommendations contained in the NCC reports from the Republic of Rwanda and the Republic of Burundi; and
- b) requested the 10th Summit of Heads of State to consider the reports and the recommendations and give the way forward on the EAC Political Federation.

6.2 INTERNATIONAL RELATIONS

6.2.1 Upgrading the Memorandum of Understanding on Foreign Policy Coordination into a Protocol

At its meeting held on 26th February 2009, the Sectoral Council on Foreign Policy Coordination endorsed the final Draft Protocol on Foreign Policy Coordination. The Draft Protocol is due for adoption at the next Meeting of the Council. The Draft Protocol addresses issues related to coordination of collaboration in Diplomatic and Consular activities, including provision of visa and consular services on behalf of each other where a Partner State is not represented; Multilateral Diplomacy; Economic and Social activities; and deeper engagement of the Partner States Diplomatic Missions in pursuit of the Community objectives, among others.

6.2.2. Joint Support for Candidatures/Candidates for International Positions

Since the decision was taken, the EAC Candidature Sub Committee was established and its working institutionalized. Achievements in this area during the reporting period include:

- (a) Uganda's election for a Non-Permanent Seat on the UN Security Council (2009 – 2010);
- (b) Kenya's membership to the UN Human Rights Council (2009-2012);
- (c) Kenya's membership to the Board of Governors of the International Atomic Energy Agency;
- (d) Election of Mr. Pollar Awich (Uganda) for a seat on the UN Committee on the Rights of the Child (until December 2009);
- (e) Appointment by the AU Assembly of Justice Joseph Nyamihana Mulenga (Uganda) and Justice Githu Muigai (Kenya) as Judges of the African Court of Human and People's Rights;
- (f) Appointment of Mr. Léonidas Havyarimana (Burundi), Ms. Dorothy Nyangohe Angote (Kenya) and Mr. James Kahooza (Uganda), as members on the AU Board on Corruption.

6.2.3 Collaboration with the African Union

The Abuja Treaty and at various fora, the role of Regional Economic Communities as building blocs for Africa's continental integration is emphasized.

a) Activities with the AU Commission

The EAC continues to undertake various program coordination activities with the African Union Commission in several sectors, in accordance with the Protocol on Relations between the AU Commission and the RECs signed in January 2008. The EAC participates in AU Sectoral meetings as well as the meetings of the Permanent Representatives Committee (PRC), the Executive Council and the Assembly of Heads of State and Government. The EAC has also participated in activities like the recent exhibition on Infrastructure and an earlier one on Small Arms and Light Weapons (SALW).

Within the framework of this Protocol, the RECs as building blocs for continental integration will elaborate the Minimum Integration Programme and systematically out its concerted implementation with the aim of integrating our continent politically and economically. In this context, the AU Commission and the EAC held a meeting on 3rd March 2009, at which the AU team was briefed about the EAC's priority programmatic areas. This program will facilitate the determining of the areas with great potential for propelling continental integration.

b) Collaboration with other Regional Economic Communities

The EAC collaborates with other regional economic communities in carrying out joint programmes. Such include activities in Peace and Security under the Eastern and Southern Region (ESR) configuration. The EAC also attends meetings with other RECs and shares experiences and best practices, like with the ECOWAS on issues of Peace and Security. Following the directive of the October 2008 EAC-COMESA SADC Tripartite Summit, efforts are being made to strengthen the institutional tripartite arrangement.

c) Transformation AU Commission into the AU Authority

At its Assembly held in February 2009 in Addis Ababa, the AU Assembly of Heads of State deliberated on the envisaged African Union Government. The Assembly decided that as one of the processes towards the eventual AU Government, which would be a Union of sovereign and independent States, the current AU Commission be transformed into the AU Authority. The Assembly also decided that that the AU Authority, whose portfolios will be based on areas of shared competencies as agreed upon, needed to be strengthened. The Assembly further directed that the AU

Executive Council holds an extraordinary session to deliberate on:

- i. The functions of the African Union Authority;
- ii. The size of the Authority;
- iii. The functions of the Secretaries;

- iv. The financial implications of establishing such Authority

In preparation for the AU Executive Council meeting, which was held on 15-16th April 2009 in Tripoli, Libya, the EAC Sectoral Council on Foreign Policy Coordination, whose members are on the AU Executive Council, held a meeting on 8th April 2009 in Kampala. The Report of this meeting is attached hereto as **Appendix II**. The Sectoral Council agreed on an EAC position on the above four areas (a) to (d), which position was presented to the AU Executive Council. During deliberations of the AU Executive Council meeting in Tripoli, most of EAC positions on the various issues were carried.

Summary of the recommendations of the Executive Council:

- i. All the functions of the existing AU Commission, as set out in Article 3(2) of the Statutes of the Commission, were upheld and others added there-to, to constitute strengthened functions of the envisaged AU Authority;
- ii. The current size of the AU Commission's top leadership (10 executives) was retained but the titles for the AUC Chairperson, Vice Chairperson and the eight Commissioners changed from to AU Authority President, Vice President and Secretaries respectively;
- iii. The functions of the Secretaries were determined;
- iv. The financial implications of the transformation of the AU Commission into an Authority are to be worked out by the Commission, taking into consideration the outcome of the Meeting of African Finance Ministers scheduled for November 2009 and a report will be presented to the Ordinary AU Executive Council session in January 2010;
- v. There will be consequential amendments to the basic legal instruments, including the AU Constitutive Act, in accordance with Art. 32 of that Act;
- v. The need to strengthen RECs in order for them to play their role as building blocks towards the eventual AU Government was underscored, and the AU Authority to enhance its coordinational role.

The AU Assembly Chairperson and also Libyan President, H.E Muammar Gaddafi, addressed the AU Executive Council, during which he outlined his vision of the proposed AU Authority, including proposals for new portfolios. Such include Union Secretaries for Foreign Affairs, Defense and Security as well as that for International Cooperation, Foreign Trade and Economic Relations. The proposals will be presented to the AU Assembly at its next Ordinary Session, in July 2009.

6.2.4 Conclusion of a EAC Protocol on Immunities and Privileges of the East African Community, its Organs and Institutions

At its Extraordinary meeting held on 8th April 2009 in Kampala, the Sectoral Council on Foreign Policy Coordination recalled its decision of 26th February 2009, by which the other Partner States were requesting the United Republic of Tanzania to consider and adopt the Draft Protocol whose contents the other Partner States had considered and

endorsed. The Council on 17th June 2007 directed that Senior Officials formulate a definition of « general staff *that takes into consideration the issues of equity, gender balance, the uniqueness of the Community and the spirit of integration, and identify the implications including those on the existing agreements* ; and that they Senior Officials consider the *EAC Staff Rules and Regulations , 2006 and the existing Headquarters Agreement*. The Council further directed that the development of the Protocol be guided by the principles of according functional rather than absolute privileges and immunities to the staff of the Community and to standardise immunities and privileges to avoid disparities among the Organs and Institutions of the Community. The United Republic of Tanzania informed the meeting that the Draft Protocol, particularly the Article on “General Staff” was not in line with Article 138 of the Treaty and the Headquarters Agreement. The other Partner States however noted that in its form the Draft Protocol addresses the concerns raised by Council in June 2007 and subsequent Decisions,. The United Republic of Tanzania requested for more time for consultations and it was agreed that the United Republic of Tanzania communicates her position on the Draft Protocol to the Secretariat before the April 2009 EAC Summit. Appendix II.

6.3 PEACE AND SECURITY

6.3.1 Conclusion of an EAC Protocol on Peace and Security and Establishment of the Directorate of Peace and Security

Significant progress has been made towards the conclusion of the EAC Protocol on Peace and Security which mandates the establishment of the Directorate of Peace and Security. The Sectoral Councils on Cooperation in Defence, Inter State Security and Foreign Policy Coordination met on 25th February 2009 and agreed on the contents of the Draft Peace and Security Protocol along with the structure of the proposed Directorate of Peace and Security.

6.3.2 Conclusion of the EAC Early Warning and Response Mechanism

The Joint Sectoral Councils on Cooperation in Defence, Inter State Security and Foreign Policy Coordination Meeting on 25th February 2009 established a multi sectoral Experts working Group to finalize the technical work on the mechanism. The Experts group met on 13th-14th March 2009 and developed the final Draft for Joint Sectoral Councils adoption.

6.3.3 Development of an EAC Conflict Prevention, Management and Resolution Framework

Through the AU/EU Africa Peace Facility support, technical work was initiated in October 2008 towards the development of a framework that will facilitate timely and appropriate response to crisis situations that may confront the Community. A consultants

report has already been presented to the Secretariat and will within the next two months be presented to Partner states for internalization, further deliberation and negotiation.

6.3.4 Implementation of the AU Capacity Building Project for Regional Economic Communities

Within the context of the Africa Peace and Security Architecture, the EAC as all other Regional Economic Communities received financial support to build capacity of its Peace and Security Unit. Besides provision of equipment, three additional professional officers have been recruited over the last five months to enhance human capacity in the unit. This boost in numbers will enhance the capacity of the Unit to effectively discharge the mandate assigned by Article 124 of the Treaty.

6.3.5 Implementation of the European Union Eastern and Southern Africa (ESA7) Region Conflict Prevention, Management and Resolution Project.

The ESA region Regional Economic Communities (RECS) EAC, COMESA, IGAD and IOC were collectively funded by the EU 9th EDF to support enhancement of cross regional partnership and collaboration in addressing conflicts over a period of three years effective April. EAC was assigned the lead role on Small Arms and Light Weapons Control. The operational phase of the project commenced on January 2nd 2009. Partner States Institutions mandated with coordination of action against SALW proliferation are closely involved in planning and implementation of interventions.

The Council recommends to the Summit to –

- a) take note of the progress in Political Matters;**
- b) take note of the recommendations contained in the NCC reports from the Republic of Rwanda and the Republic of Burundi; and**
- c) give a way forward on the EAC Political Federation.**

7.0 CO-OPERATION IN DEFENCE

7.1. UPGRADING THE 1998 MEMORANDUM OF UNDERSTANDING FOR COOPERATION IN DEFENCE.

The Secretary General EAC, has proactively spearheaded this important effort of having the MoU upgraded into a Protocol that is more elaborate and legally binding instrument to EAC Partner States. In this regard, the Secretary General of EAC, accompanied by DLOs from all partner States made a one week familiarization tour (4th -7th August, 2008) of Defence institutions and establishments in Kenya that are involved in the EAC co-operation agreement in Defence matters. During this important tour, the Secretary General paid courtesy calls to most strategic defence leaders in Kenya with whom he had constructive discussions on broad range of issues in the process of taking Defence Cooperation to greater heights. He also visited many defence institutions and establishments including, Moi Air Base (Nairobi), The Kenya Air Force Technical College (KAFTEC) at Embakasi, the Kenya Ordnance Factories Corporation, (Eldoret) and the Kenya Navy Dockyard, (Mombasa). The Secretary General concluded his tour with a key note lecture to the course participants at the National Defence college, Karen, Nairobi on 7 August, 2008.

7.2. MILITARY TRAINING

Pursuant to the EAC Sectoral Council Directive *EAC/SC/13/2008*, the Directing Staff and student exchange programs of Partner States was adjusted to conform to the Training Calendar in Kenya, Uganda and Tanzania thereby enhancing the implementation of military training.

Pursuant to Sectoral Council Decision (*EAC/SC/13/2008 Decision 7*) to convene DEWG to review and improve existing arrangements for the exchange programmes on military training in order to integrate Rwanda and Burundi. Among other recommendations, the **Defence Expert Working Group (DEWG)** recommended that appropriate modalities and criteria be worked out to allow the two Partner States to second their officers qualified as Directing Staff to the Command and Staff College in Kenya, Tanzania and Uganda to build Capacity to establish such institutions in future.

The Defence Liaison Officers made a tour of the Military Institutions of Rwanda and Burundi and made an on sport assessment of the availed training Facilities. Since then Rwanda and Burundi have availed their training facilities for shared utilization.

7.3 MILITARY EXERCISES.

At its meeting held in Arusha, on 11th November, 2008, the Sectoral Council on Cooperation in Defence directed that a meeting of Defence Expert Working Group (DEWG) be convened to consolidate exercise budget for 'EX MLIMA KILIMANJARO'. The DEWG budget for the exercise was estimated to be USD 2,459,837.60 and will be equally shared between EAC Secretariat and the Ministries of Defence of the Partner States as directed by the Sectoral Council. The objective of the

exercise is to exercise civil/police and military personnel on human security operations that will enhance peace and security and also foster confidence building among Partner States.

In the same meeting, the DEWG consolidated the budget of 'EX-NATURAL FIRE' as presented by Partner States for further engagement with US AFRICOM. The final consolidated budget estimates for EX NATURAL FIRE is US\$ 2,356,413.21. During the initial planning conference that took place in Mwanza Tanzania, AFRICOM pledged to contribute US\$ 300,000 towards the conduct of the exercise. However in a meeting held at EAC Headquarters on 25th April, 2009, AFRICOM pledged to increase the original amount of US\$ 300,000 to US\$ 1.1 mill. towards the EX NATURAL FIRE. The objectives of the exercise are to train the military, police and civilian on Disaster Management, Crisis Response and Peace Support Operations to better manage future complex security challenges. The US Government was expected to provide funding of this exercise.

