



EAST AFRICAN COMMUNITY

**APPLICATION BY THE EAST AFRICAN
COMMUNITY FOR RECOGNITION AS A
REGIONAL ECONOMIC COMMUNITY
OF THE AFRICAN UNION**

BACKGROUND INFORMATION

THE EAST AFRICAN COMMUNITY

1.0 INTRODUCTION

The East African Community is a regional economic organization whose current membership comprises the United Republic of Tanzania, the Republic of Kenya and the Republic of Uganda. This Community is a corporate legal entity established by the Treaty for the Establishment of the East African Community which was signed on November 30th, 1999 and which came into force on July 7th, 2000. This Treaty was registered with the Organisation of African Unity on August 31st 2000 under registration No. 001/2000. Before the coming into force of this Treaty, the Partner States, pursued the integration process on the basis of a 1993 Agreement for the Establishment of a Permanent Tripartite Commission for East African Co-operation.

Both the Republic of Burundi and Republic of Rwanda have applied to join the East African Community. Consideration of their applications is underway.

2.0 OBJECTIVES OF THE COMMUNITY

The East African Community Partner States are convinced that co-operation at the sub-regional and regional levels in all fields of human endeavour will raise the standards of living of the African peoples, maintain and enhance economic stability, foster close and peaceful relations among African States and accelerate the successive stages in the realization of the African Economic Community and Political Union. The Partner States are determined to strengthen their economic, social, cultural, political, technological and other ties for their fast balanced and sustainable development by the establishment of an East African Customs Union and a Common Market as transitional stages to and integral parts of the Community,

subsequently or Monetary Union and ultimately a Political Federation.

The East African Community therefore aims at widening and deepening co-operation among the three Partner States through the development, rationalisation and harmonisation of policies and programmes in various fields for their mutual benefit with a view to achieving economic, social and political integration. The main aspiration is the creation of a bigger market in the region whose impact will include attraction of investments, expansion of business, encouragement of competition and innovation and creation of employment.

In the fulfillment of this aspiration, the Community aims at ensuring:-

- (a) the attainment of sustainable growth and development of the Partner States through the promotion of a more balanced and harmonious development of the Partner States;
- (b) the strengthening and consolidation of co-operation in agreed fields that would lead to equitable economic development within the Partner States and which would in turn, raise the standard of living and improve the quality of life of their populations;
- (c) the promotion of sustainable utilisation of the natural resources of the Partner States and the taking of measures that would effectively protect the natural environment of the Partner States;
- (d) the strengthening and consolidation of the long standing economic, social cultural and traditional ties and associations between the peoples of the Partner States in order to promote a people-centred mutual development of these ties and associations;

- (e) the mainstreaming of gender in all its endeavours and enhancement of the role of women in cultural, social, political, economic and technological development;
- (f) the promotion of peace, security and stability within, and good neighbourliness among the Partner States;
- (g) the enhancement and strengthening of partnerships with the private sector and civil society in order to achieve sustainable socio-economic and political development; and
- (h) the undertaking of such other activities calculated to further the aims of the Community, as the Partner States may from time to time decide to undertake in common.

3.0 AREAS OF CO-OPERATION

For purposes of achieving its objectives the East African Community has, under the Treaty, provided for the establishment of co-operation in the following broad areas:-

- (a) **Trade Liberalisation and development** (*including the development of an East African Trade regime; and the establishment of a Customs Union*);
- (b) **Investment and Industrial Development** (*including the development of an East African Industrial Development Strategy; the rationalisation of investment; the promotion of industrial research and development; the promotion of linkages among industries within the Community; and rationalization in standardisation, quality assurance, metrology and testing*);
- (c) **Monetary and Financial Matters** (*including the systematic development and harmonisation of the Partner States' policies towards the establishment of a Monetary Union; and Banking and Capital Market development*);

- (d) **Infrastructure and Services** (*covering the rationalization and harmonisation of Partner States' policies in roads and road transport, railways and rail transport, civil aviation and civil air transport, maritime transport and ports, inland waterways transport, multi-modal transport, postal services, telecommunications, meteorological services and energy*);
- (e) **Human resources development** (*including fostering of co-operation in education and training and the development of science and technology; enhancement of the role of women in socio-economic development; the free movement of persons, labour, services, right of establishment and residence; co-operation in health, culture, sports and social welfare; development of mass media and outreach programmes*);
- (f) **Development of Agriculture and Natural Resource Management and Utilisation**; and
- (g) **The provision of a conducive environment for development** (*which encapsulates co-operation in political matters including establishment of common foreign and defence policies and promotion of peace and security; co-operation in legal and judicial affairs; and the establishment and enhancement of relations with other regional and international organisations and development partners*).

