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# Support to East African Integration (SEAMPEC II)

Institutional and regulatory framework conditions for regional and continental trade in the East African Community are improved.

## The challenge

The East African Community (EAC) is the most integrated regional economic organisation in Africa according to the Africa Regional Integration Index. Indeed, trade-related integration is more advanced than in other regional economic communities in Africa. An example is the EAC Customs Union and thus application of a Common External Tariff Regime. Nevertheless, non-tariff barriers are still an obstacle for implementing the Customs Union and the Common Market.

The EAC Partner States have committed to guaranteeing each other the free movement of services. Furthermore, they have agreed to progressively liberalise their services in seven priority sectors (*business, communication, distribution, education, tourism, transport, and financial services*), remove existing restrictions and not introduce new restrictions. However, the implementation of the service liberalisation is slower than expected. The private sector and civil society are often not well informed and engaged on the state of integration. They also lack strong regional networks that are needed to take an active role in the integration process.

## Our approach

Three steps are necessary to improve the framework conditions for regional and continental trade. Firstly, strategies and regulatory frameworks for economic sectors need to be developed and obstacles to implementation identified. This was the focus of SEAMPEC II's predecessor project. Secondly, the developed strategies and regulations must be applied and identified obstacles must be removed. These implementation aspects are the focus of SEAMPEC II.

SEAMPEC II supports EAC integration on three levels. Firstly, it aims at supporting regional and continental trade in products with potential to foster sustainable economic transformation such as agricultural commodities. For this, it supports the implementation of regional agreements that improve framework conditions for increasing value-addition in pharmaceuticals, fruits & vegetables as well as leather. The GFA Consulting Group is subcontracted to implement parts of the support measures. The programme receives co-funding from the European Union to implement the "Market Access Upgrade Programme" (MARKUP), which promotes the development, implementation and harmonisation of standards and customs procedures. This includes improved data for standards setting, exchange of information among relevant institutions and authorities within the EAC and Partner States as well as training measures for staff.

Secondly, SEAMPEC II focusses on strengthening regional and continental trade in services with potential to support sustainable economic transformation, among them ICT, e-Commerce and tourism. The programme also assists the private sector in developing policy positions and recommendations. Additionally, SEAMPEC II supports the EAC to jointly formulate harmonised positions in the negotiations for the African Continental Free Trade Area (AfCFTA) and build capacities of the relevant stakeholders to engage in the continental trade.

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L. to r.: Women Market Traders; Industrial Production



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*L. to r.: East African Pharmaceutical Industry; East African Tourist Guides*

Thirdly, on the level of organisational development, SEAMPEC II aims at strengthening capacities of the EAC Secretariat to implement the 6<sup>th</sup> EAC Development Strategy. Additionally, the programme works on the level of individual capacity development to equip staff of EAC and relevant regional organisations with the knowledge and skills to push regional integration forward as depicted in the EAC Vision 2050. An example for this area are capacity development measures for EAC staff on communication of integration impacts, thereby making the integration process more tangible for East Africans.

## Results in figures (from predecessor SEAMPEC)...

Tailor-made training courses and technical as well as process advice on trade in services have enabled the EAC Partner States to resume stalled negotiations on trade in services. In the negotiations, Partner States committed to opening up at least 78 sub-sectors of the WTO services sectoral classification list, so that more than 50% of all service sectors provide new opportunities for cross-border trade. An initial EAC tariff offer on trade in goods was developed and submitted to the AfCFTA Secretariat.

The East African pharmaceutical manufacturing sector has grown by an annual growth rate of 12% since 2016 with over USD 1.2 billion in investments being recorded. SEAMPEC has contributed to the fact that 30% of medicines purchased in the region are now being provided by regional companies. Key stakeholders in all three sectors have been trained in Good Manufacturing Practices, the EAC Authorised Economic Officer program as well as in EAC harmonised standards and customs procedures. Strategies and Action Plans have been developed and implementation structures established.

Since 2018, MARKUP has trained 479 SMEs and cooperatives with over 4,200 beneficiaries from Burundi, Kenya, Rwanda, Tanzania and Uganda on EU market requirements. MARKUP developed a manual for training on standards development and

harmonisation and conducted respective trainings for National Standards Committees in the EAC.

47 projects from the civil society and the private sector in fields such as health, ICT, AfCFTA, tourism, trade and agribusiness received funding and guidance by the Incubator for Integration and Development (IIDEA) in East Africa since 2016. Up to March 2022, 58,000 people benefited directly through increased income, improved trading conditions and better awareness of their rights, and 90,000 persons participated in IIDEA events.

## ... and in stories

Natacha Baranyuzwe is a Rwandan entrepreneur believing in natural products to be a source of livelihood for her community. She set up her company BARANYUZWE COSMETICS Ltd in 2019 to produce herbal-based products for treatment of fungal infections of the scalp but decided that she needed more expertise on how to produce high-quality products. Therefore, she took part in a six-week training on Good Manufacturing Practices for herbal and traditional medicines offered by the EAC Secretariat via the SEAMPEC programme to entrepreneurs in all EAC Partner States.

Since then, her product portfolio is growing. Natacha used the training to improve the quality of her products as she expanded her business. She stresses, "I learned that for high-quality products, you need qualified personnel. Since the training, I hired two laboratory analysts and make sure that my staff is constantly trained." By now, Natacha is employing ten staff members.

Furthermore, Natasha notes, "Through the training, I realised that I cannot be competitive on the East African market with the rudimentary instruments I had been using so far." Now, Natacha is using validated equipment to produce high-quality products.

Due to her high-quality products, Natacha has raised interest of exporters so that her products can be found in other EAC Partner States. Whilst for now, Natacha herself is only selling in Rwanda, expansion to the rest of EAC – including its newest member DRC – is already on the table.

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### Text

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