7.4 TECHNICAL ASSISTANCE

The DEWG met to develop and harmonize specific Plan of Action of the Road Map for the Actualization of the Shared Utilization of the availed Technical Facilities. This specific Plan of Action was adopted by the Sectoral Council. (*EAC/SC/13/2008 Decision 10*). In this endeavor, the technical facilities of the Republic of Rwanda and Burundi were visited and the two Partner States have availed their technical facilities for shared utilization. The already constituted DEWG have already visited Kenya and Uganda and will visit Tanzania to familiarize the Rwanda and Burundi with the already availed facilities.

In line with the objective of the Sectoral Council on Cooperation in Defence Directive, (*EAC/SC/13/2008*), the 3rd Draft on EAC Defence R&D Strategy was drafted and is being circulated to Partner States for final input before the next council meeting in May 2009.

7.5. VISITS AND EXCHANGE OF INFORMATION

These have been done to a large extent and are bearing fruit in terms of sharing experiences and confidence building among forces of Partner States. Visits and information exchange reinforce military cooperation there by contributing enormously to the ultimate goal of political integration.

These have been achieved in different ways at different levels. Through meetings of Defence Institutions at all levels, lectures of opportunity and regular meetings by Defence Chiefs, visiting military institutions, meetings of Intelligence Chiefs, attending military functions and ceremonies by DLOs.

EAC is currently coordinating the direct secure communication between Defence Chiefs and Rwanda and Burundi will be integrated into the communication System.

7.6 SPORTS AND CULTURE WEEK

In accordance with Council Directive (EAC/SC/13/2008 Decision 13), Rwanda offered to host the next Armed Forces Sports and Culture Events and preparations are at advanced Stage.

The Council recommends to the Summit to take note of the progress in Co-operation and Defense.

8.0 FINANCE

8.1 Status of Partner States' Contributions to the EAC Budget

EAC has been experiencing dire financial constraints due to delayed contributions from Partner States for the financial year 2008/09. The current status of Partner States' contributions is shown below.

STATUS OF OUTSTANDING CONTRIBUTION – APRIL, 2009

COUNTRY	UNPAID CONTRIBUTION 2007/08	CONTRIBUTION DUE 2008/09	CONTRIBUTION PAID 2008/09		TOTAL OUTSTANDING
Republic of Kenya	1,094	5,604,733	2,934,748	52%	2,671,079
United Republic of Tanzania	-	5,604,733	4,601,783	82%	1,002,950
Republic of Uganda	-	5,604,733	3,932,971	70%	1,671,762
Republic of Rwanda	-	5,604,733	4,476,735	80%	1,127,999
Republic of Burundi	-	1,000,000	676,916	68%	323,582
Total	1,094,	23,418,932	16,622,654	71%	6,797,372

The Council recommends that it should commit to take note of the report on Finance Matters.

9.0 HUMAN RESOURCES AND ADMINISTRATION

9.1 OPERATIONALIZATION OF THE ROADMAP FOR THE INTEGRATION OF RWANDA AND BURUNDI WITHIN THE EAC ORGANIZATION STRUCTURE

At the 7th Extra-Ordinary Summit of Heads of State meeting held on 22nd October, 2008, the Summit, on the recommendations of the Council:

- i. took note of the progress on the comprehensive roadmap on the integration of Republic of Rwanda and the Republic of Burundi into the Organization System of the East African Community. (EAC/SHS EX 07/Decision 05).
- ii. endorsed the decision of the Council to split the position of the Deputy Secretary General (Projects and Programmes) into two, namely Deputy Secretary General (Planning and Infrastructure) and Deputy Secretary General (Productive and Social Sector). One of these positions shall be filled by the incumbent Deputy Secretary General through re-designation. The other position shall be filled by one of the new Partner States through appointment upon expiry of the initial contracts of the two Deputy Secretaries Generals in April 2009. (EAC/SHS EX 07 Decision 06). The term of the incumbent has expired. The two positions will be filled by the new incoming Deputy Secretaries General from the Republic of Burundi and the Republic of Rwanda . The new Structure of the Secretariat will comprise:

Secretary General from the United Republic of Tanzania while the Republic of Burundi, Republic of Kenya, Republic of Rwanda and the Republic of Uganda will each have a position of a Deputy Secretary General.

(a) DSGs Positions

Nominations have been received for the DSG positions from the Republic of Rwanda and the Republic of Burundi respectively for Council to make the necessary recommendations to the Summit.

(b) New Directors Positions

The Roadmap which proposed the split of the DSGs positions also recommended the creation of two (2) directorates for ease of managing the various sectors, by splitting the Directorate of Planning and Infrastructure into two Directorates (One dealing with Infrastructure and the other dealing with Planning and Research). The Directorate of Productive and Social Sectors to be split into two (one dealing with Productive Sectors and the other with Social Sectors). The Council approved that the new Director positions be filled through competitive recruitment in the financial year 2009/2010.

(c) Professional Staff Positions

All the Staff recruited to take up the 20 positions reserved for the Republic of Rwanda and Burundi, except one (who has not completed her probation period) were confirmed in appointment during the 17th Meeting of the Council held on 27th February, 2009. The Defence Liaison Officers from the Republic of Rwanda and the Republic of Burundi respectively, are also on board.

9.2 STRATEGIC WORKSHOPS AND RETREATS

The Secretariat co-ordinated a number strategic workshops and retreats as a means of facilitating coordination and planning effective implementation of activities within its mandate. The workshops and retreats coordinated during the reporting period include;

- (i) Professional and Executive Staff Planning Workshop in Mombasa (24th – 26th October, 2008)

The Executive and Professional Staff Planning Workshops brought together all Executive and Professional Staff with a focus on prioritization of organizational activities, development of operational work plans, drawing consensus on strategies for implementation of the plans, and setting mechanisms for reviewing organizational performance against the set targets in the Operational plan.

- (ii) EAC Staff Retreat in Mombasa (27th – 28th October, 2008)

The purpose of the Staff Retreat was to fully engage EAC Staff in joint teambuilding activities and facilitate discussions on strategic issues that affect the operations of EAC on a day to day basis.

- (iii) Team Building Workshop for EACJ Staff (23rd – 25th February, 2009)

The Secretariat facilitated a Strategic teambuilding workshop for all the East African Court of Justice Staff at Lukenya, in Kenya.

- (iv) Strategic Meeting between the Chairman of Summit and the Secretary General, Executives and Senior Staff of the EAC in Kigali, August 2008

- (v) High level Strategy Retreat for Organs and Institutions of the East African Community (8th -12th February, 2009), Kigali Rwanda

The retreat which was the first of its kind since the establishment of the Community was held in Kigali, Rwanda in February 2009. Its aim was to map out a new and dynamic approach to facilitate rapid achievement of the East African Community goals.

The theme of the retreat which brought together Executives and senior management Staff of the Organs and institutions of the East African community was “Making EAC a more effective Institution”. H.E. Paul

Kagame, President of the Republic of Rwanda and Chairman of the EAC Summit, personally chaired the Retreat.

9.3 DEVELOPMENT OF STANDARD HUMAN RESOURCE POLICIES AND PROCEDURES MANUAL

Pursuant to a directive of the Council to the Secretariat to develop Standard EAC Staff and Financial Rules and Regulations that would apply across all Organs and Institutions of the EAC (*EAC/CM 17/Directive 32*), the Secretariat has initiated the process of establishing a Technical Working Group of Human Resource Experts drawn from the EAC Organs, Institutions and Partner States.

9.4 INFORMATION TECHNOLOGY

9.4.1 African Union Commission (AUC) Video Conferencing System

The AUC e-Governance VSAT video conferencing network platform is intended to link all the AUC Regional/Representational Offices in 17 countries, and all the Regional Economic Community (REC) offices in 7 countries, namely CEN-SAD in Libya, IGAD in Djibouti, EAC in Tanzania, COMESA in Zambia, SADC in Botswana, ECOWAS in Nigeria and ECCAS in Gabon

The services on this platform shall be Voice, Data, and Video in a closed environment within the AUC network infrastructure and Internet service in a dedicated separate link.

The Satellite based network implemented by AUC shall provide the following services in accordance with the provisions of the present MoU:

- Telephony service using Voice over IP (VoIP), for calls within the AUC network infrastructure;
- Video Conferencing services for Audio-Video sessions within the AUC network infrastructure;
- Data communication platform and service within the AUC network infrastructure as deemed required and agreed by the Parties. These services may be AUC Intranet site, AUC mail account, AUC Early Warning System portal and other facilities whenever it is available;
- Internet Connectivity, VoIP and Video Conferencing outside the AUC network is possible, but at a cost to be directly absolved by EAC/RECs.

Current Status

Installation of Video Conferencing System to 26 sites is complete. These include the following regional communities: EAC, COMESA, SADC, ECOWAS, IGAD, ECCAS and CEN-SAD.

Other sites which the AUC satellite based video conferencing network is installed and operational are:

AUC (Addis Ababa); AU- Geneva Office, Geneva, Switzerland; AU- New York Office, New York, USA; AU Brussels Office, Belgium; AU-Washington Office, Washington, USA; IBAR, Nairobi, Kenya; SAFGRAD, Ouagadougou, Burkina Faso; IAPSC, Yaounde, Cameroon; AU-SARO, Lilongwe, Malawi; STRC, Lagos, Nigeria; Commission on Human & People's Rights, Banjul, Gambia; CELTHO, Niamey, Niger; Permanent Delegation to Arab Leagues, Cairo, Egypt; Coordination Office for the Development Project of the Fouta Djallon Region, Conakry, Guinea; PAP (South Africa); African Centre for Research & Studies on Terrorism, Algiers, Algeria; ACHRP – Tanzania; PANVAC – Debrezeit Ethiopia; Intergovernmental Authority for Development (IGAD), Djibouti, Djibouti; Southern African Development Authority (SADC), Gaborone, Botswana; Economic Community of Western African States (ECOWAS), Abuja, Nigeria; Economic Community of Central African States (ECCAS), Libreville, Gabon; Arab Maghreb Union (AMU), Rabat, Morocco; Economic Community of Sahelo-Saharan States (CEN-SAD), Tripoli, Libya; East Community (EAC), Arusha, Tanzania; and COMESA – Zambia.

8.5.1 Upgrade of Automation Systems at EAC Secretariat

Automation systems at the EAC have been upgraded with the aim of improving performance. Training was also conducted at various levels for all automation systems to enable users make effective use of the systems.

The automation systems include *Sunsystems* for Finance management, *Inspiro People* for Human Resources management, *Reports Database* for EAC Statutory meetings reports and *TRIM* for Records and Registry management. The statistics database development is ongoing. There are also plans in the next financial year to upgrade *ADLIB*, the system for human resources management.

9.4.2 EAC Website

The East African Community Website has been revamped and more sub webs developed including Customs & Trade and CASSOA sub webs.

The EAC Web Portal project is still ongoing and will enable every sector of the EAC have its own sub web. Currently, contents and web pages are at various stages of development for the following sectors: Tourism/Travel; Corporate Communication (News); Education; Health; Customs Union; Investment; Peace & Security; East African Court of Justice; Secretariat; Statistics and the Secretary General's office.

10.0 INFORMATION AND LIBRARY SERVICES

The following projects have been initiated and are being implemented:

10.1 EAC ON-LINE REPORTS DATABASE

The EAC On-line Reports Database - was reviewed, re-designed and upgraded in order to build capacity for the Database to adequately handle storage, and retrieval of information. The up-grading of the system has been completed and user names and password are being developed for Partner States to access the database.

10.2 INFORMATION SHARING AND NETWORKING

Information Sharing and networking - Since 2000, the Library has initiated and completed a number of projects including Computerized Library Catalogue; a Directory of Information Sources; an on-line reports database of the Summit, Council, taskforces, and Seminars since; and Bibliographic Database of Lake Victoria Basin Information Resources.

10.3 DEPOSIT LIBRARIES IN RWANDA AND BURUNDI

EAC Deposit Libraries in Rwanda and Burundi – EAC has continued to publish its activities and programmes through a number of publications, and as part of its information dissemination policy, the publications are disseminated among others through Deposit Libraries in Partner States that were contracted since 2000. In order to bring the Republics of Rwanda and Burundi on board, a survey was initiated to identify different categories of Libraries that reach and serve a wider community of the population. The identified libraries will be contracted and it is expected that the information dissemination gap will be addressed in the two Partner States. Data collection is ongoing.

While all the information on the above projects is available and accessible internally, it is not being shared with the Partner States effectively. Unavailability of Resource Centres in some of the Coordinating Ministries and other Ministries have made it difficult for EAC information to be accessible and useable for effective decision making. Therefore, a survey to assess the availability of Resource Centres in key Ministries has been initiated with the aim of establishing a mechanism for exchange and sharing of EAC information. Data collection from Partner States is ongoing.

10.4 EAC RE-BRANDING PROJECT

The East African Community (EAC) Secretariat, desirous to develop and implement a communications strategy to give EAC greater visibility within the Partner States (Burundi, Kenya, Rwanda, Tanzania, and Uganda) and beyond, is to engage a Consultant to prepare a new EAC Brand and a 5-year Publicity and Marketing Strategy (2009-2014). The broad aim of the communications strategy is to make the EAC more visible than ever before. The strategy should brand the EAC as an ideal institution that is focused at achieving a prosperous, secure and united East Africa. It should also brand the EAC as a dynamic and people-centered institution as well as ensuring that all stakeholders namely, the legislators and policy makers, civil societies, academia, business

community, development partners etc are brought on board and encouraged to actively participate in the integration process.

The main highlights of the EAC Re-Branding Project are:

- (i) re-branding the EAC;
- (ii) restructuring and re-launching EAC information, publicity and marketing strategy; and
- (iii) strengthening the Corporate Communications and Public Affairs Department (CCPAD) to steer the EAC Re-Branding Project.

