

Building An Inclusive East Africa Community

East Africa Community

The East Africa Community (EAC) was first established in 1967 comprising then of Kenya, Tanzania and Uganda. It collapsed in 1977 as a result of several factors including political differences, but was re-established in 2000 constituting the same member countries. It was later expanded to include Burundi and Rwanda in 2007. The member states have agreed to establish closer economic links through a Free Trade Area (established in 2001), a Customs Union (to be finalised in 2010), a Common Market (negotiations for which are ongoing), a Monetary Union, and ultimately a political federation.

Economic Partnership Agreements

The Economic Partnership Agreements (EPAs) between the European Union (EU) and a group of African, Caribbean and Pacific (ACP) countries are a continuation of pre-existing relations between certain Member States of the European Economic Community (EEC) and the territories that were under their jurisdictions at the beginning of the European economic integration process. These relations date back to the 1957 Treaty of Rome that established an association framework between the territories and the EEC followed by the signing of the Yaounde I and II Conventions in 1963 and 1969 respectively that were later replaced by the Lome Convention of 1975 and ultimately the Cotonou Partnership Agreement of 2001.

The EC-ACP association is characterised by maintaining close economic and commercial relations between the two regions, including the grant of certain financial incentives by the EC to the ACP countries in the form of development aid. In the Lome Convention, trade regime was characterised by the granting of preferential access to ACP states exports by the EC on a non-reciprocal basis. However, with the advent of the World Trade Organisation (WTO) in 1994, these relations were found to be incompatible with its Most Favoured Nation (MFN) rule. EC had to seek WTO waivers to stay in conformity with the WTO rules until when in 2001 it agreed to bring these relations in conformity with WTO rules by signing reciprocal agreements with the ACP countries.

In order to implement this commitment, EC started negotiating the EPAs in 2002. Initially this was done at the individual country level, but it was later decided that the negotiations be conducted at a regional level and which was done for six regions (West Africa, Central Africa, Eastern and Southern Africa, the Southern Africa development community, Caribbean and Pacific region). The WTO waiver granted to the parties was to expire by the end of 2007 and hence Interim Agreements were initialled with some of them in order to meet the deadline of the waiver.

EAC and EPAs

The EAC signed an interim agreement with the EU in November 2007, though the negotiations are still ongoing. At the beginning of these negotiations Kenya and Uganda were part of the Eastern and Southern Africa (ESA) configuration, and Tanzania was negotiating under the Southern Africa Development Community (SADC). In 2005, the EAC became a Customs Union (CU). As negotiations for the EPAs progressed it became apparent that they could not be concluded under different configurations without compromising the union. With the 2007 accession of Burundi and Rwanda, four of the EAC partner states were negotiating the EPAs under ESA, while one under SADC. At the August 2007 EAC Heads of State summit, it was decided that EAC would conclude the EPAs as a bloc. This was to build on the work already done by the partner states in their previous configurations. The negotiations between EAC and EC are at an advanced stage, with a target of signing the final EPAs by July 2009.

Opportunities and Challenges

These developments on the two fronts of regional integration in Eastern Africa and the EPAs offer significant opportunities for promoting economic and social development in the EAC region. However, a wide range of challenges, many of which proved to be stumbling blocks in the previous effort to establish the EAC, still remain. These include those relating to:

- **Implementing existing agreements:** This includes phasing out tariffs within the region in order to implement the FTA, and a common external tariff (CET), as well as removing non-tariff barriers (NTBs).
- **Agreeing to future terms for cooperation and external trade:** This includes possible adjustments to the CET and external trade terms such as those relating to EPAs and the region's engagement in the wider regional integration process such as the one announced in October 2008 at Kampala for integration of EAC, SADC and COMESA.
- **Adjusting to emerging economic and social dynamics:** This is to ensure that while trade integration creates new opportunities, it also leads to redistribution of resources away from some sectors, and those within these sectors need support to take up opportunities elsewhere.
- **Ensuring cooperation:** This most effectively contributes to promoting inclusive developments and poverty reduction, hence, economically and socially marginalised groups require targeted assistance in order to access new trading opportunities.

Thus, successfully tackling these challenges will require a wide range of actions and cooperations across the EAC. Engaging citizens in the policy dialogue and implementation process, so as to ensure action responds to their needs and attracts the ownership required to be politically sustainable is a prominent action in this context. The Building an Inclusive East African Community (BIEAC) project proposes to address these challenges.

The BIEAC Project – Aims and Expectations

The BIEAC-project is being implemented by CUTS Geneva Resource Centre (CUTS GRC) and covers all the five EAC members: Burundi, Kenya, Rwanda, Tanzania and Uganda. The project aims to support a range of civil society organisations (CSOs) in the EAC member countries in the next two years to examine the implications of external trade policies on the welfare and livelihood of people and provide a better understanding of both challenges and opportunities of trade integration. It will support these CSOs in their effort to raise the awareness of the general public on relevant issues, gather their concerns and carry out advocacy to highlight them to the policy makers. This will be done through research, awareness raising and advocacy in two one yearly cycles.

Research partners in these countries will study potential implications of the proposed intra-EAC and external trade policies for the poor and marginalised in the region; identify interventions and policies required to support economic and social adjustment to trade reforms; and measures required to support the poor and marginalised to better access opportunities provided by the intra-EAC and external trade integration. Briefing Papers and easy-to-read Trade Guides will be produced based on this research.

Outreach partners in the target countries will disseminate the findings of the research in awareness raising workshops in different parts of each country. A series of Civil Society Position Papers will be produced based on the concerns raised at these workshops, and will be used for advocacy activities. They will also engage in informal advocacy with national and regional governments.

Outreach partners will also organise national and regional level advocacy workshops to bring together CSOs, relevant government officials, private sector and the academia to discuss emerging issues relating to EAC trade policy and its implications for trade and development. Findings of the research and the civil society position resulting from the activities under the project will thus be shared with the stakeholders relevant for forging EAC trade policy.

Expectations from the project include research outputs on EPAs and regional trade issues; regular thematic outputs like Briefing Papers, Trade Guides and Position Papers; and a sustained interaction with the policy makers during the two years with a view to establish an aware and informed CSO constituency in the region.

For more information on the project, contact

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