



**EAST AFRICAN COMMUNITY**

**3<sup>RD</sup> ANNUAL EAC SECRETARY GENERAL'S FORUM FOR  
PRIVATE SECTOR, CIVIL SOCIETY AND OTHER INTEREST  
GROUPS**

**THEME: "THE EAC: MY HOME, MY BUSINESS"**  
**September 12-13, 2014**  
**IMPERIAL RESORT BEACH HOTEL-ENTEBBE**

**REPORT OF THE FORUM**

**EAC Secretariat,  
Arusha, Tanzania.  
September, 2014**

# **FINAL REPORT OF THE 3<sup>RD</sup> ANNUAL EAC SECRETARY GENERALS FORUM FOR PRIVATE SECTOR, CIVIL SOCIETY AND OTHER INTEREST GROUPS**

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## **1.0 INTRODUCTION**

The 3<sup>rd</sup> EAC Annual Secretary General's Forum was organized by the EAC Secretariat in collaboration with the coordinating Ministries, as well as the Dialogue Partners the EABC, EACSO, EALS, EALGA, EATUC and with the support from GIZ and TMEA. The forum was opened by Hon Tarsis Kabwegyere, Minister of General Duties in the office of the Prime Minister. The overall theme of the forum was the “*EAC: MY HOME, MY BUSINESS*” and the following sub-themes:

- a) Enjoyment of Freedoms and Rights enshrined in the Common Market Protocol
  - Free Movement of Persons
  - Free movement of Labour
  - Right of Residence
- b) Food Security
- c) Climate Change Mitigation and Adaptation
- d) Competitiveness;
  - Access to Affordable Finance
  - ICT( Mobile Commerce and Business Process Outsourcing(BPOs))
  - Sustainable development goals; EAC's Status of preparedness and position

The overall objective of the 3<sup>rd</sup> Annual SG's Forum was to provide a platform where private sector, civil society and other interest groups could dialogue and interact with the EAC Secretary General and his staff as well as with representatives from the Partner States on regional integration matters directly affecting them. The specific objectives of the forum were;

- a) Discuss and make recommendations on status of free movement of Labour, persons as well as the Right of Residence as major indicators of socio-economic integration;
- b) Discuss and make recommendations to address challenges related to food security, climate change mitigation and adaptation; and

c) Deliberate on the region's competitiveness in relation to access to affordable finance and mobile commerce especially interoperability as a challenge as well as opportunities in Business Process Outsourcing (BPOs).

## **SESSION I: OFFICIAL OPENING OF THE CONFERENCE**

### **2.0 OPENING STATEMENTS**

**Master of Ceremony: *Ms. Mary Makoffu, Director Social Sector, EAC Secretariat***

**2.1 Welcome Remarks by Mrs. Edith Mwanje, Permanent Secretary Ministry of East African Community Affairs delivered by Mrs. Ronah Nandaula Sserwada, Commissioner.**

Mrs. Sserwada welcomed all the Delegates especially those who came from outside Uganda and wished them a warm and comfortable stay in the beautiful and quiet town of Entebbe. She informed participants that the Republic of Uganda was pleased to host the forum which was aimed at enhancing the engagement and involvement of the PSOs, CSOs and other interest groups in the EAC integration process.

She reminded participants that the theme of the Forum "The EAC My Home, My Business" is a reminder of the strong cultural and business ties shared by the EAC Partner States. She said that this was demonstrated by the fact even without the current efforts of regional integration the "wanainchi" were already crossing borders not only for trade but also inter-marriages, visiting relatives and seeking education and skills development.

The Commissioner also reminded participants that the forum gives a chance to PSOs and CSOs to demand accountability which in the end ensures transparency and renewed commitment to take forward the EAC integration forward. He therefore called upon the PSOs and CSOs to use the opportunity productively.

She called upon the PSOs and CSOs to continue showing the commitment they had already demonstrated through their participation in the various EAC programs and activities so that the EAC regional integration agenda benefits all and improves the quality of life for the citizens of all Partner States.

She also appealed to participants to take the issue of implementing resolutions made in such for a more seriously, adding that assessing previous performance should form the basis for coming up with other/new resolutions.

She thanked the EAC Secretary General and his team for their continuous commitment to hold the regular event and once again appealed to the PSOs and CSOs to continue engaging and supporting the Governments in addressing the regional integration challenges at both national and regional levels.

## **2.1 Remarks by Mr Felix G.N. Moshia ,Chairman East African Business Council on behalf of the Stakeholders**

Mr. Moshia, on behalf of the Dialogue parties, the private sector, civil society and other interest groups, extended his appreciation to the EAC Secretariat, Partner States, GIZ, Trade Mark East Africa and other development partners for their support in making the forum a success. He stressed that the theme **The “EAC: My Home, My Business”** was very strategic and timely and indeed addressed the two important questions for the Dialogue parties and the citizens of East Africa namely:

- What is required of the policy makers so as to make EAC a suitable region to reside in and make the citizens concerned of the integration process?; and
- What role should the citizens play to ensure that EAC is a suitable region to reside and do business in?

He stressed that it is the responsibility of EAC citizens to embrace EAC as their home and take it as their obligation and commitment to make it habitable for all. The citizenry should therefore work hard towards a sustainable socio economic, cultural and political growth of the region.

Mr. Moshia called on policy makers to strive towards making the region a suitable home for stay and for business. This can be achieved through development, reform and harmonization of appropriate policies and legislation that facilitate an enabling environment for the participation of the citizens, civil society, private sector and other interest groups into the EAC integration process as well as establishing and strengthening relevant institutions for the implementation of the policies and laws enacted.