The following activities have been accomplished/or are ongoing under the EAC Re-Branding Project:

- (a) Engagement of Consultancies on the Concept Note and Terms of Reference for the 5-year Marketing and Publicity Strategy and EAC Re-Branding; and advertising widely the bid for the consultancy in the region; Engagement of a Corporate Communication Expert to co-ordinate the development of EAC Re-branding Project/EAC Marketing and Publicity Strategy. Preparation and launching of the new EAC Brand and the 5-year Marketing and Publicity Strategy (2009-2014) is expected to be done during the year 2009.
- (b) Engagement of other consultancies on the production of various EAC corporate publications, including EAC Annual Report, e-newsletter and revamping of the EAC Website.
- (c) Instituting the Annual East African Media Summit. So far two Annual Media Summits have been held; in Nairobi (April 2007), and in Dar es Salaam (April 2008) respectively. The Media Summits attracted top Media Owners, CEOs and leading Media practitioners from the EAC Partner States. The Annual Media Summits have stimulated great interest of the Media in the EAC integration process as well as served as opportunity to launch the promotion of the EAC Re-Branding Project among the key stakeholders. Plans are underway for the 3rd Annual East African Media Summit in Kampala, Uganda in April 2009.
- (d) Promotion of EAC Brand through sponsorship of cultural and popular performances, including performances during the 6th Extra-ordinary EAC Summit; and Promotion of EAC in collaboration with the Miss Tanzania 2007 Pageant were successfully held.
- (e) Marketing and promotion of EAC through special occasion advertisement in the local and international media, e.g. advertisement in the World Bank Publication - Perspectives on Development; and in the welcome to Uganda Souvenir Magazine for Delegates during CHOGM 2007 in Kampala, Uganda were done.

Production of various corporate image promotion items, e.g. general EAC Brochures; portraits of the EAC Heads of State for display at EAC Headquarters and EAC establishments throughout the region; and production of EAC Calendars and Diaries for

2008/09 as well as various corporate promotion /gift items (EAC Flag, T-Shirts, ties, Scarves, etc), was done.

10.5 EAC 10TH ANNIVERSARY CELEBRATIONS

The Treaty for the Establishment of the East African Community (EAC) was signed in Arusha, Tanzania on 30 November, 1999 by the Heads of State of the three original members; Kenya, Tanzania and Uganda. The East African Community will therefore be marking 10 years of its establishment on 30 November, 2009. Indeed since its establishment, the East African Community has made steady progress and several milestones have been recorded in all areas of the integration process. The confidence building measures, harmonization of Partner States' policies and programmes, the introduction of the East African Passport, the convertibility of East African currencies, the expansion of the Community by the entry of Rwanda and Burundi, launching of the EAC Customs Union in January 2005, the commencement of full operations of the Lake Victoria Basin Commission, CASSOA, and the ongoing negotiations of the EAC Common Market Protocol are some of the tangible accomplishments of the EAC since its establishment in 1999. The EAC Secretariat therefore intends to use this occasion to re-brand and market the Community among the citizens of East Africa by carrying out a series of activities from the second half of the year, to culminate in the EAC Heads State Summit on 30 November 2009 in Arusha, Tanzania.

Several stakeholders will be involved in the activities that will be initiated and coordinated by the key stakeholders: EAC Secretariat, EALA, EACJ, LVCB, IUCEA, LVFO, EABC, CASSOA, East African Local Government Association (EALGA), East African Law Society (EALS), EAC Youth Organizations and EAC Ministries in the Partner States. EAC Secretariat has engaged a Corporate Communication Expert to coordinate the 10th Anniversary Observance.

The Council recommends to the Summit to take note of the progress in Human Resources and Administration.

11.0 ACTIVITIES OF OTHER ORGANS

11.1. EAST AFRICAN COURT OF JUSTICE

The activities of the East African Court of Justice during the period under review are as follows:

11.1.1. Judicial work (Finalized Cases)

Modern Holdings Ltd vs. Kenya Ports Authority, Ref.1/2008

Following a Preliminary Objection on the Court's Jurisdiction raised by the Applicant, the Court ruled on 12th February, 2009 that it had no jurisdiction to entertain such a matter.

Advisory Opinion requested by the Council of Ministers, Ref.1/2009

In its advisory opinion delivered on 24th April, 2009 at the request of the Council, the Court indicated that there is no conflict between the applications of the Principle of Variable Geometry which applies to implementation of policies agreed upon by the Council on the basis of consensus. The Court observed the need for amendment of the Treaty and relevant Rules of Procedure to clearly provide for modalities in decision making by consensus.

11.1.2 Completion of Tenure by EACJ Judges

In November 2008, two Judges of the Court, namely Hon. Mr. Justice Joseph N. Mulenga from the Republic of Uganda, President of the Court and Honourable Mr. Justice Kassanga Mulwa from the Republic of Kenya, Principal Judge retired from the Court after having served their seven year-tenure.

The Summit appointed two other Judges, namely Hon. Mr. Justice Benjamin Kubo and Hon. Mr. Justice James Ogola, from the Republics of Kenya and Uganda respectively, in replacement of the above-retired Judges.

11.1.3 Rules of Procedure

After the Court was reconstituted into two Divisions, namely the First Instance Division and the Appellate Division, the Court immediately started the process of amending its Rules of Procedure to reflect on the new Structure. Two Plenary Sessions were held in July and November 2008 to consider the Draft Rules of Procedure initiated by the Office of the Registrar. In July 2008, the Court adopted the Draft Rules as its Interim Rules of Procedure, pending finalization of the amendment process. In November 2008, the Court continued the fine-tuning exercise and decided to send out the Draft Rules of Procedure to the various stakeholders for comments to be submitted by end of March 2009. The Court shall consider these comments and hopefully adopt its amended Rules of Procedure during its next Plenary Session scheduled to be held on 30th May 2009.

11.1.4 Sensitization on the Court's Arbitration Jurisdiction

The Treaty, in its Article 32, entitles the Court to determine any matter "arising from an arbitration clause contained in a contract or agreement which confers such jurisdiction to which the Community or any of its institutions is a party or arising from an arbitration clause contained in a commercial contract or agreement in which the parties have conferred jurisdiction on the Court. In this regard, the Court has planned sensitization campaigns on the Court's Arbitration Jurisdiction within the 5 Partner States. The targeted stakeholders include Governments (Offices of Attorneys General) Contract Drafters; Business Community; Civil Society; Law Societies; Law Faculties; and the Media.

11.1.5. Capacity Building

a) Provision of office space and office equipment and facilities

The EACJ has been given new office space enabling it to accommodate the newly appointed Judges as well as newly recruited staff. The Court is expecting to relocate to these new premises when renovation will be completed.

The Court is also in the process of acquiring office equipment for the Chambers of the Judges including computers with internet connection, and telephone lines.

b) Library Resources

A library is to a Court what a laboratory is to a scientist. It is bearing in mind this fact that the Court has started the process of acquiring a variety of books, law reports, periodicals and journals. It is planned that the acquisition of library resources will be carried out systematically and will be reflected in the Court's budget proposals annually. The Court has also planned to subscribe to online legal databases in order to have access to a number of journals and other legal documentation available online.

c) Human Resource Capacity Building

For a better performance of its human resources, the Court has organized training of its Judges and Staff. It is expected that Judges undertake a study tour to the European Court of Justice where they will learn from a fully-fledged Court that enjoys an experience of more than 50 years. The Court has already organized such a tour at the SADC Tribunal last year and is planning such tours to other regional and sub-regional courts.

The Court also has a continuous training and international exposure programmes for its staff. A number of staff have been sent out for training and there shall systematically be provision for such training annually in the Court's budget proposals.

11.2 EAST AFRICAN LEGISLATIVE ASSEMBLY

11.2.1. Introduction

The period under review falls within the Second Session of the Second Assembly having completed its first session (Year) on 5th June, 2008. In the period, the Assembly held three meetings i.e. on 10th September – 5th October, 2008 in Kigali, Rwanda; on 30th November – 17th December, 2008 in Kampala, Uganda and on 15th – 28th February, 2009 in Arusha, Tanzania. The next meetings are scheduled for Nairobi, Kenya in March 2009 and Bujumbura, Burundi in May 2009.

11.2.2. Legislation

(a) Bills

The following pieces of legislation were enacted by the Assembly and are undergoing the process of assent:

- (i) The EAC Supplementary Appropriations Bill, 2008;
- (ii) The EAC Appropriation Bill 2008;
- (iii) The Inter-University Council for East Africa Bill, 2008;
- (iv) The EAC Emblems (Amendment) Bill, 2008;
- (v) The EAC Budget Bill, 2008;
- (vi) The EAC Customs Management (Amendment) Bill, 2008; and
- (vii) The Acts of the East African Community Act (Amendment) Bill, 2009.

The following Bills are still under consideration by the Committees of the Assembly with the first two pending resolution of certain issues between the Assembly and the Council of Ministers:

- i) The Lake Victoria Basin Commission Bill, 2007;
- ii) The Civil Aviation Safety and Security Oversight Bill, 2007;
- iii) The EAC Elections Bill, 2008; and
- iv) The EAC Tourism and Wildlife Management Bill, 2008;

11.2.3 Motions and Resolutions

The following Resolutions were adopted by the Assembly:-

- i) Resolution urging the EAC Partner States to develop an East African Community Integrated Policy and laws on Energy Security;
- ii) Resolution urging the EAC summit of Heads of State to adopt a common position on ICTR completion of cases and attendant issues;
- iii) Resolution urging for peaceful resolution of the conflict in the DR Congo;

- iv) Resolution urging the Partner States to ratify the Resolution of the UN General Assembly on the convention of the Rights of Persons with Disabilities;
- v) Resolution urging the Partner States to develop a joint policy to protect the environment and natural resources;
- vi) Resolution urging the Partner States to streamline the EPA negotiations;
- vii) A congratulatory motion to President Barack Hussein Obama on his election as the 44th President of the United States of America; and
- viii) Resolution urging the Partner States of Uganda and Kenya to amicably resolve the Migingo Island dispute.

The Resolutions were forwarded to the Council of Ministers where applicable for appropriate action.

11.2.4. Oversight

As part of its oversight role, the Assembly:

- (a) Asked the Council of Ministers 18 Parliamentary Questions on wide ranging issues regarding the implementation of the provisions of the Treaty and the integration process.
- (b) Considered and approved the EAC Annual budget for the Financial Year 2008/2009 with the recommendation that future budgets of the EAC must be strictly based on MTEF principles and format.
- (c) Considered the report of the Audit Commission on various accounts and projects of the EAC for the Financial Year ended 30th June, 2007 and made wide-ranging recommendations on how to improve on the management of the EAC accounts and finances based on international financial management principles.
- (d) Appointed a Select Committee to examine the reasons for the continued delay in remittances of funds to EAC by Partner States and to make recommendations on how to improve the process. The report of the Select Committee is expected to be tabled at the Plenary meeting of March 2009.

11.2.5 Committee Activities

As provided for under its Rules of Procedure and in conformity with global Parliamentary practice, EALA undertakes detailed consideration of its business through its Committees. In the period under review, the main business transacted by Committees was:

- (a) The General Purpose Committee attended a capacity building workshop on the budget process and the key principles under MTEF; had a networking visit to the

Parliament of Uganda to enhance their understanding of operations of a Parliamentary Budget Office and on the recommendation of the Council of Ministers, engaged the Secretary General on the streamlining of the EAC Budget to re-allocate funds to priority areas.

- (b) The Committee on Regional Affairs and Conflict Resolution hosted Members of Parliament from National Assemblies of Partner States to a workshop on the "Causes of Conflict in the East African Region," in Bujumbura in November, 2008.
- (c) The Committee on Agriculture, Tourism and Natural Resources visited sites of extractive industries in various parts of Tanzania with a view to exploring avenues on how the natural resources of the EAC may be exploited and managed more profitably to the region.
- (d) The Committee on Accounts examined the annual audited accounts of the EAC and the EAC Projects for the Financial Year ended 30th June, 2007 and made wide-ranging recommendations that were adopted by the House.

11.2.6 Representation and Relations with National Assemblies

- (a) In fulfilment of the provisions of *Article 7(1) (a)* of the Treaty, the Assembly conducted Public Hearing workshops in December, 2008 in all Partner States on the proposed Protocol on the Common Market. The report of the five teams has been harmonized and will be considered by the House in its March Plenary Session. The Recommendations and views of the general public will be submitted to the Council of Ministers for consideration and noting in the ongoing negotiations on the Protocol.
- (b) The Assembly held its annual Inter-Parliamentary relations Seminar (Nanyuki IV) in Kigali in early October 2008 in which the Assembly briefed the National Assemblies on the current state of the EAC Integration agenda. The forum was in particular a learning experience for Members of Parliament from Rwanda and Burundi who participated for the first time.
- (c) Under the Chairmanship of EALA, the Hon. Speakers of the EAC National Assemblies/Parliaments held two meetings at which they:
 - (i) signed a Memorandum of understanding to establish an East African Parliamentary Institute (EAPI) and requested Council to establish it as an institution of EAC.
 - (ii) forwarded a request to the Summit of the EAC Heads of State to invoke the provisions of *Article 9 (1) (h)* of the Treaty and establish the "Bureau of Speakers" as an Organ of the Community.
 - (iii) agreed to improve on their collaborative networks and to harmonise their rules of procedure on how to handle EALA and EAC business.

