

**SPEECH BY H.E. JAKAYA MRISHO KIKWETE, PRESIDENT OF THE
UNITED REPUBLIC OF TANZANIA, TO THE FIRST MEETING OF
THE THIRD SESSION OF THE EALA, DAR-ES-SALAAM,
7TH AUGUST, 2009**

*Honourable Speaker,
Honourable Members of the East African Legislative Assembly,
Invited Guests,
Ladies and Gentlemen*

It gives me great pleasure to be back to the floors of the East African Legislative Assembly this afternoon. I thank you Honourable Speaker for inviting me and for affording me the opportunity to address this august Assembly.

At the outset, allow me to welcome you to Tanzania and Dar-es-Salaam in particular. I understand this is the first time the EALA is sitting in Dar es Salaam, the commercial hub of Tanzania. I trust that you will find the haven of peace befitting its name and that you will transact your business in a comfortable and hospitable environment.

Honourable Speaker and Distinguished Member:

As most of you know, I was an ex-officio member of this legislature since its inception until I became President of my

country in December 2005. I continue to hold dear my role as a member to this esteemed body. I recall with fond memories our work in this Assembly during the challenging formative period when the EALA was trying to establish its feet on the ground.

I am happy to note that, since its establishment in 2001, the EALA has lived up to the expectations of the East African people. Back then, when we were discussing the establishment of this Assembly, there were some “doubting Thomases” who predicted its failure. They were saying that, time was not ripe for the EAC to establish a legislature with the mandate and authority encapsulated in the Treaty establishing the Community. Those sentiments of apprehension have been proven wrong. Indeed, and in a very fundamental way, those sentiments smacked of a gross misconception about the nature and character of our regional integration endeavour.

Honourable Speaker;

It was the vision of the Founding Fathers that the EAC shall be a people-centred regional organisation. An organisation owned by the people of East Africa, responsible to

them and responsive to their needs and aspirations. They envisioned that the East African integration process would be driven by the ideals of democracy underpinned by consensual decision making. It is in this respect that the EALA was established as an organ of the EAC to give expression to these democratic ideals in the Community. Therefore, with its representativeness as well as the mandate and authority this Assembly carries, makes it a true embodiment of these ideals and, indeed, an important and principled instrument in our integration process.

Deliberately the East African Legislative Assembly was given legislative and oversight roles which has made this Assembly a proper functioning Regional Parliament. To this extent, the East African Community is unique on the Continent.

Honourable Speaker and Distinguished Members;

I can dare say without hesitation or reservation that, the EALA has done well as far as the discharge of its mandate and authority is concerned. You have done a commendable job in the oversight role with regards to EAC's programmes and

activities. In many ways this has helped to ensure that the Community effectively fulfils the mandate vested on it, and that it is also accountable for its work. Also, the EALA has acquainted itself admirably in the legislative function thus giving legal effect to several EAC policy decisions. As we deepen our integration the EALA would necessarily experience an increase not only in the complexity of the issues to be handled but also in the magnitude of your legislative activities. Given your achievements so far, I am confident that you are prepared to meet those challenges.

Equally, EALA's outreach programmes, even in the face of limited budget resources, have also contributed, in no small measure, to the sensitisation and education of the broad East African masses on our integration agenda, its achievements and challenges. I wish to take this opportunity to commend you, Mr. Speaker and all the Members of this House, for your leadership and your commitment to EAC goals and ideals.

Honourable Speaker;

In November this year, the East African Community will be celebrating its 10th Anniversary. Ten years, in the life of an institution that is involved in complex regional integration issues, is too short a time to make an objective assessment of its performance. But still, we are obliged to reflect on where we have come from, where we are now and what remains to be done in the light of our vision and mission.

It is my hope that, in November, my colleagues, the other EAC Heads of State and I, will have the opportunity to address the East African people on these broad issues. However, since I have the opportunity today of addressing this august House, I feel the urge to kick start a reflection on some of these issues of critical importance to the success of our regional integration.

