

**Uganda in the East African  
Community:** Rethinking the National  
Interest



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## 1. Abstract

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Uganda is a founding member of the East African Community (EAC) that came into force by way of the treaty establishing the community among Uganda, Kenya and Tanzania. The EAC established in 2000 may be regarded as a successor in a way to the community that collapsed in 1977. The initial community collapsed due to reasons related to parochial sovereignty interests of member states, ideological differences of the cold war, the inequitable sharing of benefits and costs among others. The current community, it is argued, is not insulated from similar shocks save the ideological divide. The subsisting unipolar world and the globalized economy can be considered as the only kind of insurance to this weak community. Although the community has in the past decade re-established itself, set up a Customs Union and a Common Market, there remains a number of challenges relating to the weak – non-independent institutions of the community, to pervasive sovereign conservatisms that bars the development of supranational institutions that are a pre-requisite for such a community to flourish. Uganda has been an ardent supporter of the development of the community albeit the gaps in relation to regional integration in her medium and long term strategies. If the challenges mentioned above are addressed and Uganda makes regional integration one of the pillars of her medium and long term development strategies, the potential and opportunities are enormous for Uganda and the region as a whole.

## 2. Uganda in the EAC: An Introduction

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The East African Community (EAC) is a regional Economic Community established under Article 2 of the Treaty for the Establishment of the East African Community that entered into force in July 2000<sup>1</sup>. Uganda is a founding member of the EAC and officially regards herself as instrumental in the revival of the community and one of the ardent supporters of the EAC ideals<sup>2</sup>. Indeed Uganda is one of the original signatories to the treaty that established the EAC in 1999. Membership of the Community currently comprises the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania. As of June 2013 the community had a population of 143.5 million and an average annual growth rate of 2.6%<sup>3</sup>. Furthermore, as of 2013, the total exports from the intra EAC trade amounted to US\$ 3,508 million while the total imports amounted to US\$ 2,315 million, thus giving an intra trade deficit of US\$ 922 million. Kenya, Tanzania and Uganda recorded a surplus balance with Burundi and Rwanda recording a deficit.

Pursuant to the provisions of paragraph 1 of Article 5, *“the Partner States undertake to establish among themselves, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial,*

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1 The EAC established in 2000 is not a novelty since there was an earlier EAC comprised of Uganda, Kenya and Tanzania that collapsed in 1977. Reasons cited for the collapse include inter alia: Concentration of decision making power in member states other than community institutions, cold war ideological clashes, inequitable distribution of benefits and costs as well as clashes between different heads of member states. For a detailed analysis see: Joshua M. Kivuva, PhD; “East Africa’s Dangerous Dance with the past: Important lessons the new East African Community has not learned from the defunct” - Reported in the European Scientific Journal December 2014 Edition Vol.10 no.34.

2 See Uganda the Uganda National Policy on EAC Integration, page 1

3 See EAC Secretariat: East African Community Facts and Figures - 2014

*infrastructural, cultural, social and political relations. This is meant to enhance accelerated harmonious, balanced development and sustained expansion of economic activities<sup>4</sup>”.*

According to Article 9 of the Treaty establishing the EAC, the institutional framework of the Community consists of the Executive, the Legislative and the judicial arms. The Executive arm is composed of the Summit of the Heads of State (playing the broad vision setting role), and the Council as the policy making organ, the Secretariat which is the executive organ of the Community and EAC Institutions. The Legislative and Judicial arms are made up of the East African Legislative Assembly and the East African Court of Justice respectively. The functions, mandates, and operational frameworks of these Organs and Institutions are set out in the Treaty, Protocols, and Rules of Procedures.

It is argued that although the world, including the East African region have experienced changes that favour integration compared to the times of the defunct EAC, the current EAC treaty though cognizant of the causes of the demise of the predecessor community, does not cushion the new community from the same shortcomings. For example under the new (1999) EAC treaty, power remains concentrated in member states leaders and bureaucrats; not community institutions. The secretariat lacks executive powers, the decisions of the Sectoral and Ministerial councils have to be made by consensus, the East Africa Court of Justice (EACJ) has its jurisdiction restricted to the interpretation of the treaty while the East African Legislative Assembly (EALA) is not only elected by national parliaments but also lacks the capacity to originate bills – a preserve of the Ministerial council. Furthermore, the laws enacted by EALA must be assented to by heads of member states. In all these circumstances, absence of consensus or the withholding of a signature means either a veto or unnecessary delay in the business of the community<sup>5</sup> despite earlier negotiations and related resources expended. This state of affairs poses the following policy questions:

- a) **Will “non-remedial” of the reasons that led to the collapse of the defunct community lead to the collapse of the current EAC?**
- b) **Can the current EAC succeed with such weak or non-independent institutions such as the current EALA, EACJ, Sectoral and Ministerial Councils and Secretariat?**
- c) **Is Uganda ready to spearhead the reform of these institutions by ceding part of its sovereignty thereby convincing other states to follow suit?**

Accordingly, the EAC member states need to address among others, the above policy issues in order to exploit the potential and accelerate growth in line with the EAC and member country visions. The table below sets out selected important indicative statistics on the standing of the EAC and member countries.