- (d) In fulfilment of the provisions of *Article 55* of the Treaty, the Assembly held its last three meetings in rotation: Kigali – Rwanda (September – October; 2008), Kampala – Uganda (November – December, 2008) and Arusha – Tanzania (February 2009). The meeting of March, 2009 will be held in Nairobi – Kenya and of May 2009 in Bujumbura – Burundi.

It is worth noting that while in Partner States, all the Assembly's Committee and Plenary business is transacted in the Chambers of the National Assemblies/Parliaments of Partner States.

11.2.7. Relations with the Summit

The Assembly continues to have excellent relations with the Summit of the EAC Heads of State in accordance with the provisions of *Article 63* of the Treaty. So far, all the Bills enacted by the Assembly have been assented to by all the Heads of State.

Further, with effect from 2008 and in accordance with the provisions of *Article 54* of the Treaty, a tradition has been established where the Chairperson of Summit delivers a "State of EAC Address" to EALA on the achievements and Policy directions of the EAC. The Current Chairperson of the Summit, H.E. Paul Kagame, President of the Republic of Rwanda delivered the address on the 27th February, 2009. The address forms part of the Assembly's business and it will be debated at its next Plenary sitting scheduled for end of March 2009.

11.2.8 Outreach Programmes

On the invitation of the government of the Republic of Rwanda, the Assembly observed the Parliamentary elections in Rwanda in September, 2008. The elections were passed as having been free and fair and the experience gained has provided useful lessons that EALA will rely on in promoting harmonization of electoral laws for the region.

In keeping with its earlier decision of taking the Assembly and Community to the people of East Africa, the Assembly undertook a tour of the coastal parts of the Republic of Kenya in August 2008 and of the Republic of Rwanda at the end of September 2008. The Assembly used the opportunity to explain to the citizens of East Africa about the objectives and achievements of the EAC and also used the opportunity to learn first hand the living conditions of the people in those parts of East Africa.

11.2.9 Relations with Others

The Assembly is now associated to or recognised by all the major International Parliamentary groupings. It is on this basis that it continues to receive invitations to participate in many meetings abroad. In the period under review, the EALA participated in the following major meetings.

The Commonwealth Parliamentary Association (CPA) Conferences in Malaysia in August 2008 and on International Development in London mid November 2008. The CPA is an association of Commonwealth Parliamentarians who are united by common interest in the ideals of parliamentary democracy. The meetings provide a platform for

Parliamentarians to share knowledge about the current international development issues and the role of Parliamentarians in the process.

The 119th Assembly of the Inter-Parliamentary Union (IPU) that took place in Geneva in mid October 2008. The IPU is a global association of parliamentarians of sovereign states. It is a focal point for world wide Parliamentary dialogue and it works for peace and cooperation among the people of the world and for the firm establishment of representative democracy, and for the strengthening and development of Parliaments.

The Annual Conference of the Parliamentary Network of the World Bank and the European Union presidency held in France. The six African Development Forum of the African Union Commission for Africa held in Addis Ababa in mid November, 2008. The UN Parliamentary Hearing, under the auspices of the IPU held in New York in late November, 2008. The EALA delegation, led by the Hon. Speaker were able to meet with the UN Deputy Secretary General and at the request of the UN, the Assembly pledged to work with the EAC Secretariat to establish an EAC desk at the UN Headquarters.

11.2.10 Challenges

In the period under review, which marks a considerable portion of the 2nd Session of the 2nd Assembly, EALA was faced with a number of challenges:

- (a) Insufficient funds to facilitate the increased scope and workload of the Plenary and Committee activities;
- (b) Limited publicity of EALA activities;
- (c) Insufficient number of Bills initiated by the Council of Ministers.

The Council recommends to the Summit to take note of the progress of the activities of the other EAC Organs.

12.0 ACTIVITIES OF EAC INSTITUTIONS

12.1. EAST AFRICAN COMMUNITY CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY (CASSOA)

During the reporting period the Agency continued with implementation of its approved annual programme of activities geared towards operationalising the Agency and discharging its obligation as provided in its Protocol with the principal objectives of promoting and assisting Partner States in meeting the safety and security oversight obligations.

12.1.1. Operationalisation of CASSOA

Currently the Agency Board of Directors is constituted by the Heads of Civil Aviation Authorities and during the reporting period it held three ordinary meetings and one extraordinary meeting. Due to the non-ratification of the Protocol by all signatory Partner States, the Board has not been fully constituted and also Burundi and Rwanda were unable to accede to it to become full members of CASSOA. Partner States have not nominated the civil aviation experts as members of the Board.

The Agency is currently hosted at the East African Community Secretariat in Arusha, Tanzania. The Council on 14th June 2008 during its 17th Extraordinary Meeting approved the offer by Uganda to host the Agency. The Agency expects to relocate next financial year after completion of remodelling of the offered facilities by Uganda Government as decided by the Council at its 16th Meeting.

12.1.2 Harmonisation and Implementation of Civil Aviation Regulations and Guidance Materials

The Agency completed the formulation of harmonised operational regulations in air navigation services and at its 5th Meeting held in Arusha on 30th and 31st October 2008 the Board approved the draft and were submitted to the States for approval and promulgation. The Regulations were promulgated in the States of Kenya, Tanzania and Uganda ahead of the civil aviation safety audits in these States by the International Civil Aviation Organisation (ICAO). So far the Agency has been able to harmonise safety and security regulations in the areas of flight safety standard (personnel licensing, flight operations and airworthiness), aerodromes, air navigation service and aviation security.

The Agency also completed the development and amendments of technical guidance materials necessary for re-certification of organisation and personnel in the flight safety standards. The flight safety standards technical guidance were approved at an second extraordinary meeting of the Board held on 18th July 2008. Additionally the Agency developed technical guidance material for the implementation of aerodromes and aviation security Regulations.

Following the completion and approval of the technical guidance materials necessary for recertification of air operators, the Agency hosted the pre-application phase meeting for the recertification of the nominated regional major carriers involved in international

operations. These included Kenya Airways, East African Safari Ai Express, Air Tanzania, Precision Air, Air Uganda and Eagle Air. The exercise is done in conjunction with the USA FAA experts under the Safe Skies for Africa Programme technical assistance as process in achieving USA International Aviation Safety Assessment (IASA) Category 1. Achievement of this category will enable our airlines to operate into the USA and access its markets.

12.1.3 ICAO USOAP Audits

The three East African Community Partner States of Kenya, Tanzania and Uganda were audited by ICAO under the comprehensive systems approach in November 2007. Kenya audit was carried out from 4th to 13th November 2008, while Tanzania and Uganda were simultaneously audited from 17th to 24th November 2008.

The outcome of these audits in terms of preliminary findings and recommendations were considered by the Board at its sixth Meeting held on 26th February and directed the Agency to coordinate the development and implementation of corrective action plans. Most of the findings relate to implementation of the harmonised Regulations and applicable technical guidance. The Agency with the Partner States experts and supported by ICAO Eastern and Southern Africa Office from 2nd to 6th March 2009 have developed an harmonised guiding corrective action plan to be referenced by States in drawing up their plans.

12.2. INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

12.2.1. IUCEA Governance Meetings

The Council held all its planned Governance Meetings (Executive Committee and the Governing Board) successfully. A number of issues relating to the governance of the Council and the progress in the implementation of the Council's activities were discussed. The Board received and considered various reports including the following:

- (a) Report of the Standing Committee on Exchange of Students Programme.
- (b) Report on the Rules and Regulations governing the Exchange of students among member universities.
- (c) Summary Report and Recommendations from the Special Committee on the Exchange of Students Programme which discussed the challenges to the success of the Students Exchange Programme where issues on policies, funding and universities' participation were discussed.

The Governing Board has also approved terms of reference for its Committees into which under representation to cover the Republic of Burundi and the Republic of Rwanda has been sought.

12.2.2. Academic Affairs

(a) Exchange of Students in East Africa

To date there are about 70 students from Uganda pursuing various academic degrees in the following Universities in The United Republic of Tanzania.

- University of Dar es Salaam;
- Muhimbili University of Health and Allied Sciences;
- Ardhi University and
- Sokoine University of Agriculture

These students and the 70 students from Tanzania at Makerere University and Mbarara University of Science and Technology are sponsored by their respective governments under the auspices of the Inter University Council for East Africa.

The Governing Board of the Inter University Council for East Africa is exploring ways in which this exchange of students programme could be expanded to involve more students, more Universities and to include the participation of all Partner States of the East African Community.

(b) Quality Assurance Programme in East Africa

The IUCEA has established the Quality Assurance Unit at the Secretariat. The Second Cohort of the Quality Assurance Coordinators took place in Germany and later in Africa in September 2008. In November 2008 the training of Peers for Pilot Programme Evaluation took place.

12.2.3. Monitoring and Evaluation

The exercise was undertaken in June, August, September and October 2008 in Burundi, Rwanda, Kenya, Tanzania and Uganda. Over 150 researchers in Tanzania and Kenya were met in their respective institutions to appraise research status and direction, record management, publication and dissemination of research findings and collaboration with other stakeholders among others. The recommendations made by the monitoring team of July 2007 were also followed up. All the researchers are progressing well, except a few and areas of concern were discussed with them.

12.2.4 Support for new Projects and Lead Scientist Workshop, 2008

In 2008, 65 proposals were received but only 8 projects were approved for funding by the VicRes Science Advisory Committee.

12.2.5 IUCEA Membership

The membership of the Council has increased to 66 member universities. The new members include the following universities both public and private from Burundi, Kenya, Rwanda and Tanzania.

12.3.7 Formation of the East African Fishing and Fish Processors Association

Three national fish processors associations, namely, the African Fish Processors and Exporters Association of Kenya (AFIPEK), the Tanzania Industrial Fishing and Processors Association (TIFPA) and the Uganda Fish Processors and Exporters Association (UFPEA) formed a regional association through a memorandum of Understanding and articles of association signed on 12th January, 2009. The *East African Industrial Fishing and Fish Processors Association* will give the Industrial Fish Processors an opportunity to participate as members in the LVFO Statutory meetings and other activities.

12.4 LAKE VICTORIA BASIN COMMISSION

The Lake Victoria Basin Commission (LVBC) has implemented a number of activities as guided by its Operational Strategy. It has specifically coordinated the mobilization resources for implementation of its various projects of which the key ones include the following:

12.4.1 Lake Victoria Environmental Management Project

The Project is a Lake and Basin Management Initiative to be implemented the five East African Community Partner States. It aims at improved collaborative management of the trans-boundary natural resources of Lake Victoria Basin for shared benefits of the EAC Partner States; and to reduce the environmental stress in targeted pollution hotspots and selected degraded sub-catchments to improve livelihoods of communities, which depend on the natural resources of the Lake Victoria Basin. The preparations and negotiations of this project were completed by all parties in January 2009. The funding that is both grant and credit mobilized from GEF and SIDA (grant) and the World Bank and to the tune of USD 200 million over an eight year period. The funding for Republics of Rwanda and Burundi plus the LVBC Secretariat is by grants while the other Partner States is the credit. The Board of the World Bank approved the project financing on 3rd March 2009 and the date for project effectiveness is 2 June 2009.

12.4.2 EAC/AMREF Lake Victoria HIV&AIDS Partnership Programme

This programme is co-ordinated by the Lake Victoria Basin Commission (LVBC) in partnership with the African Medical Research Foundation (AMREF). The goal is to reduce HIV&AIDS risks and vulnerabilities for three categories of mobile populations found in the basin namely: fishing, plantation and university communities. Two other EAC institutions are partners in this project namely LVFO for Fishing Communities and IUCEA for University Students. To date, LVBC has facilitated the establishment of National Technical Teams (NTTs) in all the Partner States to guide the process according to the country ethical processes. HIV sero-behavioural studies have commenced in the Universities and shall in June 09 commence in the other two target groups. Specific target interventions are planned to be implemented after these studies.

12.4.3 Lake Victoria Water and Sanitation Project

The project is an expansion of a regional water and sanitation initiative, currently being implemented in seven (7) towns in the Lake Victoria Basin through cooperative agreements between UN-HABITAT and Kenya, Uganda and Tanzania. The overall goal of the Lake Victoria Region Water and Sanitation Initiative (LVWATSAN) is to meet the millennium development goal (MDG) targets in water and sanitation in the project towns and to ensure the long term sustainability of the physical interventions.

Through a Grant Agreement between the African Development Bank and the East African Community, the second phase of the project will support preparation of Investment Plans and detailed engineering designs for 15 urban centres (three each Partner State). The project implementation commenced on 17th April 2009 and should be completed by December 2009. The output of the designs shall inform Partner States on the required investment funding for these towns; AfDB has expressed interest in providing the funding.

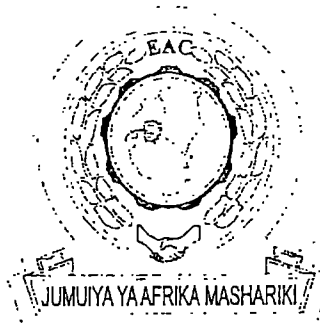
12.4.4 Lake Victoria Maritime Transport, Safety and Security

Following the enactment of the Lake Victoria Transport Act 2007, The Lake Victoria Basin Secretariat and the Partner States have worked closely on a number of projects towards operationalizing the Act. These include preparation of the Draft Regulations, the Maritime Communication Safety on Lake Victoria Project and the implementation of the Safety of Navigation components under Lake Victoria Environmental Programme Phase II. Preparation for carrying out of hydrographical Surveys of ports and shipping lanes is underway.

