Domestication and Mainstreaming of Regional Integration processes, instruments and decisions into national policies, legal and regulatory frameworks: issues, challenges and opportunities

Kigali, Rwanda,
April 2013

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Domestication and Mainstreaming of Regional Integration Processes Instruments and Decisions into National Policies, Legal and Regulatory Frameworks

Issues, Challenges and Opportunities – The Case Of Uganda

2013
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<th>Acronym</th>
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<tr>
<td>AEGM</td>
<td>Ad-hoc Expert Group Meeting</td>
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<tr>
<td>AMU</td>
<td>Arab Maghreb Union</td>
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<tr>
<td>AU</td>
<td>African Union</td>
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<tr>
<td>ACTESA</td>
<td>Alliance for Commodity Trade in Eastern and Southern Africa</td>
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<tr>
<td>CEN-SAD</td>
<td>Community of Sahel-Saharan States</td>
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<tr>
<td>CCIs</td>
<td>Cross Cutting Issues</td>
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<tr>
<td>CM</td>
<td>Common Market</td>
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<tr>
<td>CMP</td>
<td>Common Market Protocol</td>
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<td>CMIP</td>
<td>Common Market Implementation Plan</td>
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<td>CPAF</td>
<td>Common Performance Assessment Framework</td>
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<td>CU</td>
<td>Customs Union</td>
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<td>CET</td>
<td>Common External Tariff</td>
<td></td>
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<tr>
<td>CEPGL</td>
<td>Economic Community for Great Lakes Countries</td>
<td></td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>DDPs</td>
<td>District Development Plans</td>
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<tr>
<td>EAC</td>
<td>East African Community</td>
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<tr>
<td>EACCU</td>
<td>East African Community Customs Union</td>
<td></td>
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<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
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<tr>
<td>ECCAS</td>
<td>Economic Community of Central African States</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>EDPRS</td>
<td>Economic Development and Poverty Reduction Strategy</td>
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<td>FTA</td>
<td>Free Trade Area</td>
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<td>HLM</td>
<td>High Level Meeting</td>
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<td>ICE</td>
<td>Inter-Governmental Committee of Experts</td>
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<td>ICGLR</td>
<td>International Conference for Great Lakes Region</td>
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<td>IGAD</td>
<td>Inter-Governmental Authority on Development</td>
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<td>IITC</td>
<td>Inter-Institutional Trade Committee</td>
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<td>IOC</td>
<td>Indian Ocean Commission</td>
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<td>KACITA</td>
<td>Kampala City Traders Association</td>
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<tr>
<td>MAAHF</td>
<td>Ministry of Agriculture, Animal Husbandry and Fisheries</td>
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<tr>
<td>MDA</td>
<td>Ministries, Departments and Agencies</td>
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<td>MEAC</td>
<td>Ministry of East African Community Affairs (Uganda)</td>
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<td>MINEAC</td>
<td>Ministry of East African Community (Rwanda)</td>
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<tr>
<td>MINECOFIN</td>
<td>Ministry of Economic Planning and Finance (Rwanda)</td>
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<tr>
<td>M &amp; E</td>
<td>Monitoring and Evaluation</td>
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<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
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<tr>
<td>MFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
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<tr>
<td>MGLSD</td>
<td>Ministry of Gender, Labour and Social Development</td>
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<td>MIA</td>
<td>Ministry of Internal Affairs</td>
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<td>MES</td>
<td>Ministry of Education and Sports</td>
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<td>MPS</td>
<td>Ministry of Public Service</td>
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<tr>
<td>MOJCA</td>
<td>Ministry of Justice and Constitutional Affairs</td>
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<td>MOH</td>
<td>Ministry of Health</td>
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<tr>
<td>MTIC</td>
<td>Ministry of Trade, Industry and Cooperatives</td>
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<td>MWT</td>
<td>Ministry of Works and Transport</td>
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<tr>
<td>NDP</td>
<td>National Development Plan</td>
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<tr>
<td>NPA</td>
<td>National Planning Authority</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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NSSF - National Social Security Fund
NTBs - Non-Tariff Barriers
PPDA - Public Procurement and Disposal of Public Assets Authority
QUISP - Quality Infrastructure and Standards Programme
REC - Regional Economic Community
SADC - Southern Africa Development Community
SEATINI - Southern and Eastern Africa Trade Information and Negotiations Institute
SRO-EA - Sub-Regional Office for Eastern Africa
SRO-SA - Sub-Regional Office for Southern Africa
SRCM - Sub-Regional Coordination Mechanism
SSPs - Sector Strategy Plans
SWGs - Sector Working Groups
UMA - Uganda Manufacturers Association
UBOS - Uganda Bureau of Statistics
ULRC - Uganda Law reform Commission
UNCCI - Uganda National Chamber of Commerce and Industry
UNCST - Uganda National Council for Science and Technology
UNFFE - Uganda National Farmers Federation
UNECA - United Nations Economic Commission for Africa
UIA - Uganda Investment Authority
URSB - Uganda Registration Services Bureau
USEA - Uganda Services Exporters Association
USSIA - Uganda Small Scale Industries Association
VAT - Value Added Tax
EXECUTIVE SUMMARY

Regional integration is considered to be one of the key drivers of Africa’s economic growth, development and poverty reduction and as such the African Union (AU) has accorded high priority to regional integration. In this regard, the AU has designated eight Regional Economic Communities (RECs), including the East African Community, Common Market for Eastern and Southern Africa, and the Inter-Governmental Authority on Development, as the building blocks for the realization of the African Economic Community envisaged in the Abuja Treaty. In support of the AU vision on regional integration, the United Nations Economic Commission for Africa (UNECA) is keen on domestication and mainstreaming of regional integration processes, instruments and decisions into national policies, legal and regulatory frameworks. In this regard UNECA Sub-Regional Offices for Eastern Africa and Southern Africa (SRO-EA and SRO-SA respectively), have established a Sub-Regional Coordination Mechanism (SRCM) for the United Nations (UN) System-wide Support to the African Union (AU), its New Partnership for Africa’s Development (NEPAD) Programme and Regional Economic Communities (RECs) in Eastern and Southern Africa.

SRO-EA, in particular, would like to use case studies of two or more countries to develop and disseminate a tool-kit on mainstreaming regional integration into national development strategies and implementation plans with a view to fast-tracking integration in the Eastern Africa region. Pursuant to this objective, SRO-EA initiated within the delivering as One-UN, a project on “mainstreaming regional integration in Rwanda.” This project aimed to support the Government of Rwanda through policy analysis and advice, thus enhancing the regional integration institutional framework. Hence, in addition to the work being undertaken in Rwanda, SRO-EA commissioned a study on Uganda with the objective of undertaking an analysis of the state of play toward mainstreaming regional integration in Uganda and preparing a policy-oriented report on mainstreaming regional integration focusing on the Ugandan experience. This report is essentially on the Ugandan case study, but makes cross reference with the Rwanda case to identify commonalities of the two processes.

From the two case studies, the following common elements have emerged as minimum essential elements, which could form the basis for the development of a toolkit on mainstreaming regional integration at the national level:

1) A strategic approach to regional integration to include:
   - Strategic national policy framework on regional integration
   - Creation of one-stop platform (Ministry/Agency) for the coordination of all regional integration issues, including programmes
   - Framework for effective engagement of all stakeholders in a formalized manner, including Civil Society and the Private Sector;
   - Making regional integration a cross-cutting issue in the national strategy or development plan, as well as in the sector strategic plan and budget framework

2) Adoption of communications and mobilization strategy to include:
   - Mobilization of the general public, public officials, parliamentarians, civil society and private sector in support of regional integration
   - Motivation of the citizens to insist on accountability
   - Identification of individual champions of regional integration, as well as business champions having presence in the whole region (such as manufacturers and distributors of consumer items)
   - Sensitization on costs and benefits of regional integration
Showcasing results of successful cases
Support to think tank organizations and creation of centres of excellence

3) Assessment of capacity to identify gaps, leading to an action plan/training programme to plug the gaps with appropriate human capital and skills in both the public and private sectors

4) Alignment of national and regional priorities to ensure maximum benefits from regional integration process

5) Putting in place enablers to facilitate regional integration process
   - Creation of a strong legal framework to include approximation of national laws with regional treaties and protocols
   - Political commitment at all levels of government, including the top leadership, parliament and public officials
   - Strategic selection and harmonization of national priorities with regional programmes
   - Elimination of all barriers to trade and facilitating mobility of persons, including adequate and efficient infrastructure to facilitate trade
   - Macro-economic convergence
   - Training courses on regional integration at schools and universities
   - Creation of strong partnership between the State, the Private Sector and Civil Society

6) Monitoring and Evaluation System based on accountability and good governance to facilitate:
   - Implementation monitoring
   - Impact Assessment
   - Data capture based on:
     - Standardized reporting period
     - Common understanding and interpretation of the indicators,
     - Standardized data collection format
     - Same level of data disaggregation
1. INTRODUCTION

1.1. Background

Regional integration is considered to be one of the key drivers of Africa’s economic growth, development and poverty reduction and as such the African Union (AU) has accorded high priority to regional integration. In this regard, the AU has designated eight Regional Economic Communities (RECs) as the building blocks for the realization of the African Economic Community envisaged in the Abuja Treaty. These are: the Arab Maghreb Union (AMU); the East African Community (EAC); the Common Market for Eastern and Southern Africa (COMESA); the Inter-Governmental Authority for Development (IGAD); the Economic Community of West African States (ECOWAS); the Economic Community of Central African States (ECCAS); the Economic Community of Sahel-Saharan States (CEN-SAD); and Southern Africa Development Community (SADC). In the Eastern Africa Region\(^1\), regional integration is taking root with varying degrees of implementation. Countries in Eastern Africa Region mostly fall under the EAC, COMESA and IGAD regional economic groupings, where the depth and scope of implementation of integration initiatives differ across countries, due to a number of challenges. In order for regional integration agenda to move forward in a meaningful way, there is need to mainstream regional integration instruments and decisions into national policies, legal and regulatory frameworks.

In March 2010, the a High-Level Meeting (HLM) on Regional Integration was organized by the United Nations Economic Commission for Africa (UNECA), in collaboration with the Government of Rwanda. The HLM underscored the importance of fast-tracking and deepening regional integration as a way of mitigating marginalization of Africa in the globalised economy. Pursuant to the resolutions of the high level meeting, the UNECA Sub-Regional Offices for Eastern and Southern Africa (SRO-EA and SRO-SA respectively), have established a Sub-Regional Coordination Mechanism (SRCM) for the United Nations (UN) System-wide Support to the African Union (AU), its New Partnership for Africa’s Development (NEPAD) Programme and Regional Economic Communities (RECs) in Eastern and Southern Africa.

