



Centre pour le  
Développement de  
l'Entreprise

Centre for the Development  
of Enterprise

Kenya National Chamber of  
Commerce and Industry  
(KNCCI);  
Tanzania Chamber of  
Commerce, Industry and  
Agriculture (TCCIA);  
Uganda National Chamber of  
Commerce and Industry  
(UNCCI);  
Uganda Allied Chamber of  
Commerce, Industry and  
Agriculture (UACCIA)  
Federal Chamber of  
Commerce and Industry of  
Burundi (FCCIB); and  
Private Sector Federation of  
Rwanda (PSFR)

## DRAFT FINAL REPORT

This intervention is  
supported by the Centre for  
the Development of  
Enterprise (CDE)

*In Collaboration with*

**KNCCI, TCCIA, UNCCI,  
UACCIA, FCCIB and PSFR,**

**Proposed Revival of the  
East African Chamber of  
Commerce, Industry and  
Agriculture (EACCIA)**

*APRIL 2011*

<b>TABLE OF CONTENTS</b>	<b>PAGE NO.</b>
<b>ACRONYMES</b>	<b>3</b>
<b>EXECUTIVE SUMMARY</b>	<b>4</b>
<b>CHAPTER 1: EAC INTEGRATION</b>	<b>8</b>
1.1 Introduction	8
1.2 EAC Private Sector Development Strategy	9
1.3 EA-PSDS Achievements to date	10
<b>CHAPTER 2: OBJECTIVES OF THE INTERVENTION</b>	<b>11</b>
2.1 Introduction	11
2.2 Specific Objectives	11
2.3 Expected Outputs	12
2.4 Beneficiaries of the proposed intervention	13
<b>CHAPTER 3: STAKEHOLDER ANALYSIS</b>	<b>13</b>
3.1 Introduction	13
3.1 KNCCI	14
3.2 TCCIA	15
3.3 UNCCI	16
3.4 UACCIA	16
3.5 FCCIB	16
3.6 PSFR	17
<b>CHAPTER 4: SITUATION ANALYSIS</b>	<b>19</b>
4.1 Introduction	19
4.2 Analysis of some key stakeholders	19
4.3 The Ugandan Chambers	20
<b>CHAPTER 5: PROPOSED INTERVENTIONS</b>	<b>21</b>
5.1 Review of EACCIA operations and mandate	21
5.2 Challenges faced by EACCIA	22
5.3 Interventions needed to revive EACCIA	22
<b>CHAPTER 6: OPERATIONALIZATION AND REVIVAL FOR EACCIA</b>	<b>24</b>
6.1 Objectives for which EACCIA was established	24
6.2 Revised Goals for EACCIA	25
6.3 Proposed management of EACCIA	26
6.4 Membership for the EACCIA	26
6.5 Hosting of the Institution	27
6.6 Governance and Oversight	27
6.7 Immediate Actions Required Now	28
6.8 Conclusion and Action Plan	28

<b>CHAPTER 7:</b>	<b>ESTIMATED BUDGET FOR PHASE ONE</b>	<b>34</b>
7.1	Proposed Interventions and Activities	34
7.2	Detailed and Itemized Budget	35
<b>ANNEX 1:</b>	<b>LIST OF PRESONS MET</b>	<b>36</b>

## ACRONYMES

EAC	-	East African Community
EA-PSDS	-	East African Private Sector Development Strategy
EACCIA	-	East African Chamber of Commerce, Industry and Agriculture
EABC	-	East African Business Council
KNCCI	-	Kenya National Chamber of Commerce and Industry
UNCCI	-	Uganda National Chamber of Commerce and Industry
UACCIA	-	Uganda Allied Chamber of Commerce, Industry and Agriculture
FCCIB	-	Federal Chamber of Commerce and Industry of Burundi
PSFR	-	Private Sector Federation - Rwanda
KEPSA	-	Kenya Private Sector Alliance
KAM	-	Kenya Association of Manufacturers
TCCIA	-	Tanzania Chamber of Commerce, Industry and Agriculture
UBA	-	United Business Association
ZNCCIA	-	Zanzibar National Chamber of Commerce, Industry and Agriculture

# **REVIVAL OF THE EAST AFRICAN CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE (EACCIA)**

## **EXECUTIVE SUMMARY**

### **1. Introduction**

The East African Chamber of Commerce, Industry and Agriculture was an organization formed and owned by the three national chambers, namely, the Kenya National Chamber of Commerce and Industry (KNCCI), the Uganda National Chamber of Commerce and Industry (UNCCI) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA). The East African Chamber of Commerce, Industry and Agriculture (EACCIA) has its origins in the Association of the East African Chambers of Commerce which was formed in 2003, through the signing of a Memorandum of Understanding (MOU) that spelt out potential areas of cooperation that aimed at increasing cross border trade, in light of the EAC regional integration process.

The EACCIA was registered in 2005 under the Companies Act of the Republic of Kenya. Its Headquarters were initially housed at the Kenya National Chamber of Commerce and Industry's Ufanisi House, in Nairobi. However, it is agreed that, in future, the Headquarters of the EACCIA should move to Arusha, Tanzania, where an office already existed to house it.

Broadly, its main objective is to lobby the regional governments for the creation of a conducive business environment for cross border trade and investment within the context of the East African Customs Union. It is expected to dialogue with various organs of the East African Community, national, as well as international institutions, impacting on business to facilitate this. Apart from its advocacy role, the EACCIA is also expected to undertake some development projects on behalf of its constituent Chambers.

Upon incorporation, the Board of the EACCIA comprised the Presidents of constituent Chambers and at least two other elected officials from each Chamber. The Chief Executives of constituent Chambers were ex-official members of the Board. The Chairmanship of the Board was to rotate among the Presidents of the regional chambers on an annual basis.

### **2. EACCIA Achievements to date**

The East African Chamber of Commerce, Industry and Agriculture (EACCIA) has been in existence since 2005. Below are some of the strategic goals which it was expected to achieve:

### **i) EACCIA Strategic Vision**

A strategic direction for the EACCIA was agreed upon in 2006, which outlined the role of the EACCIA, its vision, mission as well as its future strategic objectives. Although this was not developed, some of the goals and strategic objectives of the EACCIA included:

- Trade Promotion;
- Investment Mobilization;
- Improvement of the Business Environment in favor of the Private Sector;
- Promoting the dissemination of business information to the national chambers;
- Strengthening and developing SMEs and other informal sectors in the region; and
- Facilitating the provision of Business Development and related Advisory Services.

### **ii) Development of the EACCIA Website**

An EACCIA website was developed. This website sought to enhance the provision of business information to the business community, as well as increase the visibility of the organization. The expectation was that the website would become a platform for e-based business-to-business transactions, as well as to provide an extensive database of business information from the EAC countries. Unfortunately, the website has been inactive and not up to date.

### **iii) Appointment of an Executive Director**

When it was established, the Board had appointed Mr. Mariot Karanje as the founding Executive Director. Mr. Karanje previously served as the Chief Executive Officer of Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) for a considerable period of time. He has, since quit and the EACCIA offices in Arusha remain empty.

