



A Simplified Guide for Micro and Small-Scale Women Cross Border Traders and Service Providers within the East African Community (EAC)



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Background to the East African Community (EAC) and key EAC statistics and trade data

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Foreword

The East African Community (EAC) continues to consolidate key regional integration achievements particularly the implementation of the EAC Single Customs Territory, and the application of the revised EAC Rules of Origin, 2015. The operationalization of the revised EAC Rules of Origin, 2015 has eased doing business in the region. The removal of several tariff and non-tariff trade barriers has promoted the movement of goods and services across borders and tremendously spurred intra-EAC Trade. Available statistics show that trade within the EAC increased from US\$4.5 billion in 2011 to US\$5.1 billion in 2015.

Articles 121 and 122 of the Treaty Establishing the East African Community recognizes the role of Women in Socio-Economic Development and in Business. Based on this Treaty provision, EAC Partner States are therefore committed to promote gender equality and women's empowerment through linking women to national and regional markets and improving their access to relevant and customized information on EAC and/or national market opportunities.

One of the non-tariff barriers impeding trade across the region is the lack of information. Traders struggle to find information regarding the goods and services allowed for trade in each Partner State, the standards and authorization certifications required, the taxes and tariffs expected in each Partner State, the import and export laws of each Partner State, the trade processes and controls, the rules of origin and the customs procedures among other details that are important for successful trade within the region. Information is also lacking on where a trader should go to find help or lodge a complaint regarding cross border trade offences or inconsistencies.

This lack of information has left big loop holes for corruption and the shortchanging of traders as they endeavor to move their goods from one Partner State to another. As a result, traders incur great financial losses incurred, and in several instances, forcing them out of business. The lack of clear and accessible information is more acute among

women entrepreneurs as communication channels and means have not necessarily been developed along their needs.

Against this background the EAC, in partnership with the ILO, have developed a comprehensive information pack (Simplified Guide/Tool) containing up-to-date and relevant information on the existing policies, procedures, requirements, rules of origin, taxes, tariffs, exemptions and facilities available to cross border traders such that they can ably trade within the region.

This guide provides information on key EAC trade rules, regulations and procedures, related to trade within the EAC (intra-EAC trade) in a simplified and user-friendly manner. The main users of this will mainly be micro and small scale women cross border traders and service suppliers as well as associations and networks of women entrepreneurs, service suppliers and cross border traders but also secondary users such as cross border traders, the private sector in general, young entrepreneurs, investors, Business Membership Organizations (BMOs), Non-Governmental Organizations (NGOs), development partners as well as relevant government institutions.

I take this opportunity to thank the Directorates of Social Sectors, Customs and Trade, the gender and trade experts from Partner States, development Partners particularly the International Labour Organisation and GIZ for the technical and financial support provided in the development and production of this Info pack.

Amb. Liberat Mfumukeko
Secretary General
East African Community

Acknowledgements

The East African Secretariat wishes to take this opportunity to sincerely thank the International Labour Organisation (ILO) and the GIZ - Support to the African Union Border Programme for the support provided in the development of the Simplified Guide and Information Pack on EAC Trade Rules and Regulations for Women Cross Border Traders.