In 2011, meanwhile, SRO-EA initiated within the Delivering as One-UN, a project on “mainstreaming regional integration in Rwanda.” This project aimed to support the Government of Rwanda through policy analysis and advice, thus enhancing the regional integration institutional framework. Advisory services were provided and capacity of relevant individuals strengthened through trainings that are envisaged to continue. This assistance has resulted in more requests by Government to further deepen analysis of integration and ensure that the Rwandan population does not lose out on possible benefits offered by integration including trade creation, movement of labour and capital, as well as improved bargaining power. UNECA would like to use the Rwanda experience and those of other countries to develop and disseminate a tool-kit on mainstreaming regional integration into national development strategies and implementation plans with a view to fast-tracking integration in the Eastern Africa region. In this regard, UNECA has deemed it appropriate to undertake a study on regional integration in Uganda to provide an additional case study of a land-locked country.

1.2. Objectives and Focus of the Uganda Case Study

The main objective of the study was to undertake an analysis of the state of play toward mainstreaming regional integration in Uganda with a view to preparing a policy-oriented report

\(^1\) The Eastern Africa region, which is served by the SRO-EA, comprises the following countries: Burundi, Comoros, D.R. Congo, Djibouti, Ethiopia, Eritrea, Kenya, Madagascar, Rwanda, Seychelles, Somalia, South Sudan, Tanzania and Uganda.
on mainstreaming regional integration focusing on the Ugandan experience. Specific objectives of the study were: (i) to identify emerging issues on regional integration and articulate strategies to address them; and (ii) to enable SRO-EA to disseminate knowledge and best practice on regional integration, among the member States of the Eastern Africa region.

Whereas Uganda subscribes to three regional economic communities, namely: the EAC, COMESA and IGAD, the case study on mainstreaming regional integration in Uganda focuses on the EAC integration arrangements for purposes of illustration. The EAC partner States have in the Treaty establishing the EAC undertaken to establish the Customs Union, a Common Market, a Monetary Union and a Political Federation in order to enhance economic growth and development through regional integration. The case study has provided a general overview of the status the EAC integration as a whole and the measures Uganda is undertaking to mainstream EAC integration at the national level. In particular the Uganda case study has highlighted measures toward the implementation of the Common Market Protocol.

1.3. Study Methodology
This was essentially a desk study involving review of relevant literature on regional integration. Limited field work was carried out in Uganda and a number of public and private sector stakeholders were interviewed (see Annex II). The Consultant also had the opportunity of participating in a national workshop to review status of implementation of the EAC Common Market Protocol. UNECA recognizes the importance of involving member countries in formulating common strategies around topical issues and hence, the Draft Report was presented at the Ad-hoc Expert Group Meeting, on 19th February 2013, at the fringes of the 17th ICE Meeting, held in Kampala, Uganda from 18th to 22nd February, 2013. The report has therefore incorporated the discussions and comments provided during the AEGM.

2. REGIONAL ECONOMIC INTEGRATION: AN OVERVIEW

2.1. General Perspectives

Economic integration is the process by which discriminations existing along national borders are removed between two or more countries. National borders introduce discontinuities in trade, flows of factors of production and in general economic policy. There are several advantages of regional economic integration, notably:

(i) Creating of a larger market in order to enhance production through comparative (or absolute) advantages, based on selection and economies of scale and hence, the formation of an attractive investment basin, both intra and extra market;
(ii) Better quality management through the establishment and enforcement of regional standards as well as pooling of resources for research and development;
(iii) Enhancing global competitiveness and influence;
(iv) Joint development of regional physical and soft infrastructure; and
(v) Social benefits accruing due to harmonization and liberalization of the labour market.

The above factors usually form the perception base of the advantages of regional economic cooperation or integration. This perception can only be realized if there is conviction and commitment on the part of the countries involved, which should be demonstrated through implementation of the regional integration instruments and protocols.
There are essentially two approaches to regional integration. The first approach (school of thought) is associated with late president of Ghana; Kwame Nkrumah who considered paramount political institutions as useful vehicles for bringing about regional integration in other spheres. Nkrumah became famous for his pan-African dictum; “Seek ye first the political kingdom and everything else shall be delivered onto you.” Proponents of this first school of thought argue that a central political authority would result in quickening the integration process.

The second approach (school of thought) is the gradual approach, moving from trade liberalization (Customs Union), Common Market, Economic and Monetary Union then Political Federation (or Union). It is the second approach that was chosen in the case of East African Community, even though some of the EAC still feel strongly about the first approach (see Figure 1).

Figure 1: Gradual Approach to Regional Integration

Source: EAC Secretariat

2.2. Status of Regional Integration in Eastern Africa

As indicated earlier most of the countries in the Eastern African region are associated with the three RECs, namely: EAC, COMESA and IGAD. Besides the three RECs, there are a number of Inter-Governmental Organizations (IGOs) that include: the International Conference for the Great Lakes Region (ICGLR), the Economic Community of the Great Lakes Countries (CEPGL) and the Indian Ocean Commission (IOC) whose mandates and functions are relevant to regional integration. In addition there are specialized agencies, such as Corridor Authorities dealing with
the facilitation of trade and transport, which are equally important in regional integration process. Under this section, however, a brief summary of the achievements of only the three RECs are provided, with slightly more emphasis being placed on the EAC integration process.

### 2.2.1. Common Market for Eastern and Southern Africa

Member States of the Common Market for Eastern and Southern Africa include: Burundi, D.R. Congo, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe (*Figure 2*)

*Figure 2: Map of the COMESA region*

The Treaty establishing the Common Market for Eastern and Southern Africa (COMESA) is a comprehensive agreement covering several areas of cooperation with the ultimate goal of
establishing Economic Community for Eastern and Southern Africa. Major areas of cooperation include: (i) Cooperation in Trade Liberalization, Development and Facilitation; (ii) establishment of a Customs Union; (iii) Monetary and Financial Cooperation; (iv) Development of Transport and Communications Infrastructure; (v) Industrial Development; Energy Development; (vi) Development of Natural Resources and Environmental Protection; (vii) Standardization and Quality Assurance; (viii) Wildlife Conservation and Tourism; Agriculture and Rural Development; (ix) Development of Science and Technology; (x) Human Resource Development; (xi) Private Sector Development; (xii) Investment Promotion and Protection; (xiii) Regional Security and Peace; and (xiv) Free Movement of Persons, Labour, Services, the Right of Establishment and the Right of Residence.

Since its establishment in 1994, COMESA has made strides in most of the above areas of cooperation, but most notably in the area of trade liberalization, development and facilitation. The COMESA FTA was launched way back in the year 2000, with twelve of COMESA’s nineteen member States trading at zero tariffs and another four having substantially reduced tariffs. In October 2008, EAC/COMESA/SADC tripartite arrangement was launched with the aim of creating an FTA in Eastern and Southern Africa, covering 26 countries.

The COMESA Customs Union was launched in 2009 with a transitional period of three years, which has now been extended for a further period of two years, that is, up to 2015. Whereas Common External Tariffs (CETs) were agreed, there are issues with the rules of origin criteria, which are still being negotiated. In addition, exclusion list of “sensitive goods” that had been agreed too need to be reviewed, as they are considered to be too large. In this, regard a study has been carried out with a view to introducing five tariff bands. Despite these challenges, COMESA is pursuing harmonization of monetary and fiscal policies by 2014 and to have a monetary union by 2018.

COMESA has also been quite successful in creating institutions facilitating the integration process, notably: the Eastern and Southern Africa Trade & Development Bank (PTA Bank); COMESSA Clearing House; COMESA Court of Justice; African Trade Insurance Agency; COMESA Business Council; Federation of Associations of Women in Business in Eastern and Southern Africa (FEMCOM); COMESA Leather and Leather Products Institute; COMESA Competition Commission; Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA); and the COMESA Monetary Institute.

### 2.2.2. Inter-Governmental Authority for Development

The Intergovernmental Authority on Development (IGAD) in Eastern Africa was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD) which was founded in 1986. On 21 March 1996, the Heads of State and Government at the Second Extraordinary Summit in Nairobi approved and adopted an Agreement Establishing the Intergovernmental Authority on Development (IGAD). The region has abundant resources, which when properly developed and tapped could secure economic prosperity for the people, in particular, the rich endowment of rivers, lakes and forests, the large livestock stocks and the high agricultural production potential. IGAD Member States comprise: Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan and Uganda, as depicted in Figure 3.
In April 1996 on the recommendation of the Summit of the Heads of State and Government, the IGAD Council of Ministers identified three priority areas of co-operation, namely: (i) Conflict Prevention, Management and Resolution and Humanitarian Affairs; (ii) Infrastructure Development Transport and Communications Infrastructure; (iii) Food Security and Environment Protection.

Having been designated one of the pillars of the African Economic Community in terms of the AEC Treaty, IGAD signed the Protocol on Relations between the AEC and Regional Economic Communities on 25 February 1998 and has collaborated with COMESA and the East African Community to divide projects among themselves so that there is no duplication and to avoid approaching the same donors with the same projects. As the IGAD region is highly affected by internal and external conflicts, the organization has focused most of its efforts toward joint peace promotion and conflict prevention, which are crucial for a sustainable development of countries in the region. Much of IGAD's attention is directed at peace efforts in Somalia and the Sudan. Parallel to such initiatives, the main focus is on capacity-building and awareness creation, and on the early warning of conflicts. Other issues of importance include food security and developing appropriate modalities for regional peacekeeping. Terrorism is also high on the agenda of the IGAD member states, and the IGAD Heads of State and Government meeting at the 9th Summit in Khartoum in January 2002 passed a Resolution on Regional Cooperation to Combat Terrorism.

2.2.3. East African Community

Regional integration in East Africa dates back to the end of the 19th Century during the construction of the Uganda Railway from the coastal town of Mombasa to Fort Florence (present day Kisumu) on the shores of Lake Victoria. In the early 1900s a single customs collection point for Uganda and Kenya was established at Mombasa. In 1917 a Custom Union was established between Uganda and Kenya, which Tanganyika joined in 1919. Subsequently cooperation arrangements culminated into the formation of the East African High Commission in 1948, which lasted until the independence of Tanzania in 1961. Hence forth, the High Commission was
superseded by the East African Common Services Organisation and later the East African Community in 1967. The former East African Community however collapsed in 1977, mainly on account of inequitable distribution of costs and benefits among the partner states. Skewed beneficitation in favour of one particular country led to inter-state imbalances of trade. Secondly, there emerged ideological differences, which led to the three countries adopting different politico-economic models. Kenya preferred capitalism; Uganda settled for a mixed economy, while Tanzania preferred a socialist model. Furthermore and following Idi Amin’s military coup in Uganda in 1971, personality clashes ensued and as such the East African Authority, constituted by the three Heads of State could not meet to discuss and resolve emerging issues.