Mr. Speaker and Honourable Members,

As you are aware, regional integration efforts in East Africa have a long history. There is the pre-colonial part of this history where the seeds of integration were sewed. And, there is the post colonial part where there was a chequered history:

consolidation, break-up and reinvention. I would like to limit myself to the post-colonial period where as independent nation states we share responsibility for the success and failure of the integration process. As you may recall, at independence the three East African countries of Kenya, Uganda and Tanganyika inherited the East African Common Services Organization (1961 – 1967). This was a successor organisation to the East African High Commission the initial regional integration arrangement established by the colonial Governors of our three countries.

In 1967 the three independent states decided to transform the East African Common Services Organisation into the East African Community. The East African Community could not survive for long due to challenges posed by divergent and conflicting nation-building projects pursued independently by member states. Also, because of inherent weaknesses imbedded in East African Community structures and operational modalities and mechanisms. It painfully collapsed in 1977 a mere decade after inception. We all share responsibility for that

bitter memory. However, bitter memory as it is, we should not allow it to be a source of weakness, but of our courage, strength and commitment toward realizing our integration goals under the current arrangements. That is what the founding fathers of the current Community did.

Mr. Speaker, Honourable Members;

It took sixteen years before President Ali Hassan Mwinyi (Tanzania), President Daniel Arap Moi (Kenya) and Yoweri Kaguta Museveni (Uganda) signed the Treaty to revive the East African Co-operation. The three Heads of State signed the Treaty for the East African Co-operation in Arusha, Tanzania, on November 30, 1993 and in March, 1996 established the Secretariat and Tri-partite Commission to set in motion the integration process we are currently experiencing.

Since then, a lot of work was done with remarkable success, on building cooperation on the core areas as agreed in the 1993 Treaty. Several Protocols were signed to give effect to the cooperation agenda. These achievements are the ones which paved way for the re-establishment of the East African

Community (EAC) through a Treaty which was signed by the EAC Heads of State on 30th November, 1999 and came into force on 7th July, 2000. The Treaty identified the Customs Union as the entry point for the East African integration process. This would be followed by a Common Market and a Monetary Union and a Political Federation would be the ultimate goal.

Indeed, the EAC Customs Union commenced on 1st January, 2005 with five years transition period to give effect to the principle of asymmetry. Under the Customs Union, internal tariffs and non-tariff barriers on intra-EAC trade were removed and a Common External Tariff was introduced for goods from outside the Community. A Common Customs Management Law was enacted by this Assembly to that effect. The process of integrating the economies of the EAC Partner States began and the transition period is coming to an end by this year end. By January 1st, 2010, the East African Customs Union will be fully fledged.

It is heartwarming indeed, that as we are about to complete the transition period of the Customs Union, our

negotiations for the establishment of the Common Market are on track. This is a very healthy sign that we are making steady progress in our integration process. It is important however, for the EAC Partner States to make an evaluation of the EAC Customs Union to assess its impact, strengths and weaknesses. Use the outcome to consolidate the strengths and rectify the shortcomings for the benefits of the Partner States. Such an assessment, also would enable us to determine if there has been a change in the structure and direction of intra-EAC trade. The structure of intra- EAC trade prior to the commencement of the Customs Union was dominated by commodities from abroad, and the direction of trade was skewed towards non-EAC Countries implying that we were trading more with the rest of the world than among ourselves. It is therefore important to determine if there has been an improvement in these areas.

Honourable Speaker;

As we work toward the conclusion of the negotiations of the Common Market Protocol by November, 2009, if all goes according to plan, we should understand that the Protocol is

expected to deepen our integration and widen the scope of cooperation and usher in new opportunities and challenges. Some of the opportunities and challenges are going to be crosscutting while others are going to be country specific. We should always bear in mind that nations and peoples engage in regional integration groupings with the hope of benefitting equitably. Each expects to maximise benefits while the others benefit too. In fact this is the essence of regional integration and designers and negotiators should always keep this in mind. Failure to do so defeats the purpose and keeps the foundation weak and vulnerable.