## **3. What Needs to done and the proposed Way Forward**

Despite of some the achievements mentioned above, EACCIA should have accomplished more in the last 4 years. It is high time EACCIA is transformed into a vibrant instrument of regional integration and trade through and effective plan for its operationalization. It is proposed that the following steps should be taken to make EACCIA more effective and efficient platform for promoting EAC regional socio-economic integration:

a) **Locate the EACCIA Headquarters in Arusha and lobby for it to be given "Observer Status" at the EAC**

The EACCIA headquarters, during the inception phase were located in Nairobi. There has been a general agreement by all constituent Chambers that the location of EACCIA should be, and must be, in Arusha. The idea is that of proximity of the EACCIA to the EAC Secretariat. In this way, EACCIA shall better influence policies and activities of the EAC on behalf of its stakeholders. In order to realize this, EACCIA should lobby to be given "Observer" status at the EAC, just like the EABC.

b) **Professionalize EACCIA organization and operations/Secretariat:**

EACCIA should be headed by a professional Chief Executive Officer who should be qualified in business administration, with a successful track record of developing and operating large business organizations. The CEO should re-organize the EACCIA Secretariat by ensuring that it hires only professionally qualified personnel, including those that might be seconded by member chambers, supported by efficient operating systems. The Secretary General, or CEO, should be given quantified annual operating targets to achieve.

c) **Revitalize EACCIA Board of Directors:**

The EACCIA Board should be revitalized. The Board should meet regularly say, every quarter, to discuss and decide on a specific Agenda. Decisions on the Agenda items should specify target areas for achievement, the schedule for these achievement and responsibility for their achievement. Each subsequent meeting of EACCIA Board of Directors should start with review of achievements against of the targets set in the last meeting.

d) **Formulate Strategic Operating Plan:**

A Five Year and an Annual Strategic Plan for EACCIA should be formulated and after approval by the Board of Directors it should be implemented seriously and strictly by the Secretary General of the EACCIA. The Strategic Plan should specify the areas of EACCIA activity with quantified action targets and time targets for achievement of the targets. Progress on achievement of timelines, which should be monitored by the Board of Directors through monthly, quarterly and annual M&E reports.

e) **EACCIA Website:**

The existing website of EACCIA provides some useful information for the promotion of regional trade and economic integration. Unfortunately, it has not been active for a while. An up to date EACCIA website should be launched which should become a ready reference mechanism for all

pertinent aspects of trade, industry, regulatory procedures, and investment queries, travel facilitation within the East African region.

**f) Expand EACCIA to include Rwanda and Burundi:**

The East African Chamber of Commerce, Industry and Agriculture should be expanded to include member associations of the newer member countries of East African Federation namely: The Rwanda Private Sector Federation and the Federal Chamber of Commerce and Industry of Burundi.

## **CHAPTER 1: THE ROLE OF THE PRIVATE SECTOR IN THE EAC INTEGRATION**

### **1.1 Introduction**

The integration of East Africa is relying heavily on the role which the regional private sector will play in trading with each other. As is the current motto of the Kenyan Chamber, "Trade Unites Nations". It is in that regard that the original three members of the East African Community decided to establish a regional chamber, in order to further this objective of "trade uniting nations". A large body of the East African private sector comprises of small, medium and micro enterprises (MSMEs), which are essentially the main constituency of the chambers of commerce. It is a fact that the current structure of the East African Business Council (EABC) is not adequately addressing the interests of the regional chambers, while it is concentrating more in supporting and lobbying for the interests of the larger private sector. A need, therefore, arose out of which the East African Chamber of Commerce, Industry and Agriculture was born, in order to take care of the interests of the regional MSMEs which are the major membership base of EACCIA's constituent Chambers.

The Treaty for the Establishment of the East African Community (EAC) (1999) gave great emphasis to development of the private sector as the driver of the integration process. It was recognized during the entire Treaty-making process that in order for the EAC integration to succeed, one of the key operational principles of the Community in achieving its objectives would be a "people-centred and market-driven cooperation" (Article 7 (1) (a)).

Further, Article 5 (3) (g) of the Treaty notes that one of the key objectives of the integration process will be "enhancement and strengthening of partnerships with the Private Sector and Civil Society, aimed at achieving sustainable socio-economic and political development". In addition, Chapter 25 elaborates on areas under which an enabling environment for private sector and civil society operations will be provided, including promoting continuous dialogue, providing opportunities for entrepreneurs in policy making, and enactment of investment codes conducive to business operations.

In addition, the Treaty has highlighted measures that will be taken so as to strengthen the private sector, including encouraging efficient use of resources, sponsoring resourceful methods of income generation, and establishing quality information systems that enhance collection, processing and dissemination of timely information for use by private sector.

## 1.2 The East African Private Sector Development Strategy (EA-PSDS):

As part of efforts to promote private sector-led integration, the EAC initiated the formulation of an East African Private Sector Development Strategy (EA-PSDS) in 2006. The EA-PSDS aims to spell out a clear strategy and incentive framework for facilitating and promoting development of the private sector in a direction consistent with the overall EA development strategy. It recognizes that private sector activities are largely driven by profit motive and therefore require enabling policies conducive to enhancing opportunities for attractive investment. Its key objective is to accelerate growth, reduce poverty and improve the quality of life of the East Africans. It takes note of the fact that one of the contributing factors to the collapse of the former EAC was inadequate provision for participation of the private sector and other stakeholders in shaping developments in the Community. The Strategy therefore lays great emphasis on an improved business environment, on institutional and human capacity building necessary for increased trade and investment, on production, and on productivity of private sector firms in the region.

Its **Vision** is “a strong and globally competitive regional private sector for wealth creation through investment and trade”.

Its **Mission** is “to create a business environment conducive to facilitating private sector competitiveness and growth for increased investment, productivity and trade”.

To realize this mission, the PSDS has identified the following key objectives for Private Sector Development in EAC:

- a) Increased space of the private sector in development of the regional economy;
- b) Removing regional level constraints and tapping economies of a larger regional market, through creation of market linkages within the region and between the region and the rest of the global economy;
- c) Ensuring that the strategy is consistent with people-centred and private sector driven integration, by ensuring that priority is given to a broad range of actors to participate in driving high economic growth and in sharing the benefits of the accelerated growth;
- d) Promoting competitiveness of productive sectors by focusing on areas of

comparative advantages, aimed at enabling the regional economy to develop the capacity to seize opportunities offered by the globalization process and to withstand emerging threats;

- e) Identifying priority sectors that are potential sources of growth, export and diversification of the region;
- f) Put influence mechanisms that enhance implementation of policies and strategies that support effective participation of the private sector. EABC is one such mechanism.

### **1.3 EA-PSDS Achievements to date:**

Implementation of the EAC-PSDS has started and the following have been achieved to date:

- i) The East African Investment Code has been completed, the EAC Tourist Council has been established, activities towards promotion of EAC as a single tourist destination have commenced, and a standardized classification of hotels has been completed.
- ii) Harmonization of fiscal and monetary policies of the Partner States is ongoing under the auspices of the Fiscal and Monetary Affairs Committee aimed at achieving convergence of macroeconomic and fiscal regimes of the Partner States; and the Capital Markets Development Committee is in the process of finalizing policies relating to financial markets with a view to developing a regional capital market.
- iii) The Council of Ministers has already signed an agreement for avoidance of double taxation and prevention of fiscal evasion with respect to taxes and income.
- iv) In efforts to support equal representation of private sector interests in the EAC integration process, EACCIA shall build a working relationship with EAC Secretariat on many issues, including the NTB monitoring and elimination process, the annual business climate index survey, assessments of the Customs Union impacts, planning for implementation of Common market, implementing of EA-PSDS proposed interventions, planning for an Energy Conference in May 2009 to address the policy bottlenecks in the sector, and other initiatives aimed at facilitating the integration agenda.
- v) Regarding efficient utilization of capital, labour and land, the issues are being negotiated as part of the Common Market Protocol including free movement of labour and access/acquiring of land.

Much however remains to be achieved in operationalizing the Strategy and building institutional systems that allow greater dialogue between the private sector and EAC and its Partner States in order to fulfill some of objectives of the EA-PSDS in:

- a) Improving the business environment at the regional level;
- b) Capacity Building within the regional trade support institutions;
- c) Enhancing regional public-private sector dialogue and partnerships; and
- d) Creating an institutional framework for forging synergies across key sectors of the economy in the EAC region.

