

The East African



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TANZANIA SH1700 KENYA SH100 RWANDA RWF900 UGANDA SH2700 BURUNDI BIF2000

No. 1176

Katiba: Civil society calls for changes

By ERICK KABENDERA
Special Correspondent

Tanzania's civil society is shifting its focus from the anticipated constitutional review to push for electoral reforms to ensure that the next general election in 2020 is free and fair.

Constitution review is not included in the proposed Ministry of Constitutional Affairs 2017/2018 budget estimates, which has raised concern that the constitution review was never a priority for the current government.

The Tanzania Constitution Forum, an umbrella organisation bringing together 22 civil society organisations advocating for constitutional reforms, believes that the constitution review process was unattainable.

FULL REPORT, PAGE 8

Cycling through EA to promote tourism

Magazine



Lamu lights a fire under coal project

Community says plant will destroy the environment
Outlook, Pages 21, 26-27

What shall we eat in East Africa?

No let-up in rising prices of food across the region

Business, Pages 38-39

Kenya gets ready to export oil this month

TRUCKS AND TANKS: In final lap, three firms are awarded contracts to provide specialised tanktainers and transport the crude to Mombasa

FULL REPORT, PAGE 4

\$2b
Each tanktainer will carry 130 barrels of crude oil and has to be secured on a flat-bed truck. One barrel is equivalent to 159 litres.

25,000 L
Tullow in October 2016 floated a tender for trucks to transport oil over a distance of 1,089 kilometres in insulated tanktainers, each with minimum capacity of 25,000 litres.

Full agenda for Heads of State Summit

TRACKING PROGRESS: Top on the list is giving direction to the Community after a sluggish year for regional projects

A tight agenda awaits the East Africa Community Heads of State when they meet in Dar es Salaam this week for a Summit that has been postponed three times. This is amid speculation of a falling out between some of the leaders on the direction the bloc

should take.

That the Summit will not be postponed this time seems assured. The EAC Secretariat has sent out an invitation to all the delegates to attend the meeting on May 20. It will be preceded by meetings of technocrats



Presidents Yoweri Museveni of Uganda, Uhuru Kenyatta of Kenya and Paul Kagame of Rwanda.

responsible for various sectors over three days before the Council of Ministers meets a day before the Summit to prepare resolutions for the heads of state to consider.

Top on the agenda is giving direction to the Community after what has been a year of sluggish implementation of projects. The presidents are expected to track the progress of integrating South Sudan and decide whether it will be fully integrated into the EAC as from July. It has already nominated its members for EALA and the EACJ.

FULL REPORT, PAGE 5

MEETING TO BE HELD ON MAY 20

A full in tray awaits presidents at EAC summit

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A SPECIAL CORRESPONDENT
The EastAfrican

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Sudan and decide whether it will be fully integrated into the EAC as from July. Already South Sudan has nominated its members for the East African Legislative Assembly and the East Africa Court of Justice as required under the process.

The presidents should give direction on whether South Sudan should appoint various commissioners to the various commissions of the EAC and on nomination of a representative for an executive position at the EAC Secretariat.

Another key issue is agreeing on a new funding model for the bloc's budget. EAC ministers except Burundi have agreed to maintain the existing equal contributions with sanctions for default. The alternative is a hybrid financing mechanism, with a certain percentage of equal contributions and a separate proportion based on equity, solidarity and equality.

Also on the table is the phasing out of importation of used textiles and footwear, which was to be undertaken over three years

AGENDA

- Pass into law Bills passed by EALA.
- Discuss the report of the Joint Security Assessment Mission to the Republic of Burundi.
- Discuss the report on the Status of Implementation of the EAC Common Market.
- Track the progress of integrating South Sudan.
- Agree on a new funding model for the bloc's budget.

starting in 2016. The presidents are also expected to pass into law Bills passed by EALA, which include the EAC Customs Management (Amendment) Bill 2016, the EAC Appropriation Bill 2016 and the EAC Supplementary Appropriation Bill 2016.

The heads of state are also expected to discuss the report on the Status of Implementation of the EAC Common Market where one of the pending matters is mutual recognition of business certificates from each other and elimination



of double taxation for companies operating across borders.

At the recent EAC Council of ministers meeting, the EAC ministers requested Tanzania to expedite the process of reviewing its legal framework and finalise internal consultations on harmonisation of work permit fees by September.

The request followed a recent move by the Tanzanian government to reduce residence permit fees to \$500 from \$2,000 for EAC citizens seeking to stay and work

in Tanzania. Kenya, Rwanda and Uganda have waived work permit fees but Tanzania and Burundi are yet to ratify the deal.

The other key issue to be discussed is the report of the Joint Security Assessment Mission to the Republic of Burundi.