The African Development Bank has provided Euros 495,000 a detailed pre-investment analysis/study of the Maritime Communications for Safety on Lake Victoria project. This project shall aim at defining the Public Private Partnership with an already on going private sector project where a ring communication infrastructure is being constructed around the lake. The process of procurement of a firm to undertake the assignment is underway and full implementation shall commence in early June 2009.

The Council recommends to the Summit to take note of progress of the activities of EAC Institutions.

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EAST AFRICAN COMMUNITY

REVIEW OF REPORTS FROM THE REPUBLIC OF BURUNDI AND THE REPUBLIC OF RWANDA ON THE NATIONAL CONSULTATIONS TO FAST TRACK THE EAC POLITICAL FEDERATION.

1.0 INTRODUCTION

The Treaty for the Establishment of the East African Community in;-

Art. 123(6), states that *"The Summit shall initiate the process towards the Establishment of the Political Federation of the Partner States by directing the Council to undertake the process"*.

Article 123 (7) states that *"For purposes of paragraph 6 of this Article, the Summit may order a study to be first undertaken by the Council"*

This process was embarked on in 2004 when the Summit set up a committee to examine ways and means of fast tracking the East African Political Federation. The Committee presented its report at the 6th Summit meeting held on 29th November 2004. Subsequently the Extra Ordinary Summit of Heads of State held in Dar es Salaam in May 2005 directed the Council to form National Consultative Mechanisms to collect views of the East Africans on the East African Political Federation and the need to fast track it.

Following the conclusions of the National Consultation in the three Partner States (Kenya, Uganda and Tanzania), the 6TH Extra ordinary Summit considered the reports and *noted the need to mobilise and deepen sensitization on Political integration, stimulate greater political will to promote deeper political integration.* The Summit also *noted that the Republic of Rwanda and the Republic of Burundi shall commence at the earliest a consultation process on the establishment of a political Federation.*

The process was launched in the Republic of Burundi on the 28th February 2008 and Republic of Rwanda on 3rd March 2008.

This background paper contains a Summary of findings arising out of the National Consultations in the two Partner States.

1.1 Information and Communication Strategy

In order to facilitate the process the EAC Secretariat developed an Information Manual aimed at disseminating uniform information to the people of East Africa and possibly using similar methodology. The Manual provided information on the following: -

- a) Background to the Consultative process;
- b) History of EAC Integration process including the collapse and revival;
- c) Reasons for the collapse and safeguards against recurrence;
- d) The need for integration in general;
- e) Benefits of the East African integration in particular (including achievements to date);
- f) Fundamental and operational Principles of the EAC;
- g) The concept of Political Federation;
- h) The various models of political federations in the world;
- i) The need for an East African Federation;
- j) Justification for Fast Tracking the East African Political Federation; and
- k) Highlights of the report of the Committee on Fast Tracking the East African Integration (The Wako Report) and recommendations therein.

The Communication Manual guided the National Consultative Committees (NCCs) on information dissemination and general management of the process including proposals on the: -

- a) range of stakeholders to be targeted;
- b) methods of effective public sensitization;
- c) communication strategy; and
- d) Sensitization tools and materials.

1.2 Data Management Strategy

The collection of views, processing and analysis of data as well as the final report format were standardized to ensure uniformity and ease in comparison of the results of the exercise. The strategy provides for details on the research design, population samples, data collection

methods and instruments, data processing and analysis and format of final report.

The consultations were meant to assess the level of awareness about EAC integration, people's attitudes towards EAC integration and federation in particular, people's opinions about the East African Federation and people's opinions about fast tracking the Political Federation.

2.0 NATIONAL CONSULTATIONS

2.1 National Consultative Committees

Both Committees were representative of a wide range of stakeholders including from the media, youth organisations, women organisations, religious organizations, civil society organizations, private sector, informal sector, the academia, politicians, labour unions as well as serving and retired public servants.

Table No.1. Composition of the NCCs

County	Total Number	Male	Female
Rwanda	12	8	4
Burundi	24	17	7

2.2 Scope of consultations

Table No. 2

Administrative Structures	Rwanda		Burundi	
	Total No.	Covered	Total No.	Covered
Provinces	5	5	17	17
Districts/Communes	30	30	129	129
Sectors/Zones	416	120	375	*NI
Cells/Hills/Quarters	*NI	*NI	2912	*NI

Note: NI – Not indicated

The NCCs used the following methods of sensitizing the population and targeting respondents:-

- The Media – Print and Electronic;
- Banners, Flyers and pamphlets; and

- Public addresses, talk-shows, press conferences, press releases.

Feed back was received collected through; memoranda, news paper articles, call-in TV and Radio programmes and questionnaires. Coverage was as follows;

Communication Methods	Rwanda (No)	Burundi (No)
Direct interactive consultations	85,746 people	12,520
Indirect sensitization	(52% of households have radios)	10,850 booklets(in Kirundi)
Memoranda	6	NI
Questionnaires	3000	159,686
Publications		NI
Print media	60 articles	3 Articles (4150 news paper copies)
Electronic media Radio	133 programmes	12 programmes
TV/news/programmes	64	2
Adverts/press releases/interviews	450	102

2.3 Grouping of Respondents by Profession follows:-

CATEGORY	PERCENTAGE OF TOTAL	
	Burundi	Rwanda
Farmers	45.7	37.7
Pupils /students	23	8.6
Teachers/Instructors	59	NI
Business people	4.4	22.8
Unemployed	2.4	3.3
Employees/Administrative sector	1.7	22.9
CSOs and Religious Leaders	NI	1.5
Politicians	NI	0.2
Security organs	NI	2.2
Other	16.9	0.8

A. Republic of Burundi

General and direct sensitization was carried out by distribution of 10,850 booklets in Kirundi, programmes on national Television, Radio and field activities.

The number of people recorded in Focus Groups Discussions (FGD) was 12,520, representing:

	Percentage
Countryside	58.8
Municipality	5.5
Students (University & Secondary)	28.5
Admin & Civil Society	7.2

On average in almost all the provinces the number of women who participated in the exercise and whose views were collected was about half that of men. The majority of the respondents fell in the age group of 16- 29 years (40%) 30-39 (25%) while the rest were above 40 years.

B. Republic of Rwanda

The focus group discussions included public debates with: -

- i) General public
- ii) 13 CSOs
- iii) Youth groups
- iv) Women groups
- v) Primary, Secondary, Tertiary, Universities and other Institutions of Higher learning;
- vi) 7 Groups of Religious leaders
- vii) Private sector organisations
- viii) Media
- ix) Members of Bar Association
- x) National security officers
- xi) Political parties
- xii) Senior cadres at national level
- xiii) Chambers of Parliament
- xiv) Local government officials

60% of the total population interviewed was within the age bracket of 25-35 years

2.4 Results from the Consultations: Key Findings:

The two reports bring out the following results:-

	Awareness/Support	Rwanda	Burundi
1.	Level of awareness about EAC integration	91.4%	75%
2.	Level of support for integration	91%	87.2%
3.	Level of support for Political Federation	95.6%	71%
4.	Level of support for fast tracking the Political Integration process (all stages)	91.2%	63%
5.	Level of support for fast tracking the Political Federation	87%	63.4%

3.0 GENERAL OBSERVATIONS AND CONCERNS

The two countries overwhelmingly welcomed the idea of joining the East African Community. They recognize and appreciate the benefits and opportunities of the EAC integration. They welcomed the progressive approach towards the attainment of Political Federation adding that it will enhance the security of the region, consolidate governance systems and the leverage the Community's competitiveness at international fora.

However, the following concerns categorized in social and cultural, economic, political and peace and security were raised by the people of Rwanda and Burundi during the consultations.

3.1 Social and Cultural

- i) Loss of cultural and traditional values, including language;
- ii) Spread of epidemic and other infectious diseases due to free movement of persons
- iii) Disparity in education standards due to different school curricula and accreditation systems among the Partner States.

3.2 Economic

- i) Institutional costs of running the federation;
- ii) Increased inequality and disparities in economic development;
- iii) There is fear that the federal government will inherit financial liabilities incurred by individual Partner States before the federation

- iv) Revenue loss and the possible collapse of infant industries due to domination by more developed economies of other Member States
- v) Uncertainty of how the benefits of integration will trickle down to the grass roots,

3.3 Political

- i) There is no mention of how the federal constitution will be developed, popularized, voted upon and how it will relate to the National Constitutions;
- ii) Unclear institutional arrangements for the proposed Federation to address the political power sharing at different levels and among the different Partner States;
- iii) Loss of national sovereignty;
- iv) Disparity among the Partner States' mechanisms in addressing issues of good governance;
- v) Lack of a mechanism for participation of National Political Parties in the federal arrangement; and
- vi) Fear that the collapse of the Community might recur.

3.4 Peace and Security

- i) Spill-over of conflicts from the neighbours, including territorial conflicts;
- ii) Increased criminal activities due to free movement of persons;
- iii) The position of national defence forces in the federal structure; and
- iv) Concern that alternative / home-grown dispute resolution and peace building mechanisms may be ignored.

There are some concerns which were specific to particular countries:

Burundi:

- i) Domination of the labour market by more skilled and qualified labour force to the disadvantage of nationals;
- ii) Brain drain - loss of skilled labour to other Member States;
- iii) Fear of loss of donor support;
- v) Promotion of elitism (Domination of the Integration by the Elite;
- vi) Different legal systems (civil law and common law);
- vii) Burundi needs Support in post conflict reconstruction; and
- viii) Integration of French as one of the official language of the Community.

Rwanda

- i) Implications on the existing social insurance system and the need for an EA Health Insurance scheme;
- ii) Fear that the social protection programmes for genocide survivors will be lost;
- iii) Fear that *interahamwe* will move freely in the region and integrate in the federal security structures.
- iv) Fear that the good environmental programmes already in place will be ignored

4.0 RECOMMENDATIONS ARISING OUT OF THE CONSULTATIONS

- a. Continuous sensitization programmes about the EAC integration process especially in view of the conclusion of the negotiations of the Common Market.
- b. Embark on the process of drafting an East African constitution to clearly define the model of the federation and the distribution of power at various levels.
- c. Accelerating and fast tracking of the Customs Union, Common Market, Monetary union and finally the Political Federation.
- d. Promotion of close cooperation in culture and sports and development of indigenous languages.
- e. Elaboration of the East African civic education and sensitisations programme to promote the East African identity and solidarity.
- f. Promotion of the alternative/home-grown dispute resolution and peace building mechanisms
- g. Restructure and transform the EAC Secretariat to be able to enforce implementation of decisions of policy organs.
- h. Develop a mechanism for equitable distribution of economic benefits to the grassroots.
- i. Consolidate and strengthen the relevant polices aimed at building a strong, credible and sustainable federation.

4.0 WAY FORWARD

The findings of the National Consultations in the Republic of Rwanda and the Republic of Burundi, just like in the old three Partner States, revealed that the people of East Africa still need continuous more sensitization and awareness creation on the EAC integration and processes towards the Political Federation. In general, the concerns that have been expressed by the people of Rwanda and Burundi are, to a large extent similar to those that were raised by the people of Kenya, Tanzania and Uganda during their national consultative exercise.

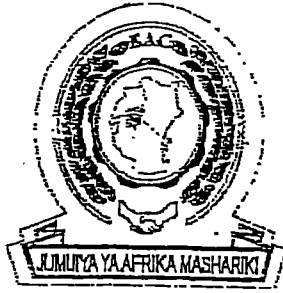
For most of the concerns raised, there are ongoing initiatives to address them. The draft Common Market Protocol covers some of the issues while others are being addressed under the peace and security programmes. The harmonization of policies is ongoing in the various projects and programmes including agriculture, health, infrastructure, immigrations, labour and employment, conservation of the environment, education and sports, the establishment of the Kiswahili Commission, the harmonization of legislation, negotiating as a bloc, coordination of foreign policies and continuous sensitization programmes. The EAC proposed framework on good governance addresses issues of democracy, rule of law, human rights, electoral processes, anti-corruption and equal opportunities, which serve to lay a firm foundation for the Political Federation.

The Council received and considered the National Consultations Reports from the Republic of Rwanda and the Republic of Burundi and noted the recommendations, observations and concerns that need to be addressed.

The Council: -

- a) took note of the recommendations contained in the NCC reports from the Republic of Rwanda and the Republic of Burundi; and
- b) requested the 10th Summit of Heads of State to consider the reports and the recommendations and give the way forward on the EAC Political Federation.

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EAST AFRICAN COMMUNITY

THE MEETING OF THE SECTORAL COUNCIL ON FOREIGN POLICY COORDINATION

MINISTERIAL SESSION

8th April 2009

1.0 OPENING OF THE MEETING

1.1 INTRODUCTION

The meeting was convened pursuant to the EAC Calendar of activities for the period January – June 2009. The purpose of the meeting was to deliberate on the establishment of the AU Authority, with a view to form a common EAC position before the upcoming Extraordinary Executive Council meeting. The meeting was also convened to consider the feedback from the United Republic of Tanzania on the Draft Protocol on Immunities on Privileges, with a view to concluding the Protocol.

1.2 LIST OF PARTICIPANTS

The meeting was attended by the Minister for Foreign Affairs and Cooperation of the Republic of Rwanda, Hon. Rosemary MUSEMINALI; the Minister of Foreign Affairs of the Republic of Kenya, Hon. Moses WETANGULA (MP); the Minister for Foreign Affairs of the Republic of Uganda, Hon. Sam KUTESA (MP); the Deputy Minister for Foreign Affairs and International Cooperation of

the United Republic of Tanzania, Hon. Seif ALI IDDI (MP); the Ambassador of the Republic of Burundi to Uganda, Ambassador Gaspard MUSAVYARABONA, the Permanent Secretary, Ministry of Foreign Affairs Uganda, Ambassador James MUGUME, Ambassadors and other Senior Officials from Partner States. The list of participants is attached hereto as **Annex III**.

