



East African Community

SECRETARY GENERAL'S NEW YEAR MESSAGE TO ALL STAFF OF THE EAC ORGANS AND INSTITUTIONS

**Members of the Executive Staff present
Heads of EAC Institutions present online
Kenneth Madete - Clerk of EALA
Yufnalis N. Okubo – Registrar of EACJ
Directors and Heads of Units
All Staff of the Organs and Institutions of the Community
Ladies and Gentlemen**

Gratitude to Staff

First of all, allow me to express my sincere gratitude to you all for assembling here today for the Annual New Year Secretary General's Message to all staff of the Organs and Institutions. I take this opportunity to congratulate you for your dedication during the year 2016 and for successfully crossing over to 2017. At the same time, I do commiserate with all those who had problems of one kind or another in the course of last year, and, in particular, i express my most heartfelt condolences to all those who lost their loved ones.

Regional Integration Milestones in 2016

I have witnessed your passion and dedication to the regional integration agenda, as a result we witnessed a lot of

developments and achievements at individual and corporate levels in 2016. On the four Pillars of our regional integration and development process, the Community recorded several milestones.

Customs Union

Under the Customs Union Pillar, the implementation of the Single Customs Territory continued very well and coverage of goods cleared has been expanded to include all intra-regional trade within the region. This has resulted in the drastic reduction of the period taken to clear goods from over 20 days to three (3) to four (4) days on the Central Corridor; and from 21 days to four (4) days from Mombasa to Kampala and 18 days to six (6) days to Kigali, on the Northern Corridor. Am happy to inform you also that out of the 15 borders earmarked to operate as One Stop Border Posts, 11 have now been completed and 10 of these are already operational.

Common Market

On the Common Market, EAC Partner States enacted new laws to conform to the Protocol. Currently, Kenya, Rwanda and Uganda allow their respective citizens to enter and exit their territories using National IDs.

The International East African Electronic Passport was launched during the 17th Summit of the Heads of State, held in March 2016 and come January 2017 all EAC Partner States will commence issuance of the same. Kenya and Rwanda now issue work permits to EAC citizens free of charge; while Uganda does the same but on a reciprocal basis.

Four (4) Mutual Recognition Agreements have been signed for; Engineers; Architects; Accountants; and Veterinary Officers.

Process is underway for Lawyers.

The 2nd edition of the Common Market Score card was launched during the Sectoral Council of Ministers responsible for EAC Affairs and Planning held in October last year in Kampala.

Monetary Union

Under the Monetary Union, we were able to establish an East African Payment and Settlement System and also harmonize critical policies necessary for a sustainable Monetary Union. The process to establish four (4) support institutions to support the monetary union as provided for in the Protocol is ongoing, namely; EAC Monetary Institute; EAC Statistics Bureau; EAC Financial Services Commission; and EAC Surveillance, Compliance and Enforcement Commission. The establishment of a strong Monetary Union will require a robust institutional framework to ensure compliance and safeguard the convergence process.

Political Federation

On Political Federation, the Community continued to lay a firm foundation for political integration. On March, 2nd, the Summit directed that a Constitution be written for the Confederation of East Africa States. EAC continues to promote peace, democracy and security across the region. This is evidenced by the Election Observer Missions in the Republics of Burundi, United Republic of Tanzania and Uganda in 2016.

Facilitating Inter-Burundi Dialogue

The Secretariat is continuing to facilitate the Inter-Burundi Dialogue. Two sessions were held in Arusha and the 17th Extraordinary Summit of the EAC Heads of State held on 8th of September 2016 in Dar es Salaam, received and considered the progress report on the Inter Burundian Dialogue from the

Facilitator, H.E. Benjamin William Mkapa.

Meetings with all the Political Stakeholders were held by the facilitation team in Burundi, Brussels and Geneva to promote peace and democracy in Burundi.

The period since the commencement of the dialogue process has reciprocally witnessed improvement of security in Burundi. All Parties have been encouraged to take advantage of this environment to reach out to each other both formally and informally to create the right environment for political dialogue and for the elections in 2020.

As the Burundi embark on charting their political destiny accompanied by the entire East African family, the Community will certainly continue to accompany the Burundi in their quest for a return to full normality.

Infrastructure and Energy Sectors

In the Infrastructure and Energy Sectors, we witnessed several breakthroughs, including commencement of the construction of sections of the Arusha – Holili/Taveta - Voi road; enactment of the EAC Vehicle Load Control Act, 2016 and the EAC One Stop Border Posts Act, 2016, to reduce the destruction of roads by overloaded vehicles and ease the movement of persons and goods across the EAC borders respectively; construction of the Standard Gauge Railway (SGR) from Mombasa to Nairobi; and the launching of the East African Centre for Renewable Energy.

Other Achievements

EAC passed the rigorous EU Fiduciary Risk Assessment

The Secretariat passed in June 2016, the rigorous European Union Fiduciary Risk Assessment after several attempts were made since

2006. The European Union undertook the Fiduciary Risk Assessment (FRA) during the period 28th June 2015 to 27th June 2016 on the EAC Secretariat's operations in 5 Pillars, namely; Internal Control System; Accounting System; Independent External Audit; Procurement; and Sub-Delegation. This milestone now enables the EAC Secretariat to directly access funding from the European Union through contribution agreement. Progress is yet to be made in procurement and internal controls and reforms are underway.