## **CHAPTER 2: OBJECTIVE OF THE PROPOSED INTERVENTION**

### **2.1 Introduction:**

The intervention, titled “Revival of the East African Chamber of Commerce, Industry and Agriculture” is planned to cover the 5 East African Community national Chambers. The key drivers for the implementation of the project will be the Kenya National Chamber of Commerce and Industry, on behalf of East African Chamber of Commerce, Industry and Agriculture, the East Africa Community Secretariat and other national chambers and trade support institutions. An Expert is being recruited, through these TORs, to provide support to KNCCI in implementing the assignment.

The expert is expected to hold detailed discussions with the management and membership of the five national chambers, with a view to ascertaining the continued support for EACCIA by its constituent Chambers. Their support is crucial, since it will eventually determine the sustainability of the apex chamber from the support, both financial and/or in-kind, which the national chambers shall be willing to put up in reviving the EACCIA.

### **2.2 Specific Objectives**

The “Gap Analysis” intervention has two primary objectives:

- a) To reach a common understanding with all key stakeholders, namely: the various national chambers, regarding the capacity and capability of EACCIA to carry out its mandate in the provision of various business development services, such as trade facilitation, advocacy and promotion of public-private dialogue.
- b) To develop a three year implementation plan (work programme), based on the recommendations from the “gap analysis”, covering national and regional level activities that shall ensure that EACCIA is an effective organization, as it was meant to be at inception.

## 2.3 Expected Outputs

The outputs expected from this support from a, more or less, moribund institution to a now “functioning” EACCIA are many, but the technical assistance is supposed to cover the various capacity gaps, to be identified from EACCIA and what shall needs to be done to improve this, so that EACCIA is better positioned to handle issues that shall ensure that the environment in which national chambers are operating is conducive, to better serve their members, as follows:

### **Output 1: Improvement of the Business Environment at the EAC:**

This should seek to improve the business environment through harmonization of policies, laws and regulations, so that the private sector can be competitive. Issues to be raised that cut across the region, as being prioritized during the intervention are how ready the EACCIA is in driving the following: Poor Trade Facilitation; Non Tariff Barriers (NTBs), such as weighbridges, customs documentation, non-harmonized standards, work permits, business licenses among others; inadequate skilled labour and entrepreneurship skills; and Illicit Trade.

### **Output 2: Enhancing Regional Public Private Dialogue (PPD) and Partnership:**

This should seek to enhance regional public-private sector dialogue and partnerships through refocusing public institutions so as to make them more supportive of private sector development (PSD), through stable and predictable policies and having in place transparent and clear business rules. In addition, it should seek to promote public-private consultative mechanisms by marshalling political will. Issues to be considered under this output include inadequate institutionalized public-private dialogue (including lack of a driver of the process); lack of a regional public-private sector dialogue framework and that the existing PPD have had a top-down approach, and what the EACCIA should do to facilitate this.

### **Output 3: Capacity Building for Trade Support Institutions in the Region:**

Capacity building within the EACCIA should envisage restructuring national Chambers to enable them to adopt a regional rather than a national focus. The strategy calls for effective support services comprising training, consultancy and advisory services, marketing services, technological services, information dissemination, developing entrepreneurial skills, enhancing access to financial services and promotion of business linkages. It also calls for support learning processes, through study tours and trade fairs whereby enterprises learn from the experience of others; and conferences and professional meetings, on a regional basis.

#### **Component 4: Creation of a Framework for Forging Synergies across Sectors:**

Needed synergies should be developed, to include supporting measures that will ensure EACCIA represents national chambers' interests and that its representation is aligned to the changing East African private sector structure. In addition, it should advocate for national chambers to be structured so that they can act on a regional scale, with EACCIA playing a leading role in promoting regional integration. The need to adopt a cluster approach across key sectors of the EAC economy shall also be explored, as a means to ensure greater regional integration as this would help to reap economies of scale. In addition, a cluster approach makes it easier to promote the sectors at regional level and to explore areas of complementarities as opposed to competition, and ultimately to promote EAC as a whole.

#### **2.4 Beneficiaries of the Proposed Intervention:**

The ultimate beneficiaries of the proposed intervention are the people of East Africa, as the growth of the private sector in the EAC countries will lead to more exports and jobs. For the private sector to grow, the necessary enabling environment must be in place.

### **CHAPTER 3: STAKEHOLDERS ANALYSIS**

#### **3.1 Introduction:**

A survey of the profiles of the National chambers of commerce in the region establishes the source of the weaknesses of the chambers. All were started for political rather than business reasons. For instance, the Kenya National Chamber of Commerce and industry, born in 1965 was an amalgamation of three formerly racially segregated Chambers viz: the African Chamber, the European Chamber and the Asian Chamber.

That amalgamation opened the way for Africans to take the helm of the Chamber and also paved the way for politically instigated wrangles. The wrangles made the Chamber ineffective and led to the birth of Kenya Association of Manufacturers, KAM and Kenya Private Sector Alliance, KEPSA. These two organizations had pushed the private sector's agenda over the years.

Although the Uganda National Chamber of Commerce and Industry, born in 1933, is the oldest business association in East Africa, very little is known of her nearly 80 years of existence. Uganda suffered a long period of political chaos between 1972 and 1985 which destroyed a lot of institutions. The chamber was one such institution.

The Tanzania Chamber is a creation of the government during the 1980s as an extension of the government's reform agenda. The Chamber in Burundi is very recent, having been reconstituted only in May, 2010 while, in the Rwanda case, the various sectoral chambers have amalgamated into a national federation. Below is an analysis and short profiles of each of the East African chambers.

### **3.2 The Kenya National Chamber of Commerce and Industry (KNCCI)**

KNCCI was established 1965 as the umbrella business association of the private sector. It was set up as an amalgamation of three existing Chambers of Commerce: the Asian, African and European chambers of commerce. It created a unified and single voice for the private sector in order to influence public policy formulation, service delivery, monitoring and evaluation. KNCCI brings together all key member-based private sector associations. Membership is diverse and our governing council representation inclusive. It provides a forum to engage government on cross-cutting issues of private sector development.

The Chamber is an autonomous, non-profit, membership-based and private sector lobby institution. It has a countrywide outreach of over 100 branches, and over 10,000 members countrywide through which the activities and services are extended to the entire business community and to all sectors of the economy.

The jurisdiction of branches is based on administrative district and provides suitable infrastructure for the country's economic growth. It works in close collaboration with the government, stakeholders and business development organizations internationally. It is an affiliate member of the International Chamber of Commerce and Industry (ICCI) and the Common Market for Eastern and Southern Africa (COMESA) and the G 77 CCI, among others.

Over the years its composition, business reach and structure have grown and it is now one of the largest private sector organizations in Kenya. It draws its resources and talents from its wide-ranging membership.

The Chamber mutually interacts with the Government and all other development and business organizations in Kenya and abroad. It is a member of the International Chamber of Commerce (ICC), Pan African Chambers of Commerce and Industry (PACCI), the East African Business Council (EABC), the G77 CCI and it also spearheaded the establishment of East Africa Chamber of Commerce, Industry and Agriculture (EACCIA).

The Chamber is a member of the board of Export Processing Zones Authority, Kenya Wines Agencies Limited, several Water Boards countrywide, Liquor and Licensing Board, Rent Tribunal, various District Joint Loans Boards and serves in a

number of Government, State Corporation and Private Sector Trade and Investment Committees.

### **3.3 Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)**

#### **Background**

The Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) was established in 1988. It was initiated with the support of the Tanzanian Government to strengthen the private sector. The establishment of the TCCIA was an important step in moving on from a centralized, planned economy towards a more open, mixed economy giving full scope to privately owned enterprises and farms.