He added that regional and national policy makers have a key role in the furtherance of the EAC integration process.

He highlighted some of the achievements of the EAC integration including enacting of policies to address bottleneck of intra-regional trade and Non-Tariff barriers; developments in infrastructure and easing of the cross border movement of goods and persons.

He advised that the EAC needed to urgently address the various challenges especially related to the slow implementation of the EAC Common Market Protocol.

He his concluding remarks he urged the EAC Secretary General to embrace the recommendations of the dialogue and to push for their timely implementation in order to realize the theme of the Forum.

## **2.2 Remarks by Mr Bernd Multhaup, HEAD OF PROGRAMME GIZ**

On behalf of the Development Partners, the GIZ Head of Programme commended the EAC Secretariat and the organizing team for the successful implementation of the Consultative Dialogue Framework. He was pleased to note that the support GIZ had given the EAC Consultative Dialogue Framework from its inception was bearing fruit through the organization of the 3<sup>rd</sup> SG Forum and the previous ones as the forum is an integral part of the CDF. He informed that in the early stages mainly Trade Mark East Africa in collaboration with GIZ supported the EAC in the initiatives of a people centred EAC with the various efforts to promote dialogue between the EAC and Private sector, civil society and other interest groups and was happy to report that other development partners had shown interests in supporting this important EAC initiative.

Following a donor round table meeting, organized in July 2014 by the EAC and with the support of GIZ, further development partners have expressed their interests to provide possible support of the organization of the SG Forum in the coming years. However, many development Partners had reported that they were already funding the EAC Secretariat through the Partnership Fund (Partnership Fund is a basket fund mechanism with annual contributions from Development Partners aimed at supporting the EAC projects and programmes that are geared towards regional integration). Its members include among others Belgium, Canada, Denmark, Finland, France, Germany, Japan, Norway, Sweden, and United Kingdom.

The Head of programme pledge their continued support to the EAC Integration process and concluded his remarks by wishing the organizers from the Partner

States, EAC, EABC and EACSOF successful deliberations during this 3<sup>rd</sup> SG Forum.

### **2.3 Remarks by Amb. Dr. Richard Sezibera, Secretary General, East African Community Secretariat**

On his behalf and on behalf of the East African Community the Secretary General welcomed all delegates to the 3<sup>rd</sup> Secretary General's Forum and thanked the Republic of Uganda for hosting the forum.

He informed the meeting that the EAC had been implementing the Consultative Dialogue Framework since December 2012 after its adoption by the 26<sup>th</sup> Meeting of the Council of Ministers. He under scored the contributions of the Dialogue parties so far in fostering the integration agenda in the areas of advocacy, policy initiation and research which had in turn led to harmonization of product standards, reduction in the incidences of Non-Tariff Barriers, construction of new road corridors, enactment the EAC-HIV/AIDS Prevention and Management Bill 2012; the Development and adoption of the EAC Youth Policy; EAC Policy on Persons with Disabilities; Health Strategic Plan, advocated for the extended Jurisdiction of East African Court of Justice (EACJ); among others.

Amb. Sezibera highlighted the achievements of the EAC including the signing of the Monetary Union Protocol and the consolidation of the implementation of the Common Market. He hoped that the enlargement of the market, the Private sector in the region would exploit the comparative and competitive advantages and generate greater productive efficiency and economies of scale.

He highlighted the challenges the region continues to face including removal of non-tariff barriers (NTBs), the poor state of infrastructure, and slow pace of harmonization of the work permits among others.

He under scored the need for The EAC to position itself strategically to address the myriad global contemporary and emerging issues related to food security and Climate change and the need for Africans to get solutions towards the exploitation of our natural resources to spur the development of the continent

He informed the meeting that the forum would reflect on the EACs progress towards realization of the MDGs, and EAC position into the Post 2015 agenda, what the Sustainable Development Goals entail and mean to the region and was confident that delegates would identify challenges and make recommendations that would strengthen the region's position in the

development of the sustainable goals. He wished the meeting fruitful deliberations.

## **2.5 Opening Statement by Hon. Tarsis Kabwegyere, Minister for General Duties, Office of the Prime Minister**

The Hon. Minister welcomed all delegates to Entebbe and informed the Forum that the Republic of Uganda was proud to be the host of the 3<sup>rd</sup> Forum in 2014. He observed that the CDF was an important platform for promoting dialogue between the various implementing agencies within the governments of EAC Partner States and the dialogue parties. He added that the theme “*EAC: My Home, My Business*” was very relevant as “My home” represents where I draw my sense of belonging. My business represents my source of sustenance. Together they play a very important part in one’s livelihood and a very powerful ingredient to survival and wellbeing.

He informed the meeting that the Government of Uganda was aware of the significance of the issues that had been identified for consideration during this Forum and is totally committed not only on the implementation of the necessary interventions but also in addressing the emerging challenges along the way. He gave highlights on the progress of implementation on each of the sub-thematic topics as follows;

- a) In the field of Climate Change Mitigation and Adaptation, the Government of Uganda had formulated the National Climate Change Policy
- b) In the area of food security, Uganda has for long been without a national policy on agriculture. But in 2013 a national agriculture policy, 2013 was formulated.
- c) On implementation of the Common Market Protocol, the Government has registered a number of key milestones including:
  - i. The issuance of national IDs
  - ii. The removal of Police road blocks along the Northern Corridor routes and Uganda Police has stopped the practice of removing number plates of transit truck that commit traffic offences;
  - iii. The removal of roadblocks that had been put in place for the collection of parking fees by some local governments;
  - iv. The adoption of a total of 352 of 1250 regional standards;

- v. The Review of Sensitive Items (including proposal to reduce rate on rice, wheat and sugar), Duty Remission Scheme and Rules of Origin ongoing;
- vi. The construction of One-Stop-Border Posts (OSBPs). The OSBP at Malaba scheduled for completion by 30th November 2015, while the Katuna, Busia, Mirama Hills, Mutukula, Nimule and Cyanika are among the 19 planned across the region; and
- vii. The Electronic Cargo System under the Uganda Revenue Authority through which 10 Uganda firms were admitted to the authorized economic operator system in 2013;
- viii. With respect to the movement of workers, the key milestones abolishment of fees on work permits but on a reciprocal basis and the finalization of arrangements to pilot the National Manpower Survey.