1.3 CONSTITUTION OF THE BUREAU

In accordance with the Rules of Procedure governing the conduct of EAC Meetings, the Republic of Rwanda chaired the Meeting and was represented by Hon. Rosemary MUSEMINALI, the Minister for Foreign Affairs and Cooperation. The United Republic of Tanzania was the Rapporteur, represented by Mr. Stephen MBUNDI, Head of Political, Defence and Security Affairs, Ministry of East African Cooperation.

1.4 ADOPTION OF THE AGENDA

The Agenda and the Program for the meeting were presented and adopted and are attached hereto as **Annex I** and **Annex II** respectively.

1.5 OPENING REMARKS

In her opening remarks, the Chairperson and also leader of the Rwanda delegation, Hon. Rosemary MUSEMINALI, welcomed the country delegations to Kampala and to the meeting in particular. She thanked the Government of Uganda for graciously offering to host the Sectoral Council meeting and the courtesies that have been extended. Hon. Museminali underscored the importance of EAC moving with a common position on the issue of the AU Government and reaffirmed Rwanda's commitment to promoting

the objectives of the EAC Community. In her concluding remarks, the Chairperson wished the delegations fruitful deliberations.

In her remarks, the EAC Deputy Secretary General (Political Federation), Hon. Beatrice KIRASO welcomed the delegations to the meeting. She recalled the numerous AU Assembly decisions on the AU Government as well as the decision by the EAC Summit of the Heads of State in June 2007, by which the EAC Partner States committed themselves to debate on the basis of a common position calling for strengthening RECs as building blocs to continental integration. She also expressed hope that the meeting would also conclude the Draft Protocol on Immunities and Privileges so as to pave way for the finalization of the EAC Employment Policy.

The Deputy Secretary General briefed the meeting on the plans to hold a meeting of Ambassadors and High Commissioners of the Partner States based in the region to update them on the status of the EAC integration process. In that regard, she also requested that Partner States allow space to the Secretariat to brief the wider family of the Partner States' Diplomats at their respective annual retreats. The Deputy Secretary General also brought to the attention of the meeting the political situation in Madagascar and the implications thereof to Madagascar's offer to host the June - July 2009 AU Assembly of Heads of State and Government. She concluded by wishing the meeting fruitful deliberations.

On his part, the Hon. Sam KUTESA, the Minister of Foreign Affairs Uganda, welcomed the delegations to Uganda in general and to Kampala in particular. He welcomed with appreciation the remarks by the other delegations thanking the Republic of Uganda for the hospitable environment in the country. Hon. KUTESA thanked the delegations for their flexibility, by which they managed to make it to Kampala for this meeting, in spite of their tight schedules. He

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concluded by wishing the esteemed delegations fruitful deliberations and a comfortable stay in the Uganda.

2.0 CONSIDERATION OF MATTERS RELATING TO THE AU GOVERNMENT: TRANSFORMATION OF THE AU COMMISSION INTO THE AU AUTHORITY

2.1 DEBATE ON THE AFRICA UNION GOVERNMENT

The meeting recalled the Decision of the AU Assembly of Heads of State and Government, directing the AU Executive Council to hold an Extraordinary Session to deliberate on the proposed transformation of the AU Commission into the AU Authority (Decision attached).

The meeting further recalled the decision of the EAC Heads of State of June 2007 on the matter of the AU Government, where, in preparation for the 9th AU Assembly's "Grand Debate on the Union Government", held in Accra, Ghana on 1st - 3rd July 2007, the EAC undertook to emphasize the strengthening of RECs as the immediate pursuit for economic and political federation (*EAC/SHS EX5/Decision 14*)

The meeting considered the position paper transmitted to all the AU Member States in preparation for the AU Executive Council meeting, and made proposals thereto. The proposals will inform the positions by the EAC Partner States' members during the deliberations at the AU Executive Council meeting scheduled for 15th - 16th April 2009. The AU Commission position paper and its revised form by the EAC Sectoral Council on Foreign Policy Coordination are attached hereto as **Annex III** and **Annex IV** respectively.

Relating to the venue for the upcoming AU Assembly session, the Southern African Development Community (SADC), of which one EAC Partner State is a member, had already taken a position to

support Mauritius. The meeting decided that EAC supports the offer of Mauritius to host the AU Assembly session and that the EAC Partner States' members of the Permanent Representatives Committee (PRC) at the African Union be mandated to vote accordingly.

The Meeting further observed that in order to enable the Partner States' Diplomatic Missions to fully promote the EAC integration initiatives, the Partner States allow time for the EAC Secretariat to brief the Diplomats during their annual retreats. The Secretariat was directed to liaise with the Permanent Secretaries of the Partner States' Ministries responsible for Foreign Affairs in order to operationalise the above directive.

3.0 CONSIDERATION OF THE FEEDBACK FROM THE UNITED REPUBLIC OF TANZANIA ON THE DRAFT PROTOCOL ON IMMUNITIES AND PRIVILEGES

The meeting recalled the Decision of the Sectoral Council on Foreign Relations at its meeting of 26th February 2009, requesting the United Republic of Tanzania to consider the other Partner States' request to adopt the Draft Protocol which the other Partner States had considered and endorsed, noting that in its form the Draft Protocol addresses the concerns raised in the various Council Decisions. In particular, the Draft Protocol addresses the concerns of "equity, gender balance, uniqueness of the Community and the spirit of integration as decided by Council in June 2007"; thereby leveling the field for competition for job opportunities to all Partner States.

The Honorable Deputy Minister of Foreign Affairs and International Cooperation of the United Republic of Tanzania ~~to the Secretariat~~ informed the meeting that the Draft Protocol, particularly the Article

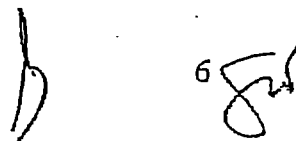
on "General Staff" was found to be inconsistent with Article 138 of the Treaty establishing the East African Community. The Honorable Minister informed the meeting that the position of the United Republic of Tanzania was to leave the definition of "General Staff" as contained in the Headquarters Agreement. The Honourable Minister however informed the meeting that the United Republic of Tanzania was not opposed to the re-categorisation of the G-Staff and requested that the matter be referred to the senior officials for further consideration.

The meeting observed that delays to conclude the Protocol have paralysed the operations of the Community, since the Secretariat is not able to recruit the required G-staff. The meeting noted that the ongoing recruitment of temporary staff is a stop-gap measure and further noted that that under such an arrangement the recruitment process is not competitive.

The meeting deliberated on the position of the United Republic of Tanzania and agreed that she be given more time for more consultations as requested. The meeting further agreed that the United Republic of Tanzania communicates her position on the Draft Protocol to the Secretariat before the next EAC Summit meeting scheduled for 29th April 2009.

Signed on this 8th day of April 2009, by the Heads of Delegation.

Hon. Rosemary MUSEMINALI
Minister for Foreign Affairs and
Cooperation
REPUBLIC OF RWANDA



Seif Ali Iddi

Hon. Seif Ali IDDI, MP
Deputy Minister
Ministry of Foreign Affairs and
International Cooperation
THE UNITED REPUBLIC OF TANZANIA

Moses Wetangula

Hon. Moses WETANGULA, MP
Minister
Ministry of Foreign Affairs
REPUBLIC OF KENYA

Sam K. Kutesa

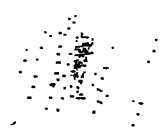
Hon. Sam K. KUTESA, MP
Minister,
Ministry of Foreign Affairs
REPUBLIC OF UGANDA

Ambassador Gaspard MUSAVYARABO
Ambassador of Burundi to the Republic of Uganda
REPUBLIC OF BURUNDI

Gaspard Musavyarabo

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**PROPOSALS ON MODALITIES FOR THE IMPLEMENTATION OF THE
ASSEMBLY DECISION ON THE TRANSFORMATION OF THE
AU COMMISSION INTO THE AU AUTHORITY
[DECISION AU/DEC 233 (XII)]**

INTRODUCTION

1. During the Special Session on the Union Government which was held on 1st February 2009 and the subsequent debate that took place during the 12th ordinary Session of the Assembly, the Heads of State and Government adopted Decision AU/Dec.233 (XII) on the transformation of the African Union Commission into an African Union Authority.

2. The above-mentioned Decision reads as follows:

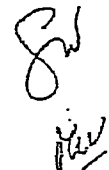
(Quote)

1. "RECALLS its decision adopted during its Special Session on the Union Government held in Addis Ababa, Ethiopia, on 1st February 2009, to transform the African Union Commission into the African Union Authority;
2. FURTHER RECALLS its directive to the Executive Council to elaborate upon this decision;
3. TAKES NOTE and DECIDES to endorse the recommendation of the Executive Council, which reads as follows:

"Pursuant to the Decision of the Assembly directing the Executive Council to elaborate upon its decision regarding the establishment of the African Union Authority:

The Executive Council received the decision:

1. to transform the African Union Commission into an African Union Authority;
2. to strengthen the AU Authority;
3. that the Authority shall have a structure comprising of the President, the Vice President and Secretaries with portfolios based on areas of shared competencies as agreed upon.



The Executive Council further took note of the Report submitted to it by the AU Commission in response to the decision of the Assembly.

The Executive Council recommended as follows:

1. In order to transform the AUC into an Authority, the Constitutive Act should be amended in accordance with the provisions of Article 32 of the said Act and, thereafter, call upon Member States to expedite the ratification of the amendments;
2. There is a need to further study the proposals contained in the Report of the Commission with special regard to:
 - i). The functions of the African Union Authority
 - ii). The size of the Authority
 - iii). The functions of the Secretaries;
 - iv). The financial implications of establishing such Authority.

In view of the above, the Executive Council requests the Assembly to note that the time allocated for this assignment was inadequate. The Executive Council, therefore, recommends that the Assembly allows time for an Extraordinary Session of the Executive Council to be convened within the next three months to consider these proposals and submit a Report to the next Assembly." (Unquote)

II. MANDATE GIVEN TO THE EXECUTIVE COUNCIL BY THE ASSEMBLY

3. In the light of the above-mentioned Decision, Council may wish to consider the following issues as mandated by the Assembly:

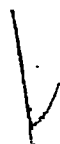
- (a) The functions of the African Union Authority
- (b) The size of the Authority
- (c) The functions of the Secretaries;
- (d) The financial implications of establishing such Authority.

4. Additionally, in considering the above-mentioned issues, Council may wish to consider any other relevant issue implicit from the mandate given by the Assembly.

III. AREAS OF COMPETENCE OF THE AUTHORITY

5. In defining the functions and size of the Authority and the function of Secretaries, the Executive Council may wish to bear in mind the areas of competence already agreed upon by Member States in Accra, Arusha and Sharm el-Sheikh, in 2007 and 2008, respectively, in relation to the Union Government as well as those that already exist.

6. In this regard, the Authority will exercise its functions in the following areas on behalf of Member States:
- (Promoting mechanisms that address) Continent-wide poverty reduction (in coordination with RECs); (complement what Governments and RECs are doing)
 - Free movement of persons, goods and services (in coordination with RECs);
 - Inter-regional and continental infrastructure (road networks, bridges, railways, ports, energy and communications, etc);
 - Global warming, desertification and coastal erosion;
 - Epidemics and pandemics, such as HIV/AIDS;
 - Research/university centres of excellence;
 - International trade negotiations;
 - Peace and Security;
 - Transnational crime (terrorism, drugs, arms trafficking, legal positions and frameworks).
7. In addition to the areas of the shared competences set out above, other domains of responsibility could be considered in the future, in conformity with the provisions of Article 9 of the Constitutive Act and Rule 4 of the Rules of Procedure of the Assembly and the decision of the Assembly in July 2008, endorsing the recommendations of the Committee of 12 on the Union Government. On the sectors of foreign affairs and defence, there should be some level of harmonization and coordination in accordance with mechanisms and instruments already in existence in the Union.
8. To effectively undertake these tasks, it will be necessary to ensure that policies, programmes, projects and common positions are thoroughly discussed with Member States, so that once adopted; the Authority will coordinate, promote and implement them on behalf of Member States. This will improve the credibility of the Authority with Africa's international partners. In addition, there is need to improve the manner in which decisions are taken in order to improve the credibility and legitimacy of decision-making and implementation processes as well as the commitment of Member States to those decisions. In this regard, it will be necessary to review the process of preparation of the agenda, proposals of agenda items by Member States as well as consideration and finalization of decisions.
9. As the African Union Authority develops and obtains the increasing confidence of Member States, it is expected to grow in terms of increased responsibilities.



10. The Authority will have full responsibility in the approved areas of competence which it will manage in collaboration with the RECs and PRC. The current areas of activities of the Commission will continue to be dealt with by the Authority in the portfolios in collaboration with the STCs and PRC.

11. There is need for the Authority to be empowered to monitor implementation of OAU/AU decisions and policies taken by the Union.

IV. PROPOSALS FOR CONSIDERATION BY COUNCIL

12. This paper seeks to put forward some proposals for the fulfillment of this mandate given to Council by the Assembly:

A. FUNCTIONS OF THE AFRICAN UNION AUTHORITY

13. In defining the functions of the Authority, it needs to be recalled that many of the responsibilities of the current Commission derive from those contained in other instruments of the African Union, including the Statutes of the Commission, the Treaty establishing the African Economic Community (Abuja Treaty) and the Protocol establishing the Peace and Security Council.