Despite this historical setback, the spirit of cooperation among the three East African States of Kenya, Uganda and Tanzania was rekindled in the mid 1990s through a Cooperation Agreement. The Agreement was upgraded into a Treaty in 1999, which came into force in the year 2000, following ratification by the partner states. EAC membership expanded to five Partner States when Rwanda and Burundi joined the bloc in 2008 (see Figure 4).

The revived East African Community (EAC) adopted the second approach to regional integration, as illustrated in Figure 1. Though significant progress has been made in the bloc’s integration process, the Customs Union, which was the first pillar upon which integration would be hinged, is yet to be fully operational. The CU was launched in 2005 and was supposed to take full effect by 2010. This has however not happened due to several challenges that have been encountered.
An ideal Customs Union would have the following elements: Free circulation of goods; Common External Tariff; joint collection of custom duties; harmonized trade framework; and removal of internal customs borders. However, the EAC Customs Union, which was anchored on Article 75(5) of the Treaty as well decisions of the EAC Summit, was aimed at the following:

- External tariff regime
- Internal tariff elimination over a 5-year period
- Common customs law and corporation
- Principle of asymmetry
- Decentralized customs collection
Consequential benefits of having a Customs Union are expected to include: enlarged markets; economies of scale; increased competitiveness; optimal resource allocation; improvement in terms of trade; welfare gains; trade expansion; increased investment and production; better positioning of the EAC region in the global economy. As the EAC partner states liberalized trade through the Customs Union with a Common External Tariff (CET) of zero per cent for capital goods, 10 per cent for intermediate goods and 25 per cent for finished goods, save for a negotiated list of sensitive products which attracted higher CET, the protocol provided for a development of a mechanism to identify, monitor and eliminate NTBs in intra EAC trade. However, so far the elimination of NTBs has been rather slow due to the fears of each country losing revenue from imports if fully implemented. Non-tariff barriers (NTBs) which still pose the biggest implementation challenge for the customs union are manifested in the form of many police road blocks, weighbridges, inspection requirements and cumbersome documentation procedures at customs points and licensing restrictions, thereby defeating the idea of free trade as envisaged under this pillar.

Other issues, such as, dynamic gains/losses from trade liberalization; imperfect completion; protection of manufacturing sectors; the disharmony in tax subsidies; and the CET structure being inconsistence with tax structures in the individual partner states have not been dealt with since the inception of the Customs Union. It is also not clear when the issue of securing import duties at the first point on entry, in the case of goods coming from outside the EAC and a framework for sharing revenue will be agreed. If implemented, such an arrangement would facilitate movement of goods from outside the EAC, as opposed to the current practice entailing several customs check points en-route. One-Stop Border Post (OSBP) concept is still under being pursued and has not been implemented in the majority of border posts in the EAC region. Countries are not complying with Rules of Origin due to challenges in understanding the documentation and failure to recognize certificates of origin from other Partner States. While internal trade liberalisation is almost complete, tariffs have been applied in a few instances to preferential partners, mainly on agricultural products. In addition, there are discrepancies over excluded products from liberalisation in countries’ sensitive products lists. There have been cases of trade restrictions and bans imposed by partner states against each other.

Despite the above shortcomings, an assessment by the EAC Secretariat indicated positive gains in trade performance, revenue and investment, as shown below:

**Trade performance**

- Total intra-trade grew from $1.6 billion in 2005 to $3.8 billion in 2010 which is more than 100% increase.
- Percentage of intra trade to total trade has increased from 7.8% in 2006 to 11.4% in 2010
- Total EAC exports grew from $6.4 billion in 2006 to $11.1 billion in 2010 hence 73% increase
- Intra EAC exports to total exports was 20.2% in 2010 compared to 14% in 2006
- Intra EAC imports to total imports averages to 5%
- Cross border investment and FDI

**Growth in Revenue and Investment**

- Average total revenue growth in the 5 partner states was 11% in 2010 compared to 2009
- The overall growth in revenue since 2006 is 42% for the first three states of the EAC
- Rwanda and Burundi’s revenue has grown by 20% between 2008 and 2010
The Revenue/ GDP ratio has stagnated over the period in all the partner States; between Kenya at 22%, Tanzania 18%, Uganda and Rwanda at 12.5%. In 2009, EAC attracted total FDI of US$ 3,732 million which was 2% of Africa’s total FDI inflows. Uganda, Tanzania and Rwanda have been registering growth in FDI inflows over the last 5 years. FDIs accounted for 61%, local investment 36% and portfolio investment at 3% in 2009. Investment has been in capital intensive sectors such as oil exploration, mining and telecommunication. Banking and Insurance has also attracted both Foreign and cross border investment.

After the Customs Union, the next stage in the EAC integration process is the establishment of a Common Market. Hence, the EAC Common Market Protocol (CMP) was launched in July 2010 and also has a spun of five years for it to be fully realized, that is to say by 2015. It is the implementation of the CMP, which is now of paramount significance as it not only incorporates the free movement of goods which was the key pillar of the Customs Union, but also provides for: (i) free movement of persons; (ii) free movement of workers; (iii) the right of establishment; (iv) the right of residence; (v) liberalization of services; and (vi) the removal of restrictions on the free movement of capital. Two years have now gone by and yet there is limited progress in the implementation of the CMP.

3. MAINSTREAMING REGIONAL INTEGRATION IN UGANDA

3.1. Rationale for Mainstreaming Regional Integration at National Level

Regional integration initiatives do require a large degree of public management and implementation at the national level. Without an absolute commitment to implementation at the national level, there can be little progress at the sub-regional level. Doing nothing or too little to implement agreed programmes at the national level can severely hamper the integration process.

If member States proclaim a strong political commitment to integration, then they should demonstrate it at the national level through serious measures and actions to implement and be seen to implement REC decisions. A regional economic community (REC) derives its strength from the member States and as such, the REC integration agenda, is as strong or weak as the members that constitute them. In this context, member States are expected to ensure efficient coordination between the objectives and instruments of regional integration and national economic policy making, and ratify and implement decisions, agreed protocols and instruments in a timely manner.

Member States also have other obligations to fulfill, such as, completing transport missing links attributed to the countries as part of cross-border physical networks, adhering to sound macro-economic policy convergence parameters, and encouraging or institutionalizing parliamentary and public debate on integration at the national level. To this end, countries have to develop a coherent national strategy to ensure that all groups—including civil society, the private sector, political parties, parliamentarians, and immigration and Customs officials—are fully consulted.

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and participate in formulating and implementing regional integration policies.

There are a number of essential elements in mainstreaming regional integration at the national level. These include: (i) Strategic approach that entails adopting a national policy and strategies for regional integration; (ii) appropriate institutional set-up for coordinating the process and for implementation, monitoring and evaluation; (iii) human technical capacity; (iv) the harmonization (or approximation) of national laws with the treaties/protocols; (v) public awareness or outreach program; and (vi) adequate funding. Each one of these essential elements has been examined in respect of the Uganda case.

3.2. Key Findings in Uganda

3.2.1. Strategic Approach to Regional Integration

Mainstreaming regional integration at the national level requires that the national vision (policies and principles) take into account the regional integration agenda. In this regard, there is need to have a strategic approach in the management of the integration process. A strategic approach would not only a country to come with a clear policy on regional integration but would also enable a country to adopt appropriate strategies and programmes, in addition to putting in place a mechanism for monitoring implementation and evaluating the economic and social impact of integration. Monitoring would, for example, lead to the proper identification and addressing of issues that can either delay or threaten integration process. A strategic approach would also enable a country to put in place mechanisms for identifying and sharing costs and benefits.

Uganda has not yet developed a national policy on regional integration. Among EAC Partner States, only Rwanda is said to have developed such a policy. Plans are however underway to commence the drafting of the Issue Paper, which will lead to the development of national policy on regional integration. The target is to have the policy approved by Cabinet by November, 2013. The consultant would like to caution that unless there is participation of all government ministries and agencies concerned with regional integration, as well as private sector and civil society stakeholders in the formulation of the policy, it is likely to only deal with of EAC integration. It is therefore an imperative that this exercise is not left to the Ministry of East African Community Affairs alone.

Meanwhile, a recent a review of Uganda’s National Development Plan (2010/11 – 2014/15) in the context of the EAC integration, carried out by Trade Mark East Africa, on behalf of the Ministry of East African Community, indicates that the NDP did not adequately cover regional integration. The consultant met with officials of the National Planning Authority (NPA) who acknowledged this shortcoming. They attributed this state of affairs to inadequate awareness and information on the EAC integration process, as well as inadequate collaboration between the NPA and the MDAs concerned with regional integration. As a consequence, even the sector plans and budgets of the MDAs do not mainstream implementation of the EAC integration process. The midterm review of the NDP has just begun and the preparation of the successor NDP will also commence next year. NPA has promised to correct the situation. Uganda also has a National Trade Policy, adopted in 2008, but regional integration/regional trade does not feature prominently.
3.2.2. Institutional Framework

The question of an appropriate institutional mechanism to manage regional integration becomes more apparent considering that countries, Uganda inclusive, often have multiple membership to several regional integration groupings. This leads to a situation where different Ministries coordinate the affairs of the different economic groupings to which the country subscribes, leading to duplication of effort and loss of focus.

In mainstreaming regional integration, there may be need for some form of a central political authority, not only at sub-regional level, but also at the national level to manage the implementation of key Protocols, such as the Common Market Protocol. At the national level, there is need to have a national entity which is appropriately empowered in order to ensure implementation. Lack of a central authority to coordinate regional integration, not only results in delays but quite often leads to duplication of effort at the various levels of government.

In the case of Uganda, there is no central political or technical authority on regional integration and yet Uganda subscribes to three RECs, namely the EAC, COMESA and IGAD. As a consequence, each one of these cooperation arrangements is coordinated by a separate Ministry. EAC affairs are coordinated by the Ministry of East African Community; COMESA by the Ministry of Trade, Industry and Cooperatives; and IGAD by the Ministry of Foreign Affairs. Due to this arrangement, duplication of effort does occur. For example, the Inter-Institutional Trade Committee (IITC), set up by the Ministry of Trade, Industry and Cooperatives, has similar membership and functions to that of the National Coordinating Committee set up by the Ministry of East African Community, for the implementation of the EAC Common Market Protocol.