The Honourable Minister also noted that GOU had taken forward some of the recommendations of the previous fora including initiatives to promote youth economic empowerment and entrepreneurship, discussing practical ways to reduce the costs of communication via telephones, internet and others means, finalizing a national strategy that will guide the national level implementation of the dialogue framework including strengthening networking among the dialogue parties.

The Hon. Minister concluded his remarks by thanking the Secretary General of the EAC and his team, for the continued commitment, support and engagement with Private Sector, Civil Society and other interest groups. He looked forward to the implementation of the recommendations of the Forum.

### **3.0. PRESENTATIONS**

#### **3.1 KEY NOTE ADDRESS BY PROFESSOR YASH TANDON**

The thrust of the keynote was the need for the region to refocus on the old vision of the founding fathers of the EAC. The Professor underscored the importance of accountability and its relationship with the legitimacy of leadership to the people. He observed that as the region begins to exploit her natural resources, it should get prepared to deal with the issue of individual and global interests. It is important therefore, for the non-state actors to form social groups that can hold governments accountable. The Professor also added that the conflict resolution mechanism in place in the respective Partner States still has a challenge of transiting from the conflict situation and post conflict



situation. More emphasis should be placed on the stakeholders' model of mobilizing citizens in EAC Vis a Vis movement style mobilization

**The key note address by Professor Yash is attached as Annex II**

### **Recommendations**

- (a) The region should clearly define its own interest and priorities in the face of the emerging global trends and challenges;**
- (b) EAC should invest more in democratic governance and accountable leadership. This will ensure a shared vision by all the citizens of East African Partner States;**
- (c) The EAC region should continue to negotiate as one bloc and resist any attempt for bilateral negotiations with other international players; and**
- (d) Civil Society are a major force for creating change and therefore should create strong platforms for debate on different social, economic and political issues.**

### **3.2 POST 2015 DEVELOPMENT AGENDA**

***Topic; An assessment of the EAC Position and level of Preparedness by Mr. Charles Lwanga Ntale - African Regional Director Development Initiatives delivered by Mr. Jason Braganza***

The paper explored the EAC's preparedness for the post-2015 development agenda and made recommendations on what needs to be done for the sub-region to develop an appropriate strategy and, through this, be able to reap maximum benefit. He noted the needed for the region to answer two important questions: Does the EAC have a position on the post-2015 agenda? Is the regional body prepared to engage with the agenda? He argued that the SDGs are a logical and strategic progression from the foundation laid by MDG conceptualization, design and implementation, and that besides seeking to complete unfinished business they have the potential to radically transform development in the next two decades. He also argued that any successful implementation of the SDGs by the EAC will not only need improved awareness and understanding, but also investments, deliberate policies and frameworks, as well as a compact between citizens and the EAC. He added that the "total eradication of poverty in all its forms" remains one of the most challenging concerns facing the world in the next 15 years. Proposed Sustainable Development Goals must therefore take center stage.

He emphasized that the proposed post-2015 development framework was both a challenge and opportunity for the EAC to re-cast their “dice”. The key objectives here would be to engage internally (within the region) and externally (with other actors), while at the same time ensuring that post-2015 objectives are fully intertwined with the region’s domestic development agenda.

- Poverty reduction lags behind growth
- Inequality is undermining efforts to reduce poverty
- Attending primary school is becoming the norm, but the quality of education remains a challenge
- Progress toward gender parity is encouraging
- Despite good progress, Africa still has the greatest burden of child and maternal deaths
- Africa has halted the spread of HIV/AIDS, tuberculosis and malaria
- Mixed progress on ensuring environmental sustainability

In order for the EAC to prepare for the post-2015 agenda it has to;

- i. Enhance understanding of the nature and magnitude of the challenge ahead (especially during the period 2015 – 2030);
- ii. Ensure that there is an adequacy of financial and other resources to invest in meeting the SDGs in the EAC and member countries;
- iii. Integrate and harmonise existing and future visions and strategies with Africa Union’s 2063 vision and the SDGs;
- iv. Develop and have in place suitable mechanisms for tracking change and monitoring progress of the agreed development interventions; and,
- v. Build a citizen-EAC compact including building political commitment for implementation of the SDGs.