<sup>4</sup> See EAC Development Strategy 2011/12 to 2015/16 at page 13.

<sup>5</sup> See note 1.

Figure 1: The geographical boundaries of the East African Community.



### EAC Selected statistics as of 2013<sup>6</sup>

Country	Population (Millions)	Average annual growth rate	Real GDP (Millions USD)	GDP Per Capita (USD)
Uganda	3 5.4	4.7	9,338.1	633.6
Kenya	4 1.8	4.7	19,578.4	1,055.2
Tanzania	4 6.2	7.0	12,825.0	742.6
Rwanda	1 0.7	4.6	6,670.8	709.4
Burundi	9 .4	4.8	1,103.0	294.2
<b>East Africa</b>	<b>143.5</b>	<b>2.6</b>	<b>49,515.3</b>	<b>3,435</b>

## 3. East African Community Development Strategy

The EAC operationalizes the Treaty through medium-term development strategies. The 1st Development Strategy covered the period 1997 -2000 and focused on the re-launching of the EAC, a period usually referred to as the confidence building phase. The 2nd Development Strategy covered the period 2001

6 Extracted from East African Community Facts and Figures - 2014

-2005 and mainly focused on the establishment of the EAC Customs Union and laying the groundwork for the Common Market. The 3rd Development Strategy (2006 – 2010) prioritized the establishment of the EAC Common Market and while the 4th Development Strategy covering the period July 2011 to June 2016 mainly focuses on the implementation of the EAC Common Market and the establishment of the EAC Monetary Union. The revival of the EAC, the establishment of the Customs Union and the Common Market bring about the following benefits to the people of the community:

- a) Expansion and easing of trade through the removal of tariff and non-tariff barriers – for example charging no taxes on goods fully manufactured in EAC member states
- b) Easing of movement of people and goods through removal of restrictive immigration procedures – for example, abolition of visa requirements, abolition of fees for work and residence permits, establishment of a single boarder control system etc
- c) Increased opportunity for business to invest and set up in member states without undue restrictions – for example Kenyan companies have come to Uganda, Uganda in the same way can set up in Kenya, Rwanda or Burundi. Universities opened up in different member states and harmonization of tuition fees is on course thus promoting access to education.
- d) Freedom of movement of labour – people, including professionals from member states can go and seek employment in any member state without undue restriction – today Kenyans, Ugandans and Rwandans can enter any of the countries using a national Identity Card or a Voter's card.
- e) Increased cooperation and investment among member states reduce possibilities of conflicts and enhance stability and economic growth.

Although the EAC development strategy is supposed to be interlinked with the member states' visions and development strategies<sup>7</sup>, it should be noted that some member states have regional integration as key pillars in their visions and national strategies - for example, Kenya and Rwanda have incorporated regional integration into their national visions and strategies, while other members like Uganda, Tanzania and Burundi do not necessary directly incorporate regional integration into their visions and strategies<sup>8</sup>. However, the EAC in its strategy does not find this inconsistent or counter to the regional development strategy.

The table below summarizes the visions of EAC member states:

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7 See note 2, Page 14

8 See note 2, Page 14

## EAC Partner States Strategic Visions

Country	Time Frame	Strategic Vision	Priority areas
Kenya	Vision 2030	Globally competitive and prosperous Kenya with a high quality of life.	To achieve sectoral objectives including meeting regional and global commitments
Uganda	Vision 2040	Transform Ugandan society from peasant to a modern prosperous country.	Prominence being given to knowledge based economy
Tanzania	Vision 2025	High quality of life anchored on peace, stability, unity, and good governance, rule of law, resilient economy and competitiveness.	Inculcate hard work, investment and savings culture; knowledge based economy; infrastructure development; and Private Sector Development.
Rwanda	Vision 2020	Become a middle income country by 2020	Reconstruction, Human Resource development and integration to regional and global economy
Burundi	Vision 2025	Sustainable peace and stability and achievement of global development commitments in line with Millennium Development Goals.	Poverty reduction, reconstruction and institutional development.

