

## **4.2 An Overview of the East African Community: Insights on the Way Forward on Amendments to the Treaty and Legal Issues involved in Operationalization of the Common Market**

The presentation was made by Hon. Wilbert Kaahwa, Counsel to the Community. Hon. Kaahwa made the following highlights:

### **4.2.1 Introduction**

#### *4.2.1.1 Role of East African Community*

According to the Treaty for the Establishment of the East African Community (the "Treaty"), the East African Community, as an inter-governmental organization, seeks to strengthen the Partner States' cooperation in political, economic, social and cultural fields, research and technology, defense, security, legal and judicial affairs, for their mutual benefit and fast, balanced and sustainable development. A closer examination of the provisions of the Treaty in respect of different areas of cooperation is a pointer towards sustainable development and integration of the EAC region.<sup>1</sup> For that purpose, the Partner States undertook to establish among themselves and in accordance with the provisions of this Treaty, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation.

#### *4.2.1.2 Objectives of the East African Community*

The EAC aims at achieving its goals and objectives through the realization of the following:

- (a) promotion of sustainable growth and equitable development of the Partner States, including rational utilization of the region's natural resources and protection of the environment;
- (b) strengthening and consolidating the long-standing political, economic, social, cultural and traditional ties and associations

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<sup>1</sup> The areas of cooperation are succinctly provided for under Article 4 and Chapters 11 to 24 of the Treaty

- between the people of the region in promoting a people-centred mutual development;
- (c) enhancement and strengthening of participation of the private sector and civil society;
  - (d) mainstreaming of gender in all programmes and enhancement of the role of women in development;
  - (e) promotion of good governance, including adherence to the principles of democracy, rule of law, accountability, transparency, social justice, equal opportunities and gender equality; and
  - (f) promotion of peace, security and stability within the region and good neighbourliness among the Partner States.

The regional cooperation and integration envisaged in the EAC as stipulated in the Treaty is broad-based, covering among other areas of cooperation, those in trade, investments and industrial development, monetary and fiscal affairs, infrastructure and services, human resources, science and technology, free movement and natural resources management; tourism and wildlife management, health, social and cultural activities, the role of women in socio-economic development; cooperation in political matters, including defense, security, foreign affairs and legal and judicial affairs.<sup>2</sup>

#### **4.2.2 Establishment of the EAC Common Market**

##### *4.2.2.1 Conceptualization of the EAC Common Market Protocol*

The signing of the Protocol on the Establishment of the East African Community Common Market on 20<sup>th</sup> November, 2009 marked a turning point in the East African Community's integration process. The signing of the protocol signified the Community's attainment of the fourth stage of integration.

Economic integration refers to trade unification between different states by the partial or full abolition of customs tariffs on trade taking place within the borders of each state. This is supposed to lead to lower prices for distributors and consumers (as no customs duties are paid within the integrated area); the goal is to increase trade.

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<sup>2</sup> Article 5

The degree of economic integration can be categorized into six stages:

- (a) Preferential trading area;
- (b) Free trade area;
- (c) Customs union;
- (d) Common market;
- (e) Economic and monetary union; and
- (f) Complete economic integration.

These differ in the degree of unification of economic policies, with the highest one being the political union of the states.

A common market is a type of trade bloc which is composed of a customs union with common policies on product regulation, and freedom of movement of the factors of production (capital and labour) and of enterprise.

Sometimes a single market is differentiated as a more advanced form of *common market*. In comparison to a common market a single market envisions more efforts geared towards removing the physical (borders), technical (standards) and fiscal (taxes) barriers among the Member States. These barriers obstruct the freedom of movement of the four factors of production. To remove these barriers the members need political will and they have to formulate common economic policies.<sup>3</sup>

According to Community law, the Common Market Protocol is an annex to and integral part of the Treaty.<sup>4</sup>

#### 4.2.2.2 *Features of the East African Community Common Market*

The bases for the establishment of the EAC Market are the Treaty's requirement that:

1. *"There shall be established a Common Market among the Partner States within the Common Market, and subject to the Protocol of ... there shall be free movement of labour, goods, services, capital and the right of establishment.*
2. *The establishment of the Common Market shall be progressive and in accordance with schedules approved by the Council.*

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<sup>3</sup> Ghosh, P.K. (Ed): *Economic Integration and Third World Development*; Connecticut, Greenwood Press, 1984.  
Schiff, M. and Winters, L. A.: *Regional Integration and Development*; Washington World Bank and Oxford University Press, 2003.