**Full paper by Mr. Braganza is here to attached as Annex III**

#### **Emerging issues/ discussions**

- The region is currently faced with a dilemma of what model to follow in setting her priorities can the region move away from a “Christmas tree approach of lumping different priorities on the X-mas tree” and adopt a “bull’s eye target where we focus on one particular priority”.
- the need to critically analyze why the region failed in achieving some MDGs and the need to consider including peace security and post conflict as priority focus for Africa.
- Issue of supranationality the EAC Secretariat to address the current subservience of the Secretariat to the Partner States

- The EAC Partner states have different gender frameworks. Need to develop a regional framework relevant to all Partner States
- The Current MDG did not fundamentally address PWD issues. Need to prioritize Persons with Disability issues in the Post 2015 agenda
- Africa continues to have the challenge of financing her development agenda. Need to explore domestic sources of financing the regions' commitments

## **Recommendations**

- a) Partner States should prioritize their respective regional and international commitments and development agenda and identify domestic financing sources for her initiatives;**
- b) The Community should analyze why the region did not achieve the MDGs on eradication of extreme poverty and hunger, child mortality, maternal health, environmental sustainability and Global Partnership and develop strategies to ensure that the SDG implementation is achieved;**
- c) The EAC should develop mechanisms for implementation and monitoring of SDGs;**
- d) EAC Secretariat in collaboration with the Partner States to identify and apply alternative home grown financial resources for maximum efficiency, effectiveness & sustainability of SDGs;**
- e) For EAC to integrate development perspectives there is need to adopt responsive strategies & institutional structures and legal mechanism to provide a framework for better coordination of national and regional entities; and**

### **3.3 UPDATE ON STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS OF THE 1<sup>ST</sup> AND 2<sup>ND</sup> SG FORA BY MS. MARY MAKOFFU, DIRECTOR SOCIAL SECTORS, EAC SECRETARIAT**

The matrix of implementation of the recommendations of the first and second Secretary General's Forum was presented by the Director Social Sectors and is here to attached as **Annex IV**.

## **SESSION 3: BREAKOUT SESSION**

### **THE RIGHTS AND FREEDOMS UNDER THE EAC COMMON MARKET PROTOCOL**

**A:**

**Session Chair; Mr Andrew Luzze, Executive Director, EABC**

**Topic; Rights and Freedoms in East Africa: An Assessment of the Implementation of the Common Market from a Human Rights perspective by Mr. Dan Ameyo- Consultant**

**Rapporteur: Samuel OLUMO**

Mr. Ameyo observed that the setting up of the Common Market and Customs Union have formed the bedrock of the progressive integration efforts, with its success hinged on the spirit of equality among partner states, recognition of diversity as well as the will of their different people. He noted that the preconditions to achieve this include; an extremely insightful strategic vision, a great political courage, the will and determination to develop a framework of authority for central institutions and the strengthening of the rule of law;

The presenter informed the session that the “the pooling of sovereignty is what was intended to be the EAC integration”. He pointed out that both the treaty (Art. 6 basic principles) and the CMP contain Human Rights provisions (Arts. 2(4), 3(2) and 39(2) of the CMP emphasize the promotion and protection of human and people’s rights, prohibition of discrimination; the freedom of movement; right to equal remuneration, dignity, equality, as well as citizens’ rights and justice as anchored in the treaty.

He regretted the limited jurisdiction of the EACJ on HUMAN Rights issues and the outright reluctance of the Partner states to accord EACJ this jurisdiction, it remained the community’s legitimate court to exercise both regional and national jurisdiction over HRs issues.

The presenter made the following recommendations;

- the EAC HRs policy should aim at an international order in which international HRs standards are implemented and respected.

- the Community should identify specific but urgent themes in its promotion of HRs in the CMP and increase focus on them.
- support for free elections must remain a key component of the overall EAC strategy to support democratization in the region; among others

**Full presentation by Mr. Ameyo is here to attached as Annex V**

### **Emerging issues and discussions**

- ✓ Whereas the CMP and treaty guarantees free movement of workers, Article 10(13) CMP negates this in as far as it discriminates against civil servants
- ✓ Work permit fees still remain prohibitive up to USD 2000 for certain category of workers
- ✓ There's an urgent need for a legislation to expand the mandate of the EACJ to include HRs matters
- ✓ Develop a policy providing for a structure that can examine Human Rights abuses at regional level,
- ✓ partner states are struggling with compliance ROL and lacked political will at national level, and could not advice the others on the same,
- ✓ cases of grave violations of human rights including socio economic rights (privacy) especially of women at the borders as they conduct cross border trade
- ✓ there are reports of increased violation of rights of human rights defenders, across the region

### **Recommendations**

- Expedite the implementation of the Directive of the 15<sup>th</sup> Summit of EAC Heads of State to expand the mandate of East African Court of Justice;**
- The process of passing and enacting the Gender Equality Bill should be fast tracked by relevant EAC organs;**
- Article 10(13) of the CMP should be amended in order to eliminate discrimination in the exercise of the right to free movement of workers; and**
- Required documents for work permit applications should be standardized and made uniform throughout the EAC region so as to ease application process and to cultivate the culture of oneness and furtherance of integration within the 5 EAC Partner States.**

**B: PORTABILITY OF SOCIAL SECURITY BENEFITS WITH THE EAC COMMON MARKET BY PROFESSOR JOHN JEAN BARYA, FACULTY OF LAW MAKERERE UNIVERSITY, KAMPALA, UGANDA**

**Chair:** Mr. Sewakiryanga Richard, Executive Director, Uganda National NGO Forum

**Rapporteur:** Mr. Wandera Martin, Center for Labour Research and Studies, Kampala, Uganda

The Professor gave an overview of the status of portability of social security benefits within the East African Community and made recommendations for addressing challenges to achieving portability of social security benefits. He defined social security as a formal arrangements concerned with protection against the socioeconomic costs of contingencies like e.g. old age, disability, unemployment, sickness, orphanage etc. The paper noted that social security is an internationally recognized right under ILO Convention 102 (C.102) According to C.102, national laws and policies should cover the following contingencies: old age, healthcare, sickness benefits, unemployment benefits, family and child support, disability, survivor's benefits and maternity.