For example, Common Market will add more areas of cooperation including labour and capital mobility; the facilitation of the movement of persons; right of establishment; cooperation and harmonization of policies and strategies on social-economic, cultural and scientific fields, macro-economic stability and financial management. These additions are going to affect each country differently. For example, a poorly managed liberalisation of the intra-regional labour market may

lead to increased unemployment in some partner states and cause resentment in these nations. Similarly, if we are not careful in the liberalisation of the capital markets we might face capital flight and balance of payments problems. These fears and worries of people of East Africa were clearly captured by the Wako Committee Report.

Mr. Speaker and Honourable Members;

As you are aware the East African Heads of State at the Nairobi Summit of 28th August, 2004 agreed to establish a committee (the Wako Committee) “to examine ways and means to expedite and compress the process of integration, so that the ultimate goal of a Political Federation is achieved through a fast track mechanism.” The Committee submitted its report to the Heads of State at the November 26th, 2004, Summit in Arusha. The Committee recommended that the East African integration process be fast tracked and the transition to political federation should start by 2010. The Committee also underscored the centrality of ensuring that each country benefits equitably and

that the concerns of individual member states are given due attention.

With regard to Tanzania, the Committee's report stated clearly that the people of Tanzania have serious reservations about the issue of free movement of labour and land becoming an East African property. The Wangwe Committee, which was our internal process which searched for Tanzanians' opinion on fast tracking the East African Federation, came out with similar findings. It revealed that 96.7 percent of Tanzanians, indeed an overwhelming majority, said Yes to the idea of establishing a political Federation. So, in essence, almost all Tanzanians are in favour of the Federation. But when it came to fast-tracking the Federation, 75 percent of Tanzanians did not think it was a good idea. The same is true with Kenya and Uganda.percent of Kenyans and.....percent of Ugandans favoured the Federation but the majority in both countries.....percent in Uganda andpercent in Kenya did not favour fast-tracking the Federation.

Tanzanians also expressed fears on issues of land and free movement of labour.

Unfortunately, the views expressed by the people of Tanzania have widely been misunderstood to mean that they are against East African Federation. This is not the case. In fact, more Tanzanians supported the Federation than any of the three East African countries then. But fewer Tanzanians supported fast tracking than their brothers and sisters in Kenya and Uganda. They are cautious about hurried integration. Since the fears are real, they should not be downplayed, ridiculed or ignored. They should be taken regard of and ways allaying them should be sought. Tackling fears and concerns of member states is one important lesson to draw from the failures of the defund East African Community.

It is important, therefore, that the worries and concerns of peoples of each country be taken into serious consideration as we negotiate the Common Market Protocol without being baffled in propaganda. Enemies of our course are too anxious to downplay our EAC achievements, exaggerate our

differences to an extent of becoming suspicions and hostilities. We should be on guard and remain focused on our integration priorities. We must not allow such distractions to derail us from our noble course.

Mr. Speaker, Honourable Members;

I mentioned earlier on that the collapse of the former East African Community has had serious implications during the negotiations of the Treaty for the new Community of 1999. Of particular interest then were the lessons of the past so as to avoid the mistakes made then. The idea was to avoid those mistakes so as to create a viable, sustainable and everlasting regional integration grouping. Besides, the issue of making the new EAC people centred rather leader centred the other issues taken into consideration included:

First, the 1999 Treaty took into account some of the weaknesses which were embodied in the institutions and processes of the former East African Community. The principle of asymmetry became one of the guiding pillars of our integration and it has proven to work well. Articles 77 and 78 of

the East African Community Treaty, for example, provide measures and safeguard to address imbalance and serious economic injuries to member states emerging from the establishment of a Customs Union and a Common Market. These provisions are critical for the creation of win-win situation which is the very essence of regional integration.