<sup>4</sup> Article 151 of the Treaty.

3. *The Council may establish and confer powers and authority, upon such institutions as it may deem necessary to administer the Common Market<sup>5</sup>; and that*
4. *The Partner States agree to adopt measures to achieve the free movement of persons, labour and services and to ensure the enjoyment of the right of establishment and residence of their citizens within the Community.*
5. *The Partner States agree to conclude a Protocol on the Free Movement of persons, labour, services and Right of Establishment and Residence at a time to be determined by the Council<sup>6</sup>.*

It is on this basis that the Protocol on the Establishment of the East African Community Common Market ("the Common Market Protocol") provides for:

- (a) the free movement of goods<sup>7</sup>;
- (b) the free movement of persons (which encapsulates the free movement of workers and services)<sup>8</sup>;
- (c) the free movement of labour;<sup>9</sup>
- (d) the right of establishment;<sup>10</sup>
- (e) the right of residence;<sup>11</sup>
- (f) the free movement of services;<sup>12</sup>
- (g) the free movement of capital<sup>13</sup>

#### 4.2.2.3 *Scope of the Common Market*

In recognition of the inter-linkages which the stipulated rights and freedoms have on other aspects of integration the Common Market Protocol also provides for co-operation and rationalization and harmonization of policies and programmes in other areas. This process relates, for example to economic and monetary policy co-ordination, co-ordination of trade relations; co-ordination of transport policies; harmonization of social policies; co-operation on statistics, research and technological development; co-operation in

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<sup>5</sup> Article 76

<sup>6</sup> Article 104

<sup>7</sup> Articles 2 and 6

<sup>8</sup> Articles 2 and 7 - 12

<sup>9</sup> *Ibid*

<sup>10</sup> Articles 2 and 13 - 15

<sup>11</sup> Articles 2 and 14

<sup>12</sup> Articles 2 and 16 - 23

<sup>13</sup> Articles 2 and 24 - 28

intellectual property rights; co-operation in industrial development; and co-operation in infrastructure and food security; etc.<sup>14</sup>

The intention of the Common Market protocol in the latter regard is neither to replicate the relevant provisions of the Treaty nor to go beyond the ambit of the rights and freedoms associated with common markets in classical economic theory. The aim for reflecting on other areas of co-operation is rather to have a focused scope of the Common Market and therefore to:

- (a) accelerate economic growth and development of the Partner States through the attainment of the free movement of goods, persons and labour, the rights of establishment and residence and the free movement of services and capital;
- (b) strengthen, coordinate and regulate the economic and trade relations among the Partner States in order to promote accelerated, harmonious and balanced development within the Community;
- (c) sustain the expansion and integration of economic activities within the Community; the benefit of which shall be equitably distributed among the Partner States;
- (d) promote common understanding and cooperation among the nationals of the Partner States for their economic and social development; and
- (e) enhance research and technological advancement to accelerate economic and social development.<sup>15</sup>

### **4.2.3 Key Legal Issues Relevant to Implementation of the Common Market Protocol**

#### *4.2.3.1. International Law Propositions*

To the extent that the Common Market protocol is an annex and integral part of the Treaty, the implementation of the Common Market will be at the same level as that of the Treaty. In this regard, Partner States are challenged by international law requirements applicable to treaties. These propositions include the following:

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<sup>14</sup> Articles 29 - 45

<sup>15</sup> As read from Articles 4 and 5 on the objectives and scope of the Common Market

- (a) the proposition that treaties are binding upon the parties to them and must be performed in good faith (the *pacta sunt servanda* rule); a treaty must create binding interstate juridical or legal relations;
- (b) a treaty must be governed by international law as opposed to municipal law;
- (c) a treaty must satisfy international law requirements on consent of the parties; entry into force; depositary; application; interpretation; invalidity ; and any suspension of operations; and
- (d) a treaty must be made within the realm of sovereignty.