On the other hand, Portability was defined as the payment of social security benefits to workers in a country other than the one in which the claim to social security benefits was created. He noted that for portability of social security the be realized the national laws and policies should provide for equality before the social security law regardless of citizenship, exportability, applicability of one law at a time, aggregation or totalisation of benefits and administrative support.

The paper drew the attention of the participants to the following provisions of the CMP that are relevant to the Portability of Social Security benefits:

- Free movement of persons (Article 7)
- Free movement of workers who are citizens of Partner States (Article 10(1))
- The right to social security benefits (Article 3(f))
- The duty of the Council of Ministers to issue directives and make regulations for the realization of social security benefits in the Partner States.
- The duty of Partner States to harmonize national social security laws and policies so as to provide social security benefits for the self-employed

## **Emerging issues/ discussions**

- i. The Council Directive on social security is still in draft and hence the harmonization and coordination of social security systems across the region remains difficult.
- ii. There is limited coordination and portability. Only Rwanda and Burundi have a mechanism for portability
- iii. The Constitution of the Republic of Kenya provides for social security as an explicit constitutional right. In Uganda the constitution only grants public officers the right to social security. In the rest of the Partner States policies provide for social security but with no constitutional guarantees. The absence of legal and constitutional guarantees makes it difficult for a worker to make a claim for social security as a right
- iv. All the Partner States have a four tier system which is comprised of a mandatory public schemes, supplementary voluntary schemes, tax and donor funded social assistance schemes and informal schemes.
- v. Social coverage remains limited in the Partner States and is mainly in the formal sector
- vi. Some positive progress has been made in providing social security benefits in Kenya and Tanzania. Prominent informal sector social security schemes include Kenya's Jua Kali Pension Scheme (MBAO) and (M-SHWARI) scheme. In Tanzania there is the VSRS scheme under the Government Employees' Pension Fund (GEPF).
- vii. Health insurance is fairly advanced in Rwanda, Tanzania and Kenya. With Rwanda's community health scheme (Mutuelles de santé) is the best example. The Mutelles de Santé is funded with annual contributions from the state budget (13% of health budget), 1 percent contribution from Rwanda Social Security Board, military medical Insurance and private health insurance schemes.

### Constraints to the realization of portability in the EAC

- ✓ Different social security legal regimes, policies and schemes undermine coordination and harmonization

- ✓ Lack of constitutional recognition of social security as a right in the Partner States except Kenya and partially Uganda where it is a constitutional right for public officers
- ✓ Corruption, poor management and other governance challenges
- ✓ The lack of harmonized tax policies on social security contributions and benefits
- ✓ Lack of up-to-date actuarial studies which makes it difficult to establish the true financial health of Pension Schemes.

## **Recommendations**

- a) EAC Partner States should recognize social security as a right in all the Partner States;**
- b) Expedite the harmonization of labour and social security laws;**
- c) Partner States undertake actuarial studies to establish the actual financial statuses of Schemes;**
- d) Draft Council Directive on the coordination and portability of Social Security benefits should be finalized and presented to Council for adoption by end of 2014;**
- e) Bilateral arrangements between Partner States and Schemes across the region should be put in place as one of the ways of facilitating actualization; and**
- f) Trade unions and other CSOs should strongly advocate for expeditious harmonization of Social Security Policies.**

## **C: PEOPLE CENTRED EAC: PERSPECTIVES ON THE OPERATING ENVIRONMENT FOR CSO IN EAC PARTNER STATES MR. MORRIS ODHIAMBO**

**Chair: *Mr. Ssewakiryanga Richard, Executive Director, Uganda National NGO Forum***

**Rapporteur: Mr. Odhiambo, EACSO Kenya**

Mr. Odhiambo examined the conditions within which Civil Society Organisations in East Africa operate and the forces that shape and influence the size, extent and functioning of the civil society 'space'. The presenter categorized the factors affect the operating environment of CSOs into *Internal and external* factors. He noted that the internal factors include the nature and extent of transparency and accountability within CSOs. While the External factors include the legal and regulatory environment, public attitudes, trust,



tolerance and participation, corruption, communications, technology and resources.

The paper critically analysed the space for operations of CSOs in the five EAC Partner States and concluded that the space for civic engagement in most countries is restricted by laws and actions of governing elites. There are clear intentions across the region to constrict the space for civil society. This will have negative implications for operations of civil society Organisations both at the domestic level and at the regional level. As a result, the integration process, which anticipates a “people-Centred” process will not run smoothly or may fail in the long run for lack of citizen participation

**Full presentation by Prudence Sebahizi- EACSOF Rwanda is hereto attached as Annex VI.**

### **Emerging issues/discussions**

- The legal and administrative frameworks in the Partner States are not favourable for CSO operations
- The operating environment for CSOs is characterized by political hostility , negative perception and unnecessary bureaucracy
- Delays in processing applications for registration;
- Limited awareness and wrong perception of CSOs by Partner States Government.
- That the framework for Consultative Dialogue Framework remains adhoc
- That conditioning observer status at the EAC on presence of a CSO in all the Partner States undermines consultative dialogue.

