



Southern and Eastern African Trade
Information and Negotiations Institute
Uganda



African Center for Trade and Development



Development Network of Indigenous Voluntary Associations

6th February 2009

Report

AWARENESS RAISING WORKSHOP FOR A PROJECT
ON “BUILDING AN INCLUSIVE EAST AFRICAN
COMMUNITY” by CUTS-LRC, ACTADE, DENIVA and
SEATINI-UGANDA.

Consumer Unity and Trust Society-International (CUTS) and SEATINI-Uganda in collaboration with African Centre for Trade and Development (ACTADE), Development Network of Indigenous Voluntary Associations (DENIVA) organised a workshop to introduce a project “*Building an inclusive East African Community*” on Friday 6th February 2009 at Hotel Africana.

The workshop drew thirty seven (37) participants from Civil Society Organisations (CSOs), Ministry of Trade, Tourism and Industry (MTTI) officials, academia, University students, farmers, and media.

Apart from introducing the project and project aims and objectives, it was also seen as vital to include updates on the ongoing Economic Partnership Agreements and World Trade Organisation negotiations due to the various linkages they have to the ongoing integration processes

Welcome Remarks and Introductions

By Ms. Bridget Nabikolo- SEATINI-U

She welcomed all participants to the meeting and thanked all for honouring their invitations especially at short notice. She explained the purpose of the workshop as aimed at introducing and raising awareness of the “Building an inclusive East African Community” project.

She further pointed out that it is a two year project intended to cover the five East African Countries and examine the implications of trade policies on people’s livelihoods in EAC and explore modalities for trade negotiations and subsequent policies to be inclusive and accommodative of all stakeholders’ interests. This is to be done through research which will be carried out by ACTADE, the research will in turn inform the advocacy processes which will be spearheaded by SEATINI-U. She further explained that the project will also have an outreach component which will be spear headed by DENIVA.

Introduction to Project: (Aims, Objectives and Activities)

These were introduced by SEATINI-U, ACTADE and DENIVA.

In introducing the project aim, Ms. Jane Nalunga started by giving a background on the EAC integration processes. She noted that when the EAC was first established in the late 1960S, a few East Africans were aware of what was going on up to the time it collapsed. However this time round there is need for citizens to be aware and included in this process.

She explained that, in 2000 the East African Community was re-established by Kenya, Tanzania and Uganda in 2001. From that period a number of moves aiming at building regional integration have taken place including establishment of the Customs Union, negotiations for Common Market which are ongoing and the inclusion of Rwanda and Burundi in 2007. After six years of negotiations, the EAC in 2007 signed an interim EPA with the EU with an agreement to sign a comprehensive EPA by July 2009.

She explained that the project will have a major focus on the EPAs since they are life long commitments that will have an impact on the livelihoods of the people of the East African Community. It also aims at looking at how we can ensure an inclusive regional integration process.

She also added that specifically, the project will be aimed at examining the implications of external trade policies on the welfare and livelihoods of people, providing a better understanding of both challenges and opportunities in trade integration in particular and regional integration processes in general. It will assist CSOs in their efforts to raise awareness of the general public regarding regional integration.

In regard to the project activities she pointed out that these will be centred on research, awareness raising and advocacy at local, national and regional levels.

She however called on to the other partners to elaborate on the different project activities.

She informed the meeting that a national advocacy meeting will be organised to bring together partners to disseminate the research findings. Position papers will also be produced out of these meetings. Partners will also be involved in informal advocacy at different levels i.e. national and regional levels.

In conclusion she emphasised that there is still the need for CSOs at the national level to start with, to share information to enrich our work if we are to achieve our goal at the regional level.

Mr Elly Twineyo from ACTADE introduced the research component of the project and he explained that Research is to be relevant to the ongoing EPA negotiations and it will be used by CSOs to mobilise, raise awareness and back up advocacy.

He emphasised that the project will take on research to inform advocacy and that the area that will be taken on will not only aim at appealing to Ugandan interest but to the whole East African Community.

The on-going EPA negotiations are now the focus of the research but with time other areas that are relevant to the community might also be brought on board.

He concluded by calling on to participants in the workshop to contribute towards this by making suggestions on possible areas that can be taken on for research.

Ms. Viola Musiimenta from DENIVA introduced the outreach component of the project.

She began by explaining to participants that DENIVA will be heading these activities and that outreach will mainly be on issues of arising from the research and a number of outreach workshops will be organised in different regions of the country.

She further noted that outreach work will be enriched by the research products from the research that will be carried out by ACTADE.

Update on the EPA Negotiations

This was given by Mr. Silver Ojakol, Commissioner External Trade MTTI and on this he raised a number of critical issues that have been negotiated and those under negotiations. These included;

- Standstill Clause (Article 13) “Except for the measures adopted according to Article 19 and 21, the Parties agree not to increase their applied customs duties for all products subject to liberalization under this Agreement”

Negotiations on this are yet to be finalized.

- MFN Clause (Article 16) - There is a proposal to raise a threshold from 1% to 6%!
- Antidumping and countervailing Measures (Article 19.7)- WTO rules are to apply
- Multilateral Safeguards (Article 20.4)- WTO rules
- Bi-lateral Safeguards (Article 21.5b)- It was agreed that the period can be extended by EPA Council for a maximum 5 years

The Rendezvous clause (Article 37)

- As a country Uganda feels that there is need to negotiate Customs and Trade Facilitation Uganda being a landlocked country. We are therefore looking at pushing for this at the next phase of negotiations.
- Rules of Origin. Initially these were based on what was agreed in Cotonou however we are now looking at negotiating for more space for the region to be in position to cumulate raw materials from anywhere.