For our purposes we need to dwell and emphasize on the first listed proposition above ie the *pacta sunt servanda* rule. The Partner States are bound by the *pacta sunt servanda* rule to implement the protocol in good faith and in a timely manner.<sup>16</sup> The Council of Ministers has agreed on a post Customs Union Negotiation Programme. This programme which was subsequently adopted by the Summit of Heads of State features:-

- (a) Activities towards entry into force of the protocol (including ratification and deposit of instruments of ratification and institutional reforms);
- (b) Sensitization of the Populations;
- (c) Handling of Outstanding work prominent of which is the finalization of:
  - (i) An Annex on harmonization and mutual recognition of professional and academic qualifications;
  - (ii) An Annex on Social Security benefits;
  - (iii) A Schedule on Trade in Services in the Community; and
  - (iv) A Schedule on the Free Movement of Workers.

It is this programme that the Partner States must by the rule of *pacta sunt servanda* conform to in order to ensure effective implementation of the protocol.

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<sup>16</sup> Article 26 of the 1969 Vienna Convention on the Law of Treaties

The Partner States are obliged to ensure not only the ratification of the protocol by 30<sup>th</sup> April, 2010, but also its domestication within their respective Municipal laws, the timely implementation of its projections and general adherence to its provisions.

A related feature of domestication of the Common Market Protocol is the imperative on Partner States to review some of their statutes on citizenship and immigration; commercial institutions and activities; finance; industry, research and intellectual property etc.

#### *4.2.3.2 Amendment of the Treaty*

The Common Market Protocol's elucidation of Common Market aspects will necessitate a thorough review of those aspects of the Treaty that pertain to free movement of factors of production. For example, there is need to study and propose appropriate amendments to provisions of the Treaty relating to:

- (a) trade liberalization and development;<sup>17</sup>
- (b) measures to address imbalances arising from the establishment of the Common Market;<sup>18</sup>
- (c) related areas of co-operation such as investment and industrial development; standardization, quality assurance metrology and testing; monetary and financial co-operation; infrastructure and services; agriculture and food security to the extent they are covered in the scope of the Common Market.<sup>19</sup>
- (d) Institutional matters whereby the roles and functions of the various organs and institutions can be reviewed for purposes of effective implementation of the Common Market.<sup>20</sup>

For example, there will be need to study and propose amendments to the Treaty on the role and function of the East African Court of Justice. In light of the fact that the fully-fledged Customs Union and the Common Market will give rise to increased movement of goods and services, intra and external trade, trade disputes are bound to arise. Therefore the continued delimited

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<sup>17</sup> Articles 74 - 76

<sup>18</sup> Article 77

<sup>19</sup> Articles 79 – 125

<sup>20</sup> Articles IV, 18, 21, 23, 27, 49, 71 and 127 - 129

jurisdiction of this Court <sup>21</sup> will be unavailing to the Community. There is need to:

- (a) either expedite the conclusion of the Protocol on Operationalization of the Extended Jurisdiction of the Court; or
- (b) amend the Treaty to have the Court play a role similar to the defunct Common Market-Tribunal provided under the 1967 Treaty- for East African Co-operation.<sup>22</sup>

To the extent that the implementation of the Common Market, its projections and institutions will necessitate legislation, the role and functions of the East African Legislative Assembly may need to be reviewed. There could also be need to revisit the composition of the Legislative Assembly.

There is need to examine the functions of the Secretariat as the Community's principal executive organ. Will the Secretariat, together with the Directorate of Customs, be able to implement the Common Market Protocol to harmonize Partner States' relevant policies and activities; and above all to implement decisions? Do we need a strong organ like a commission in lieu of a Secretariat? Should the Secretariat be strengthened; shall we need sectoral organs such as sectoral committees?