Today, TCCIA represents the private business sector throughout Tanzania. TCCIA has opened regional offices in all 21 regions of mainland Tanzania and over 90 district centers, which are autonomous in their operational activities. Assistance by Swedish governmental development agency-SIDA has played a vital role in establishment of the regional and district Chambers especially in providing training, office equipment and mobilization/sensitization of the business community.

These autonomous TCCIA Chambers in 21 regions of the country link the private sector to the Government with a view of promoting the development of private enterprise. By linking issues central to business, the Chamber serves an arena where dialogue with the government serves to promote sustained growth and development of the private sector.

TCCIA which currently has 16,865 members is not only operating on its own, but has established a wide network of organizations and associations and thus the Federation of Women Entrepreneurs of Tanzania (FAWETA) has decided to affiliate. This is a positive development as the two organizations have complementing objectives. TCCIA takes the advantage of the network to achieve results with the device "alone you are weak, together we are strong". Services provided by TCCIA to the business community include business information, training, advocacy, business supportive initiative (i.e. processing business licenses) and business promotion activities, for instance, trade fairs and missions.

TCCIA has precise expertise in many areas of interest to local businesses for their development. It can then offer these skills and information in the form of Seminars and Training Workshops in a number of fields. All these are related to the business activities of the member companies. Therefore the demands of the companies guide the work of the Chamber. Trade promotion is encouraged

through participation and representation in national and international Trade Fairs and international delegations. This in the long run will give member companies the possibility to increase trade opportunities.

The Chamber receives a great number of business enquiries from all over the world. They concern companies trying to find consumers or suppliers and are published in newsletters, which are distributed to all fully-paid member companies.

### **3.4 Uganda National Chamber of Commerce and Industry (UNCCI)**

UNCCI is the oldest, largest and only nation-wide umbrella organization of the private sector in Uganda. Since it was formed in 1933 as a private sector body, UNCCI had grown to become a vibrant and credible business association owned by members from the Ugandan business community. It is, therefore, unfortunate that the organization is undergoing the problems that it is currently facing.

### **3.5 Uganda Allied Chamber of Commerce, Industry and Agriculture (UACCIA)**

UACCIA was established about two years or so ago. However, the organization has gained quite a reputation, in terms of service delivery. In addition, this new chamber has embarked on providing services that focus on promoting commercial agriculture in Uganda, thus encouraging value-addition, exchange of business information that is conducive to the promotion of commercial agriculture; gathering and disseminating on commercially viable sectoral information but also focusing on assisting their members gain market access in those countries that Uganda has reciprocal trading arrangements, such as the EU, among others.

### **3.6 Federal Chamber of Commerce and Industry of Burundi (FCCIB)**

FCCIB is the latest organized private sector institutional structure to be established in Burundi. Burundi chambers operated as sectoral chambers up to August 2010 when the Federal Chamber was incorporated. FCCIB currently consists of 13 sectoral chambers for Trade; Hotels and Tourism; Banks; Arts; Women; Manufactures; Agribusiness; Exporters; ICT and Services; and Building and Public Works; among others. It is organized along the same lines as Rwanda's Private Sector Federation, with a President, a Vice President and Committee members for each of the sectoral chambers. The Board of the apex federal chamber comprises of the presidents of the sectoral chambers.

The private sector in Burundi comprises of 10 Independent Sectoral Chambers, as follows:

1. Sectoral Chamber of Tradesmen;
2. Sectoral Chamber of Mining;
3. Sectoral Chamber of Tourism and Hotel Services;
4. Sectoral Chamber of Industrialists;
5. Sectoral Chamber of Artisans;
6. Sectoral Chamber of Conveyors and Forwarding Agents;
7. Sectoral Chamber of the Professionals of the Building Industry;
8. Sectoral Chamber of the Agribusiness;
9. Sectoral Chamber of Banking and Insurance Companies; and
10. Sectoral Chamber of the Services and new Technologies.

There are also two Transversal and independent Chambers. These are:

- a) Chamber of Women Entrepreneurs; and
- b) Chamber of the Professionals of the Provinces.

### **General Assembly of the CFCIB (136 members)**

The CFCIB was initially established in 2008 but did not have much impact until 2010 when the institution was again re-launched. The Burundian private sector is embryonic, which largely depends on the public administration in a post-conflict economy. It needs to face challenges emerging from the EAC regional integration, hence needs to be listened to and supported more than the other regional chambers. The EACCIA, when it is revived, is expected to do this. Burundian Private Sector needs institutional support and capacity building. It mainly requires support in the area of finance in order to revive and also rehabilitate the existing companies, as well as new industries.

### **3.7 Private Sector Federation - Rwanda (PSF)**

#### **Introduction:**

The Private Sector Federation - Rwanda (PSF) is a professional organization, dedicated to promote and represent the interests of the Rwandan business community. It is an umbrella organization that groups nine professional chambers. It was established in December 1999, replacing the former Rwanda Chamber of Commerce and Industry.

The Rwanda Chamber of Commerce was government driven and, therefore, did not serve the interests of the business community. It was weak and non-independent. As a result, Industrialists, Banks, Insurers, Transporters, and Women created stand-alone associations to serve their needs.

The PSF-Rwanda was founded as the Private Sector's counterpart and umbrella organization in the Public Private Partnership framework in Rwanda. Initially the

PSF grouped together 14 Associations that were sector specific. The number grew to 23 Associations representing 17 specific business associations and six provincial business associations. Currently PSF has a membership of 10 chambers, each of which represents a number of associations.

Each chamber (equivalent to a sectoral association) is governed by a board of Directors comprised of 3 leaders of the executive and a number of administrators according to the number of associations in the chamber. Currently PSF is composed of 9 professional Chambers:

- a) Chamber of Agriculture and Livestock;
- b) Chamber of Commerce and Services;
- c) Chamber of Crafts, Artists and Artisans;
- d) Chamber of Industry;
- e) Chamber of Liberal Professionals;
- f) Chamber of Tourism;
- g) Chamber of Women Entrepreneurs;
- h) Chamber of Young Entrepreneurs; and
- i) Chamber of Financial Institutions.

### **Mission and Vision of PSFR**

- Representing and serving the interests of the entire private sector through lobbying and advocacy.
- Providing timely and relevant business development services that lead to sustainable private sector led economic growth and development.
- Creating a credible and effective institution supporting the emergence of a strong private sector for Rwanda's economic transformation.

### **Challenges faced by Rwanda PSF**

- a) PSF-R lacks sustainable funding given the enormous needs of the members;
- b) It has capacity constraint at both Secretarial and firm/sectoral chamber level;
- c) It has a passive role in the advocacy emanating from lack of resources to carry out research and prepare position papers;
- d) At times, it lacks recognition by the Donors and other actors;
- e) There is limited innovativeness and competitiveness on the part of SMEs due to lack of technical and managerial skills required in business;
- f) There is also limited networking between local private sector with foreign partners in order to learn best practices; and
- g) PSF has institutional and human capacity deficiencies that hinder effective private sector development programmes.

## CHAPTER 4: INDEPTH ANALYSIS OF SOME OF THE REGIONAL CHAMBERS

### 4.1 Introduction

Looking back at the various East African chambers, including the three founder chambers of EACCIA, there is no one chamber that can, at this point in time, be purported to be operating the way that they should, or were intended to be, upon incorporation. The Kenya National Chamber of Commerce and Industry is undergoing major governance and institutional reforms in order to re-focus the organization to its original mandate.

### 4.2 Analysis of some key institutions

KNCCI is by far the most important chamber in the region and for that reason it was mandated to drive the process of operationalizing the EACCIA, including assuming the very first presidency of the regional chamber. However, KNCCI was having its own internal difficulties and could not fulfill its obligations to the EACCIA. So what had gone wrong with the Kenyan Chamber?