14. With regard to the Statutes of the Commission, the current responsibilities include those set out in Article 3(2) as follows: The whole list of responsibilities should be captured as listed under Art. 3(2)

- represent the Union and defend its interests under the guidance of and as mandated by the Assembly and the Executive Council;
- initiate proposals for consideration by other organs;
- implement decisions taken by other organs;
- establish, on the basis of approved programmes, such operational units as it may deem necessary;
- coordinate and monitor the implementation of the decisions of the other organs of the Union, in close collaboration with the PRC, and report regularly to the Executive Council.
- assist Member States in implementing Union programmes and policies, including CSSDCA and NEPAD;
- take action in the domains of responsibility as may be delegated by the Assembly and the Executive Council. The domains shall include the following:
 - i). control of pandemics
 - ii). disaster management;
 - iii). international crime and terrorism;
 - iv). environmental management;

- v). negotiations relating to external trade;
 - vi). negotiations relating to external debt;
 - vii). population, refugees and displaced persons;
 - viii). food security;
 - ix). socio-economic integration; and
 - x). all other areas in which a common position has been established.
- mobilise resources and devise appropriate strategies for self-financing, income generating activities and investment for the Union;
 - elaborate, promote, coordinate and harmonise the programmes and policies of the Union with those of the RECs;
 - build capacity for scientific research and development for enhancing socioeconomic development in the member States;
 - develop capacity, infrastructure and maintenance of intra-continental information and communication technology.

15. The domains mentioned above will remain relevant in the context of the functioning of the African Union Authority. Indeed, many of them fall under the areas of competence assigned to the new Authority by the Assembly,

16. In addition to enhancing the operationalisation of the responsibilities currently conferred on the Commission as mentioned above, consideration could be given to formally assigning the following crucial responsibilities to the Authority, which the Commission already partially performs in practice:

- (a) Coordinate and promote Africa's participation in International fora;
- (b) Coordinate and promote Partnerships between AU and other entities;
- (c) (Monitoring and coordination of RECs and to facilitate their harmonization and strengthening with a view to attainment of benchmarks set for the Union)
- (d) Propose and recommend initiatives to enhance the primary objectives of the Union, namely development and integration;
- (e) provide the necessary coordination and platform for a joint approach by Member States;
- (f) Propose initiatives, coordinate and advocate common policies of the African Union in the key pillars around which its strategic plans may be built;
- (g) Initiate proposals for implementation in areas of competence;
- (h) follow-up on implementation of Union policies and decisions;
- (i) implement the Strategic Plan of the Union and other policies and decisions of the Union;







- (j) monitor and evaluate implementation of decisions and policies: in this regard, it may be necessary to revisit the contents of the all-encompassing and comprehensive arrangements for monitoring and evaluation contained in the Declaration and Memorandum of Understanding for the Conference on Security Stability and Development (CSSDCA), as well as its benchmarks and time lines in order to ensure compliance with those decisions by Member States. This is with a view to determining the extent to which they could be restructured and reactivated to meet the evolving needs of the Continent.
- (k) enhance the coordinating role of the Authority in conflict prevention, management and resolution through the operationalisation of all aspects of the peace and security architecture;
- (l) adopt modern human resource and financial management tools to ensure efficiency and effectiveness;
- (m) Review the Protocol on Relations between the AUC and the RECs, in order to give the African Union Authority specific and defined roles in monitoring and strengthening the RECs;
- (n) Engage in advocacy activities so as to promote the attainment of the goals of the Union, as well as the implementation of its programmes;

17. The role and functions of the Authority will entail devising and consolidating an organizational structure, with more effective institutional mechanisms, policies and programmes at both continental and regional levels.

18. It would be necessary in this context to promote and sustain internal coherence and efficiency within the structures of the Authority. This will involve the rationalization of existing structures to improve the capacity to implement AU decisions and policies in accordance with the rules, regulations as well as the instruments legal instruments/protocols.

19. In carrying out its functions, particularly in the promotion of the integration process on the continent, the Authority should make use of accelerators and undertake periodic assessments of the progress made by using the benchmarks as agreed upon in Arusha and Sharm el-Sheikh.

B. STRUCTURE/SIZE OF THE AUTHORITY

20. The following two options for the Structure of the Authority are being put forward taking into account the functions and competences outlined above:

Option I: Recommended by the EAC Sectoral Council on Foreign Policy Coordination and therefore option II was not considered.

Retain the existing portfolios with the additional approved areas of competence agreed upon in Arusha and Sharm el-Sheikh to constitute an Authority of 10 members composed of a President, a Vice President and 8 Union Secretaries as follows:

- i). President : Chief Executive
- ii). Vice-President : Deputy-Chief Executive
- iii). Union Secretary: Peace and Security (Conflict Prevention, Management, Resolution and post-conflict reconstruction, Combating Terrorism, African Common Defence and Non-Aggression PACT and Transnational crime (terrorism, arms trafficking);
- iv). Union Secretary: Political Affairs (Human Rights, Democracy, Good Governance, Electoral Institutions; Civil Society Organizations, Humanitarian Affairs-Refugees, Returnees and Internally Displaced Persons, Coordination of African common positions at international fora; Free movement of persons;
- v). Union Secretary: Infrastructure and Energy (Energy, Transport, Communication and Information networks, Infrastructure and Inter-~~continental~~ and continental infrastructure (road networks, bridges, railways, ports, energy), air transport.
- vi). Union Secretary: Crime prevention Social Affairs (Health, Gender issues, Children, and Drug Control, Population, Migration, Labour and Employment, Sports and Culture, vulnerable groups, social welfare, epidemics and pandemics such as HIV/AIDS)
- vii). Union Secretary: Human Resources, Science and Technology (Education, Information Technology communication, Youth, Human Resources, Science and Technology, Research, Universities and Centres of

excellence), Poles of Excellence and Intellectual Property matters

viii). Union Secretary:

Trade and Industry (Trade, Industry, Customs and Immigration Matters, Tourism, International Trade Negotiations, Free movement of goods, persons and services)

ix). Union Secretary:

Rural Economy and Agriculture (Rural Economy, Agriculture and Food Security, Livestock, Environment, Water and Natural Resources, Desertification, global warming, coastal erosion); climate change, (we propose more detailed pro-active definitions of what these job descriptions will entail;

proposed splitting of areas from Environment above to Climate Change as a separate office)

x). Union Secretary:

Economic Affairs (Economic Integration, Monetary Affairs, Private Sector Development, Investment and Resource Mobilisation, Continent-wide poverty reduction)

Propose merger/incorporation of No. (viii) into No.(x) and creation of more Directorates there under; New portfolio would be named Economic Affairs, Trade and Industry

Propose shifting Continent Wide Poverty Reduction to Agriculture and Rural Economy

Option II. Reconfigure the existing portfolios to constitute an Authority of 12 members composed of a President and Vice President and ten Union Secretaries as follows:

- | | | |
|-----------------------|---|----------------------|
| i). President | : | Chief Executive |
| ii). Vice President | : | Vice Chief Executive |
| iii). Union Secretary | : | Peace and Security |
| iv). Union Secretary | : | Political Affairs |

- v). Union Secretary : International Trade, Industry and Cooperation
- vi). Union Secretary : Continental, and Regional infrastructure and Energy
- vii). Union Secretary : Development, Finance and Economic Planning
- viii). Union Secretary : Youth, Culture and Social Development
- ix). Union Secretary : Education, Science and Technology.
- x). Union Secretary : Agriculture and Water
- xi). Union Secretary : Environment and Natural Resources
- xii). Union Secretary : Labour, Employment, Health, Population and Migration

21. The various responsibilities for each of the portfolios will include the following:

a. Peace and Security:

Conflict prevention management and resolution, Post-conflict reconstruction, Coordination and implementation of the Common Defence and Non-Aggression Pact, Common African Defence and Security Policy, Transnational crime (terrorism arms trafficking), Collective continental security (small weapons, nuclear weapon free zone, non proliferation of weapons of mass destruction)

b. Political Affairs

Democracy, governance and election issues; Humanitarian affairs, Human rights issues; Coordination of common African positions at international fora Free movement of persons; Civil Society Organizations.

c. International Trade, Industry and Cooperation

International trade negotiations, International economic cooperation; coordination and projection of African common positions; Industrialization; Free movement of goods, persons and services.

d. Infrastructure and Energy

Transport (air, maritime); communication networks; Energy (conventional and non-conventional type of energies); Communication and information networks (Communications networks infrastructures, internet, e-networks and services, broadcasting, postal services, etc) Continental and inter-regional infrastructure (road networks, bridges, railways, ports)

e. Development, Finance and Economic Planning

Continent-wide poverty reduction programmes; Monetary affairs and financial institutions; Private sector development, investment and resource mobilization; Statistical development; Coordination of RECs.

f. Youth, Sports, Culture and Social Development

Youth and development; Sports and culture; Children; Vulnerable groups; Social protection; Crime prevention and Drug control; Population policies; Water and Sanitation, urbanization.

g. Environment and Natural Resources

Environment (Climate change and global warming; disaster risk, Desertification, coastal erosion, etc.) Natural Resources (forestry, land, Mining/Minerals)

h. Education, Science and Technology

Research, Universities and Centres of Excellence; Education policies; Science and Technology policies; Human resource development; ICT; information society; Research, Universities and Centres of Excellence; Poles of Excellence and Intellectual Property matters

i. Agriculture, Rural Economy and Water

Agriculture - Food Security (Crop Production and protection, livestock production and health, pastoralism, and Fisheries)

Rural Economy (Rural Institutions, Policies and Markets; rural employment and agri-business development)

Water (agricultural use, management, shared water resources, and sanitation).

j. Health, Labour, Employment and Migration

Labour policies and strategies; Employment; **Control of epidemics and pandemics, such as HIV/AIDS**; Common health policies; and Urbanization.

22. It should also be emphasized that, irrespective of the option chosen, there will be need for a review of the structures of each portfolio so as to realign and reorganize internally the departments, directorates and divisions and thus improve service delivery. In this regard, there will be need to create more directorates and divisions within each portfolio.

23. The existing areas of responsibility under the Offices of the Chairperson and Deputy Chairperson will be transferred to the Offices of the President and Vice-

President of the Authority respectively. In the case of both options. The President may assign other responsibilities to the Vice-President as the need arises.

C. FUNCTIONS OF THE UNION SECRETARIES

24. The President and the Vice-President of the Authority as well as the Union Secretaries shall constitute the Authority. They will be accountable to the Executive Council. The Executive Council is accountable to the Heads of State and Government. The PRC shall carry out an oversight role on behalf of the Executive Council
25. The functions of the Union Secretaries should be as follows:
- initiate and implement the policies and programmes in respect of the portfolios assigned to them, and to monitor implementation of decisions;
 - oversee departments under their charge and in accordance with the functions of the Authority;
 - be answerable to the President of the Authority under whose supervision they carry out their duties;
 - engage in advocacy activities so as to promote the attainment of the goals of the Union, as well as the implementation of its programmes;
 - perform representational and negotiation functions.

D. FINANCIAL IMPLICATIONS

26. A broad estimate of the financial implications of the transformation of the Commission into the Authority is being worked out by the Commission and will be presented as an annex. (The final structure should be lean but efficient and cost effective)

V. OTHER ISSUES FOR CONSIDERATION BY COUNCIL

A. Strengthening of the Authority and Review of Institutional Structures

A.1. The Authority

27. The decision to transform the Commission pre-supposes the need to re-engineer and refocus the mandate and the priorities of the latter to meet the new requirements and evolving needs and challenges of the Union.
28. In view of the transformation of the Commission into an Authority and the ongoing integration of NEPAD into the structures and processes of the Commission/Authority, NEPAD will become an Agency for the implementation of

the AU inter-regional and continental development programmes as defined in the Algiers Conclusions of the HSGIC of April 2007 on the Process.

29. Enhance the coordinating role of the A.U Authority on RECs and Regional mechanisms on conflict prevention and resolution in the operationalisation of all components of the African Peace and Security Architecture (APSA).

A.2. Other Organs of the Union

30. Council may also wish to take note that with the transformation of the Commission into an Authority, the latter will have to operate within the overall framework of the African Union whose structure will include the Assembly, the Executive Council, the Peace and Security Council (PSC), the African Union Authority, the Specialized Technical Committees (STCs), the Permanent Representatives' Committee, the Pan African Parliament, the African Court of Justice and Human Rights, Economic Social and Cultural Council (ECOSOCC), the Financial Institutions, the African Commission on Human and Peoples Rights, and the African Committee of Experts on the Rights and Welfare of the Child.
31. In addition, and in order to do all the above, some of the organs of the Union such as, the Pan-African Parliament, the STCs, the PSC, the African Court of Justice and Human Rights, the PRC and the ECOSOCC, will all need to be strengthened in order to play an enhanced role in accelerating the continental integration process.

A.3. The Union as a Whole

32. There will also be a need to strengthen the Union as a whole to enhance the integration processes as well as working towards building an integrated, prosperous and peaceful Africa, an Africa driven and managed by its people representing a dynamic force in the international arena. In this regard, the following actions need to be undertaken, among others:
 - a. Foster and enhance a sense of ownership of the African Union by the peoples and states of Africa.
 - b. Enhance Africa's partnerships with international partners to increase Africa's contribution to the decision-making processes on world affairs.
 - c. Give an enhanced role to the various Specialized Technical Committees, while ensuring that the Union Secretaries coordinate such sectoral activities

in their respective areas of jurisdiction. (Seek AUCs explanation on what role and how to enhance it)

- d. Increase resource capacity through active mobilization or fund-raising within and outside the continent.
- e. Strengthen national institutions within Member States to support the activities of the Authority in particular and the Union in general. (AUC should explain which national institutions should be strengthened and how)
- f. Put in place a more effective sanctions regime to promote and foster compliance with decisions and protocols. (Clarity on form and content – refer to Article 23 of the constitutive Act)
- g. Consider giving the African Court on Human and Peoples' Rights the competence to deal with election related disputes in Member States. (Review the Protocol with a view to strengthening the Court, define the relationship with national entities mandated to address elections processes)
- h. Speedy operationalization of the STCs.