#### 4.2.3.3 *Domestication of the Common Market Protocol*

In terms of international law the Partner States are further bound by the *pacta sunt servanda* rule to enact such municipal legislation as will accord the Common Market protocol the force of law within their respective territories.

Although the Treaty provides that: "*Community ... laws shall take precedence over similar national ones on matters pertaining to the implementation of the Treaty*",<sup>23</sup> the Common Market protocol in some key areas gives precedence to national laws. For example:

- (a) with regard to access to and use of land and premises it provides that "*The Partner States agree that access to and use of land and premises shall be governed by the national policies and laws of the Partner States*"<sup>24</sup>; and that

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<sup>21</sup> See Articles 23 and 27(1)

<sup>22</sup> Articles 32 - 42

<sup>23</sup> Article 8(4)

<sup>24</sup> Article 15



- (b) free movement of persons and labour, free movement of workers, permanent residence shall be guaranteed under national laws<sup>25</sup>.

This position is notwithstanding the protocol's also providing that "the Common Market shall be managed in accordance with the relevant laws of the Community".<sup>26</sup>

This position arose out of acknowledgment through negotiations that some Partner States lacked policies and law on such economic factors of production as land. The position seems to be in disharmony with the Treaty and the logical conceptualization of a common market. It is therefore important that the Partner States devise means of addressing this matter through for example expediting the harmonization of:-

- (a) municipal laws as required by Article 126 of the Treaty;<sup>27</sup> so far efforts to harmonize these commercial laws that impact on the Customs Union and the Common Market are at an advanced stage;
- (b) labour policies laws and programmes; tax policies and laws; national social security policies, laws and systems etc. as required under the Common Market Protocol.<sup>28</sup>

#### 4.2.3.4 *Harmonization of National Laws and Policies*

As is the case with integration processes the world over, the negotiations noted the heterogeneity of some of the Partner States' key policies and laws. The Common Market Protocol therefore makes it imperative for the Partner States to harmonize policies and laws that relate the freedoms and rights created. It obliges the Partner States to:-

- (a) harmonize labour policies, laws and programmes;<sup>29</sup>
- (b) harmonize tax policies and laws;<sup>30</sup>
- (c) standardize identification systems for purposes of issuing travel documents;<sup>31</sup>
- (d) harmonize national social security policies laws and systems;<sup>32</sup>.

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<sup>25</sup> Articles 7(3), 13(10), 14(6)

<sup>26</sup> Article 2(3)

<sup>27</sup> Articles 126(2)(b)

<sup>28</sup> Articles 13, 32

<sup>29</sup>

<sup>30</sup> Article 32

<sup>31</sup> Article 8

<sup>32</sup> Op. cit. footnote

The concept of harmonization of national laws is not new in the integration process. But to date it has been afflicted by sovereignty concerns and lack of resources.

Harmonization of laws is however bound to be affected by the wide scope of laws under purview. This scope necessitates adequate resources and focused attention at Partner State level. This apart, the "approximation" paradigm so far used by the EAC remains open-ended. Besides, the fact that implementation of relevant decisions on harmonization of any handled legislation remains the preserve of the Partner States, the process has not realized the ideal results. Taking a leaf from harmonization experiences in the EU and the Economic Community for West African States (ECOWAS), it would be an advantage to decide on an appropriate option. The four broad options are centralized harmonization, separated jurisdiction; a decentralized approach and centralized policy (with implementation at national level). The EAC's approach seems to be mainly an amalgam of centralized policy (with implementation at national level) and decentralized harmonization whereby Partner States are expected to legislate taking cognizance of the Treaty and the harmonization process.

Harmonization could also be approached through legislation at the regional level. The best example in this regard is the enactment of the East African Community Customs Management Act, 2005.

However, there are ongoing studies on the harmonization of commercial laws and counterfeit laws. The latter has reached a stage of preparation of a Bill on Counterfeit Practices.

#### *4.2.3.5 Progressive Establishment of the Common Market*

The Common Market Protocol provides that "*the establishment of the Common Market shall be progressive*".<sup>33</sup>

This is in tandem with the approach by the Treaty and takes cognizance of the fact that some key pedestals of the Common Market still require prior policy harmonization. However, it is important for the Partner States to determine effective time scales for this in order to ensure timely implementation of the Common Market Protocol.