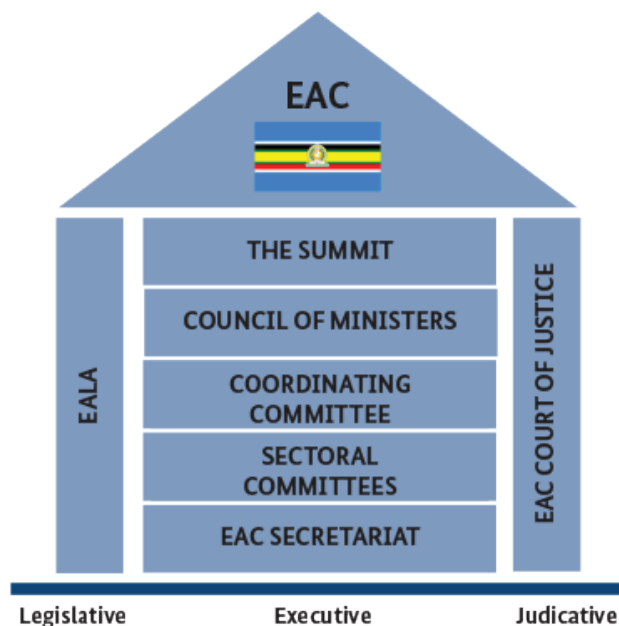
## 4. Uganda's Vision 2040 & the EAC

Uganda Vision 2040 provides development paths and strategies to operationalize Uganda's Vision statement which is **“A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years”**. It aims at transforming Uganda from a predominantly peasant and low income country to a competitive upper middle income country. It builds on the progress that has been made in addressing the strategic bottlenecks that have constrained Uganda's socio-economic development since independence, including; ideological disorientation, weak private sector, underdeveloped human resources, inadequate infrastructure, small market, lack of industrialization, underdeveloped services sector, underdevelopment of agriculture, poor democracy, among others. The Vision 2040 is conceptualized around strengthening the fundamentals of the economy to harness the abundant opportunities around the country. The identified opportunities include: oil and gas, tourism, minerals, Information Communication Technology (ICT) business, abundant labour force, geographical location and trade, water resources, industrialization, and agriculture among others that are to date considerably under-exploited. Achieving the transformational goal will thus depend on the country's capacity to strengthen the fundamentals including: infrastructure (energy, transport, water, oil and gas, and ICT); Science, Technology, Engineering and Innovation (STEI); land use and management; urbanization; human resource; and peace, security and defence. Projections indicate that Uganda will graduate into a lower middle income country by 2017, progressing to an upper middle income category by 2032 and attaining its target of USD9500 in 2040<sup>9</sup>.

<sup>9</sup> See Uganda Vision 2040 pp xiii to xvi



## The orgnogram of the EAC



Although Uganda has an EAC Policy<sup>10</sup>, there is no doubt that the same is neither anchored in the vision 2040 nor the National Development Plan 2010/11 to 2015/16. Both documents however recognize and mention in their body the geographical location of Uganda that enables her to join regional blocks such as EAC and the Common Market for Eastern and Southern Africa (COMESA) to mention the two. Indeed the National EAC Integration policy is a recent document of 2015. Uganda being one of the key EAC member states yet considers regional integration as not one of the key pillars of its national vision and strategy poses the following policy questions:

- a) **Does Uganda accord EAC affairs the importance they deserve?**
- b) **Does Uganda regard her membership to the EAC as part of the key strategies to achieve her short term, medium and long term development objectives?**
- c) **Whatever answer is given to the above questions, what should Uganda do to change this state of affairs?**

## 5. Uganda's EAC Policy

The National Policy on East African Community Integration (NPEACI) was developed to respond to the need to have a detailed articulation of the country's EAC integration policy in a single document, in which priorities, objectives, targets, policies and linkages with other growth and development targets are clearly laid out and linked. It provides a clear framework of ensuring that the Country and the people of Uganda effectively participate in the integration process and benefit in terms of improved welfare, economic growth and general development.

The overall objective of this policy is to improve market access and competitiveness of Ugandan firms within the EAC to enable Ugandans reap the benefits of integration. It also recognizes that some aspects of the integration process will require joint decision making and collaboration among partner states in areas such as large infrastructure projects and the management of trans-boundary natural resources.

Although the idea of a national EAC integration policy is important, albeit its late introduction, it is important to note that the Ugandan policy on EAC integration focuses on how Uganda can maximize

<sup>10</sup> See Ministry of East African Community Affairs; "The National Policy on EAC Integration, 2015"



benefits from the EAC. The policy does not address issues related to the general standing and affairs of the community or what Uganda would like the community to be; or what needs to be done to make the community deliver the anticipated benefits. Uganda needs to address specific EAC concerns and assign timelines including measurable indicators for evaluating the realization of specific objectives. For example if it is a question of harmonization of legislation, the policy should clearly indicate the number of laws to be amended and harmonized every year. This state of affairs poses serious policy questions such as these:

- a) **Will the national policy be useful in case of a dysfunctional or inefficient community?**
- b) **What should and can Uganda do to ensure that the EAC is that successful community that it intends to benefit from?**
- c) **What needs to be reconsidered in Uganda's EAC integration policy?**