#### a) Unstable Leadership

- i) The Chamber faced frequent power struggles with many groups claiming KNCCI leadership at the same time.
- ii) Although there is a clearly defined legal framework which should be used to guide the holding of elections this was, more often, than not manipulated. One of the reasons for this was because the Chamber membership which was expected to constitute itself into an Annual General Meeting and elect the Chamber's National Governing Council and Board of Directors was, itself, brought into the Chamber by some of some of the leaders aspiring for various positions. They, therefore, had no choice but to vote for them.
- iii) Paragraph (ii) above ensured that genuine and high calibre Chamber members who may wish to offer themselves for various leadership positions and can make meaningful contributions to the Chamber had no chance of being elected. This had a direct impact on the Chamber's governance, since quality leadership is normally denied a chance to offer itself for leadership positions.
- iv) It has also been observed that some of those who have had a chance to lead the Chamber have been more interested in identifying avenues for self enrichment and the provision of quality leadership for the Chamber had been secondary. This generally

eroded Chamber's capacity to deliver quality services to the members and, thus, attract and retain them.

**b) Ineffective Communication**

- i) Up to recent times, communicating information to the branches had not been satisfactory. Its business publication, "Business" was discontinued in 1994, while others such as the "Chamber Review" collapsed in 1990. Another publication which published trade opportunities also died in 2004.
- ii) It is not clear when the Chamber last held its Trade Exhibition, either in the country or overseas, or even a seminar for its members. Lobbying for business interests had been left to such organizations as KAM, KEPSA, etc which should be affiliates of the Chamber.

This is a general problem bedeviling the national chambers in East Africa. In Uganda, the problem is so acute that two rival chambers of commerce have been set up. There may not be a problem in Tanzania but the lull could precede a storm. In addition to political meddling, some chambers are weak because they are young and will need to be hand-held.

Some of the older chambers such as KNCCI are undergoing reforms to refocus them to mobilizing the business community to take advantage of the opportunities created by the opening of the East African region for business. EACCIA is intended to support such initiatives as form a good learning ground for reforms in other national chambers.

**4.3 The Ugandan Chambers**

In the case of Uganda, two key chambers have emerged to challenge each other. The original Uganda National Chamber of Commerce and Industry (UNCCI) split up to the extent that another Uganda Allied Chamber of Commerce, Industry and Agriculture (UACCIA) emerged, which seems to be more effective than the original chamber. There are obvious weaknesses in the way the original Chamber is currently managed. The challenge for the revived EACCIA shall be to see how the Ugandan case can be resolved amicably so that Uganda's private sector does not suffer from the differences arising from this split.

## CHAPTER 5: CHALLENGES AND OPPORTUNITIES FOR THE EACCIA

### 5.1 Challenges currently faced by EACCIA

Despite its launch in 2006, the East African Chamber of Commerce Industry and Agriculture is at best dormant. Although there is a dire need for such an organization to lead in the identification of business opportunities in the region, EACCIA has never taken off the ground nor can any of the constituent Chambers fit in its boots.

Although the Chamber was headquartered in Arusha, Tanzania, and had an office and a Program Coordinator, EACCIA is not operational as key structural issues are yet to be resolved and put in place. Among the incomplete issues are:

- Administrative and Financial Manuals to guide EACCIA's operations are yet to be drawn;
- Its constituency is not clear, as its rules of engagement with the national Chambers and the region's business community has not been defined;
- It has no Strategic Plan since this was never developed, although it had been agreed upon by the national chambers;
- There has never been a promotion campaign to create awareness of its existence in the region; and
- Since it is not operational, EACCIA is not a recognized brand within the EAC private sector.

The economic and political landscape in East Africa is vastly different from landscape in 2005 when EACCIA was mooted and registered. At that time, East Africa community comprised of three countries, viz: Kenya, Uganda and Tanzania. The region was uncertain of implementing the East Africa Customs Union. In 2010, the region has moved to a fully-fledged Common Market which brings on board new challenges and demands on Business Membership Organizations (BMOs), such as EACCIA. The new demands mean that such organizations have to review and refocus their mandates.

According to its Memorandum and Articles of Association, EACCIA was established to undertake the following, among other primary functions:

- i) To lobby the three governments and other relevant institutions for the maintenance of an enabling environment for the promotion and protection of the private sector;
- ii) Undertake studies relating to production and trade in goods and services in the region with a view to enhancing regional economic growth and development;
- iii) Collect, maintain and disseminate regional and foreign statistics on production and trade on goods and services;

- iv) To cooperate with national, regional and international institutions and agencies in formulating and implementing trade related development programmes;
- v) To market the region's products, services and investment opportunities through joint exhibitions and trade and marketing missions both with the region and without;
- vi) Promote business relations among nationals of the common market by organizing and leading in joint promotional activities such as trade and investment fairs;
- vii) Participation in multi-and bilateral trade agreements affecting the region; and
- viii) Lobby for the elimination of non-Tariff barriers, harmonization of rules of origin and facilitating greater market access within the region etc.

The Transition of the East Africa Community into a common market block has rendered some of the key objectives of EACCIA, when it was incorporated, redundant. Among these are objectives highlighted above. This means that the initial focus of the EACCIA as a mere lobbyist for the region's business community has to change into mobilizing business players.

Furthermore, as the apex Chamber, it has inherited national chambers of that are weak, some mainly due to political meddling while others are at infancy stages and would need to time to be nurtured to mature organizations. Some of the older chambers such as KNCCI are undergoing major reforms to refocus them from their previous mandates to mobilizing the business community ready to take the advantage of the opportunities, and challenges, created by the opening of the East African region for business.

## **5.2 Phased Interventions needed to Revive EACCIA**

In the light of the above gaps, there is need to revive the EACCIA in two phases, as follows:

### **Phase One: Pre-operational Activities (Technical Assistance)**

In spite of some of the achievements mentioned earlier on, EACCIA should have accomplished more in the last 4 years than it has, otherwise done. It is high time that the EACCIA is transformed into a vibrant instrument of regional integration and trade through an effective plan for its operationalization. This phase is proposed to be undertaken through the provision of technical assistance to EACCIA, where the institution shall be supported to engage or appoint an Adviser for one year to help coordinate and oversee the proposed interventions.

As much as possible, this should mirror the earlier phase when the EACCIA was established where TCCIA pledged to provide this person, who was then supposed to be paid for by all regional chambers, although this never happened, resulting to its closure. The regional chambers have agreed that, in principle, this time round KNCCI should be tasked to spearhead this phase. A development partner should be identified to support both KNCCI and EACCIA accomplish this phase, for purposes of continuity and for institutional memory. The following section, subsequent work plan and budget, highlights the kind of support that the regional Chamber requires in order to address the governance issues highlighted elsewhere. This will include:

- i) Review and revision of the EACCIA's Memorandum and Articles of Association;
- ii) Discussions with key members of Secretariat staff in the national chambers on what they would want to have as functions of the EACCIA;
- iii) Facilitating the appointment of a Board of Directors of the EACCIA; and
- iv) Facilitate re-alignment of the national Chambers to the strategy and objectives of the Apex (regional) chamber; and
- v) Facilitate the production of a proposed regional strategy for approval and input by the national chambers against which the national chambers shall be expected to align their future work plans.

## **Phase Two: The Revival and Operational Phase**

This is the second and final phase in the reviving of EACCIA. It is the action phase where the Secretariat will take the lead in reforming and capacity building of the EACCIA, as well as the national chambers. It will include:

- a) Re-definition of EACCIA mission and vision;
- b) Review and revision of the Memoranda and Articles of Association for the EACCIA, in line with changed economic and political circumstances;
- c) Refocusing the mandate of the EACCIA and the national chambers away from lobbying governments, to mobilizing the private sector to take the lead in driving economic growth and development in the region;
- d) Assisting in depoliticizing national chambers;
- e) Branching out: That is a move to seek out subscriptions for membership in other regional and international business associations, seeking and winning recognition in critical institutions, such as the East African Community and government departments dealing business matters in the region; and
- f) Embracing the concept of Public Private Partnerships as an EACCIA function.