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<sup>33</sup> 29Article 2(5)

A critical test here will be to harmonize the Partner States' understanding and purposive application of the concept of progressive implementation of the Common Market Protocol. In this regard, the Council of Ministers as policy organ will be expected to play a pivotal role in guiding the process. It is challenged to:

- (a) take timely decisions in such matters as harmonization of Partner States policies;
- (b) timely conclusion of outstanding annexes and schedules; and
- (c) timely issuing of directives and regulations.

It is possible that in some instances the whole approach to decision-making, hitherto afflicted by different views on the requirement for consensus in decision making, may benefit from the advisory opinion made by the East African Court of Justice on the issue of consensus.<sup>34</sup>

#### **4.2.4 Conclusion**

On the whole the Common Market Protocol represents the broad consensus of the Partner States and peoples of East Africa on the free movement of factors of production. It is an enabling document, which provides the basis for development of dynamic co-operation in boosting the region's capacity as a solid bloc in its trade and other relations with the rest of the world.

Its provisions are a pointer towards the attainment of such pre-requisites of development in today's world as the creation of a regional market which will optimize economic of scale; the facilitation of the movement of persons, capital goods and services, the attraction of international and cross-border investments; the promotion of the role of the private sector and civil society, the promotion of sustainable environmental management of shared resources; the development of human resources, science and technology etc.

The Common Market Protocol, therefore, constitutes a major step forward in the programme of integration of the East African economies,

However, the Partner States need to implement on good faith and to address all areas where legal support is critical. These include amendment of the Treaty, enactment of legislation and harmonization of national laws.

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<sup>34</sup> EACJ Application No.1 of 2008: In the Matter of A Request by the Council of Ministers for An Advisory Opinion

### **4.3 An Overview of EAC's Programmatic Direction with specific reference to 2010 Integration Agenda**

This session was chaired by the Head of the Rwanda Delegation, Senator Ayinkamiye Speciose. The presentation was made by Mr. Alloyce Mutabingwa, Deputy Secretary General for Planning and Infrastructure. He highlighted the following strategic areas that are at the heart of the regional integration agenda that EAC intend to focus on:

#### *4.3.1. Introduction*

The year 2009, was a watershed in the regional integration process. The conclusion of the negotiations of the EAC Common Market Protocol and its signing by the EAC Heads of State in November 2009; the launching of consultations in the Partner States on the proposed establishment of the East African Monetary Union; as well as the continued successful implementation of the Customs Union and its launching in Burundi and Rwanda during the year; the successful holding of the 1st EAC Budget Conference bringing together the Partner States, the Organs and Institutions of the Community to agree on the priorities for the 2010 -2011 Budget were some of the concrete and positive milestones that made the EAC more visible and focused. The 10<sup>th</sup> Anniversary celebration and its role in elevating the identity and credibility of the Community, as well as the able chairmanship of the EAC-COMESA-SADC Tripartite arrangement by the EAC Secretariat cannot be overemphasized. Indeed, several regional projects and programmes implemented during the year catapulted the EAC into a model regional economic community.

#### *4.3.2. Harmonious EAC Inter Organs and Institutions Relations*

The regional integration process would be unsustainable if it is not built on a collaborative effort of all its constituencies and stakeholders. This is why, the Treaty for the Establishment of the East African Community charges the Organs and Institutions of the Community with crucial roles in promoting regional integration and development. A primary challenge in the effective execution of our regional programmes is to manage harmonious relations and bolster complementary roles and functions of the Organs and Institutions of the Community. The evolvement of strong organs of the Community – a decisive and enabling Executive, a vigilant Legislature, an independent, impartial and authoritative Court of Justice, a highly professional and well equipped Secretariat as well as efficient and effective institutions of the Community – together constitute the prerequisites for successful regional integration and development. These organs and Institutions have to foster a

shared collective responsibility and judicious application of synergies to respond and muster the challenges of regional integration and development.