With regard to the EAC integration in particular, there is a feeling among some government officials that there is need to create an EAC Integration Commission or Authority. Those who are in favour of such an arrangement argue that creating such a Commission or Authority would result in better funding. They further argue that a Commission or Authority is likely to attract professional staff with qualifications and knowledge in regional integration and related fields, as opposed to having the general civil service cadre. The consultant is of the view that if an Authority or Commission on regional integration was to be created, it should handle all matters of regional integration and not just the EAC.

On the other hand there are those who feel that the current administrative arrangements can work well provided there is better funding. This group argues that even if an Authority or a Commission is established, the Ministries would still be responsible for implementation of various aspects of regional integration.

In view of the foregoing, it may be more appropriate to create a High Level Forum, bringing together the Ministers and/or Permanent Secretaries of the Ministries coordinating, EAC, COMESA and IGAD integration agenda.

3.2.3. Technical and Financial Capacity

Research carried out by the ECA in 2009 on main factors constraining translation of regional economic community goals into national programmes and plans, ranked lack of resources and

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3 Mainstreaming Regional Integration at the National Level(Ref: E/ECA/CTRCI/6/7, 27 July 2009) – Paper prepared for the Sixth Session of the Committee of Trade, Regional Cooperation and Integration
lack of capacity (professional) as number one and two respectively. The other factors, after the above two, in descending order were: Long negotiation process; Enactment of Laws (Legal Reforms); and Regulations.

Hence, having adequate technical capacity to manage regional integration process is crucial at both the sub-regional and national level. Thus, a country should have capacity to forecast long-term, medium term and immediate costs and benefits under a particular integration arrangement so as to be able to develop strategies to minimize costs (losses) and to maximize the benefits.

Even though the Consultant has not evaluated the technical capacities of the key ministries, as that is beyond the scope of the current assignment, reports were received about staff shortages at the Ministry of East African Community and at the MDAs. Whereas the MDAs have designated officers as focal points on EAC affairs, such personnel handle several other jobs and do not necessarily concentrate of EAC. Moreover, restructuring was reported to be ongoing in some of the Ministries thereby creating further uncertainty about future staffing levels.

As far as funding is concerned, it is an imperative to allocate adequate financial resources toward mainstreaming regional integration and yet in the case of Uganda, there was a general outcry about lack of funds to implement activities related to the EAC integration process. Even the coordinating Ministry, MEACA has indicated lack of funds to fully execute the Common Market Implementation Plan, which they have put in place.

Lack of or inadequate funding may be attributed to two factors. The first one may be due to lack a strategic approach to regional integration, which would otherwise project a long term view and the resources needed. The other one is the fact that MDAs have not adequately mainstreamed regional integration in their work plans and budgets. When the Consultant raised the issue of funding with the Ministry of Finance, Planning and Economic Development (MFPED), the Ministry advocated for a bottom-up approach in mainstreaming regional integration in the planning and budgeting process. In other words, MDAs should properly articulate their requirements in relation to regional integration, before presenting funding requests to the Ministry of Finance. MFPED further argued that most of the MDAs have not developed Sector Investment Plans that would guide MFPED and the National Planning Authority.

3.2.4. Harmonization of National Laws

Signing and ratification of treaties and protocols alone cannot lead to regional integration. It is through implementation of the provisions of the Treaty and the Protocols that will lead to actual economic and political integration. This point has been captured very well in the in the review of Uganda’s National Development Plan in the Context of the EAC Integration, by the Ministry of East African Community Affair\(^4\). It states: “The signing of the Treaty and the various protocols does not by itself create an economically integrated EAC, but merely spells out aspirations of integration. The ‘proof of the pudding’ lies in implementation. Signing of the Treaty and protocols can been seen as a promise by EAC leaders to set the course towards the ultimate aim of regional integration. True integration, however, is achieved through the implementation of this promise, which entails a lengthy process of establishing common rules, regulations and policies.” In this regard, harmonization of national laws to conform to the Treaty and Protocols is a crucial step in regional integration process. This is often very time consuming, but has got to be done.

\(^4\) Review of the National Development Plan in the context of the EAC, Ministry of East African Community Affairs (2012)
Uganda has just begun the exercise of harmonizing the national laws to conform to the Common Market Protocol. Besides the CMP, there several sector specific protocols. The Uganda Law Reform Commission, the agency responsible for this task, has appointed a Consultant who is currently taking stock of the laws that will need to be changed. The Consultant has so far identified fifty four (54) pieces of legislation that will require changing. With a desired a deadline of June 2013, for harmonization of laws, there will be need to prioritize and to revise only the crucial ones. So far the following pieces of legislation are considered as priority: *the Companies Act; Investment Code; Immigration and Citizenship Act and regulations thereto; Social Security Act and the Public Procurement and Disposal of Public Assets Act and regulations thereto*. It is probable that a lot of the required revisions could be made through an omnibus Bill. There might, however, be some that will require enactment of substantive pieces of legislation (separate Acts of Parliament).

### 3.2.5. Development of Regional Infrastructure

Physical integration is an essential element in regional integration and as such, infrastructure is a key component. Member States need to plan well the development of regional infrastructure. Lack of planning or allocation of resources for the development of regional infrastructure hampers regional integration. Trade expansion, which is one of the principle objectives of regional integration, is normally impacted negatively by poor or lack of infrastructure.

In the case of Uganda, high priority has been placed on improving inter-state road and rail links. Most of the roads linking Uganda with the other Partner States have been or are being upgraded. Uganda and Kenya are working towards the joint development of a standard gauge railway to run from Mombasa to Kampala. Uganda is also promoting the joint development of oil pipeline infrastructure.

### 3.2.6. Communications Strategy

Lack of good awareness of the Treaty and Protocols among both the public and private sector stakeholders is detrimental to mainstreaming regional integration. Members of the trading, manufacturing and the business community need to be sensitized about the threats and opportunities the integration arrangement provides. Creating awareness and sensitization is likely to result in a change in the mind-set, among general populace, politicians, technocrats, and the business community, about regional integration. The above categories of members of the country’s population have to be made to think regionally.

There is reason to believe that there is still a great deal of lack of awareness of the East African Community integration arrangements, especially among public officials in Uganda. An evaluation carried out by Dr. Evarist Mugisa (2010) in all EAC countries relating to the level of awareness of the EAC Customs Union appears to confirm this perception. His findings indicated a higher awareness among the stakeholders in the private sector more that the stakeholders in the public sector as shown in Table 1 below.
Table 1: Awareness of the EAC Customs Union

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Public Sector</th>
<th>Level of awareness</th>
<th>Private Sector</th>
<th>Stakeholders</th>
<th>Level of awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs Officials</td>
<td>High</td>
<td>Exporters/Importers</td>
<td>High</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>Low</td>
<td>Informal traders</td>
<td>Above Average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immigrations Officials</td>
<td>Limited</td>
<td>Manufacturers</td>
<td>High</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standards Officials</td>
<td>Below Average</td>
<td>Clearing Agents</td>
<td>High</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Officials</td>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port Officials</td>
<td>Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MEACA indicated that while some level of sensitization had taken place, through electronic and print media, as well in some schools, it was not adequate. MEACA’s communications and outreach strategy is still under development with assistance from Trade-Mark East Africa.

3.2.7. Monitoring and Evaluation System

There is no proper Monitoring and Evaluation system in place as yet; however, MEACA is in the process of developing one. Discussions are ongoing with regard to the proposed indicators with a view to reaching consensus among concerned stakeholders. Base line surveys have also been completed with respect to: (i) free movement of goods; (ii) free movement of services; (iii) free movement of capital; and (iv) other freedoms and rights (free movement of labour, free movement of persons, right of residence and right of establishment).

3.3. Implementation of the Common Market Protocol

The Protocol for the establishment of the EAC Common Market was signed in November 2009 and entered into force on July 1, 2010 following its ratification by the partner States. As negotiations are still ongoing in relation to the Monetary Union and the Political Federation, this report attempts to highlight what Uganda has done toward the implementation of the Customs Union and lays more emphasis on measures being undertaken to implement the Common Market Protocol.

The Common Market Protocol comprises nine parts and six annexes. Part A of the Protocol is the interpretation; Part B provides for the establishment of the EAC Common Market; Part C provides for the Free Movement of Goods; Part D provides for the Free Movements of Persons and Labour; Part E provides for the Rights of Establishment and Residence; Part F provides for the Free Movement of Services; Part G provides for the Free Movement of Capital; and Part H addresses Other Areas of Cooperation in the Common Market.

The 25th meeting of the Council directed the Secretariat to develop standard Terms of Reference to guide Partner States when constituting the National Implementation Committees on Common Market Protocol and submit them to the 18th Meeting of the Sectoral Council of Ministers.

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Responsible for EAC Affairs and Planning for consideration (EAC/CM 25/Directive 04). In an effort to hasten the pace of implementation of the Protocol, the 15th meeting of the Sectoral Council of Ministers responsible for EAC Affairs and Planning had prior to this, directed Partner States to establish National Implementation Committees (NIC) by 29th February, 2012 composed of high level officials under the chairperson of the Ministries responsible for EAC Affairs. The NICs should be composed of (but not limited to) the following ministries/institutions: EAC affairs; immigration; labour and employment; trade; education; finance; planning; Attorney General’s chambers; revenue authorities; central banks; bureau of statistics; private sector foundations and civil society.

The EAC Secretariat went ahead to issue guidelines spelling out the functions and responsibilities of the NICs as follows:

(i) Develop annual work plans to expedite the implementation of the Common Market Protocol;
(ii) Monitor and evaluate the implementation of the Protocol on the Establishment of the East African Community Common Market in their respective Partner States;
(iii) Assign specific responsibilities and tasks to its members based on their respective areas of competencies in line with the work plan
(iv) Initiate and consider studies and hold consultations with key stakeholders at Partner States level to identify key issues/concerns hindering the smooth implementation of the Common Market Protocol;
(v) Undertake field visits within the Partner State to ascertain the level of implementation of the Common Market Protocol;
(vi) Participate in sensitization campaigns in the Partner State about the Common Market;
(vii) To advise and follow up publications in the mass media, the status of implementation of the Common Market Protocol;
(viii) Regularly collect data on agreed indicators and populate the framework for monitoring and prepare bi-annual country progress reports on implementation of the Common Market Protocol;
(ix) Propose policy interventions aimed at expediting the pace of implementing the Common Market Protocol; and
(x) Undertake such other activities as the members may deem necessary and ancillary to the attainment of the foregoing tasks.