- TBT- There is a team that was consulted to take on a study before negotiations on this issue.
- SPS- The EAC has agreed to the issue of zoning and compartmentalization.
- Trade in Services- Negotiations on these has not been opened up yet but it can be safely said that EAC will take on this due to the various opportunities it avails us with.
- Trade Related Issues- Negotiations are on going. The presenter said that in some areas like IPR we might need binding rules.
- Agriculture- Negotiations are on going
- DSU- This has been referred until other negotiations are done with.
- Development cooperation- The EAC text has not been finalized.

Update on WTO Negotiations

This was given by Ms. Elizabeth Tamale who is the Principal Commercial Officer in MTTI.

She noted that since 2001 WTO Members have been discussing how to move the Doha Round forward. In 2006 talks were suspended after a stalemate but resumed in 2007 where there were Agriculture and NAMA texts were revised.

NAMA and Agriculture text were further revised between Jan-July 2008. The Mini Ministerial Conference held in 21-26 July 2008 did not resolve the outstanding issues that were not earlier dealt with at technical level as most member countries were wary of making commitments in agriculture and NAMA without securing gains for their services industries and the rules making in the respective areas. This collapse of the mini ministerial was received with mixed reactions. While some felt that this was a lost opportunity because progress had been made in various areas others felt it was better not to sign any deal other than signing a bad deal. However negotiations continued up to December 2008.

There was emerging consensus on the treatment of tropical products i.e. tropical products with tariff less than 20% reduced to Zero, tariffs over 20% would be cut by 80% over 5 years (ACP could retain zero duty EU market preference for key products like sugar, in compensation for loss of banana market share to Latin producers.

However on the issue of market access, some members especially developing countries felt, this was not an issue that should be up for negotiation since they were already receiving this from the EU and the USA on a bilateral level. Due to the global financial crisis it can be safely predicated that countries like the US will also be reluctant to open up.

EU struck a banana deal with 11 Latin American countries to cut tariffs by Euro 62 over seven years, (from euro 176 to 114 per tonne) ACP reluctant acceptance was pegged on new EU aid commitments.

The maximum tariff cut for developed countries demanded by the developing countries will substantially hurt EAC's export interests as it will erode preferences e.g. MFN tariff applicable for fish and fish products 18% propose tariff reduction formula will reduce it to 3.9% and that EAC would benefit from the reduction in Overall Trade-Distorting Domestic support, demanded by India, Brazil and China provided the production bottlenecks are addressed, market opening by India, Brazil and China

In June 2008 deadlock in the talks was over the issue of the special safeguard mechanism (SSM) at the G7 level (Australia, Brazil, China, EU, India, Japan and the US) and that the same issue was not resolved in December during the Experts meeting

She noted that the stalemate of the Doha Round prevents members from resolving the other controversial issues which were of particular interest to African and LDCs including cotton, preference erosion, bananas and tropical products for example, US refused to put forward a specific offer on cotton before it knew what it stood to gain in terms of market access from broader agreements.

Conclusively, critical issues are to arise which will have a big impact on Doha Round; these are Obama presidency, a new European Commission to take office in November 2009, Indian and Brazil elections in 2009 and 2010 respectively. The new faces coming up may mean going back to the drawing board as the new leaders might have new ideas on how to proceed with the Round.

The presenter pointed out that there is need to look at problems we are facing even with in the EAC itself sighting a recent example of reports that Tanzania is charging Ugandan traders 100USD at the boarder.

She concluded by stating that the way negotiations are going, it calls for a long and hard spell of negotiations.

Reflection on research topics ideas and suggestions from participants **By ACTADE**

This process was guided by ACTADE and the participants came up with ideas and suggestions on how the project could be handled to ensure stakeholder inclusiveness. Below are some of the suggestions made;

Participants stressed the need for the project to be more inclusive by building a stronger working relationship with church leaders in the country. It was pointed out that these command large number of people which can be tapped for a more effective sensitisation and advocacy work. All other stakeholders should also be involved including media, workers, farmers, academia, women; and coverage should include both rural and urban areas both in the research component and in advocacy.

It was also observed that the world is becoming protectionist as seen with the recent “Buy America” campaign in the USA; EU commission is also advocating for consumption of European products. Examples of AGOA, Cotonou Agreements all shows how global trade is closed. A question was therefore raised on how we have to engage more in the WTO and EPA negotiations since the credit crunch will see governments moving to protect their citizens as seen in the bailouts in America and Europe; therefore, our governments also need to come in and protect the citizens but the type of state intervention should not patronise a few.

It was also noted that there is an urgent need for a gender sensitive approach in carrying out project activities; the project should take into account the different needs of both women and men.

Language was also raised as an important aspect with participants calling for translation of studies into local languages which can be understood by all stakeholders especially at the grassroots.

Participants noted with concern the banana deal EU struck with Latin American countries since the promised aid to ACP countries as a compensatory mechanism would make them more tied to aid which is not sustainable and therefore as something that should further be looked into.

It was also sighted that there is need to examine the linkages between bilateral and the multilateral trade negotiations and agreements as we gave too much on fish in interim EPA yet negotiations are on going in the WTO.

More coordination i.e. sector analysis is also needed between the Ministry of Trade and other relevant ministries and stakeholders before proceeding with both bilateral and multilateral negotiations.

As a way forward it was agreed that there are a number of pertinent issues that had been raised during the presentations especially from the EPA update and one of the key issues that were considered as appropriate for further research was the Rules of Origin.

It was hence agreed that the three partner institutions team up to draft ideas around this which will be circulated to and discussed with the participants at a later date.

Closing Remarks

These were made by Mr. Elly Twineyo from ACTADE. He thanked every one for attending the meeting and called upon their continued participation in the project.