4.0 ACHIEVEMENTS TO DATE

Since the revival of the integration process the East African Community Partner States have achieved some tangible results in development. These are fourfold as follows:-

- (a) **Institutional achievements:** These include better articulation of the areas of co-operation and the institutional framework following the upgrading of the Agreement for Co-operation into a Treaty; and

rationalisation and harmonisation of policies in the various areas of co-operation on the basis of 5 Year Development Strategies;

- (b) **Confidence – building:** the feeling of integration has been enhanced through, among other developments, the introduction of an East African Passport; introduction of currency convertibility; signing of memoranda of understanding on co-operation in defence and foreign policy co-operation; and encouragement of the establishment of regional private- sector and civil society organisations;

(c) **Establishment of an East African Customs Union**

Following four years of negotiations on aspects of trade liberalization and development, a Protocol on the Establishment of the East African Community Customs Union was prepared and signed on March 2nd, 2004. The Protocol, which will come into force upon ratification by the three Partner States later this year, provides for the following aspects of trade liberalisation and development:

- (i) Customs administration (*including harmonised commodity description and coding system; harmonised trade information and documentation; and trade facilitation*);
- (ii) Trade liberalisation (*including establishment of a common external tariff; elimination of internal tariffs and elimination of non-tariff barriers*);
- (iii) Trade related aspects (*including Rules of Origin; national treatment; anti-dumping measures; subsidies and countervailing measures; safeguard measures; competition; re-exportation of goods; and restrictions and prohibitions to trade*);

- (iv) Export promotion schemes (*including duty drawback schemes, manufacturing under bond schemes; duty and value added tax remission schemes; and export processing zones*);
- (v) Special Economic zones such as freeports; and
- (vi) Exemption regimes.

The Protocol also provides for measures to address imbalances arising out of the establishment of the Customs Union, for mechanisms for handling trade arrangements with countries and organisations outside the Customs Union and for a common Customs Law of the Community.

- (d) **Development of Economic, Service and Social Sectors;** achievements include the harmonisation of industrial standards; harmonization of monetary and fiscal policies; establishment of a capital market development forum; completion of a study on the Industrial Development Strategy; formulation of a programme for the sustainable development of the Lake Victoria Basin; formulation of an East African Road Network project, cross - border telecommunication connectivity, introduction of an East African Postal Automation project; ongoing development of an East African Energy Master plan; completion of a study on the development of regional tourism; revitalisation of the inter-University Council for East Africa ; development of a regional Gender and Community Development Strategy and Programme; development of a regional Agricultural and Rural Development Strategy; programmes on regional judicial training and approximation of municipal laws into a regional context; a study on the establishment of common foreign policy; and development of programmes in health and education.

5.0 REASONS WHY THE EAST AFRICAN COMMUNITY SEEKS ACCREDITATION WITH THE AFRICAN UNION AS A REGIONAL ECONOMIC COMMUNITY

Under the Community's co-operation arrangements cognisance is taken of existing regional co-operation agreements and arrangements jointly and severally binding the East African Community Partner States. In order to perpetuate this, in appreciation of the fact that regional groupings aim at bringing about faster economic development and in order to underscore the role of development partnership, the Treaty obliges the Partner States to, among other things;

- (a) promote, on the basis of principle of subsidiarity, wider unity of Africa with the Community as a step towards the achievement of the objectives of the Treaty Establishing the African Economic Community;
- (b) honour their commitments in respect of multi-national and international organisations; and
- (c) foster, as a Community, co-operative arrangements with other organisations whose activities have a bearing on the Community's objectives.

The Partner States accord special importance to co-operation with the African Union, United Nations Organisation and its agencies, and other international organizations, bilateral and multi-lateral development partners.

It is against this background that the East African Community seeks recognition by the African Union as a regional economic community. This status will enhance the Community's capacity in:-

- (a) contributing to the achievement of the objectives of the African Union through liaison with appropriate organs of the African Union;

- (b) supporting the institutionalisation of the African Union;
- (c) relating its projects and programmes to the further development of the Lagos Plan of Action, the Cairo Agenda for Re-launching Africa's Development and generally towards the implementation of the Treaty Establishing the African Economic Community and the eventual realisation of the African Economic Community in 2028;
- (d) contributing to the establishment of common positions on the New Partnership for Africa's Development (NEPAD), the New African Initiative and ACP-EC trade arrangements under the Partnership Agreement Between the Members of the African Caribbean and Pacific Group of States of the One Part And The European Community and its Member States, of the Other Part (Cotonou Partnership Agreement);
- (e) consolidating co-operation arrangements and co-ordination with other regional economic communities in tackling regional, sub-regional and continental challenges e.g economic disparities, historical constraints to development, political challenges including the governance deficit, the effects of globalisation, poverty and low technological levels and the need to involve civil society and the private sector in development; and
- (f) consolidating the Community's hitherto observer participation on programmes, within the African Union, on such matters as Human Rights, Drug Control and Combating of Corruption.

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