Pursuant to the above directives and guidelines, MEACA has come up with the Common Market Implementation Plan (CMIP) which is structured, to enable MEACA and the MDAs to establish and follow up on key actions and responsibilities, as well as timelines in pursuit of the national obligations of the CMP. The CMIP delineates roles of MEACA and the various MDAs, as well as the Private Sector and Civil Society.

3.3.1. Institutional Framework for CMP Implementation

The proposed institutional structure, illustrated in Figure 5, recognizes the fact that the responsibility to implement the various requirements of the CMP is with the appropriate MDAs and as such, it is necessary to establish a Forum for reporting implementation progress. A National Coordinating Committee comprising key Government Ministries has been put in place. The Permanent Secretaries of the relevant key Government Ministries comprise the membership of the National Coordination Committee, which is chaired by the Head of Civil Service. There is
a Technical Committee whose membership is made up of senior government officials at the level of Directors. In addition, there are five Sub-Committees. The functions of the Committees and Sub-Committees are summarized in the sections herein below.

3.3.1.1. The Cabinet

The Cabinet provides political guidance to the implementation process and is to be provided with regular progress reports on the status of implementation of the Common Market requirements in Uganda.

3.3.1.2. The National Coordination Committee on CM Implementation

The mandate of the National Coordination Committee is to provide overall technical guidance to the implementation process. This Committee is to comprise the following Ministries: Ministry of East African Community Affairs (MEACA); Ministry of Justice and Constitutional Affairs (MOJCA); Ministry of Finance, Planning and Economic Development (MFPED); Ministry of Foreign Affairs (MFA); Ministry of Health (MOH); Ministry of Trade, Industry and Cooperatives (MTIC); Ministry of Gender, Labour and Social Development (MGLSD); Ministry of Internal Affairs (MIA); Ministry of Education and Sports (MES); Ministry of Works and Transport (MWT); Ministry of Lands, Housing and Urban Development (MLHUD); Ministry of Agriculture, Animal Husbandry and Fisheries (MAAHF); Ministry of Internal Security (MOS); Ministry of Public Service; and Office of the President.

This Committee is chaired by the Head of Civil Service and is supposed to meet every two months. Whereas the mandate of the National Coordination Committee is indicated as providing overall technical guidance to the CM implementation process, this Committee should also be responsible for formulating the national vision in relation to EAC integration; policy reforms; and for providing overall oversight in the implementation of the Common Market Protocol.

3.3.1.3. The Technical Committee on CMP Implementation

This Committee is chaired by the Director of EAC Affairs at the Ministry of East African Community. Membership comprises Directors from various government Ministries, Heads of Government Institutions, the Private Sector and Civil Society. Its mandate is to undertake technical coordination and monitoring implementation of the CMP in accordance with the matrices. The Technical Committee is also supposed to meet every two months.

3.3.1.4. Expert Sub-Committees

Each of the Sub-Committees (see Figure 5) will be chaired by the lead implementing Ministry and its membership to be drawn from MDAs the Private Sector and Civil Society. Each MDA nominates a technical officer as a member, with an alternate. Each Sub-Committee will have a legal expert, an expert on foreign affairs and a communications expert. The composition and mandates of the sub-committees are detailed in Annex III. The Subcommittees are on:

(i) Free Movement of Capital
(ii) Free Movement of Persons, Workers, the Right of Residence & Right of Establishment
(iii) Free Movement of Goods and Trade related Issues
(iv) Free Movement of Services
(v) Communication and Sensitization
Figure 5: Institutional Arrangements for Coordinating Common Market Implementation

- Cabinet
  - National Coordination Committee on CM Implementation
    - Technical Committee on Common Market Implementation
      - Sub-Committee on the Free Movement of Goods and Trade related Issues
      - Sub-Committee on the Free Movement of Persons, Workers, the Right of Residence & Right of Establishment
      - Sub-Committee on the Free Movement of Services
      - Sub-Committee on Communication and Sensitization
3.3.2. Assignment of Roles

3.3.2.1. Role of MEACA
The Ministry of East African Community Affairs (MEACA) is the one responsible for coordinating Uganda’s efforts toward the EAC integration. The Ministry is responsible for EAC policy formulation; taking the lead in EAC negotiations; and coordination the implementation of the EAC Treaty and Protocols. It has been assigned the following tasks:

3.3.2.2. Role of MDAs
It is the MDAs to ensure that the Common Market is implemented in the areas of their responsibility in accordance with the time limits imposed in the Protocol. In this regard, MDAs are supposed to factor in the implementation of the CMP in their strategies, work plans and budgets. The level of responsibility toward the implementation of the CMP varies among the MDAs, depending on the obligations. Examples of responsibilities assigned to MDAs by MEACA are shown in Annex I.

3.3.2.3. Role of the Private Sector and Civil Society
The Private Sector and Civil Society are expected to play a dual role of contributing their views and providing feedback of any research they may undertake, regarding the impact of the CMP on businesses and opportunities for the people of Uganda. Private Sector and Civil Society Organizations (CSOs) are to be included on the various institutional structures (at the technical and sub-committee level). At the same time the Government is encouraging the Private Sector and Civil Society to establish independent structures and platforms through which they can monitor, advocate, and lobby for the successful implementation of the Common Market in Uganda.

3.3.2.4. Implementation Matrices
In order to facilitate monitoring implementation of the MEACA has proposed detailed implementation matrices covering thematic areas of the CMP as follows:

(i) Free Movement of Persons, Workers and the Right of Residence
(ii) Right of Establishment
(iii) Free Movement of Capital
(iv) Progressive Liberalization of Services
(v) Free Movement of Goods
(vi) Legal and Institutional Reforms

The implementation matrix for each of the above thematic areas of the CMP has six columns as shown in Table 2. In addition to the above thematic areas of the CMP, MEACA also came up with implementation matrices in the following areas:

(i) Sensitization and Communication Activities
(ii) Supporting Measures
Table 2: Typical Implementation Matrix

<table>
<thead>
<tr>
<th>Protocol Requirement</th>
<th>Action Required</th>
<th>Type of action required</th>
<th>Responsible Institution (MDA)</th>
<th>Deadline for Action</th>
<th>Progress</th>
</tr>
</thead>
</table>

*Source: Ministry of East African Community*

3.3. Achievements, Challenges, Lessons and Best Practices in relation to CMP Implementation

3.3.1. Achievements

The following achievements were highlighted at the national workshop to review status of implementation of the EAC Common Market Protocol:

(i) Institutional framework for CMP implementation was put in place and was launched on 8th November, 2011;

(ii) A number of MDAs have begun to mainstream implementation of the CMP in their work plans;

(iii) Fifty four (54) pieces of legislation have been identified for revision and the modalities for harmonization agreed;

(iv) A Sub-Registry of the EAC court of Justice has been opened in Kampala enabling complaints/disputes related to EAC integration to be filed locally;

(v) A National Standards and Quality Policy developed and published in September 2012. In addition training is being undertaken on the EAC harmonized standards;

(vi) Limited sensitization on EAC regional integration process has been undertaken using both electronic and print media and in schools. Broader group of people have not been reached;

(vii) The development of a communications strategy has been embarked upon; and

(viii) The development of a national immigration policy is nearing completion.

3.3.2 Challenges in CMP Implementation

The following challenges have been highlighted:
(i) Limited resources being committed to the implementation of the CMP. Ministries are given budget ceilings by the Ministry of Finance, Planning and Economic Development, thereby leaving little room for maneuver as there are many other competing demands;

(ii) Lack of a monitoring and evaluation system means that implementation progress cannot be tracked and impact evaluation not being undertaken. No measureable indicators have been put in place;

(iii) Lack of a mechanism or sanctions to enforce compliance. Even at the national level, MEACA has no authority to enforce compliance by the MDAs;

(iv) There is no standardized format of for data capture and several MDAs operate manual system of data collection and processing, there by inhibiting data exchange between MEACA and the MDAs and among the MDAs;

(v) Non-standardized formats for data capture, processing and analysis within MDAs and EAC Secretariat inhibits exchange of information;

(vi) Poor coordination between the MDAs and MEACA despite the institutional framework for CMP implementation being in place;

(vii) Poor coordination and collaboration among the MDAs;

(viii) Slow pace of harmonization of the laws delaying implementation of the CMP;

(ix) The proliferation of EAC initiatives diverting attention to the implementation of the CMP

3.3.3. Lessons from the Uganda process

The following are some of the lessons that can be drawn from the implementation of the EAC integration:

- Fast-tracking implementation without an appropriate political authority to oversee the process is difficult. The implementation of the EAC Customs Union, for example, might have been better with an East African Customs Authority at the sub-regional level. Similarly at the national level the entity coordinating implementation should be empowered enough to ensure compliance by the MDAs.

- Lack of resources means that implementation targets are not attainable. In this regard, the Common Market will most likely not be attained by 2015 as envisaged in the Protocol.

- It would appear that the time frame for implementation of major protocols, such as the Customs Union and the Common Market seem to be over ambitious given capacity limitations and other challenges being phased at the national level. The attainment of a fully-fledged Customs Union, for example, was supposed to be achieved within five years, from 2005 to 2010. However this target appears to have been missed as:
o Attainment of free circulation of goods is still hampered by the retention of internal borders;
o Some key taxes affecting trade, such as VAT, Excise Duties and Withholding Tax, rare yet to be harmonized. VAT rates, for example, are 18%, 16% and 18% in Uganda, Kenya and Tanzania, respectively;
o Non Tariff Barriers are still very prevalent despite the Partner States having reached agreement on how to deal with them; and
o Too much dependency on customs taxes as a major source of government revenue has resulted in the Revenue Authority Authorities becoming more mindful of tax collection to the detriment of trade facilitation.

- Lack of appropriate monitoring and evaluation system makes it difficult to track implementation and to undertake impact assessment.

3.3.4. Uganda Best Practices
The implementation of the EAC Common Market Protocol in Uganda is still at nascent stage and as such, it difficult to come to conclusion about best practices. Despite this shortcoming, the following initiatives have the potential to become best practices:

- Uganda is said to be the first country to have come up with an implementation plan for the Common Market Protocol, along with an institutional framework. Success will however depend on dedication and commitment to the execution of the plan fully;
- Assignment of roles to MDAs, Private Sector and Civil Society Organizations has enhanced participation and promoted ownership of the EAC integration process;
- Law reforms are now vetted for compliance with EAC integration agenda; and
- Uganda has established a Parliamentary Committee of EAC Affairs.