This phase shall require that a professional Secretariat is established in Arusha. This is a very important phase and the EACCIA Board shall be charged with the

responsibility of overseeing this phase on a “hands-on” basis, in order to take the responsibility of coordinating the initial activities of the EACCIA. When the EACCIA was originally launched, this mandate had earlier been given to the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) CEO to coordinate, but this is one of the reasons that it failed to fully take off.

## **CHAPTER 6: OPERATIONALIZATION AND REVIVAL OF THE EACCIA**

The East African Chamber of Commerce, Industry and Agriculture was established in order to support the national chambers in the area of advocacy on regional issues and to provide technical and management support to its member chambers of commerce, among other things. EACCIA was legally incorporated as a public company limited by guarantee.

### **6.1 Objectives for which EACCIA was established**

The EACCIA, according to its Memorandum of and Articles of Association was established to undertake the following, among other primary functions:

- a) To lobby the three governments and other relevant institutions for the maintenance of an enabling environment for the promotion and protection of the private sector;
- b) Undertake studies relating to production and trade in goods and services in the region with a view to enhancing regional economic growth and development;
- c) Collect, maintain and disseminate regional and foreign statistics on production and trade on goods and services;
- d) To cooperate with national, regional and international institutions and agencies in formulating and implementing trade related development programmes;
- e) To market the region’s products, services and investment opportunities through joint exhibitions and trade and marketing missions both with the region and without;
- f) Promote business relations among nationals of the common market by organizing and leading in joint promotional activities such as trade and investment fairs;
- g) Participation in multi-and bilateral trade agreements affecting the region; and
- h) Lobby for the elimination of non-Tariff barriers, harmonization of rules of origin and facilitating greater market access within the region etc.

## 6.2 Revised Goals and Functions of the proposed EACCIA intervention

The overall goal of this intervention were to study the Gaps between the chamber's mandate as defined in the Memorandum and Articles of Association and the reality on the ground in a bid to improve its efficiency in service delivery to members of the five Constituent chambers in the region. In addition, the EACCIA shall take the lead in identifying potential opportunities and informing the business community of the availability of such business opportunities in the region. The following have, therefore, been identified and agreed upon functions of the regional Chamber by all stakeholders during the field visits to the various Chambers:

- a) Arbitration Services;
- b) Lobbying and Advocacy;
  - Observer status at the East African Community Secretariat to be obtained
  - Preferential treatment for local companies
  - Labour laws and migration laws
- c) Capacity building for national Chambers and other BMOs;
- d) Resource mobilization on behalf of national Chambers;
- e) Promoting public private partnerships (PPPs) within the region;
- f) Promoting the development of SMEs within the region;
- g) Trade facilitation and promotion;
- h) Information gathering and dissemination;
- i) Corporate Social Responsibility;
- j) Promoting the East African Business Brand; and
- k) Facilitating the establishment of Cross Border Traders Associations in all border posts of the EAC member states, in collaboration with the ministries in charge of regional integration.

In addition, the stakeholders have agreed on the necessity of including the promotion of Public Private Partnerships (PPPs) concept as a major function of the revived EACCIA, by playing the following roles:

- a) Promoting Partnerships with governments at all levels;
- b) Promotion of SMEs;
- c) Awareness creation on PPPs;
- d) Capacity building for local investors to avoid capital outflows arising out of PPP projects being awarded to foreign companies;
- e) Information dissemination on PPP's at national and regional levels;
- f) Act as regional private sector peer review and performance indicator score card;
- g) Participation in all frameworks at the EAC level;
- h) Build capacity and empower East African consortia to bid for and take up regional assignments and contracts on a PPP basis;

### **6.3 Management of EACCIA**

The full operational management of the revived EACCIA would be governed by the policy documents to be developed by a consultant and agreed upon at the EACCIA's Annual General Meeting (AGM). The Memorandum and Articles of Association would also be revised as these highlight the functions of the revived regional chamber. Based on this, the following modalities were discussed under the management of the revived EACCIA:

- a) The stakeholders agreed that the revived EACCIA would be headed by a Chair based on an annual rotation. The Chair would be assisted by a Vice Chair ("Incoming Chair"). To ensure stability and continuity of programmes and projects, the chairmanship would last three years, based on the following principle:
  - First Year - Incoming Chair: This would be a grooming exercise for the Vice Chair to take over chairmanship of the Chamber;
  - Second Year – Substantive Chair: The Chair would then assume full responsibilities of the substantive Chair;
  - Third Year - Outgoing Chair: The outgoing Chair would be a member of the EACCIA Board and play an advisory role and ensure completion of incomplete projects started during their tenure.
- b) The Board would constitute representation from the national chambers. Each country would provide two members to the board. Each country would, therefore, have two votes as this would ensure a balance for the countries with a single chamber e.g. Kenya, Burundi and Rwanda.
- c) The day to day operations of the chamber would be delegated to a Chief Executive Officer Coordinator who would be assisted by an administrative assistant and other staff which the EACCIA Board would hire.

### **6.4 Membership to the EACCIA**

The inclusion of Burundi and Rwanda into the East African Community also comes with its challenges and opportunities. This was discussed at length due to the fact that the previous MOU had been signed by the three countries under the then East African Community, namely; Kenya, Tanzania and Uganda. The absence of one of the earlier members [Uganda National Chamber of Commerce and Industry (UNCCI)] which had signed the original MOU meant that inclusion of Burundi and Rwanda could not be decided immediately. However, the stakeholders agreed that since Kenya and Tanzania were fully represented and formed the majority of the members who signed the initial MOU, then a tentative decision could be made to include the two countries as

members of the revived EACCIA. It is also important to note that participants agreed on the following issues in regard to membership:

- a) Full membership of Burundi and Rwanda has to be validated at the broader stakeholder consultative meeting;
- b) To the extent agreed at the broader consultation, Members of the Working Group should be involved in the Advisory Committee;

## **6.5 Hosting of the Institution**

The stakeholders/partners agreed that the revived EACCIA should be based in Arusha because of the proximity to the EAC organs and institutions. This would also be crucial when requesting for “observer status” at the EAC Secretariat. This would, however, be at a later stage with stability in the revived chamber guaranteed. It was also agreed that, initially, EACCIA would be located in Nairobi, under the Kenya National Chamber of Commerce and Industry (KNCCI), until the institution is fully operational and has signed the required “Host Country” Agreement with the Government of Tanzania. The Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) was mandated to make a follow up on this with the Tanzanian government.

## **6.6 Governance and Oversight**

The stakeholders agreed that governance and oversight of EACCIA would be provided by the host institution with the support of the Steering Committee whose membership was agreed upon by the stakeholders. The Programme Coordinator to be brought on board would, therefore, report directly to the host institution and the Steering Committee on the progress and operations of the revived EACCIA.

It was agreed that membership of the Steering Committee would comprise of Mr. Charles Kahuthu of the Kenya National Chamber of Commerce and Industry (KNCCI) as the Interim Chair of Steering Committee. In this capacity, Mr. Kahuthu would be assisted by:

- |      |                           |   |                      |
|------|---------------------------|---|----------------------|
| i)   | Mr. Daniel Machelamba     | – | TCCIA                |
| ii)  | Mr. Bernard Bangirana     | – | UACCIA               |
| iii) | Mr. Jean Claude Bashumike | – | BTP Chamber, Burundi |
| iv)  | Ms Marie Chantal          | – | PSF, Rwanda          |

The stakeholders also agreed that a formal Steering Committee would be convened and validated at the next broader stakeholder consultation meeting. The operations of the steering committee would run until a board is constituted

during the AGM tentatively slated for Thursday 30th June 2011. Suggested role for the Steering Committee and Programme Coordinator would include:

- i) Oversight on implementation;
- ii) Strategic Advise and policy direction on the Operational Plan; and
- iii) Promoting the EACCIA as a regional chambers platform.