### **Recommendations**

- a) A clear structure and coordination mechanism amongst CSOs should be established. To this end, EACSOF National Chapters should be strengthened to optimize the benefits created by regional dialogue space that has been secured through Consultative Dialogue Framework (CDF);**
- b) The Consultative Dialogue Framework should be incorporate into plans and programmes of all dialogue parties at both national and regional level;**
- c) The scope of the Consultative Dialogue Framework should be extended to include other EAC organs and institutions like EALA and EACJ; and**
- d) The rights of human rights’ defenders and civil society activists should be upheld and protected**

## **SESSION 4: FOOD SECURITY, CLIMATE CHANGE MITIGATION AND ADAPTATION**

### **A. Addressing the challenges related to Food Security, Climate Change Mitigation and Adaptation; Prof. Nuhu Hatibu CEO, KILIMO Trust**

**Session Chair; Mr Andrew Luzze, Executive Director, EABC**  
**Rapporteur; Mr. Brian Otiende – EAC Secretariat**

The Professor underscored the importance of Regional Trade to Food Security & Climate Change Adaptation. It specifically focused on how regional trade can address the challenges related to food security and climate change. He observed that household income is the principal determinant of food security and Climate Change Mitigation and Adaptation - cost money - that a non-commercial smallholder not effectively linked to profitable markets, does not have specialization in the production of food in response to resilience advantages and raised income that motivates investment in environmentally sustainable production of food. He emphasized that trade in food will ensure resilience and sustainable food & nutrition security.

In his presentation, the Professor highlighted some key obstacles to trade in food in the region including; Enduring subsistence mentality where millions of smallholders “as” producers of food staples do not trust the market enough to supply the staples foods they desire, Inadequate safety nets to deal with pockets of food shortages, resulting in to limited investment in the development of effective trade and distribution networks. In addition Food produce marketing is allocated only 0.5% of the nation’s Agriculture Research budgets in some Partner States, neglected labour-saving mechanization, that Perpetuates slave labouring with the hand-hoe & other Manual Devices, low productivity of labour, inadequate attention to postharvest systems and agro-processing of staples and limited capabilities to enforce Standards

He argued that the region needs to Change the misleading mind-set about smallholder farmers and discard the misconception that small-scale farming has a limitless capacity to: Lift a high proportion of the poor out of poverty, or be the employment provider of last resort; Focus more on Expanding local, national and regional trade in food; Transform (deliberately) a large proportion of smallholder farmers, to enterprise operators, who: Aggregate commodities to commercially viable volumes; Add Value to the food commodities to facilitate trade; and/or Non-agricultural rural-based industries and other enterprises ,

Focus on building commercial entities, capable of: Attracting and absorbing equity investment and return dividends; Being competitive clients of financial institutions; Financing O&M of production and marketing structures; and Leading value chains as main anchors. Lastly seriously Focus on Trade Facilitation, Rapidly expand research focused on markets and trade; Put more of the extension funding to BDS and skills development in trade logistics; Enforce rules and regulations for level playing field in the market; and Use public procurement strategically.

### **Emerging issues/discussion**

- There are good national and regional strategies on agriculture & food security like the EAC Food Security Action Plan.
- That within the EAC Partner States, there coexist regions with food shortage and surplus
- Poor market access especially in the rural areas is partially responsible for low returns and household incomes.
- There's absence of a food security system. Food security remains a matter of the household and the national governments
- There is limited application of modern and mechanized agricultural technologies in cultivation harvesting and agro-processing
- The subsistence mentality in agricultural sector remains strong
- Inadequate postharvest handling systems
- There is limited technical capacity to enforce productivity enhancing agricultural practices and standards
- Climate Change Adaptation and Mitigation is very costly for majority of farmers
- National economies are too small to absorb national production

### **Recommendations**

- a) Partner States to establish an EAC Commission for Food & Nutrition Security responsible for transformation of food and nutrition security in the EAC Region;**
- b) Partner States to strengthening existing structures such as Agricultural Commodity Online Exchange Systems;**
- c) Partner States and EAC Secretariat to strengthening agricultural research and analysis to focusing on crops, livestock and fisheries;**

- d) Partner States and EAC Secretariat to promote climate change adaptation strategies such as insurance schemes for sharing risks to enhance resilience building;**
- e) EAC Secretariat to undertake technology needs assessment to identify available, required on water access for agriculture (boreholes and irrigation), sustainable energy for rural development, and their related costs for adoption by the Partner States to enhance technology availability and affordability;**
- f) EAC Secretariat to commission a study on models for small holder farmers that would organize them into groups that enable them benefit from economies of scale; and**
- g) Private Sector to support agriculture and food security projects such as Sustainable Agriculture for Youth (STAY) and Climate Smart Agriculture (CSA) in collaboration with Partner States, EAC Secretariat, Kilimo Trust and other stakeholders.**

**B: POSITIONING THE EAC AS THE FOOD BASKET TO AFRICA AND THE REST OF THE WORLD BY DR JEAN NDIMUBANDI REPUBLIC OF BURUNDI**

**Session chair; Amb. Nathan Irumba, Executive Director, SEATINI**

**Rapporteur: Ms Joyce Kevin Abalo, Coordinator, EAHP**

The presentation examined the EAC's potential as a regional and global food basket. The presentation noted that agriculture contributes substantially to the GDP of the EAC economies. The EAC has a huge agricultural potential and it is anticipated that the Eastern African region will outpace southern and western African in food production by 2050. The paper recognizes that despite EAC's huge agricultural potential, several challenges still exist. However the presentation appreciates that there are a number of regional frameworks that have been put in place to address the binding constraints to agricultural production. Among these is the Maputo Declaration that requires African countries to allocate at least 10% of the national budget to agriculture, 6% average annual sector growth, Exploitation of regional complementarities and cooperation and accountability, partnerships and regional coordination. The presenter also added that there's a lot of demand and small farmers are struggling to keep up. Small scale farm producers should become "members of the food business team", operating in an integrated and coordinated manner

with processors and retail/supermarkets. The region should be mindful that International and local food and value chains will drive the “scramble” for land and water resources and hence upscale competition will be between chains.