Honourable Speaker;

It is in this spirit that when the East African Customs Union came into force those provisions were applied. The East African Customs Union negotiations were concluded in 2004. In the agreement, goods produced were divided into category A and B. While category A commodities from Tanzania, Kenya and Uganda entering the EAC market were eligible for immediate duty free treatment, those in category B coming from Kenya entering into Tanzania and Uganda were eligible to pay tariff for period of five years. The tariffs are gradually being phased out. So far, things have worked so well and according to schedule. As mentioned earlier, from January 2010 all goods from Kenya will start enjoying the same

treatment as goods from Tanzania and Uganda do at the moment. Rwanda and Burundi who joined only a year ago will benefit like all other countries. We should congratulate ourselves for these achievements.

Second, the experience of the former EAC indicates that one of the contributing factors to its collapse was inadequate provision for participation of the private sector and other stakeholders in shaping the Community. The current EAC Treaty (1999) has drawn from this experience and has therefore placed greater emphasis on fostering regional development that is private sector driven and internationally competitive. The Treaty thus places Private Sector Development at the heart of the EAC strategy for accelerating regional growth, creating wealth, reducing poverty and enhancing international competitiveness. Business Council representatives have permanent observer status within the decision making organs of the community. The fruits of this emphasis are widely being felt.

Honourable Speaker;

In this respect, it is important to emphasize that the thrust in promoting and developing the private sector should be through improved business environment, institutional and human capacity building that spurs increased trade and investment on one hand, and production and productivity of private sector firms. These issues should be on top of the Common Market Agenda.

Third, the spirit of the Treaty toward realization of its goals is progressive or incremental in spirit. The progressive and incremental integration approach as enshrined in the Treaty is intended to strengthen and regulate cooperation in a harmonious and balanced manner. Each stage of cooperation reinforces the next stage of integration and hence leads to a sustainable regional integration process. The founding fathers seem to have realized this as Article 76 (2) of the Treaty on Common Market testifies “the establishment of the Common Market shall be progressive and in accordance with schedules approved by the Council.” This approach has worked very well

in some of the re-known regional integration organisations including the European Union which is one of the most stable and progressive economic integration scheme.

All these lessons which have been embodied in the current Treaty have contributed immensely to the achievements the EAC is experiencing now. As we appreciate these achievements let us not lose sight of these lessons. In fact, they are so important now than ever before as the deepening of the EAC integration process is taking place at a time of immense global financial melt-down which is already affecting our economy negatively. The impressive growth rates of our economies witnessed in the last decade are projected to decrease. This situation implies that some of the goals that we set ourselves will not be attained according to the original schedules. Nonetheless, this means Partner States would have to work harder in order to compensate the loss in the gains that we had accumulated in the last decade and attain the pre-crisis development trajectory. Your contribution in this endeavour is critical and would be highly appreciated.

Honourable Speaker;

Allow me to use this opportunity to reiterate our readiness to face the challenges of the envisaged EAC Common Market. We believe that the collective efforts of the Partner States and continued commitment to the EAC integration agenda would lead to more prosperity for the region because of the immense opportunities associated with a Common Market.

As I conclude my speech allow me to reiterate the fact that integration process is an ongoing process. There are many challenges ahead of us, many issues to negotiate, including the Common Market. And these negotiations are a process in both statecraft and diplomacy. And diplomacy derives its legitimacy and morality from patience, understanding, courtesy, empathy, civility and tolerance. It is important that our negotiation process – and indeed our journey towards our ultimate goal – be guided by these virtues and lessons learned from our past experience on integration process. All of the Partner States have signed on in this project voluntarily and with clear belief that the EAC objectives will serve the interests of their people.

No one wants integration more than the other; no one wants integration less than the other. We are all in this together. I urge other entities in our region, particularly the media in our respective countries, to help inform and educate our people about these issues and not to stoke emotions and create a storm in a tea cup.

The major challenge for all of us remains how to strike a balance between regional and national interests in the negotiation process.

Mr. Speaker, Honourable Members, Invited Guest;

Allow me to end my remarks by once again thanking you for holding your session in Dar-es-Salaam and for giving me this honour to address you. I hope you will find time out of your tight schedule to explore the beauty of Dar es Salaam and hospitality of the Tanzanian people.

I wish you fruitful deliberations and a pleasant stay in Tanzania.

I thank you for your kind attention!