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KAGAME ADDRESSES EALA ON STATE OF EAC

-President Kagame calls for improved infrastructure in region.-



President Paul Kagame of Rwanda on Friday 27, February briefed EALA members on the current status of the regional integration, its achievements, challenges and the way forward. The President was addressing the regional lawmakers in his capacity as the current Chairperson of the EAC Heads of State Summit.

President Kagame observed that increasing regional competitiveness, is still hindered by the state of the region's infrastructure, which he said would have been fundamental in boosting trade and investment in East Africa.

"This is the time for bold steps not only in terms of resolving these outstanding matters that are obstructing the Common Market, but also they require us to execute critical decisions that we have already made," he said.

"Lets us face it – these highly strategic infrastructure assets that

could drastically cut the costs of doing business in our region and in neighboring countries call for most urgent action," he said. He particularly singled out railway development which he said still remains worrisome.

The railway project that is currently underway will link three countries; Burundi, Rwanda and Tanzania.

Kagame also announced that the East African Railways Master Plan, has been finalized and that the final draft report is currently under review in partner states.

On energy, the President said that the oil pipeline extension from Eldoret to Kampala was still ongoing and would be completed by the fourth quarter of 2009.

The EAC Chairman also told the legislators that the EA Power Master Plan, formulated in 2005, had been reviewed and updated following the accession of his country and Burundi into the EAC.



“The terms of reference for the feasibility study on the extension of the pipeline from Kampala to Kigali and Bujumbura have been finalized,” he said.

Similarly, the President pointed out that the terms of reference for the feasibility study of the Dar Es Salaam-Tanga-Mombasa natural gas pipeline had been completed and approved by the EAC Sectoral Council on Energy.

Kagame highlighted that the customs union launched in 2005, had stimulated trade and investment contrary to beliefs that it would retard economic opportunities for some countries.

He said the EAC would continue to pursue the Tripartite Arrangement it signed with Comesa and Sadc regional blocs in Kampala last October.

The arrangement aims to establish a free trade area and

later a customs union covering the three blocs. He called for fast-tracking of the introduction of a single tourist visa for EA to facilitate free movement of tourists in the region. This would make it more competitive in tourism business than other regions, he said

He illustrated this by saying that in 2007, the total intra-EAC trade increased by 22 percent compared to the previous year, while the total East African trade with the rest of the world, also increased by 27, percent in 2007, up from 23 in 2006.

“This should further encourage us all to commit to an even quicker pace of integration towards the Common market protocol,” he told the legislators amidst constant applause.

He highlighted the non-tariff barriers and red tape that still increase the costs of doing business in East Africa, and called for continued progress

in addressing the matter.

The EALA Speaker Abdirahin in his earlier said the regional parliament would soon forward a report on the concerns and recommendations of the EA people on the proposed Common Market to the EAC Council of Ministers, the policy organ of the EAC.

The Speaker commended the President for having, under his leadership, organized the EAC Strategy Retreat which aimed at improving collaboration among EAC organs as well as addressing the needs of East Africans. The retreat was held earlier this month in Kigali.

Also in attendance were several East African Ministers responsible for east african affairs, Ambassadors and several senior EAC secretariat staff. Amb Mwapachu and the Counsel to the Community, Mr Wilbert Kaahwa since they are members of the House by virtue of their positions. ●



EAC Holds 4th East African Petroleum Conference



The 4th East African Petroleum Conference (EAPC'09) was held from 11-13 March 2009 at the Sarova White Sands Beach Resort & Spa in Mombasa, Kenya. The conference, whose theme was enhancing exploration and exploitation of oil and gas for social economic development, was officially opened by H.E the Vice President of the Republic of Kenya, Hon. Stephen Kalonzo Musyoka on behalf of President Mwai Kibaki. The Conference was attended by among others; Rt. Hon. Kenneth Marende, Speaker of Parliament, Kenya; Hon. Kiraitu Murungi, Minister for Energy, Kenya; Hon. Amason Jeffa Kingi, Minister for EAC, Kenya; Hon. Hilary Onek, Minister for Energy and Mineral Development, Uganda; Hon. Philippe Njoni, Minister for Infrastructure, Burundi; Assistant Ministers of the line Ministries; Members of EALA; Chief Executive Officers of Oil Companies and other high profile dignitaries in the Oil industry from the region.