EAC has potential for positioning itself as a food basket for Africa and the rest of the World (relatively good climate, capacity to grow many food crops, big size of arable and irrigable land, etc.) but to improve the trade performance the region should address the following;

- Improvement of the physical infrastructure in the region (roads, railways, airways, communication)
- Education of traders/businessmen on how to manage and improve their businesses
- Informal trade: hence the region can see ways on how to harmonize domestic laws and regulation, tax systems so as to reduce this form of trade
- Any attempt to increase formal cross-border trade in EAC should be accompanied by the design and implementation of joint trade policies as well as effective customs procedures.

**The full presentation by Dr. Ndimubandi is attached as Annex VI.**

### **Emerging issues and discussions**

- ✓ The region is still grappling with land fragmentation that undermine efficient agricultural output and productivity
- ✓ Reliance on rain fed agriculture the making the region vulnerable to drought and very poor soil conditions
- ✓ The growing population, the pressure on agriculture to provide food and livelihoods is equally increasing
- ✓ Inadequate infrastructure (poor quality of electricity supply, inadequate water supply, port and railroad development roads)
- ✓ Lack of access to long-term and low cost credit for the agricultural sector
- ✓ Limited funding for agricultural research and development infrastructure
- ✓ inadequate serviced industrial parks to attract private sector investment in general and industrial development in particular
- ✓ harmonization in regulations related to standards

## **Recommendations**

- a) **Fast track the removal of the remaining NTBs and discourage emergence of new ones to facilitate marketing and trade;**
- b) **Avoid policy reversals and backsliding on regional agreements and strengthen capacity to understand the benefits of agreed policies;**
- c) **Inculcate among Partner States the need to think regionally and strengthen capacity of members in understanding what they need from policy analysts;**
- d) **EAC to make a more deliberate effort to fund market and trade-facilitating mechanisms that enable Partners States to be more cognizant of the need to implement regional agreements;**
- e) **develop a processing plan to address the post-harvest losses and diseases in East Africa;**
- f) **East African Legislative Assembly to fast track the enactment of the regional Agricultural Cooperatives Bill;**
- g) **EAC to provide a mechanism for protecting EU subsidized agricultural goods entering the East African Community;**
- h) **The EAC Partner States to allocate 10% national budget to the agricultural sector as per the Maputo Heads of States Declaration;**
- i) **Implement the regional agricultural strategy with the emphasis on market oriented strategies; and**
- j) **The EAC Partner States to concentrate more on value addition to agricultural products.**

## **SESSION 5: ENHANCING THE COMPETITIVENESS OF THE EAC**

### **A. ACCESS TO AFFORDABLE FINANCE IN RELATION TO ECONOMIC GROWTH IN EAC BY V. YEDA DIRECTOR GENERAL, EADB DELIVERED BY OSWALD LEO**

The main focus of the presentation was the relationship between access to finance and economic growth in East Africa. The paper also examined nature of East Africa's financial inclusion landscape. To ensure conceptual clarity, the presentation distinguishes between *Access to Finance and Financial Inclusion*. According to the presenter access to finance is concerned with the supply or availability of financial services. Broadly according to him, access to finance broadly includes users of financial services and non-users. On the hand he noted that financial inclusion refers to the use of financial services by

individuals and firms. He classified the access strands into Prudential, Non-prudential, Registered and informal.

The presenter noted that Access to credit is critical element for firms' growth and individual development and hence access to finance is critical for inclusive economic growth. Access to finance by enterprises is the main obstacles for doing business; more so for SMEs. Limited access to finance affects growth of enterprises leads to low income levels, unemployment and poor quality of life & income inequalities. Only 15% of firms use credit to finance investment. Improving access to finance is critical to unlocking EAC's growth potential.

**Full paper by the Director General is attached as Annex VII**

### **Emerging issues/discussions**

- need to address barriers for financial inclusion if EA Africa is to achieve faster economic growth and social economic transformation and inclusive growth.
- financial inclusion is improving overtime all over East Africa and the main cause of this improvement is increased use of mobile phones financial services;
- Highly educated people have higher level of financial inclusion rate than those with less.
- branchless banking is a game changer and calls for partnership between banking institutions and phone companies
- barriers to access to finance at household level include;
  - Insufficient income to open accounts;
  - Costs operating personal accounts are high (This includes high minimum balance);
  - Fear of debt;
  - High cost of borrowing
  - Lack of collateral
  - Information asymmetry
  - Low savings rate
  - Lack of cell phones

## **Recommendations**

- a) **Partner States should take measures to ensure that governments do not crowd out productive sectors of the economy like agriculture and manufacturing in the credit market;**
- b) **Partner States should make strategic interventions to ensure that the share of credit by financial institutions to trade financing is reduced in favour of productive sectors of the economy like agriculture and manufacturing;**
- c) **The Partner States should fast track the establishment of financial institutions for long term and development finance;**
- d) **design an appropriate program for SMEs and financial inclusion of vulnerable groups particularly women, youth, persons with disabilities and elderly;**
- e) **Systems be put in place to make citizens of East Africa more viable agents for sustainable economic growth;**
- f) **The Partner States should expedite the processes of harmonizing credit policies in East Africa in the spirit of integration; and**
- g) **Broad based multi stakeholder conference be held soon to discuss innovative and home grown ways of accessing finance for East Africa in the spirit of dialogue.**

## **B: FACILITATING WELL-FUNCTIONING REGIONAL MARKETS IN THE EAC; HOW CAN AN EFFECTIVE REGIONAL COMPETITION REGIME HELP? SUSANNE RABISCH, CUTS, GEORGE OWUOR, TMEA**

With the enactment of the EAC Competition Act in 2006 foundation for a regional competition regime has been laid. However, implementation of the EAC Competition Act has not seen much progress in spite of its relevance and need. As such, CUTS International (Consumer Unity & Trust Society) is implementing a project to contribute to the process of harmonizing the national and regional competition laws in the EAC region (EACOMP project). Ms. Susan and Mr. Owuor's presentation outlined some of the research findings and suggested ways forward.