## **6.7 Immediate Actions Required Now (July 2011 to June 2012)**

In addition to the filed visits, a one-day strategic planning workshop was recently held in Nairobi, which was supported by Trade Mark East Africa (TMEA) and which formed another basis for the EACCIA Stakeholders to agree on the final way forward towards operationalization/revival of the regional Chamber. The following are the number of generic types of activities/actions that need to be undertaken immediately as a way to revive the EACCIA which the stakeholders agreed to:

- i) Getting the EACCIA Programme Coordinator on board as soon as possible;
- ii) Establishing an Interim Secretariat
- ii) Immediately setting up of a Steering Committee;
- iii) Developing the required policy documents (Consultant);
- iv) Developing operational, financial and administrative manuals (Consultant);
- v) Revising the existing Memorandum and Articles of association of EACCIA (Consultant);
- vi) Electing a Board of Directors for the EACCIA (Regional Chambers);
- vii) Calling the EACCIA Annual General meeting (Steering Committee);
- viii) Rolling out the revived EACCIA's Strategic Plan (EACCIA Board); and
- ix) Seeking "Observer Status" at the EAC (EACCIA Board/TCCIA).

## **6.8 Conclusion and Action Plan**

The EAC Customs Union and the Common Market Protocol have opened up business opportunities in the region and paved the way for improved trade within the East African Region. However, challenges still abound and therefore this calls for the operationalization of the revived EACCIA to among other things, address the challenges facing traders in the region. The strategy meeting found to be a potentially useful step to begin the discourse of bringing together Chambers of Commerce from the EAC Partner States in forming a platform to engage with policymakers. It was, however, stressed that for future success, all activities around this initiative remains results-oriented.

**A. SCHEDULE OF INTERVENTIONS/ACTIVITIES REQUIRED FOR PHASE ONE (JULY 2011 TO JUNE 2012)**

	<b>INTERVENTION</b>	<b>ACTIVITIES</b>	<b>RESULTS/OUTCOMES</b>
1.	Pre-operational Phase	a) Appointment of EACCIA Coordinator	Coordinator appointed
		b) Establishment of an Interim Secretariat	Secretariat established
		c) Establishment of an Interim Steering Committee	Steering Committee in place
2.	Institutional Development Phase	a) Election of a Board of Directors	Board appointed
		b) Holding the Annual General Meeting	AGM held
		c) Co-opt Burundi and Rwanda	Burundi/Rwanda membership approved
3.	Development of required Policy Documents	a) Administrative Manual	Administration manual is available
		b) Financial Manual	Financial manual developed
		c) Operational Manual	Operational manual
		d) Strategic (Operating) Plan	EACCIA Strategic Plan
4.	Review and revision of EACCIA's Memorandum and Articles of Association	a) Revision of the manual and preparation of the new Memos	A new set of Memorandum and Articles of Association
5.	Branding and Promotion of the Regional Chamber (EACCIA)	a) Develop an EACCIA Branding and Promotion Plan	EACCIA Branding and Promotional Plan
		b) Rolling out the Plan	Sensitization workshops

**B. SCHEDULE OF INTERVENTIONS/ACTIVITIES REQUIRED IN PHASE TWO (JULY 2012 – JUNE 2013):**

	<b>INTERVENTION</b>	<b>ACTIVITIES</b>	<b>RESULTS/OUTCOMES</b>
1.	Lobbying and Advocacy;	a) Establish operational base in Arusha, Tanzania	Arusha Office operational
		b) Obtain "Observer Status" at EAC	Observer status obtained
		c) Ensure preferential treatment for local SMEs at EAC	SMEs benefit from friendly policies developed by EAC
		d) Ensure favourable Labour and Immigration laws at EAC level	Free movement of labour through favourable laws
2.	Capacity building for national Chambers and other BMOs;	a) Carry out needs assessment missions for the regional chambers	Needs Assessment Report
		b) Undertake the necessary training in line with the results of the needs assessment	Training session reports
		c) Develop the required capacity	Strengthened chambers
3.	Resource mobilization on behalf of national Chambers;	Identify potential sources of funding for EACCIA and regional chambers	Funding for interventions available
4.	Promoting the development of SMEs within the region	Work closely with other programmes such as the UNIDO's Subcontracting and Partnership Exchange (SPX) in the region	Profitable SMEs that contribute to regional integration
5.	Arbitration Services for regional commercial disputes;	Establish a Business Disputes Arbitration Centre at the EACCIA	A functioning Arbitration Centre
6.	Promoting public private partnerships (PPPs) within the region;	Awareness creation on PPPs;	PPP conceptual framework adopted in EAC member states
7.	Facilitating the establishment of Cross Border Traders Associations in all border posts of the EAC member states, in collaboration with the ministries in charge of regional integration.	Establish Cross Border Traders Associations and Cross Border Trade Committees in all regional border posts of East Africa;	CBTAs and CBTCs established and trade among EAC member states enhanced

8.	Trade facilitation and promotion;	a) Carry out a baseline review of ongoing support and interventions in order to collate information on what is currently being done in support of improving the business environment / trade facilitation.	A Gap Analysis Report
		b) Once review is done, link up with ongoing trade facilitation programmes.	Joint programmes undertaken
		c) Host a Conference on use of in trade facilitation (to be combined with the cross border trade initiatives at all border points)	Conference Report
		d) Publicize the conference report on EACCIA/EAC/regional Chambers websites	The number of institutions aware of the conference
		e) Obtain the monthly report from the national Chambers and compile month EAC-wide Non Tariff Barriers reported	Progress Reports on regional NTBs
		f) Design and complete on quarterly basis a score card on elimination of NTBs for each country	Score Card
9.	Information gathering and dissemination;	a) Establishment of an information database and a dedicated officer appointed	An functioning database and officer to man it
		b) Hold Quarterly meetings at regional level that is fed by the regional Chambers	Meetings held
		c) Review the functioning of the regional chambers and identify what should be done to improve the reporting system	Functioning websites of the regional Chambers
10.	Corporate Social Responsibility;	a) Involve the larger corporate sector in other aspects of development that further regional integration	Responses from the corporate sector
11.	Promoting East African Business Brand	Undertake a series of sensitization activities such trade exhibitions under the EACCIA	Brochures, Bill boards