The conference was organized by the EAC Secretariat in collaboration with Kenya's Ministries of EAC and Energy. The Deputy Prime

Minister and Minister of Local Government of Kenya, Rt. Hon. Musalia Mudavadi officially closed the Conference on 13 March 2009.

The conference attracted over 600 delegates and officials responsible for petroleum and investment promotions and other players in the industry from the region and the countries neighboring EAC, namely Ethiopia, Sudan, DRC, Zambia, Malawi, Mozambique and Somalia.

The 4th East African Petroleum Conference was characterized by Country Presentations, mainly highlighting respective exploration activities with focus on petroleum potential, discoveries, utilization, legal and fiscal regimes and current licensing status. Presentations were made on new exploration opportunities, evolving technologies and achievements in the search for new hydrocarbon reserves to supplement the existing and depleting fields. An exhibition and poster sessions ran concurrently with the conference and the EAC Secretariat, Partner States and a number of oil and service companies exhibited and showcased the region's



potential and other available investment opportunities.

The 4th East African Petroleum Conference took place at a time when the current global financial meltdown and marked reduction in oil prices have grossly impacted on the exploration financing base of many oil companies worldwide.

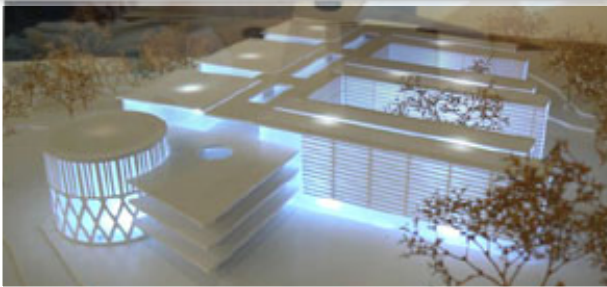
The East African Petroleum Conference (EAPC'09) in Mombasa, Kenya was the fourth in a series of petroleum conferences held every two years in the East African Community (EAC) Partner States on rotational basis. The main aim of the conferences is to promote East Africa as a viable investment destination for petroleum exploration and development. The conferences are organized by the EAC Secretariat, with the venue Partner State as co-host.

At the Conference, it was learnt that Uganda has discovered oil and gas in the Albertine Graben and has the intention of constructing a top-up oil refinery to exploit some of the oil for local use. In Tanzania, natural gas has been found at Songo Songo and Mnazi Bay. Tanzania is already tapping the gas resources for generation of electricity and as fuel used in industry. Rwanda has methane gas that is generated annually in Lake Kivu. A pilot plant for tapping the methane gas has been constructed, with an aim of scaling up to a fully fledged power plant. In Burundi petroleum exploration is on-going in the Rusizi and Tanganyika Basins. Currently there are several International Oil Companies carrying out petroleum exploration in Kenya. Although 31 exploration wells have been drilled in the country, no commercial discoveries have yet been made.

EAC Headquarters construction to start soon

Construction of the multi-purpose ultra-modern East African Community (EAC) Headquarters will take off in September, this year, and is expected to be ready by 2011. The Euro 14 million complex to be erected behind the Arusha International Conference Centre (AICC), is being funded by the German government.

While addressing Journalists on the 24 February at the EAC Media Center, Mr Phil Kleruu, the EAC Senior Estates Management Officer, said "The planning and design stage of the project is 100 per cent complete," underscoring that construction permit and



environmental impact assessment report have already been obtained.

He told journalists that Germany that had earlier committed 8 million Euros for the project, had topped up another 6 million Euros after the revised costs of the work following entry of two new EAC members—Rwanda and Burundi—into the regional bloc. The three founding members are Kenya, Uganda and Tanzania.

Originally, the construction was expected to start in 2007. A high level German delegation visited the project site between February 9

and 11 and held consultations with EAC officials. According to Mr Kleruu, the tenders for the project are scheduled to be floated in the second week of March, followed by the opening of the tenders in the last week of April, 2009

“This will be followed by evaluation of the bids, submissions of the tender evaluation report to project financiers, contract negotiations and contract approval by the financiers,” he said, adding that ground breaking for the much-awaited construction would take place around mid September. The project is scheduled to take 24 months to completion.

Some 47 construction companies from Kenya, Uganda and Tanzania applied for the four-storey construction work and only four of them were picked for the final tendering bid. “And only one of them will be awarded the contract,” he explained. He said sub-contracts for air-conditioning and other facilities will be re-advertised “because the earlier response was not satisfying”.