**“Export competitiveness** is the ability of the producers to sell goods in the global market place at a price, quality and timeliness comparable to competing foreign producers.” This competition especially in the logistics Industry and the



financial Industry is vital as it allows Low Entry Barriers, increases efficiency and promotes investor confidence.

National and Regional Competition Regimes in the EAC such as the Competition Act, Competition Regulations, Competition Department in Ministry of Trade /EAC Sec, having an Independent Competition Authority and a Competition Tribunal are variably observed across the partner states.

The progress in the Implementation of the EAC Competition Act, 2006 has faced many challenges and there are various competition concerns in the region.

Of the possible ways forward, political will must be created to ensure the motivation of stakeholders to prioritize implementation of the regional and national competition laws. This coupled with capacity building and advocacy initiatives will aid the **“Acceleration of the Implementation of EAC Competition Policy and Law”**

**Full presentation by Ms. Susan and Mr. Owuor is attached as Annex VIII**

#### **Recommendations**

- a) **Political will must be created to ensure the motivation of stakeholders to prioritize implementation of the regional and national competition laws**
- b) **Policy makers and the public should be sensitized the benefits of competition policies**
- c) **Strengthen the capacity of regional and national structures for promoting fair trade practices**
- d) **EAC Partner States should implement the decisions of the SCTIFI of June 2013 by enacting competition laws and or establishing Competition Authorities.**
- e) **The competition laws in the Partner States should be harmonized the regional law**
- f) **Mechanisms for protecting local SMEs should be developed**

**C: INTEGRATING ICT, BPO AND MOBILE PLATFORMS IN THE REGION: OPPORTUNITIES AND CHALLENGES PRESENTER; MR. JEAN PIERRE NIYITEGEKA, REPUBLIC OF RWANDA**

**RAPPORTEUR; Anthony Weru, KEPSA**

The presentation highlighted on the position of ICT among the East African countries stressing that several key developments have been realised by each member states. As a key enabler for social economic transformation, there however, a need to further leverage on ICT capabilities to accelerate regional integration. Through infrastructure, application systems and policy formulation, the integration has to be aligned from strategic positioning, projects and at operational level. The presenter highlighted some best practices of the Republic of Rwanda in ICT and the potential areas of intergration/Harmonization for the East African Countries.

Business Process Outsourcing (BPO) as an outsourcing approach was discussed and with the advent of ICT, its advantages to the region highlighted. The presentation also discussed the current status BPO Market and Opportunities, the challenges for the region, enabling factors and suggested positions that the East African Countries can take.

The status of Mobile Applications/Services (M-services) usage was also discussed. The importance of such services and the challenges faced in the region were highlighted. It was stressed that **“As we develop E-services, let us think of M services too. Other countries no longer talk of E but M”**

**Full presentation by Mr. Niyitegeka is attached as Annex IX**

**Recommendations**

- a) **Create appropriate skills in the region to enable distinctive BPO services from EA**
- b) **Take advantage of members such as Rwanda and Burundi to connect West African Market and EA (especially in the linguistic advantages – French, Lingala, etc.)**
- c) **Provide capital for investment in mobile application development (e.g. contests, loan scheme, etc.)**
- d) **Create EA framework for m-services (for seamless transactions)**
- e) **Encourage skills development in the area through targeted approach**
- f) **Enact legislations on cyber-crime prevention and data protection in order to attract BPO investment.**

## **D: GENERAL RECOMMENDATIONS**

### **The side meeting of the representatives of the Dialogue parties and the EAC Secretary General made the following recommendations;**

- a) Strengthening national dialogue platforms: Under the coordination of Ministries responsible for East African Affairs (MEACAs), EABC and EACSO national chapters as well as other interest groups will support and organize quarterly national dialogue, in order to uphold the principle of “continuous dialogue”. The dialogue parties will together with MEACAs host the meetings on a rotating basis.
- b) Strengthening popular participation in policy formulation: Through the EAC Secretariat, dialogue parties will get more involved in EAC policy processes. The parties will be consulted on emerging EAC policies in such a way that they may have a chance to bring perspectives from their constituencies into policy content, for onward submission to Sectoral Councils.
- c) The policy formulation processes in (2) above will show cause for national platforms and will motivate the parties to take dialogue meetings more seriously, as meeting agenda and content becomes clear and more focused on policy discourse.
- d) Selected key leaders representing the dialogue parties will hold at least 2 meetings prior to the main SG Forum every year, in order to enable them to present recommendations from national dialogue platforms and follow through on any matters arising in the entire dialogue process, which will ease pressure from the main SG Forum. In this sense the Annual SG Forum will become more of a time to take stock of and celebrate successes registered in the course of the year.

### **Session 6: CLOSING CEREMONY**

The 3<sup>rd</sup> annual Secretary General’s Forum was officially closed by Hon Shem Bageine who stressed the importance of such a meeting and thanked the delegates for taking the time to attend the Forum.