**C. SCHEDULE OF INTERVENTIONS/ACTIVITIES REQUIRED FOR PROMOTING PUBLIC PRIVATE PARTNERSHIPS (PPPs):**

	<b>INTERVENTION</b>	<b>ACTIVITIES</b>	<b>RESULTS/OUTCOMES</b>
1.	Promoting PPPs with governments at all levels;	Hold meetings with responsible national government agencies to sensitize them on the new role of the private sector	Number of meetings held
2.	Expansion of PPP PAU Website from the March Workshop base	Collect guides, toolkits, case studies from within and outside the region	A Functioning website
		Inventorying the descriptions of current or past PPP activities in member countries according to standardized template	An Inventory of past PPPs interventions
		Create a database and performance indicators for the regional PPPs	A functioning Performance Indicators database
3.	Organization of discussion forum and other interactive platforms for PPPs and policy dialogue	<p>a) Institutionalize the dialogue at EAC regional level by agreeing on a systematic calendar of PPPs activities that has the buy in of both parties, including on agenda and implementation and which is included in the institutional work plans and budgets</p> <p>b) Hold quarterly regional thematic dialogues that draw from PPDs and issues at national levels.</p> <p>c) Hold annual general dialogue between public and private at EAC level</p>	<p>Number of PPP activities held regionally</p> <p>Four Regional dialogue meetings held</p> <p>Annual dialogue meeting held</p>
4.	Capacity building for the regional PPP/PAUs at member states level	Organization of three physical trainings (one is budgeted as part of the regional EACCIA/PPP PAU support);	Trainings held
5.	Capacity building for local investors and entrepreneurs to avoid capital outflows arising out	a)Undertake a number of capacity building workshops;	Number of Capacity building workshops held

	of PPP projects being awarded to foreign companies;	b) Support in developing proposals for the various project opportunities available to the local investors/entrepreneurs.	Number of Investors and entrepreneurs assisted in developing proposals
		Development of PPP models and agendas for one or two replicable infrastructure sub-sectors	Number of PPP models developed and replicated
6.	Development of strategy for engagement of regional firms in Northern Corridor related infrastructure provision and maintenance.	a) Undertake regular engagement with the Transit Transport Coordinating Authority of the Northern Corridor (TTCANC) b) Facilitate joint workshops between TTCANC and regional stakeholders (firms)	Number of meetings held with TTCANC  Number of workshops held

## **CHAPTER 7: PROPOSED BUDGET FOR THE INCEPTION PERIOD (PHASE ONE)**

### **7.1 Proposed Interventions and Activities**

Phase One of the proposed intervention, which should take twelve (12) months, shall involve contracting a competent Technical Advisor or consultant whose role shall be to oversee:

<b>Interventions</b>	<b>Activity(ies)</b>
1. Pre-operational Phase	a) Appointment of EACCIA CEO b) Establishment of an Interim Secretariat c) Establishment of an Interim Steering Committee
2. Institutional Development Phase	a) Election of a Board of Directors b) Holding the Annual General Meeting c) Co-opt Burundi and Rwanda
3. Development of required Policy Documents	a) Administrative Manual b) Financial Manual c) Operational Manual d) Strategic (Operating) Plan
4. Review and revision of EACCIA's Memorandum and Articles of Association	a) Revision of the manual and preparation of the new Memos
5. Branding and Promotion of the Regional Chamber (EACCIA)	a) Develop an EACCIA Branding and Promotion Plan

## 7.2 Detailed and Itemized Budget

1.	Technical Assistance		
1.1	Technical Adviser (12 x 5,000)	Euros	60,000.0
1.2	Operational Travel		
a)	Kenya (3 x 5,000)	Euros	15,000.0
b)	Uganda (3 x 5,000)	Euros	15,000.0
c)	Rwanda (3 x 5,000)	Euros	15,000.0
d)	Burundi (3 x 5,000)	Euros	15,000.0
e)	Tanzania (3 x 5,000)	Euros	15,000.0
	<b>Sub-Total</b>	<b>Euros</b>	<b>132,000.0</b>
2.	Administrative Expenditure		
2.1	Office Rent (12 x 3,000)	Euros	36,000.0
2.2	Cost of Utilities (12 x 1,000)	Euros	12,000.0
2.3	Office Supplies (12 x 1,500)	Euros	18,000.0
2.4	Admin Assistant (12 x 2,000)	Euros	24,000.0
	<b>Sub-Total</b>	<b>Euros</b>	<b>90,000.0</b>
3.	Capital Expenditure		
3.1	Office Furniture	Euros	8,000.0
3.2	Office Equipment	Euros	10,000.0
3.3	Office Vehicle	Euros	10,000.0
3.4	Vehicle Insurance	Euros	2,000.0
3.5	Vehicle Running Expenses (12 x 2,500)	Euros	30,000.0
	<b>Sub-Total</b>	<b>Euros</b>	<b>60,000.0</b>
4.	Operationalizing of EACCIA		
4.1	Review of the Memo and Articles	Euros	20,000.0
4.2	Other Operational Manuals	Euros	50,000.0
4.3	Stakeholders Engagement Workshops	Euros	100,000.0
4.4	EACCIA Board of Directors	Euros	30,000.0
	<b>Sub-Total</b>	<b>Euros</b>	<b>200,000.0</b>
	<b>TOTAL</b>	<b>EUROS</b>	<b>482,000.0</b>

## LIST OF PERSONS MET

### KENYA

1. Mr. Kiprono Kittony - National Chairman, KNCCI
2. Mr. Titus G. Ruhiu - CEO, KNCCI
3. Mr. James Mureu - Director, KNCCI
4. Mr. Duncan Mwangi - KNCCI Consultant
5. Mr. Kyengo Musyoka - KNCCI Consultant
6. Mr. Hillary Nyaga - CEO, UBA
7. Mr. Anthony Weru - KEPSA

### UGANDA

1. Mr. Chris Kyerere - Chairman, UACCIA
2. Mr. James Musunguzi - Director, UACCIA
3. Mr. Bernard Bungirana - CEO, UACCIA
4. Mr. Morrison Rwakakamba - Former CEO, UNCCI
5. Mr. Stephen Rugumba - Head, Membership Dev.
6. Mr. John Walubenge - UNCCI Membership Officer

### TANZANIA

1. Eng. Alloys J. Mwamanga - President, TCCIA
2. Mr. Daniel Mashemba - Ag CEO, TCCIA
3. Mr. Adam Zuku - Senior Trade Officer, TCCIA
4. Ms Specioza Mashauri - Former CEO, TCCIA
5. Mr. Richard O. B. Rugimbana - Executive Secretary, Tourism Federation of Tanzania

### RWANDA

1. Ms Marie Chantat Magnifique - Chambers and Associations Coordinator

### BURUNDI

1. Mr. Christian Nkengurutse - Secretary General, FCCIB
2. Mr. Jean Claude Sabushimike - BTP Sector-based Chamber
3. Mr. Theodomir Rishirumuhirwa - Agro-Business Chamber
4. Mr. Pierre Claver Hakizindavyi - Tourism Chamber
5. Mr. Constantin Kacukuzi - Tourism Chamber
6. Mr. Servais Kubwarugira - Trade Chamber
7. Mr. Alexis Muhitira - Banks and Financial Institutions Chamber
8. Eng. Habonimana Chadrick - Agro-Business Chamber

### ZANZIBAR

1. Mr. Msellem K. H. Msellem - Executive Director, ZNCCIA

### **EAST AFRICAN COMMUNITY – ARUSHA, TANZANIA**

1. Mr. Peter Kiguta - Director of Customs and Trade
2. Mr. Fred Owiti - EAC Private Development

### **MINISTRY OF TRADE - KENYA**

1. Mr. Godfrey Kionano - Deputy Director, External Trade and Ag Director, PSDS
2. Ms Romana Kimende - Coordinator, PSDS

### **MINISTRY OF EAST AFRICAN COMMUNITY - KENYA**

1. Mr. Richard Sindiga - Director, Economic Affairs
2. Mr. Alfred Kitolo - Director, Productive and Services Sector

### **MINISTRY OF FOREIGN AFFAIRS - KENYA**

1. Mr. Johnson Weru - Director, Economic Affairs and External Trade Directorate
2. Mr. Thomas Murimi - Directorate of Economic Affairs and External Trade

### **DEVELOPMENT PARTNERS**

1. Ms Lisa Karanja - Regional Director, PS/CSOs TradeMark East Africa
2. Mr. Allan Ngugi - Programme Officer, TradeMark East Africa
2. Mr. Yusuf Majan - Trade Facilitation Specialist, USAID Compete Programme

### **OTHER PRIVATE SECTOR PLAYERS**

1. Dr. Robert Gichira - Chamy Investments Limited
2. Mr. Maina Kimato - Chamy Investments Limited
3. Eng. Henry Mokaya - Mohemkorp Associates Ltd.