

EAC Headquarters, Arusha, 23 August 2008: High Level Task Force (HLTF) on the Negotiations of the EAC Common Market Protocol concluded its Second Round of the Negotiations in Nairobi on 23 August 2008 after making significant progress with agreements on a large number of issues on the right of Establishment and the Right of Residence under the proposed Protocol.

The meeting also agreed on the need for national consultations on the Protocol with key stakeholders. Country Coordinators will work closely with the Secretariat to arrange stakeholders' workshops. The meeting also noted the need for dedicated workshops for capacity building for members of the HLTF. The next such dedicated workshop will take place in Bujumbura, Burundi from 18th – 19th September 2008 on Services, Competition and Transport Policy.

The meeting considered comments from Tanzania on the last report of the HLTF and reached consensus on the following:

A fund for compensatory purposes could be considered during the negotiations of the EAC Common Market Protocol. On this issue, the Secretariat informed the meeting that work was ongoing to finalize a protocol to establish an EAC Development Fund. The meeting also agreed on the need to insert a clause in the Protocol on Most Favoured Nation (MFN) and national treatment; to insert an omnibus clause in the Protocol on safeguard measures; and a need for a study to evaluate the EAC Customs Union. The Secretariat is in the process of commissioning a study on the impact assessment on the EAC Customs Union whose report is expected by November 2008.

Other issues raised by Tanzania and on which the meeting reached consensus included mutual recognition of academic and professional qualifications should be a transitional measure before Partner States harmonize the curricula; enabling EAC citizens to access diplomatic protection in third countries in which some Partner States may not be represented; the proposed Protocol should have articles on SPS, TBT, agriculture and industrialisation; the proposed Protocol should have a clause on respect for gender, human rights, good governance and rule of law; and a provision for the Council of Ministers to adopt a general program for abolishing of existing restrictions on the free movement of workers in the Community. The EAC Secretariat in collaboration with Partner States is preparing to undertake a comprehensive regional manpower/employment study.

The HLTF considered the provisions in the model Protocol that will govern the Right of Establishment, Residence and Free Movement of Persons within the EAC Common Market whereby consensus was reached on some issues while others were bracketed to be considered at the next meeting of the HLTF scheduled for 20th – 27th September 2008 in Bujumbura, Burundi. Among the highlights of the right of Establishment, the HLTF provided that the Partner States shall guarantee the right to free movement of persons who are citizens of the Partner States, within the Community and abolishing of any discrimination based on nationality; the right to move freely within the territory of a Partner State; Partner States shall effect reciprocal opening of border posts and keep the posts opened and manned for 24 hours; the movement of refugees within the Community shall be governed by relevant international

conventions.

The meeting considered and agreed on the provisions in the draft Protocol that would govern the free movement of capital within the EAC Common Market. The HLTF agreed that on Free Movement of capital and related payments/ transfers these would apply to: direct Investment; equity and portfolio investments; bank and credit transactions; payment of interest on loans and amortization; dividends and other income on investments; repatriation of proceeds from the sale of assets; and other transfers and payments relating to investments flows.

The HLTF agreed to handle the following items at its next meeting scheduled for 20th to 27th September 2008 in Bujumbura, Burundi:

- Outstanding issues on:
 - Tanzania's comments;
 - Right of Establishment;
 - Consideration of sub-committee report on the Right of Residence;
 - Free movement of Services; and
 - Transport Policy.

The meeting noted that on a number of occasions, there have been negative press reports to the effect that The United Republic of Tanzania is not committed to negotiate the EAC Common Market Protocol. The United Republic of Tanzania assured the HLTF that contrary to the press reports, Tanzania is committed to negotiate and implement the Common Market Protocol.

Directorate of Corporate Communications and Public Affairs
EAC
Arusha