

**EAST AFRICAN LEGISLATIVE ASSEMBLY SYMPOSIUM ON FAST TRACKING  
EAST AFRICAN FEDERATION: 29<sup>th</sup> JUNE – 2<sup>nd</sup> JULY**

Topic 2: Catalyzing the EAC Integration: A recipe for realization of the Political  
Federation

My colleague Hon. Amanywa Mushega, has ably highlighted the milestones achieved so far in the EAC Integration process. It is highly commendable that these achievements have been possible since the Treaty for the EAC came into effect in July 2000. Within the first five years after the last East African Cooperation Secretariat in March 1996 when I was privileged to be the Executive Secretary and Secretary General, the Treaty Establishing the East African Community was negotiated and came into effect in the year 2000.

Within yet another five years, the Customs Union Protocol was later signed in January 2005 under the stewardship of my successor Hon. Amanywa Mushega. In keeping with the five year tradition, the Common Market Protocol was signed by the Heads of State on 20<sup>th</sup> November 2009, ratified in May 2010, and came into effect in July 2010 under the stewardship of Amb. Juma Mwapachu, the third Secretary General. It is expected that the Monetary Union Protocol currently under negotiation will also be signed within the next five years under the leadership of Amb. Dr. Richard Sezibera, current Secretary General.

Furthermore, the profile, stature and confidence of the East African Community was boosted in 2007 when both Burundi and Rwanda joined the Community of three, thus expanding the membership to five and increasing the population to 133 million people. I hope that with sustained commitment to the integration and steadfast progress, we will be able to receive more members to the Community.

We should all be proud of this track record and be convinced that East African Community is growing into a formidable regional bloc. We pay tribute to the East African leadership of the Heads of State for their vision and commitment to the East African Integration. We should also acknowledge the critical role being played by all other organs and institutions of the East African Community, particularly the Council; the Assembly, the Court, the Secretariat as well as the other non-state, agencies as the East African Business Council, Professional Associations, and the media. It is the combined efforts of all these bodies that has brought us this far.

Ten years after coming into force of the Treaty for the East African Community, the benefits from East African integration are more apparent now than they were at that time:

- East African Community is a peaceful region without internal conflicts.
- The region is increasingly becoming a single market and the business community and investors know this better.
- People of East Africa have more confidence with each other, they move more easily, and have confidence in the regional bloc.
- There is increased investment across borders and cross listing of stock in Nairobi, Kampala, Dar-es-Salaam and Kigali is on the increase.
- Companies are implementing EAC strategies.
- Economies of Member States are growing at impressive rates, over 5%, and we enjoy a stable macroeconomic environment.
- Huge investments go into infrastructure development especially the roads, energy, and rail and transport. We can do this better by introducing Infrastructure Bonds and increasing the use of facilities available under the East African Development Bank.
- Investments in education have grown exponentially across East Africa and in every Partner State.
- EAC is increasingly becoming a preferred foreign investment destination.

Despite all these obvious benefits, there are still challenges we have to overcome to enjoy full benefits of Customs Union, Common Market, Monetary Union and subsequent Political Federation.

- Since we already know that non-tariff barriers slow down trade and undermine realization of full benefits of EAC, why does it take us five years or more to remove them. The answer is to identify and decisively remove non-tariff barriers that have been identified and decide not to erect new ones.

- The road map for the full achievement of common market is in place but the structure and process is slowed by existing laws. Although the Common Market is intended to achieve free movement of people, capital, goods and services as well as right of establishment and residence, the majority of people will not realize these benefits due to inbuilt classifications for qualifications.
- If we know the benefits and we appreciate the impediments, what stops us from taking bold decision to remove these obstacles so that the wider population appreciates the benefits of East African Federation. Market opportunities yield best returns when they are exploited at the earliest opportunities, and the time is now.

The East African Community region is one of the least industrialized regions of the world, This also means we have the lowest per capita income and highest rate of unemployment. The East African Community should be treated as the most important vehicle for industrialization of the region. We need to shift our attention to making EAC competitive industrial region that produces products for itself and for export outside EAC. This will enable the region to use more science and technology and value addition, and significantly increase income of people than we do today.

The East African region is witnessing growth in trade, but we still trade more with outsiders. We import more and export less, and therefore we are not yet creating the desired and potential in world trade. We need to break the barriers that slow trade among ourselves.

The region has extensive mineral resources, agricultural and rich biodiversity which will support wide range of manufacturing and valued addition industries, and boost rapid growth in intra-EAC trade.

More importantly a growing market of 133 million people is coupled of supporting extensive manufacturing sectors if the industries were to be strategically structured to benefit all the' member states through deliberate allocation of strategic industries such as steel, fertilizer, motor vehicles manufacturing, as well as embracing knowledge-based industries to exploit modern ICT technologies.

One of the greatest weaknesses of regional integration is the slow speed at which decisions are made and implemented. Regional projects take too long to conceptualize and implement, e.g. the EAC Secretariat headquarters - 10 years, the East African Road projects, 5 to 10 years.

We need to improve on this poor record if we are to make East African Federation more attractive - Korea has grown very fast to become the 11<sup>th</sup> industrial country under a simple motto: *Acton on Time and within the Budget.*

In conclusion, the people of East Africa will support Political Federation depending on their appreciation on the benefits they are getting as well as their perception of the benefits they are likely to get from East African Federation. Long live East African integration. Long live the people of EAC.

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