In this context, as one of the strategic directions for the Community in 2010, we intend to continue harnessing the current cordial working relations as well as the current monthly Inter Organs and Institutions meetings, which have proved to be very effective.

#### *4.3.3 Regional Infrastructure*

At the programmatic level, the emphasis will continue to be placed on the development of regional infrastructure covering roads, rail, communications, civil aviation and airports, ports, inland waterways and energy and, on the whole, implementing those regional projects and programmes that are ongoing. As the Council of Ministers has directed, the Secretariat will develop by June 2010 investment profiles for all priority infrastructure projects approved by the Council to enable Partner States provide the necessary budgets for their implementation at the national and regional level. The critical projects in this area will be the development of a standard gauge rail in the EAC and the establishment of a railways regulatory authority at the regional level.

In this regard, the Arusha-Namanga-Athi River Road Project is expected to be completed in 2010 for the Kenyan component of the road and 2011 for the Tanzanian portion.

The Feasibility Studies and Detailed Design of the Arusha – Holili/Taveta – Voi Road and Malindi –Lunga Lunga/ Tanga – Bagamoyo Road will be finalised in 2010 and the negotiations for credit for their construction will commence in the last quarter of 2010.

Designing of international One Stop Border Post (OSBP) concept and developing a regional legal framework to underpin the concept is among the priority areas. A Consultant has already commenced the preparation of a draft EAC Bill on One Stop Border Post which will be brought to the Assembly for debate and enactment by August 2010. The Secretariat has already received the preliminary design of the OSBP for the Namanga Border Post.

The Secretariat intends also to finalize the Transport Facilitation Project, which aims at developing a framework for harmonization of policies, regulations and standards in the transport sector, to support the regional integration process within the year.

The preparation of an EAC Transport Strategy and Road Sector Development Programme that was initiated in April 2009 will be completed during the year. Under the roads development programme, the strategy shall have a prioritized listing of road projects based on socio economic analysis and a roads database shall also be prepared covering 15000 kms of priority regional roads in the five Partner States.

A regional railways conference scheduled for 11<sup>th</sup> – 12<sup>th</sup> March 2010 in Nairobi, Kenya will provide vital inputs in the development of a roadmap towards the implementation of the East African Railways Master Plan. The five Partner States have agreed to jointly finance the detailed designs for a standard gauge railway system in the region. A decision on this issue is expected in March/April 2010.

The Isaka – Kigali - Burundi Railway Project has received finance to the tune of US\$ 8.5 million from the African Development Bank for its detailed design. The detailed design will be completed early next year and preliminary discussions on works financing have commenced. In tandem the Isaka-Dar es Salaam railway portion of the central corridor is under study for upgrading to standard gauge. The detailed feasibility and design studies are being carried out by Berlington National Railway Corporation of the United States of America under funding from the United States Trade Development Agency (USTDA).

The pre investment study on the EAC Broadband Infrastructure Network has been completed and awaits Partner States commentary before adoption in February 2010. The African Development Bank has agreed to take the lead in mobilizing other development partners to realize this project conceptualized within the framework of the i-connect Africa Summit resolutions of October 2008. The construction of the EAC Broadband Infrastructure Network, which is a terrestrial network, will enable the five Partner States fully link with the undersea cables that have already landed in Mombasa and Dar es Salaam. The region has great potential in the outsourcing business with the broadband links.

The Public Private Partnership concept in regional infrastructure development will be intensified during the year and the period ahead.

#### *4.3.4 Implementing the EAC Common Market Protocol*

The whole region and the world are now focusing on how the Partner States are preparing for the implementation of the EAC Common Market Protocol signed by the EAC Heads of State on 20<sup>th</sup> November 2009.

Following the signing of the Common Market Protocol, the Council of Ministers considered and approved several post negotiation activities; among them the carrying out of an institutional review of the EAC with the objective of establishing institutions deemed necessary for the proper administration of the EAC Common Market.