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6 Until June 2009, VAT in Tanzania was 20%.
3.4. Recommendations Pertaining to the Uganda

The lack of a single authority or Forum in Uganda to prioritise and coordinate implementation of regional integration initiatives may be inhibiting the mainstreaming regional integration. This is further aggravated by not adopting a strategic approach to regional integration. As a consequence, Uganda has no comprehensive policy on regional integration and the current National Development Plan is very thin on regional integration.

With regard to the EAC integration agenda, minimal progress has been achieved toward implementation of the EAC Common Market Protocol due a number of constraints. The delay in revising laws and regulations to conform to the CMP, in particular is a major challenge likely lead implementation targets not being met. The institutional set-up for the implementation of the CMP, if made fully operational could speed up its implementation, provided that adequate resources are committed for this purpose.

In view of the foregoing, the following recommendations are pertinent in mainstreaming regional integration in Uganda and for fast tracking the implementation of the EAC Common Market Protocol:

1) Consider the establishment of a High Level Forum or Authority on regional integration for a better coordination and implementation of the initiatives and programmes of all regional integration bodies to which Uganda subscribes;

2) In the meantime, broaden the mandate of the National Coordinating Committee that has been established to fast track implementation of the EAC Common Market Protocol, to coordinate all aspects of regional integration (EAC, COMESA, IGAD, etc). This will require harmonizing the functions and mandate of the National Coordinating Committee under MEACA with those of the Inter-Institutional Trade Committee under the Ministry of Trade, Industry and Cooperatives;

3) Ensure better collaboration between the National Planning Authority, Ministry of Finance and Economic Development; Ministry of Trade, Industry and Cooperatives; Ministry of East African Community Affairs; and other MDAs in order to ensure that regional integration is mainstreamed in the 5-year National Development Plan, as well as the national budget framework;

4) Ensure that relevant Ministries, Departments and Agencies mainstream regional integration in their work plans, programmes and budgets. This could be achieved by requiring MDAs to prepare medium term Sector Strategy Plans that should be incorporated in the five-year National Development Plans;

5) Adopt a strategic approach to regional integration in order to come out with a policy framework on regional integration, as well as short term, medium term and long term strategies;
6) Enhance the involvement of the private sector and civil service organizations in activities on mainstreaming of regional integration;

7) With regard to mainstreaming the EAC integration, in particular, there is need to prioritize the implementation of the Common Market Protocol;

8) The monitoring and evaluation system being developed by the Ministry of East African Community should incorporate all the relevant MDAs and should highlight accountability and good governance;

9) Undertake capacity assessment at MEACA and the MDAs and adopt a strategy for bridging identified capacity gaps.

10) Develop standardized formats for data collection. This will require the EAC Secretariat to develop guidelines on the nature of and frequency of statistical data collection in order to enhance comparability of statistics among the EAC Partner States; and

11) Enhance and expand awareness programmes to cover a broader spectrum of stakeholders, with more emphasis being placed on the public sector.
4. COMPARATIVE ANALYSIS OF UGANDA AND RWANDA MODELS FOR MAINSTREAMING REGIONAL INTEGRATION

4.1. Introduction

Rwanda joined the EAC after the original three Partner States, namely, Kenya, Uganda and Tanzania had already negotiated and signed the Customs Union Protocol. Rwanda therefore had to play “catch-up”, while ensuring that implementation of the CU Protocol would be beneficial to the country. In this regard, Rwanda needed to rapidly undertake assessment and prioritization of commitments under the EAC. This became the main preoccupation of the Ministry of East African Community (MINEAC) in Rwanda. In addition to implementing the Customs Union Protocol, there is now the Common Market Protocol, as well as other commitments involving a wider array of government sectors; from trade in the Customs Union to wider economic, social and political factors in the Common Market.

4.2. Rwanda’s Approach

From the onset, Rwanda sought to mainstream regional integration in her long term plan and has made it the sixth pillar in the Vision 2020; referred to as ‘Regional and International economic Integration’. Furthermore, in order to effectively implement the EAC agenda it was deemed necessary to mainstream regional integration using existing mechanisms in place. There were a number of choices to consider, for example the Prime Minister’s Office has an M&E system on performance for all Ministries. However, the medium term national planning process is closely linked to the budget process and organized and overseen by the Ministry of Economic Planning and Finance (MINECOFIN). Linking achievements with budgets both domestic and external donor funds was a key motivating force for MDAs to push for achievement of targets. In this sense MINEAC could be assured of full participation from stakeholders as long as those stakeholders have included elements of regional integration into their strategies and particularly within their sector M&E matrix. Therefore, the choice was made to use the Economic Development and Poverty Reduction Strategy (EDPRS) programme to mainstream regional integration. This choice was strengthened by a high level political decision was made to the effect that regional integration would be a priority area in the medium development strategy EDPRS II. Following this high level political commitment, MINEAC has been working closely with MINECOFIN to incorporate regional integration as a Cross Cutting Issue (CCI) in the EDPRS II, which is currently in its final stages of preparation. The process began in April 2012 and is expected to be completed by March 2013.

EDPRS II is being built around four Thematic Areas each with a set of key outcome indicators. These are: Economic Transformation for Growth; Rural Development; Productivity and Youth Employment; and Accountable Governance. It is expected that these will be monitored in a similar was to EDPRS I;

EDPRS I – Had 75 key outcome indicators summarizing activities through all Sector Working Groups (SWGs) called the Common Performance Assessment Framework (CPAF). The indicators are linked to the
i.e. with a joint assessment framework (CPAF) as part of a national monitoring process with linkages to the budget. Each priority outcome in the thematic areas is allocated to a sector which is responsible for delivering. Each sector is required to prepare a Sector Strategic Plan (SSP) which incorporates the Thematic Areas and other sector-specific indicators. A new emphasis in EDPRS II is a greater focus on District-led development, or sub-national level planning. Therefore districts are required to prepare District Development Plans (DDPs) at the same time as Sectors are preparing their SSPs. The DDPs will incorporate priorities from sectors which are aligned to the SSP and Thematic Area indicators. Finally, the EDPRS includes six areas classified as Cross Cutting Issues (CCIs). These are areas that will impact all sectors and thematic areas, such as, capacity building, or the environment. Regional integration is now one of the six CCIs and therefore regional integration priorities will also need to be incorporated across these strategic mechanisms and their M&E frameworks.

The EDPRS Monitoring and Evaluation (M&E) framework is linked to both the high level Vision 2020 goals and guides the budgeting process. Hence, having incorporated regional integration in the EDPRS II, the next thing is to ensure that the EDPRS monitoring and evaluation framework captures regional integration. A positive aspect worthy of notice is that the EDPRS M&E framework involves both government and donor oversight via the sector M&E matrices and the Common Performance Assessment Framework (CPAF) as shown in Figure 6.

Mainstreaming EAC in EDPRS II required the following actions in chronological order:

- Assessing where regional integration fits into EDPRS II;
- Preparing guidelines and trainings for sectors and districts;
- Working on initial strategic priorities; providing inputs into strategic documents; and
- Identifying indicators and policy actions

Vision 2020 goals. This is linked to donor budget support disbursements and so have a strong incentive mechanism for each sector to achieve its targets. There are also Policy Actions associated with each indicator, these set out annual activities required to be carried out to achieve the indicator target. Each SWG has a more detailed M&E matrix which includes the higher level CPAF indicators but also other sector-relevant targets which assist in achieving sector goals.
The EDPRS II framework stated that each thematic area and sector must consider and prioritize relevant EAC commitments when developing their next five year strategy. Herein below are some examples where EAC is relevant in each of the four main thematic areas:

- **Economic Transformation for Rapid Growth** – Expected to be the main area for regional integration through export growth, private sector development, access to finance, and infrastructure.
- **Rural Development** – Some areas where regional integration can benefit agriculture, markets and regional resource management.
- **Productivity and Youth Employment** – EAC will impact education harmonization and skills through common market freedom of movement, and there is expected to be greater FDI through freedom of moment of capital in the region.
- **Accountable Governance** – EAC has a significant impact on the justice sector where there are a large number of laws that need to be harmonized, aligned and amended.
There are also public financial management (PFM), or accountability issues around regional project fund management.

4.3. Institutional Framework

Organizing institutional capacities are an essential component to implementing mainstreaming and for the wider Government to have confidence in the coordinating institution. Therefore the crucial element in the mainstreaming process for Rwanda was the choice of where in the political economy context to align the mainstreaming. As already indicated above, Rwanda chose an existing framework; the EDPRS to rally ensure the engagement of various stakeholders, namely the 16 economic sectors\(^8\), the districts, Civil Society Organizations (CSOs) and Private Sector Organizations (PSOs). CSOs and PSOs are included as the stakeholders within the EDPRS SWGs and the CADFs.

4.4. Lessons from the Rwanda Process

Although the full results of mainstreaming are not yet available as the EDPRS II document is still to be approved and implemented, MINEAC has drawn some lessons learnt from Rwanda’s mainstreaming experience which have been summarized into four areas:

1) **Identification of National and Regional Policy Linkages** – Countries must have a clear and viable reason as to why they wish to mainstream regional integration. Thereafter need arises for alignment between the regional and national development priorities for the mainstreaming process to be successful. If full alignment is not possible, or productive, then countries must identify where the benefits of integration lie and develop their national agenda to ensure they benefit optimally.

2) **Awareness of Capacity** – There needs to be a solid awareness of the capacities of stakeholders (MDAs and the coordinating body) both in terms of comprehension of regional integration and alignment of priorities. An assessment can be carried out and this will feed into the decision whether to and how to mainstreaming. This should also include a view of how open stakeholders are to the process and be able to deal with their concerns. The coordination body itself should be aware of its strengths and limitations; are they well organized and understand the regional and national agenda well enough to lead this process; do they have an institutional framework to support them? **Capacity building** has to be central to the mainstreaming plans to ensure that it is possible to implement and once it is implemented it can be sustainable. The process is resource intensive, in terms of time, effort, staffing and research etc.

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\(^8\) Agriculture, Decentralization; Education; Energy; Environment and Natural Resources; Health; Finance; ICT; Justice; Private Sector Development (PSD); Public Financial Management (PFM); Transport; Social Protection; Urbanization; Water and Sanitation; and Youth. From these 16, five were set as priority areas for EAC: Energy; Finance; Justice; PSD; and Transport.
3) **Taking Account of the Political Economy** – There needs to be identification of the power relationships within the national policy making apparatus. Assuming limited capacity is one of the core reasons that mainstreaming is needed, the mainstreaming process needs to be strengthened by support from the political and financial powers in the Government structures; i.e. high level accountability is essential. There is a need to align mainstreaming with political priorities and national strategies to ensure ownership and sustainability. Thus, there is need for countries to identify political leverage for motivating stakeholders to work in their favour.