The Economic Partnership Agreement with Europe, which has split EAC members down the middle, is not expected to feature prominently on the agenda, with Tanzania insisting the impact of the agreement be fully assessed.

(From left) Burundi's representative to the 17th Ordinary EAC Summit held in Tanzania; Uganda's President Yoweri Museveni; Tanzania's President John Magufuli; Rwanda's President Paul Kagame; Kenya's President Uhuru Kenyatta. Pic: File

Mobile money, data to dominate Safaricom's future earnings

By VICTOR KIPROP
Special Correspondent

KENYAN TELCO Safaricom is expected to grow steadily in the mid-term after it reported a profit of \$451 million for the year ended March 2017. Its revenue mix is expected to change to a point where voice will be a minor contributor. Analysts said this would be driven by the huge headroom in mobile money, data and other value added services.

"In the next five years, M-Pesa — boosted by the rising number of daily transactions and data, supported by better access to smartphones — will be the largest contributor to Safaricom's revenue," said Stephanie Kimani, an economist at CBA Group.

Safaricom's share price has jumped to a six-month high of Ksh22 (\$0.2) on the Nairobi Securities Exchange as investors appeared to back the company's future prospects. The firm entered the market two decades ago offering only voice and SMS, but it now offers mobile money, data, merchant payments and a lending platform for personal loans, health and renewable energy.

Voice services, Safaricom's largest source of revenue, recorded a 37 per cent growth in revenue to reach Ksh93.5 billion (\$935 million) in

the past six years. However, its contribution to the firm's total revenue has dropped substantially from 64 per cent to 43 per cent, as data services increased from two per cent to 14 per cent, signalling a shift from traditional revenue streams. Revenue from SMS declined by 3.7 per cent to Ksh16.7 (\$167 million). M-Pesa has increased its contribution from Ksh16.9 billion (\$169 million) in 2012 to Ksh55.1 billion (\$551 million) in the latest results. This means it now accounts for 26 per cent of the company's revenue, up from 16 per cent within five years.

"We are already seeing voice and SMS being cannibalised by data. Data and M-Pesa have innumerable opportunities for revenue growth," said Tracy Kibunyu, an analyst at Africa Alliance.

In February, Safaricom survived a split of its business after the government opposed the recommendations of an international consultant to separate Safaricom from its hugely successful mobile money service M-Pesa. London-based Analysys Mason was contracted to examine the country's telecommunication industry, following sustained calls by industry players to have Safaricom declared a dominant player. While the pressure has since died down, analysts believe that it's only a matter of time before the issue comes up again.

"I would not be surprised if similar calls resurface due to the 'monopolistic' nature of the business," Ms Kimani said.

Last week, ICT Cabinet Secretary Joseph Mucheru said mobile money interoperability would be implemented as early as July. The implementation, which will allow users to send money from one operator to another, could see mobile money market shares become more evenly spread among the operators.



REQUEST FOR PROPOSALS (RFP)

TradeMark East Africa (TMEA) is an organisation funded by a range of development agencies to promote regional trade and economic integration in East Africa. TMEA is implementing a Cross Border Trade (CBT) programme in the DRC to improve economic stability and social cohesion in the borderlands of DRC and East African Community (EAC).

In light of this, TMEA wishes to engage a reputable registered consultancy firm/consortium to undertake the following assignments:

- CONSULTANCY TO MAP PRODUCTION TRADE FLOWS FOR POTENTIAL EXPORT SECTORS, AND FEASIBILITY STUDY OF WAREHOUSING AND CROSS BORDER MARKETS IN BUKAVU, DEMOCRATIC REPUBLIC OF CONGO (DRC) – (PRQ20161084)
- CONSULTANCY TO DEVELOP A BORDERLANDS PROGRAMME IN THE EASTERN DEMOCRATIC REPUBLIC OF CONGO (DRC) – BORDERS WITH THE EAST AFRICAN COMMUNITY (EAC) – (PRQ20161235)

Terms of reference for these consultancies and the Request for Proposals (RFP) documents can be obtained at <http://www.trademarkea.com/get-involved/procurement/>. All queries quoting the above Tender Title and Number should be emailed to procurement@trademarkea.com. The closing date for submission is **12 June 2017**. Bidders may bid for one or both tenders.

You are further advised that only applications from registered firms/consortiums shall be accepted.

Interested and qualified consultancy firms/consortiums must register and apply online ONLY on the TMEA procurement portal at the website: <http://procurement.trademarkea.com> and all attachments must be **10 MBs** or less.

TMEA cannot answer any query relating to this tender five days or less prior to the submission deadline.



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Tracy Kibunyu, an analyst at Africa Alliance