EAC is the most integrating REC in the Continent

In that same year, EAC emerged as the most integrating Regional Economic Community (REC) in the Continent according to the Africa Regional Integration Index Report 2016, jointly carried out by African Union Commission (AUC), African Development Bank (AfDB) and the United Nations Commission for Africa (UNECA). According to the study, which covered eight recognized Regional Economic Communities (RECs) in Africa, EAC emerged the overall top performing REC on Regional Integration. **Round of applause for all of us!**

Republic of South Sudan now full Member of EAC

The Republic of South Sudan became a full member of the East African Community having deposited the instruments for ratification with the Secretary General in September 2016. We are now working on a detailed roadmap to integrate the Republic of South Sudan in the EAC projects and programmes. Indeed, I am happy to report that the Republic of South Sudan is taking part in the ongoing Finance and Administration Committee meeting that is concluding today at the EAC Headquarters. This is the first time the Republic of South Sudan is taking part officially in an EAC meeting. Let us welcome our Brothers and Sisters from South Sudan with a big round of applause!

Cost-Cutting Reforms

When I was appointed in March, the Chair of the Summit gave me clear directive to institute reforms that would contain our expenditures and improve our way of doing business. He emphasized on the value for money, this was echoed by other heads of state and also the development partners. The Reforms instituted last year in the Organs and Institutions aimed at cost reduction in the EAC projects and programmes, progressed very well and showed some positive developments. To respond to the reduction of the EAC Budget by 23% in FY 2016/2017, the Community reduced its travel expenditures by 28% between May and November 2016. The travel expenditure during May-November 2015 was US\$9,905,244, and the same expenditure during May-November 2016 was US\$7,160,279, making a reduction by approximately US\$2.75m. We shall continue to strengthen the financial controls and therefore undertake critical measures. I can tell you that I know some of the measures will be stringent and painful but we shall all celebrate the end results. I therefore call upon all of you to adjust and cooperate as we implement the same.

Regained confidence with our Development Partners

As a show of confidence, key development partners renewed their confidence in EAC and are once again ready and willing to continue supporting the Community. The most promising is the Partnership Fund, which has received over **USD 2.5 Million** until now and we are still expecting about **USD 2.9 Million** before the end of this financial year. In addition to this, I have since July last year signed financing agreements with EU, Germany, USAID and World Bank amounting to a total of over **USD 300 Million** to be implemented over the coming years. Most of these funds will be channelled to institutional strengthening within the EAC.

What is the Outlook for 2017 and Challenges

The task ahead for us is to maintain the high momentum achieved in the East African integration movement, build on the success realized so far and engage more robustly on teething problems in the regional integration for a brighter future for East Africa under the EAC's clarion call of ***One people, One Destiny***.

Our challenges during 2017 are clear cut: to achieve the broad objectives of Single Customs Territory; launch the issuance of the International East African Electronic Passport by all the EAC Partner State; establish the four (4) support institutions to support the Monetary Union, namely; East African Monetary Institute; East African Statistics Bureau; East African Financial Services Commission; and East African Surveillance, Compliance and Enforcement Commission; implement the 5th EAC Development Strategy (2016/17-2021/22) with focus on intensification of activities and programmes in infrastructure, economic, political co-operation as well as co-operation in the social sectors towards a fully integrated East Africa; and continue with the facilitation of the Inter-Burundi Dialogue. We also look forward to the full participation of RSS in the activities of EAC.

I note with great concern, that in 2017, a big number of gallant sons and daughters of EAC will be leaving the service. Among the staff leaving include officers who have served for 10 years and above. Definitely this will pose a challenge to us, I want to take this opportunity to appreciate the contributions made by the officers to the integration process. I note that some will leave by end of this month and another big number by March. We shall miss your support as true soldiers of integration. I wish you all the best in your life after EAC, be lest assured that we shall always call upon you for support where necessary. I direct the DHRA to

organize for a combined farewell party for all the staff soonest.

Colleagues, I pledge my cooperation and support to all of you in 2017. We need to improved our interaction. I realize there are so many new faces and also there is a lot happening and most people are not updated. I want to introduce a few measures that will enhance our interaction and internal communication:

(i) A team of CDC, DF, DHRA, PIPRO and CTC will be issuing frequent communique to all staff on key administrative and management matters;

(ii) I direct the PAO to ensure that we have EAC noticeboards and suggestion boxes installed in strategic places within EAC Headquarters;

(iii) I direct the department of corporate communications to organize quarterly integration cafes;

(iv) I will expect all directorates to be holding monthly meetings to review progress/challenges and opportunities and also document success stories;

(v) The Executive meeting will be monthly, and the directorates will be asked to propose agenda items and reports of the executive meetings will be shared with staff;

(vi) I am directing that, Mondays be reserved for internal meetings at the Headquarters, and also to enhance interactions on Thursdays, no tea will be served in the offices, we all shall be taking tea at the hall where we can interact freely. I ask Olive Joy to make sure this happens;

(vii) I am asking DHRA to organize the Secretary General's quarterly meetings with staff. There will also be quarterly meetings between Executives, Directors and Heads of Institutions. The CDC should ensure that this happens;

(viii) If we implement the above, colleagues, I think this will enhance interaction, communication and good understanding;

(ix) I have noted with great concern the rough treatment to staff when exiting and project/short term staff when contracts expire. Their outlook emails are blocked and access cards disconnected. This is inhuman for staff who have dedicatedly served the Community, and I direct Director of HR and Administration, Principal Information Technology Officer and the Security Officer to devise a better way of handling this.

As we begin the year 2017, I would like to take this opportunity to thank our Heads of State, the Council of Ministers, fellow Heads of EAC Organs and Institutions, the Staff of the East African Community, all the key players and actors in the EAC integration process, notably the East African Business Council and all the citizens of our region and our Development Partners for the commitment, dedication and support expressed and extended in many ways which have led to the major advancements the EAC has made so far!

I extend to you all, your families, relatives and friends best wishes and a Prosperous 2017.

**Amb. Libérat Mfumukeko
Secretary General
EAC Headquarters
13th January 2017**

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