4) **Planning, Implementation, Monitoring and Evaluation** – A baseline should be established to show the extent of the coordination problem and how mainstreaming would be expected to alleviate this. This will help create evidence and support for the process itself. Central to the design and implementation of the mainstreaming process should be a wider and longer term M&E system. M&E activities should be designed to support political priorities and national strategies to ensure the relevance of mainstreaming and thus its use. This will in turn strengthen ownership and sustainability of the mainstreaming systems. All levels of M&E should be considered; from high level impact indicators to technical process activities. This will provide evidence for the regional integration process as well as the mainstreaming one.

4.5. **Similarities and Differences between the Ugandan and Rwandan Models**

From the foregoing similarities and difference in mainstreaming the EAC regional integration agenda in Uganda and Rwanda can be discerned:

(i) Both countries have established Ministries for East African Community Affairs to coordinate implementation of the EAC Protocols;

(ii) In both countries, the MDAs have been assigned specific roles in relation to EAC Protocols and are required to mainstream regional integration in their plans and budget processes;

(iii) In both countries engaging with Civil Society and Private Sector Organizations has been recognized;

(iv) Both the Uganda and Rwanda cases deal essentially with mainstreaming the EAC integration process and do not deal with issues arising from the countries’ membership of other RECs such as COMESA;

(v) The Committees and Sub-Committees that have been set up Uganda are somewhat different from the Sector Working Groups in Rwanda, in that the Uganda Sub-Committee while multi-disciplinary (inter-institutional) deal with separate aspects of the EAC Common Market Protocol. The other difference is that the SWGs in Rwanda are not a creation of the Ministry of East African Community Affairs;

(vi) Rwanda chose the Economic Development and Poverty Reduction Strategy (5-year medium plan) as the vehicle for mainstreaming EAC integration whereas in
Uganda the 5-Year National Development Plan has paid little attention to regional integration. In the case of Rwanda sectors and districts were required to prepare Sector Strategy Plans and District Development Plans as part and parcel of EDPRS II;

(vii) In Rwanda, political commitment is demonstrated at the highest level in the decision that EDPRS II must be used to mainstream EAC integration agenda and commitments;

(viii) In Rwanda, the issue of capacity limitations is being addressed by factoring in training with the EDPRS II programme, whereas in Uganda there appears to be no deliberate effort to address capacity issues;

(ix) Rwanda seems to have overcome the issue of funding through the involvement of donors in the EDPRS process; and

(x) The Rwanda M&E framework emphasizes accountability and good governance. As the Uganda M&E framework is still being developed, deeper comparison could not be made. Nevertheless the Rwanda case provides a lesson to Uganda to factor the issue of accountability and good governance in her M&E framework.
5. SUMMARY OF ISSUES, ESSENTIAL ELEMENTS FOR MAINSTREAMING REGIONAL INTEGRATION AND RECOMMENDATIONS

5.1. Summary of Issues and Challenges

From the consultations with various stakeholders in Uganda, the discussions of the Ad-hoc Expert Group Meeting held in Kampala on 19th February 2013 that reviewed the two case studies; as well as the discussions of the High Level Panel on regional integration the following issues and challenges in mainstreaming regional integration emerged:

(i) Lack of technical capacity and limited financial resources, leading to high dependency on donors

(ii) Failure to incorporate the decisions taken at the regional level into national plans had led to failure by countries to implement commitments agreed with other partners

(iii) Mindset among various stakeholders, including politicians characterised by fears of loss of sovereignty, loss of revenue, loss of employment and fear of completion, may be one of the causes of non implementation of decisions taken at the regional level

(iv) There is no mechanism to enforce compliance and to impose sanction for non-compliance

(v) There are conflicting interests within the private sector whereby in some countries the private sees opportunities and pushing for regional integration, while in other countries the private sector feel weak and vulnerable and as such, are lobbying for protective measures

(vi) Multiple membership in various RECs, with different or conflicting agendas on regional integration, is at times very confusing

(vii) Development of missing infrastructure links to foster physical integration and to facilitate movement of goods and services is lagging behind

(viii) There are few centres of excellence and think tanks to support regional integration

(ix) Lack of harmonization of standards

(x) Regionally integrated value chains are yet to be created

(xi) Failure to eliminate NTBs has lead to high cost of doing business, which some members of the private have used to justify requests for protectionism

(xii) Very low levels of awareness of regional integration agenda and its perceived benefits, as well as opportunities available
The private sector still complaining of inadequate involvement and engagement in the decision making and implementation process

5.2. Essential Elements for mainstreaming Regional Integration

The following have emerged as minimum essential elements in mainstreaming regional integration which could form the basis for the development of a toolkit on mainstreaming regional integration at the national level:

7) A strategic approach to regional integration to include:
   - Strategic national policy framework on regional integration
   - Creation of one-stop platform (Ministry/Agency) for the coordination of all regional integration issues, including programmes
   - Framework for effective engagement of all stakeholders in a formalized manner, including Civil Society and the Private Sector;
   - Making regional integration a cross-cutting issue in the national strategy or development plan, as well as in the sector strategic plan and budget framework

8) Adoption of communications and mobilization strategy to include:
   - Mobilization of the general public, public officials, parliamentarians, civil society and private sector in support of regional integration
   - Motivation of the citizens to insist on accountability
   - Identification of individual champions of regional integration, as well as business champions having presence in the whole region (such as manufacturers and distributors of consumer items)
   - Sensitization on costs and benefits of regional integration
   - Showcasing results of successful cases
   - Support to think tank organizations and creation of centres of excellence

9) Assessment of capacity to identify gaps, leading to an action plan/training programme to plug the gaps with appropriate human capital and skills in both the public and private sectors

10) Alignment of national and regional priorities to ensure maximum benefits from regional integration process

11) Putting in place enablers to facilitate regional integration process
   - Creation of a strong legal framework to include approximation of national laws with regional treaties and protocols
   - Political commitment at all levels of government, including the top leadership, parliament and public officials
   - Strategic selection and harmonization of national priorities with regional programmes
   - Elimination of all barriers to trade and facilitating mobility of persons, including adequate and efficient infrastructure to facilitate trade
   - Macro-economic convergence
Training courses on regional integration at schools and universities
Creation of strong partnership between the State, the Private Sector and Civil Society

12) Monitoring and Evaluation System based on accountability and good governance to facilitate:
   - Implementation monitoring
   - Impact Assessment
   - Data capture based on:
     - Standardized reporting period
     - Common understanding and interpretation of the indicators,
     - Standardized data collection format
     - Same level of data disaggregation

5.3. Recommendations

(i) In order to obtain a more complete picture of challenges and issues faced by countries in mainstreaming regional integration and in particular the EAC integration process, it is necessary to have another case study involving a coastal state. This could be either Tanzania or Kenya, in relation to EAC integration process. The justification for this recommendation is that coastal countries tend to have different view of things in comparison with the landlocked countries.

(ii) EAC Partner States should place high priority to the achievement of full implementation of the CU and the CM in order to achieve the full potential of the integration process. This is likely to maximise the impact of regional integration for partner states.

(iii) Also place high priority on the removal of all border controls and achievement of a single customs territory. To begin with, all intra-regional border controls in trade of goods, as eliminating intra-regional border controls would be the most effective way of eliminating NTBs.

(iv) There is need to strengthen national and regional institutions to support implementation of the Customs Union and the Common Market.

(v) There is need to engage more effectively with civil society on regional integration issues and benefits in order to broaden the constituency that supports regional integration.
6. REFERENCES

2. Mainstreaming Regional Integration at the National Level (Ref: E/ECA/CTRCI/6/7, 27 July 2009) – Paper prepared for the Sixth Session of the Committee of Trade, Regional Cooperation and Integration
4. Review of the National Development Plan in the context of the East African Community
7. Lessons from the Rise and Fall of the East African Community (Summary by Prof. Sam TULYA-MUHIKA), Friedrich Ebert Foundation (1995)
8. Uganda Vision 2040: Accelerating Uganda’s Sustainable Development to Prosperity (Draft)
10. National Trade Policy, August 2008
13. Customs Union Achievements and Challenges, by Kenneth BAGAMUHUNDA, Director of Customs, EAC Secretariat
14. An Evaluation of the Implementation and Impact of the EAC Customs Union by Evarist MUGISA, PhD
15. Summary Report on Mainstreaming Regional Integration in Rwanda, by Alexandra Murray-Zmijewski
### Annex I: Examples of Responsibilities assigned to other Ministries implementing the Common Market Protocol