The new EAC headquarters will be constructed adjacent to its temporary offices at the Arusha International Conference Centre, a landmark structure in Arusha built by the former EAC which collapsed in 1977.



Mwapachu gets Obama letter

US President Barack Obama extends hand of friendship, says he is confident of EAC contribution to world peace, security and development

The President of the United States of America, H.E. Barack Obama has written to the Secretary General of the East African Community, Amb. Juma Mwapachu expressing confidence of working together with the EAC in a spirit of peace and friendship to build a more secure world. President Obama said he looked forward to joint efforts in promoting good relations between the United States and the East African Community.

The letter conveyed through the United States Embassy in Dar es Salaam reads in part, "Dear Mr. Secretary General... Thank you for congratulations on my election as President of the United States of America. Your thoughtful message is much appreciated. I am confident that we can work together in a spirit of peace and friendship to build a more secure world... I look forward to working with you in that effort and in promoting good relations between the United States and the East African Community."

In his congratulatory letter of 4th November 2008, the Secretary General had written to President Obama expressing great joy, pride and warm congratulations on his historic election as the 44th President of the United States of America. In the letter, the Secretary General described President Obama's election as "a defining moment in American history (which) has reverberated on a global scale and given hope to a new world order. East Africa is especially proud of your ascendancy to the pinnacle of world leadership, given your East African roots..."

".....The rallying mantra of Change and Yes, We Can! touched the hearts and minds of everybody who looks forward to the United States regaining an ethical stature in world politics and economics... We look forward to the period ahead of strengthened relations between the East African Community and your great country".

BACKGROUND: EAC-USA relations

With its economy centrally linked to the wider Eastern and Central African market and potential to grow and expand into a significant centre of regional integration and development in Africa, the EAC is steering a steady course to broaden its world outreach and outlook.

The EAC signed the Trade and Investment Framework Agreement (TIFA) with the USA in August 2008. The EAC-USA TIFA initially covers the African Growth and Opportunity Act (AGOA), the World Trade Organization Doha Round, trade facilitation and capacity building.

The EAC-USA TIFA provides the opportunity for full blown economic engagement with the world's leading and largest economy in a multi variety of areas of global economic partnership, including promotion of tourism and trade.

Since 2006 the United States Trade Development Agency (USTDA) has supported the development of the EAC aviation sub sector to the tune of \$566,000 towards the development of unified upper airspace of the EAC region, airports development and modernization.

The TIFA with the USA is a major step towards deepening EAC global trade and investment promotion. Building on its model, the EAC is exploring strengthened relations with other strategic partners in the world markets. ●



EAC Holds 8th Round of Common Market Protocol Negotiations

The Minister of the East African Community Affairs of the Republic of Burundi, Hon. Hafsa Mossi has urged members of the High Level Task Force on the Negotiations of the EAC Common Market Protocol to unblock the bracketed areas of the draft Protocol where consensus had not been reached.

Hon. Hafsa Mossi, who was officially opening the 8th Round of the Negotiations at the Source Du Nil Hotel in Bujumbura, Burundi on 3 March 2009, noted that despite the tremendous progress made by Partner States Experts in the negotiations, there were still some outstanding issues that needed to be resolved. She said negotiating and resolving the outstanding issues would require collaborative and consensus spirit that had so far characterized the Common Market Negotiations process since its first round that was launched in September 2008 in Bujumbura, Burundi.

Members of the High Level Task Force on the negotiation from the Partner States; Burundi, Rwanda, Uganda, Kenya and Tanzania met in

Bujumbura to consider outstanding issues in regard to; Residence Permit – Article 17(2), Competition and Consumer Welfare, Common Transport Policy, Interpretation, Roadmap for Developing Annexes to the EAC Common Market Protocol, Agriculture (Crops, Livestock, Fisheries and Forestry), Industrialization, Safeguard Measures, Measures to address Imbalances, Schedules on Trade in Services in the Community, Annex on Macro Economic Convergence, Annex on Free Movement of Capital, and Agenda Items for the last Round of the Negotiations are due in Kampala, Uganda at the end of March 2009.