Indeed, putting in place the institutional framework to underpin the implementation of the Protocol will be one of our integration agendas during the year. In this context, the EAC Secretariat in partnership with the DFID-UK are already working on this issue. During the months of November/December 2009, the DFID Consultants interviewed several stakeholders including officials from the EAC Organs and Institutions and visited the Partner States to collect more views and information in regard to the institutional review. We intend approach the Council of Ministers in April 2010 with a concrete proposal on the way forward after holding of an all inclusive Partner States/EAC Organs and Institutions workshop.

#### *4.3.5 Preparation of the 4<sup>th</sup> EAC Development Strategy (2011-2016)*

The third and current EAC Development Strategy (2006 – 2010) expires by December 2010, hence the urgent need to formulate the 4th Development Strategy that will cover the period (2011 – 2015). In this context, the process of procuring consultants to lead a participatory process involving all the key stakeholders in the formulation of the 4<sup>th</sup> EAC Development Strategy (2011-2015) has already commenced. Further, the Sectoral Council on EAC Affairs at its January 2010 meeting in Arusha directed the Secretariat to propose a long term regional development policy that takes into account the national long term visions of the Partner States to underpin the Development Strategy. This exercise will be finalized by the time of adopting the Development Strategy 2011 – 2015.

#### *4.3.6 East African Monetary Union*

Activities geared towards achieving the 3<sup>rd</sup> pillar of the EAC integration process i.e. the establishment of the EAC Monetary Union are already ongoing. As directed by the 11<sup>th</sup> Summit of the EAC Heads of State, the EAC Monetary Union must be in place by 2012. In this context, the East African Community and the European Central Bank (ECB) entered into a consultancy agreement on 2 June 2009 in regard to the preparation of the Study on the establishment of East African Monetary Union (EAMU) among the Partner States of the East African Community (EAC). The ECB did preliminary research on the study and submitted an interim report which was considered and agreed upon by the EAC Secretariat and the Partner States. Based on the

preliminary findings, the EAC Secretariat launched a series of consultations targeting a broad spectrum of stakeholders in all the five Partner States on the prerequisites for the establishment of the EAC Monetary Union; on the legal, regulatory and institutional framework; and on the preparatory work necessary for the establishment of a single currency.

A regional validation workshop on the establishment of the EAC Monetary Union was held in Kampala, Uganda on the 18<sup>th</sup> to 20<sup>th</sup> January 2010. The output of this workshop will enable the Consultants to finalize and submit the final report of the Study on the establishment of the Monetary Union to the EAC Secretariat by end of February 2010.

Moving forward, the negotiations for the Monetary Union Protocol will commence as soon as the Council of Ministers adopts the Roadmap and the proposals on Institutional arrangements at the center.

#### *4.3.7 Information and Communication Policy and Strategy*

The EAC intends to develop and implement a systematic and dynamic information and communications policy and strategy that would involve the EAC and its broad spectrum of stakeholders in dialogue, reflection and action towards the realization of the mission of the EAC. The raising of awareness about the EAC is not only a means to, but also a function of the overarching development objective of the organization.

It is evident that the EAC (and its various Organ and Institutions; its role, activities, achievements and challenges) is not well known, understood or appreciated among the citizens of the Partner States. Therefore a well-designed and executed communications campaign that is robust as well as on-going, and, is easily understood by the majority of EAC Citizens, is needed to re-shape the general perceptions about the EAC. It should provide relevant information that would help garner greater understanding and public support and endorsement of the EAC's overarching vision, specific mission and particular initiatives of EAC institutions. Achieving this will require the crafting and delivery of a complex set of relevant messages which resonate at both the cognitive (intellectual) and the emotional level of targeted recipients to a very large extent, the Assembly and the Hon. Members will have a critical role in the implementation of the communications policy and strategy for the region.



#### *4.3.8. Involvement of the Civil Society*

To conclude, the involvement of the Civil Society in the EAC regional integration will be one of the strategic interventions during the year. A robust strategy is being prepared that calls for the active participation of a broad spectrum of the civil society in the integration agenda. Indeed the full participation of the people in the regional integration process is required in order to give meaning and purpose to the noble objectives of the Treaty for the Establishment of the East African Community and to propel this region to prosperity.