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Role in CMP Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Animal Husbandry &amp; Fisheries</td>
<td>Removing limitations on market access and national treatment of EAC businesses providing services incidental to fishing and hunting as per Annex V of the Protocol; cooperation in agricultural research; development and establishment of Agricultural Development Fund as per Article 45 of the Protocol</td>
</tr>
<tr>
<td>Office of the President and Security Organs</td>
<td>Identification of possible limitations that should be placed on the free movement of, or the right of residence of, EAC citizens on the basis of public security</td>
</tr>
<tr>
<td>East African Community Affairs</td>
<td>Overall coordination of the implementation of the CMP</td>
</tr>
<tr>
<td>Education and Sports</td>
<td>Coordination of mutual recognition of qualifications; identification of approved training establishments; establishment of mechanism to enable Head-teachers to monitor compliance of foreign students with Regulation 6, Annex I of the Protocol; removal of restrictions on market access and national treatment of EAC education service providers as per Annex V of the Protocol</td>
</tr>
<tr>
<td>Energy and Mineral Development</td>
<td>Ensuring a proper policy framework for providers of pipeline services</td>
</tr>
<tr>
<td>Finance, Planning and Economic Development</td>
<td>Ensuring appropriate budget is available for implementation of the Protocol; implementation of the removal of restrictions on capital, services; ensuring transfer of society benefits across Partner States; removal of restrictions on EAC service providers</td>
</tr>
<tr>
<td>Gender, Labour and Social Development</td>
<td>Implementation of provisions relevant to the movement of persons and conducting regular inspections to ensure that EAC nationals receive equal treatment as provided in Regulation 13 of Annex II of the Protocol concerning harmonization of social security benefits across EAC States</td>
</tr>
<tr>
<td>Health</td>
<td>Identification of possible limitations that should be placed on the free movement of, or the right of residence of, EAC citizens on the basis of public health; removal of limitations to market access and national treatment of EAC health service providers, as per Annex V of the Protocol</td>
</tr>
<tr>
<td>Information and Communications Technology</td>
<td>Removal of limitations on market access and national treatment of EAC communications service providers, as per Annex V of the Protocol</td>
</tr>
<tr>
<td>Internal Affairs</td>
<td>Implementation of provisions relating to movement of persons into and outside Uganda, including the removal of visa requirements for EAC citizens who</td>
</tr>
<tr>
<td>Ministry/Office</td>
<td>Description</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Justice and Constitutional Affairs</td>
<td>Carrying out comparative studies, research, and preparation of draft amendments to laws relevant for the implementation of the Common Market, and domesticating the Protocol by way of legislation</td>
</tr>
<tr>
<td>Lands, Housing and Urban Development</td>
<td>Removal of limitations on market access and national treatment of EAC architectural service providers, as per Annex V of the Protocol</td>
</tr>
<tr>
<td>Office of the Prime Minister</td>
<td>In coordination with MEACA, to ensure appropriate monitoring and evaluation of the implementation of the Protocol</td>
</tr>
<tr>
<td>Public Service</td>
<td>Implementation of EAC institutional reforms and coordination of national response and position on the reforms</td>
</tr>
<tr>
<td>Tourism, Trade and Industry</td>
<td>Ensuring proper and adequate regulatory framework is put in place in service sectors, removing limitations on market access and national treatment of EAC service providers as per Annex V of the Protocol</td>
</tr>
<tr>
<td>Water and Environment</td>
<td>Implementing obligations of the Protocol with respect to ensuring sound environmental and natural resources management principles; identification of possible limitations that should be placed on the free movement of, or right of residence of, EAC citizens on the basis of protection of human, animal or plant health</td>
</tr>
<tr>
<td>Works and Transport</td>
<td>Removal of limitations on market access and national treatment of EAC transport service providers as per Annex V of the Protocol</td>
</tr>
</tbody>
</table>

Source: Ministry of East African Community

Annex II: Membership and Mandates of the Sub-Committees on CMP

Sub-Committee on Free Movement of Capital

This sub-committee is responsible for Part G of the Protocol, and hence the implementation of the matrix relating to the free movement of capital. It is chaired by MFPED or Bank of Uganda (BOU). Membership comprises: Uganda Securities Exchange, Capital Markets Authority, MEACA, United Bank of Africa, Uganda Bureau of Statistics, MFPED, Uganda Revenue Authority, Uganda Investment Authority and the Private Sector Foundation Uganda (PSFU).

Sub-Committee on free movement of persons, workers, the right of residence and the right of establishment
This subcommittee is responsible for Part D & E of the Protocol, and hence the implementation of the matrix relating to the free movement of persons and workers; the matrix on the Right of Residence; and the matrix on the right of Establishment. It is chaired by the Ministry of Internal Affairs and its membership comprises: President’s Office, MEACA, MIA, MLHUD, MTIC, PSFU, MOJCA, MOH, MGLSD, MFA, Uganda Registration Services Bureau (URSU), National Social Security Fund (NSSF), Police, Federation of Employers, National Organization of Trade Unions, and Civil Society.

Sub-Committee on the Free Movement of Goods, Progressive Liberalization of Services & Trade Related Issues

This sub-committee is responsible for Parts C, F, & H of the Protocol and hence implementation of matrices on Free Movement of Services; Free Movement of Goods (including NTB monitoring mechanism). The sub-committee also deals with trade related issues (competition, public procurement, investment and intellectual property rights.

The sub-committee is chaired by the Ministry of Trade, Industry and Cooperatives. Membership comprises: President’s Office, MEACA, MFPED, MAAIF, MOJCA, MFA, MES, MOH, MWT, URA, UMA, UNBS, USEA, UNCCI, UIA, UBOS, PPDA, KACITA, UNCST, SEATINI, USSLA, UNFEE, Private Sector Associations (Lawyers, Engineers, Architects, Accountants & Doctors Associations, Clearing & Forwarding Association, Uganda Shippers Council)

Sub-Committee on Legal and Institutional Issues

This sub-committee is responsible for legal audit, harmonization and approximation of laws, other CMP related regulatory reform, trade defense instruments, and institutional reform. The sub-committee is chaired by the Uganda Law reform Commission and membership comprises: URSB, MOJCA, MEACA, MPS, NPA, Judiciary and Parliamentary Commissions, Ad-hoc Legal Officers of the MDAs relevant to the issue under consideration.

Sub-Committee on Communications & Sensitization

This sub-committee is responsible for external communications and stakeholder sensitization on all aspects of the CMP. It is chaired by MEACA, with members being the Media Centre, Communications Officers of all MDAs and Civil Society.
Annex III: List of Persons Interviewed

1. Ms Edith N. MWANJE, Permanent Secretary, Ministry of East African Community Affairs
2. Mr. Lawrence MUJUNI MPITSI, Director, Ministry of East African Community Affairs
3. Hajji Rashid KIBOWA, Commissioner Economic Affairs, Ministry of East African Community Affairs
4. Mr. Stephen NIYONZIMA, Assistant Commissioner, Political & Legal Affairs, Ministry of East African Community Affairs
5. Professor Sam TULYA-MUHIKA, Managing Director, International Development Consultants and former Chairman of the Task Force for the Revival of the East African Community
6. Dr. Patrick B. BURUNGI, Head, Economic and Strategic Planning, National Planning Authority
7. Dr. Albert A. MUSISI, Ag. Commissioner, Economic Development Policy and Research Department
8. Mr. Cyprian BATALA, Assistant Commissioner, External Trade, Ministry of Trade, Industry and Cooperatives
9. Mr. Cleopas K. NDORERE, Principal Commercial Officer, External Trade, Ministry of Trade, Industry and Cooperatives
10. Deogratias KAMWEYA, Programme Manager, Quality Infrastructure and Standards Programme (QUISP), Ministry of Trade, Industry and Cooperatives
11. Mr. Lauren BATEGANA, Principal Commercial Officer, Quality and Standards, Ministry of Trade, Industry and Cooperatives
12. Ms. Alexandra NKONGE, Ag. Secretary, Law Reform Commission
13. Mr. Andrew KHAUKA, Senior Legal Officer, Uganda Law Reform Commission
14. Patrick O. OKILANGOLE, Assistant Commissioner for External Trade, Ministry of Trade, Industry and Cooperatives
15. Ms. Elizabeth TAMALE, Assistant Commissioner for Internal Trade, Ministry of Trade, Industry and Cooperatives
16. Mr. Moses OGWAL, Private Sector Foundation Uganda
17. Mr. Charles Kareba, Chairman, Uganda Shippers Council
18. Mr. Richard KAMAJUGU, Commissioner of Customs, Uganda Revenue Authority
19. Ms. Achieng Angelina BARUNGI, Supervisor International Affairs, Customs Department Uganda Revenue Authority
20. Mr. Richard EBONG, Senior Standards Officer, National Bureau of Standards
22. Mr. Moses MULENGANI, Principal Policy Analyst, Ministry of Works and Transport
23. Mr. Robert PIWANG, Immigration Officer, Ministry of Internal Affairs

Annex IV: Study Terms of Reference

Terms of Reference for the Uganda Case Study on Mainstreaming Regional Integration

1. Purpose and Objectives
The UNECA Sub-Regional Offices for Eastern and Southern Africa (SRO-EA and SRO-SA respectively), in collaboration with the Government of Rwanda, organised in Kigali in March 2010, the High-Level Meeting (HLM) on Regional Integration and the Establishment of a Sub-Regional Coordination Mechanism (SRCM) for the United Nations (UN) System-wide Support to the African Union (AU), its New Partnership for Africa’s Development (NEPAD) Programme and Regional Economic Communities (RECs) in Eastern and Southern. This meeting underscored the importance of fast-tracking and deepening regional integration as a way of mitigating marginalization in a globalised economy.

In 2011, SRO-EA initiated within the Delivering as One UN, a project on “mainstreaming regional integration in Rwanda.” This project aimed to support the Government of Rwanda through policy analysis and advice, enhancing the regional integration institutional framework. Advisory services were provided and capacity of relevant individuals strengthened through trainings that are envisaged to continue. This assistance has resulted in more requests by Government to further deepen analysis of integration and ensure that the Rwandan population does not lose out on possible benefits offered by integration including trade creation, movement of labour and capital, as well as improved bargaining power. For Rwanda and other land-locked countries in the region, this is particularly imperative as trade routes open and the countries’ competitiveness is improved.

SRO-EA recognizes the importance of involving member countries in formulating common strategies around topical issues. In light of this, an AEGM to review the report on regional integration in Eastern Africa: domestication and mainstreaming of regional integration processes, instruments and decisions into national policies, legal and regulatory frameworks: issues, challenges and opportunities is being planned during the margins of the 2013 Intergovernmental Committee of Experts (ICE). The purpose of the meeting is to review draft reports from studies on mainstreaming regional integration in Rwanda and Uganda, including successes, challenges and lessons learnt.

This individual contract is required for providing an analysis of regional integration mainstreaming in Uganda which will serve as one of the documents for the AEGM on ‘Mainstreaming Regional Integration’, as required by the PIP.

2. Methodology

Under the direct supervision of the Chief, Macroeconomic and Social Policy Analysis Cluster, the consultant will: conduct interviews with the key stakeholders and partners, including government officials; undertake analytical studies; prepare a policy-oriented report on mainstreaming regional integration focusing on the Ugandan experience; identify emerging issues on regional integration and articulate strategies to address them; and disseminate knowledge and best practice on regional integration. The consultant will after the AEGM, finalise the document incorporating the Rwanda and Uganda experiences that will be presented
during the AEGM.

3. **Performance Indicators for Evaluation of Results and delivery dates**

   3.1. A review of Uganda legislation on regional integration, culminating in a draft report on mainstreaming regional integration in Uganda;
   3.2. Interviews with key national stakeholders;
   3.3. A discussion document for use during the AEGM;
   3.4. The AEGM on mainstreaming regional integration for which the consultant will be a resource person.

4. **Final output of work assignment**

   Final report incorporating meeting discussions will be completed by 15 March 2013.

5. **Duration of proposed Contract**

   The consultancy will be for 8 weeks including the duration of the AEGM in February 2013.

6. **Indication of whether assignment involves travel/DSA**

   Assignment will involve travel to and DSA at SRO-EA for a maximum of 1 week