B. Legal and Institutional Implications

33. The decisions that the Executive Council and the Assembly will take, will entail consideration and adoption of either a Protocol-amending the Constitutive Act and all other consequential amendments. These are as follows:

- Constitutive Act:
Articles 1; 5; 9; 20;
- Protocol establishing the Peace and Security Council;
Articles 8; 9; 10; 11; 12; 13; 15; 16; 17; 18; 21 and 22 as well as its Rules of Procedure;
- Rules of Procedure of the Assembly:
Rules 4; 5; 8; 10; 11; 12; 15; 17; 19; 32; 35; 37; 38; 39; 40; 41; 42;
- Rules of Procedure of the Executive Council:

Rules 5; 6; 9; 11; 12; 13; 18; 20; 33; 37; 38;

- Rules of Procedure of the Permanent Representatives' Committee:
Rules 1; 4; 7;
- Statutes of the Commission:
General Provision and Articles 1 to 28.
- Protocol on amendments to the Constitutive Act of the AU adopted in February and June 2003.

34. In terms of the process, it is envisaged that, after guidance is provided by the Assembly in July 2009, there will be need for follow-up meetings of experts and Ministers to consider the draft legal instrument amending the Constitutive Act. In this regard, the Commission proposes that, after guidance by the Assembly in July 2009, the process of amendment will commence and will be completed with the relevant draft legal instruments being submitted to, and adopted by the Assembly in January/February 2010. Thereafter, as decided by the Assembly in February 2009, the process of amending or revising the Constitutive Act in conformity with Article 32 of the Constitutive Act would require to be followed by a process of signature and ratification by Member States.

35. In order to put in place an effective institutional structure and achieve the objectives underlining the transformation of the AU Commission into an Authority, it will be necessary for the Authority and Member States to have a comprehensive reform and transformation programme which will address the following aspects:

- a) Structure of the Authority
- b) Number, competences, remuneration, etc.
- c) Alternative sources of finance

36. In this context a detailed review must be prepared by the Commission and submitted to the Assembly through Council.

C. Financing the Union

37. The revitalized Union will need to be well-resourced as it develops. The current formula for assessed contributions is not adequate to meet the financing requirements of the AU The need for alternative sources of funding, in order to

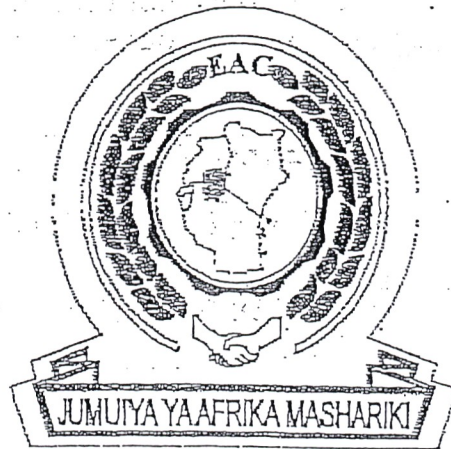
strengthen the organs of the Union; particularly the African Union Authority, has been repeatedly underlined.

38. Indeed, several studies which have been conducted on alternative sources of funding have been the subject of consideration at different levels of the Union and at different times. What the organs of the Union will need to do is revisit the previous studies, particularly the analyses undertaken by the High Level Audit Panel and the Ministerial Committee of Ten on the Union Government, and examine the options available, with emphasis on costs and benefits and what combinations will be required for the establishment of a self-sustaining mechanism.
39. *In this regard, it is to be recalled that the Assembly has mandated the Bureau of the Assembly to review the existing studies and reports on the alternative sources of financing the Union and submit recommendations thereon to the next Session of the Assembly. The Bureau will also examine the modalities for the establishment of an Integration Trust Fund to provide the means for putting an effective Authority in place. (Source of decision is not known. Financing of the Union should await recommendations from Ministers of Finance meeting scheduled for June 2009). Make reference to the decision of the Assembly "Decision on alternative sources of Financing for the African Union Assembly/AU/ Dec 214 (xii)". The Decision makes no mention of the Trust Fund*
40. Additionally, there is need to increase accountability, probity and the efficient management of finances. In this regard, the Executive Council may wish to consider the earlier proposal made by the Commission for a Permanent Board of Auditors composed of five high level auditors elected for a non-renewable period of five years. There is need to establish an AU internal oversight services unit
41. There is need to review the current budgetary preparation process with a view to improving it. Consideration should also be given to enabling the STC on Finance to oversee the preparation of the budget of the Union. The PRC should be strengthened to have handle financial, administrative and budgetary matters of the Union

VI. CONCLUSION

42. The process of the establishment, functioning and development of the Authority, as well as the progressive movement towards the United States of Africa, should be conducted in a transparent and professional manner. It will require the integration of policies, programmes, projects and activities that will focus on and speed up the integration plan, in all the shared areas of competence that have been identified.

The Authority will therefore identify in each area of competence, the priority actions to be undertaken within the framework of agreed accelerators and benchmarks that have immediate relevance for driving the process of integration. It will also evolve strategic plans and work plans that will allow for the effective implementation of the accelerators and benchmarks. This will generate a multiplier process for the economic and political integration of the continent, leading to a United States of Africa.



EAST AFRICAN COMMUNITY

MEETING OF THE SECTORAL COUNCIL ON FOREIGN POLICY
COORDINATION

MINISTERIAL SESSION
EAC/SCFPC/02/04/2009

REPORT OF THE MEETING

EAC SECRETARIAT
SERENA CONFERENCE CENTRE - KAMPALA
8th APRIL 2009

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DRAFT CONCLUSIONS OF THE 12TH EXTRAORDINARY
SESSION OF THE EXECUTIVE COUNCIL

15TH – 16TH April 2009

Tripoli - LIBYA

a) Nature Of The Authority

1. In accordance with the Decision of the Assembly [Assembly/AU/Dec.206 (XII)] adopted in Sharm el Sheikh, Egypt in July 2008, the African Union is a Union of independent and sovereign States; as such, it is an intergovernmental organizations and all its organs are of an intergovernmental nature. In all cases, the Assembly shall retain its right to delegate any function and power to any Organ of the Union including the Authority.
2. The transformation of the Commission into an Authority is intended to strengthen the institutional framework of the Union in order to enable it play its role in accelerating the political and socio-economic integration of the continent towards the achievement of the United State of Africa.
3. Based on the above, the Executive Council makes the following recommendations.

b) Areas of competence

4. In this regard, the Authority will exercise its functions in the following areas in collaboration with Member States agreed upon by the Assembly in Sharm el Sheikh on the recommendation of the Committee of twelve in Arusha.:
 - Continent-wide poverty reduction (in coordination with RECs);
 - Free movement of persons, goods and services (in coordination with RECs)

- Inter-regional and continental infrastructure (road networks, bridges, railways, ports, energy and communication, etc..)
- Global warming, desertification and coastal erosion
- Epidemics, pandemics, such as HIV/AIDS
- Research/Universities/Centers of Excellence;
- International Trade negotiations
- Peace and Security
- Transnational crime (terrorism, drugs, arms trafficking, legal positions and frameworks);

c) Functions of the Authority

AU Commission	AU Authority
<p>The functions set out in Art. 3(2) of the Statutes of the Commission</p>	<p>The functions set out in Art. 3(2) of the Statutes of the Commission, plus the following:</p> <ul style="list-style-type: none"> • Make proposals for reform and refining the existing governance structure of the African Unions as a tool for accelerating political and economic integration of the continent; • Promote Pan-Africanism and to project and defend general African interests within and outside the continent; • Ensure that the Union policies, positions and decisions are translated into action and implemented fully; • Effectively mobilize African people on the continent and in the Diaspora to identify with and support the process of renewal and reform of the continent as a framework for African renaissance; • Coordinate the political positions of Member States of the African Union on issues of common interest for the continent and its peoples;

- Coordinate the positions of the member States of the African Union during International negotiations;
- Represent Member States of the African Union and speak on their behalf in international bodies focusing on common African foreign policies, if so mandated by member States;
- Coordinating and promoting measures for preventing managing and resolving conflicts;
- Coordinating, monitoring and supervising the reconstruction process in post conflict-situations;
- Evaluating and monitoring the implementation of the Common African Defence and Security Policy relating to defense, as well as coordinating the strategies and mobilization of the resources requires for the defence of the continent;
- Assessing, evaluating and monitoring g potential threats that could undermine the political a d socials security and stability of the continent;
- Providing strategic leadership to African Standby Force;
- Operationlaise and supervise the African Peace Academy as provided for in the Non- Aggression and Common Defence Pact;
- Enhancing the effectiveness of a comprehensive Early Warning regime;
- Coordinating and monitoring the implementation of the provisions of the Non-Aggressions and Common Defence Pact;
- Coordinating, monitoring and promoting the implementation of the African Nuclear Weapons Free Zone Treaty (Treaty of Pelindaba);
- Follow up on the issue of non- proliferation of weapons of mass destruction and SALWs

- Elaborate a common African Programme of Action in the area of foreign Trade with a view to harmonizing policies and systems in this area;
- Represent common interest of member States of the Union at international events relating to international trade as and when mandated by Member States;
- Strengthen and enhance the work of RECs on matters of reduction of customs tariffs between Member States of the Union with a view to establishing a free trade and a customs union between the Member States;
- Enhance intra-African trade so as to promote integration and development;
- Establish the principle of comparative advantage in the area of production;
- Elaborate plans aimed at facilitating free movement of capital, goods, service and persons in collaboration with RECs;
- Promotion of private sector development
- Ensure and monitor the implementation of programmes of the NEPAD

d) Structure/Size of the Authority

5. Two options were considered, namely, ten (10) and twelve (12) members of the Authority respectively composed of the President, Vice-president and Union secretaries.
6. At the end of the deliberations, Option 1 was recommended. This would entail retaining the existing portfolios with the additional approved areas of competence agreed upon in Arusha and Sharm el Sheikh to constitute an

Authority of 10 members composed of a President, A Vice –President and 8 Union Secretaries as follows:

- i) President : Chief Executive
- ii) Vice –President : Deputy Chief Executive
- iii) Secretary : Peace, Security and Common Defence (conflict prevention, Management, Resolution and post conflict reconstruction, combating terrorism and non-aggression and transnational crime (terrorism and arms trafficking)
- iv) Secretary : Political Affairs and Coordination of Common positions on External Relations' (political cooperation, human rights, democracy, good governance, electoral institutions, humanitarian affairs, refugees, returnees and internally displaced persons, free movement, money laundering)
- v) Secretary : Infrastructure and Energy (Energy, transport – interregional and continental infrastructure – road networks, bridges, railways, maritime, air transport – communication and information networks infrastructure
- vi) Secretary : Health and Social Affairs (Children, human trafficking, crime prevention and drug control, population , migration, labour and employment, sports and culture, vulnerable groups, social welfare, epidemics and pandemics such as HIV/AIDS);
- vii) Secretary Education, Human Resource and Science and Technology (Information Communication Technology, Youth, Research, Universities and Poles of Excellence and Intellectual Property matters);

viii) Secretary Trade, Industry and International Cooperation (Trade, Industry, Customs and Immigration matters, International Trade Negotiations, Free movement of goods and services and Tourism)

ix) Secretary Rural Economy and Agriculture and Environment (Rural Economy, Agriculture, and Food Security, Livestock, Water, Lakes and Rivers and Natural Resources, Desertification, global warming, coastal erosion, climate change)

x) Secretary Economic Affairs (Economic integration, international economic cooperation, monetary affairs, private sector development, investment and resource mobilizations, continent-wide poverty eradication, statistics)

e) Functions of the Union Secretaries

7. The functions of the Union Secretaries shall include the following:

- i) initiate policies and programs in respect of the portfolios assigned to them and submit them to the Executive Council for consideration and adoption and to ensure the implementation of decisions;
- ii) oversee departments under their charge and in accordance with the functions of the Authority;
- iii) be answerable to the President of the Authority under whose supervision they carry out their duties;
- iv) engage in advocacy activities so as to promote the attainment of the goals of the Union, as well as the implementation of its programs;
- v) engage in advocacy activities so as to promote the attainment of the goals of the Union, as well as the implementation of its programs;
- vi) Perform representational and negotiation functions as mandated by the Assembly.

f) Financial implications

8. The financial implication of the transformation of the Commission into the Authority will be worked out by the Commission and submitted to the next Ordinary Session of the Executive Council.
9. The imperative need for identification of alternative sources of financing the Union was underlined in order to ensure sustainable funding for the programs and activities of the union. In this regard, a report should be submitted to the Ordinary Session of the Executive Council in January 2010, following the meeting of the Africa Finance Ministers due in November 2009

g) Other issues

10. Council took note of the fact that the transformation of the Commission into the Authority will operate within the overall framework of the African Union. In this regard, there will be need for review of the institutional framework of the Union to enable them play an enhanced role in accelerating the continental integration process. Additionally, there will be need for consequential amendments to the basic legal instruments including the Constitutive Act, in accordance with Article 32 of the said Act.