The Burundi Minister for EAC Affairs informed delegates that her country was still facing some teething challenges in regard to the integration process, and despite the challenges, Hon. Hafsa Mossi noted that the country and the Burundi people were looking forward to benefit from the larger markets, economies of scale, larger pools of human, financial and physical capital that the integration is to offer.

While welcoming Members of the High Level Task Force (HLTF) to the 8th Round of the negotiations, the EAC Deputy Secretary General in charge of Projects and Programmes, Amb. Julius Onen highly commended Experts for important work so far done on the negotiation process that has led to significant consensus on a large number of the provisions of the proposed Protocol. He said “ we have basically finished the negotiations and your role in the formulation of the Protocol in the overall context of regional integration process cannot be overemphasized and posterity will reward you abundantly”

The Deputy Secretary General informed the delegates that while addressing the East African Legislative Assembly on 27 February, 2009 in Arusha, the Chairperson of EAC Summit of the Heads of State and President of the Republic of Rwanda, H.E Paul Kagame called for bold steps be taken while negotiating and resolving critical issues in the

proposed Common Market Protocol. He said the Chairperson of the Summit urged that the draft Protocol to be ready for the EAC Summit of Heads of State scheduled for April this year in Arusha, Tanzania. Amb. Onen said this development should, therefore inspire and drive members of the High Level Task Force towards achieving the targeted date of establishing the Common Market by January 2010.

The HLTF on the EAC Common Market is expected to wind up its work at the 9th and last Round of Negotiations scheduled for 30 March to 4 April 2009 in Kampala, Uganda. The HLTF is expected to submit its report (draft EAC Common Market Protocol) to the Sectoral Council on the Common Market, which is scheduled to meet from 6-9 April 2009 in Kampala, Uganda. ●

Centre for Chinese Studies hold Strategy Seminar for EAC



The Centre for Chinese Studies (CCS) held a strategy seminar for EAC Executives and Directors on China-Africa Co-operation on Monday 16 March 17, 2009 at the East African Community Headquarters, Arusha, Tanzania. The seminar, which was conducted by Mr. Christopher Burke-Research Fellow and Ms Tracy Hon-Projects Director of the Centre for

Chinese Studies of the Stellenbosch University, South Africa, was attended by among others the EAC Secretary General, Amb. Juma Mwapachu, the Deputy Secretary General in charge of Political Federation, Ms. Beatrice Kiraso, the Deputy Secretary General (Finance and Administration), Dr. Julius Tangus Rotich, the Deputy Secretary General (Projects and

Programmes), Amb. Julius Onen and the Counsel to the Community, Hon. Wilbert Kaahwa.

The seminar aimed at exchanging knowledge, ideas and experiences on China-Africa cooperation. It was noted that currently EAC has no specific program with China and yet there are abundant opportunities available in the region in areas of trade and investment, tourism, science and technology, industries and infrastructure.

The Centre for Chinese Studies (CCS) is the first institution devoted to the study of China on the African continent, and is home to the Confucius Institute, the first of its kind in South Africa. As Africa's interaction with China increases, the need for greater analysis and understanding between the two regions and peoples grows, and the Centre fulfills this mandate. The Centre conducts analysis of China-related research to stakeholders in government, business, academia and NGO communities. ●

EAC to Hold 3rd Annual East African Civil Society Forum

The 3rd East African Civil Society Forum being organized by the EAC Secretariat in collaboration with the East African Law Society, is to take place on 20-21 March 2009 at the Corridor Springs Hotel, Arusha, Tanzania. The forum, with the theme "Strengthening civil society in the EAC: Sharing experiences with other regional economic blocs", is meant to promote the participation by civil society and ordinary people in the regional integration process.

Over 100 delegates and representatives of civil society organizations in the region are expected to attend the forum, which is to be officially opened by the Secretary General of the EAC, Amb. Juma Mwapachu.

The forum will also attract participants from the West African Civil Society Organization Forum (WASCOF) and the Southern African Development Community-Council of NGOs and the Addis Ababa Centre for Citizen

Participation at the African Union.

The participants will share views on the integration, challenges and lessons learnt by civil society in other regional blocs and come up with practical recommendations for the EAC.

Matters to be discussed are to include the envisaged EAC Common Market and its effect on citizens in the regional integration process and seeking long term linkages between different regional blocs in Africa.

The East African Treaty in particular addresses the participation of non-State actors with an enabling environment for the private sector and civil society to participate. ●

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