## **6. Uganda National Development Plan 2010 – 2015/16**

Although the Uganda National Development Plan 2010 – 2015/16 deals with Multi-lateral and Bi-lateral partnerships, the plan in paragraph 215 only points out that “the nature of partnership also reflects relationships beyond official development assistance (ODA), to include commitments made in the Millennium Development Goals (Goal 8) on equitable trade and financial system, market access, debt sustainability and other issues; however there is nothing in the plan addressing regional integration – particularly the East African Community. This echoes what was said in relation to vision 2040. This failure to anchor regional integration in national medium and long term development strategies has implications not only on the country's strategic input into the development of the EAC, but also the allocation of adequate resources beyond the usual recurrent expenditure and designated quotas. Indeed Uganda's EAC policy 2015 clearly points out that before it came into force, in Uganda EAC matters were never integrated into a single policy document and as such EAC matters were never integrated and or made part of the national development agenda<sup>11</sup>. Uganda should explore specific and measurable strategies for not only complying with her obligations under the EAC treaty, but also how to leverage the hosting of EAC institutions like the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) and the EAC Civil Aviation Academy, Soroti, the Inter-University Council for East Africa, The East African Development Bank etc, to ensure that these institutions do not only fully serve their mission but attain the highest levels of development and become indispensable both for the region and internationally. This begs answers to the following questions:

<sup>11</sup> Uga National Policy on EAC Integration 2015, Page 2.

- a) **Why has Uganda not included regional integration as a pillar in her medium and long term development strategies?**
- b) **How can Uganda's commitment to the regional integration agenda be measured?**
- c) **Does Uganda at national level, interrogate the question of regional integration and how best to promote and exploit the same?**

A track of goods crosses into Rwanda from Uganda.



## 7. What can Uganda do for the EAC?

As discussed above, there is no doubt that the EAC presents enormous potential and opportunity for regional states, including Uganda. However, the situation on the ground indicates that there are numerous challenges<sup>12</sup> that may make the community stagnate or even fail if member states do not address the following challenges:

<sup>12</sup> See Hamid R. Davoodi, Editor 2012; "East African Community After Ten Years"

- a) Absence of Supranational Institutions that guarantee the independence and efficiency of the community. The current structure remains hostage to parochial sovereign interests of member states – for example the EACJ cannot resolve other disputes except interpretation of the treaty, decisions are made by consensus of the summit, Ministerial and Sectoral Councils thereby giving member states a veto on any decision – no consensus means no action or acting ultravires the treaty – the case of the coalition of the willing is a case in point<sup>13</sup>. Much as acting outside the treaty may yield positive results, it also inherently hosts the seeds of destruction for the community. The EALA and the Secretariat also remain non-independent and continue to depend on member state bureaucrats for action. The idea of having **a qualified majority** in decision making as well as **supranational institutions** that utilize some of the member states' ceded sovereignty will go a long way to redress extra-treaty actions and thus strengthen the community<sup>14</sup>.
- b) The need to fully implement the signed protocols for the Customs Union and the Common Market by way of harmonizing policies and legislation as well as removal of non-tariff barriers. Otherwise these great integration ideas will remain on paper while the situation on the ground is different thereby undermining integration as well as the potential benefit for the people. Uganda must have specific, measurable and time bound targets in terms of harmonization of laws and policies, for example what priority laws and how many such laws are supposed to be reviewed and aligned by which Ministry per year. It is not enough to say that harmonization will be done in 5 years.
- c) The need to make the community fully people centered by involving the regional population in the election of community leaders for example, members of EALA, Judges of the EACJ as well as expanding the jurisdiction of the EACJ to hear appeals from state courts and to protect the rights of the individual. The case of the European Court of Justice can be instructive in this respect.
- d) The development of homegrown infrastructure and mechanisms for dealing with sensitive matters of the community such as the monetary union and political federation. This is in light of current happenings in the European Union and other regional economic communities where challenges continue to manifest themselves despite substantial progress made in deepening integration. Without harmonized policies and legislation as well as effective supranational institutions, neither the monetary union nor the political federation can be operational. However, there seems to be zeal for fast tracking the above two despite the absence of harmonized national policies, legislation and supranational institutions.
- e) Critically Examining governance issues in member states since these directly affect the stability and economies of member states. For example the recent upheavals in Burundi – a member state - leave a lot to be desired. The different political systems may need to be aligned though need not be similar. The conflict in South Sudan – one of the potential members of the community may lead to reversals of the achievements already made by the community unless guarantees are established for admission to membership and for the stability of the governments in member states.

<sup>13</sup> Uganda , Kenya and Rwanda decided to work on EAC projects because there was a feeling that Tanzania and Burundi were slow in that regard. The three countries' actions became not only controversial, the tripartite cooperation came to be dubbed "the coalition of the willing"

<sup>14</sup> See note 1.

