

# EAC advised to go slow on regional integration

According to the managing director of the International Monetary Fund, hasting slowly is the best way to go and consolidate one step at a time and make sure that the steps taken are actually solid and sustainable

By Smart Money Correspondent

**T**he International Monetary Fund Managing Director, Christine Lagarde, has advised the East African Community (EAC) countries in pursuit of integration to go slow on the project.

Kenya, Uganda, Tanzania, Rwanda and Burundi have been integrating over the years with projection to have a political federation in about 20 years. The caution from the IMF chief is coming from the lessons that Europe has had to have especially after the United Kingdom held a referendum and the people chose to exit the European Union, New Vision of Uganda reported over the weekend.

"Coming from the European Union and a country that is part of the eurozone, I would certainly stress that, hasting slowly is probably the best way to go and consolidate one step at a time and make sure that the steps you have taken are actually solid, sustainable and will take you the next level.

"Don't rush to integration—infrastructure integration, market integration, custom integration. Those are the steps that have been taken and are being taken," Lagarde said while addressing a joint press conference with



The Managing Director of the International Monetary Fund, Christine Lagarde, has advised EAC states against rushing the regional integration project. File photo

Ugandan President Yoweri Museveni at State House Entebbe on Friday.

She did point out that integration had its advantages and was perhaps one of the best options for the country to pursue its growth agenda. Uganda's largest trade market for exports is East Africa but more significantly South Sudan. South Sudan was in March 2016 given the green-light to join the East

African Community.

Uganda also trades with the EAC and also enjoys lower tariffs on exports to the COMESA region, another regional body on the continent. Lagarde noted that Uganda had enormous potential for growth if it is part of a regional grouping.

The EAC is also pursuing a single currency and monetary union in or-

der to further facilitate trade within the region. Museveni noted that African countries needed to integrate further if they are to reap the benefits. He criticised countries that are taking isolationist policies and questioned how long they can sustain the inward approach.

"Those who are pushing isolationist policies will not be able to sustain the

prosperity of their people. For us we are definitely working for the common market of East Africa and you see how much it is helping us. For instance, we produce four million tonnes of maize and we consume only one million. If we did not have that common market, that industry would have collapsed," he said.

He pointed out that the isolationist

strategy implemented by some countries would fail.

Meanwhile, President Paul Kagame on Sunday presented his report on the African Union reforms at a Heads of State Retreat in Addis Ababa, Ethiopia.

Kagame presented the report titled, "The Imperative to Strengthen Our Union," on the sidelines of the ongoing 28th African Union Summit in the Ethiopian capital.

In July, last year, at the AU Summit in Kigali, Kagame took on a task to carry out a study and propose recommendations for institutional reforms to improve the efficiency of the Union.

Sunday's retreat was chaired by Chad President Idriss Deby, the current chairperson of the Union.

Following the presentation, African leaders present welcomed the proposed reforms, which seek to realign and re-energise the Union to improve performance and connect better with citizens by delivering on the institution's agenda.

The retreat's final outcomes were set to be presented for adoption at the summit during a formal session yesterday, during which the proposal on reforms will be tabled to the General Assembly.

To conduct the study and put together the reforms proposal, Kagame put together a committee made up of experts from various backgrounds to study challenges and propose solutions.

The committee members included: Dr Donald Kaberuka, former president of African Development Bank; Amina Mohammed, minister for environment of Nigeria; Mariam Mahamat Nour, minister for economy, planning, and international cooperation of Chad; Cristina Duarte, former minister for finance and planning of Cabo Verde; Dr Acha Leke, senior partner at McKinsey & Co; Dr Carlos Lopes, former executive secretary of UN Economic Commission for Africa; Strive Masiyiwa, executive chair of Econet Wireless; Tito Mboweni, former governor of South African Reserve Bank; and Vera Songwe, regional director for West and Central Africa at the International Finance Corporation.

The summit opened last week with a two-day meeting of permanent representatives to the union which made way for foreign affairs meeting at the same venue.

The Heads of State assembly opened yesterday and runs until today.