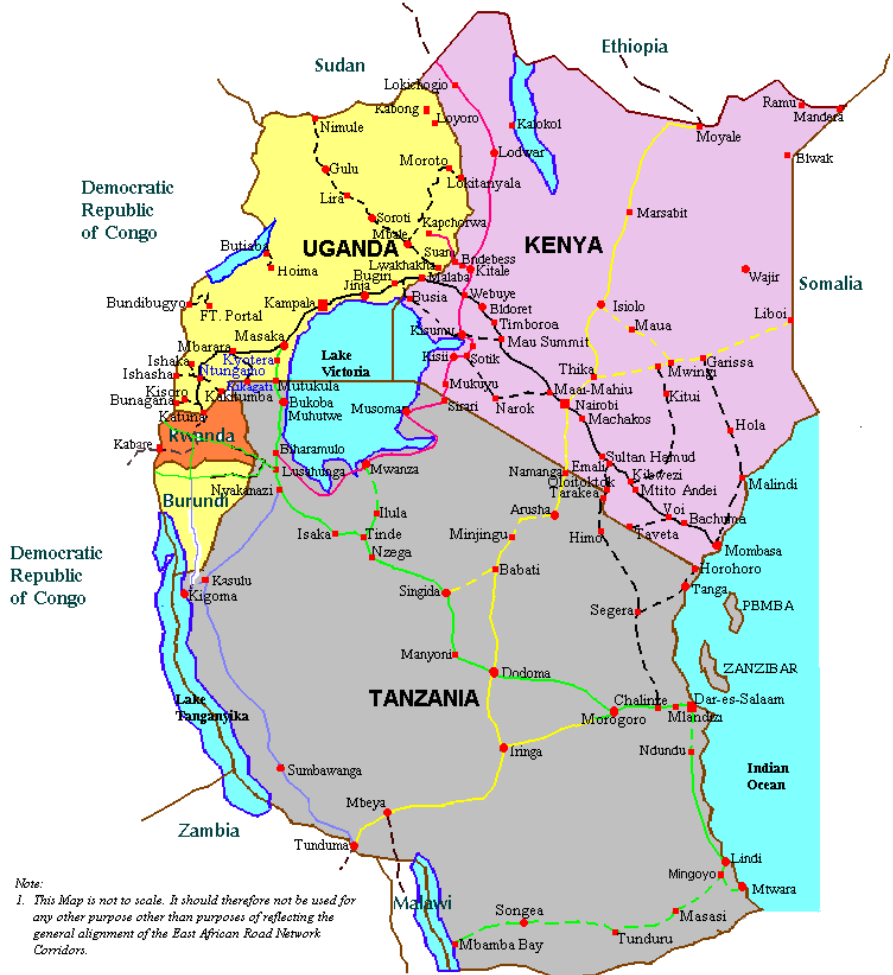
The Simplified Guide and Information Pack was developed by the EAC Secretariat with technical and financial support from the International Labour Organization - Women Entrepreneurship Development and Economic Empowerment Project (ILO WEDEE) to sensitize cross border traders on the opportunities provided for by the Customs Union and Common Market Protocols in addressing challenges faced by women in business especially in the EAC cross border trade.

We are especially grateful to go to all Gender and Trade experts from the EAC Partner States for all their efforts and contribution during the preparation of the Simplified Guide and the Information pack.

Last but not least we appreciate the efforts of Ms. Mary Makoffu, Director, Social Sectors, Mrs. Generose Minani, the Principal Gender Officer and Mr. Morris Tayebwa, Programme Assistant in the Gender Department who coordinated the participation, reviews and final inputs from the Partner States experts, Customs and Trade and EAC Statistics in the production of this report.

**EAC Secretariat,
December 2016**

LOCATION MAP OF EAST AFRICA
EAST AFRICAN COMMUNITY ROAD NETWORK PROJECT
 (Including Proposed Additional Road Links)



Note:
 1. This Map is not to scale. It should therefore not be used for any other purpose other than purposes of reflecting the general alignment of the East African Road Network Corridors.

2. The additional road links are in dotted lines in colours similar to the Corridors of their alignment.

1. ————— Mombasa-Malaba-Katuna Corridor
2. ————— Dar-es-Salaam-Dodoma-Isaka-Mutukula-Masaka Corridor
3. ————— Biharamulo-Mwanza-Musoma-Sirari-Lodwar-Lokichogio Corridor
4. ————— Nyakanazi-Kasulu-Sumbawanga-Tunduma Corridor
5. ————— Tunduma-Iringa-Dodoma-Arusha-Namanga-Moyale Corridor
6. - - - - - Sections/Links connecting with East Africa neighbours; those of interregional connectivity

Mozambique

Acronyms

BMOs	Business Membership Organizations
CMP	Common Market Protocol
DFR	Department of Fisheries
DVS	Department of Veterinary Services
EAC	East African Community
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
KEPHIS	Kenya Plant Health Inspectorate Services
MAFC	The Ministry of Agriculture, Food Security and Cooperatives
MLDF	Ministry of Livestock Development and Fisheries
NGOs	Non-Governmental Organizations
RoO	Rules of Origin (EAC)
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phyto-sanitary measures
TAEC	Tanzania Atomic Energy Commission
TFDA	Tanzania Food and Drugs Authority
TPRI	The Tropical Pesticide Research Institute
US\$	United States Dollar
VAT	Value Added Tax

Notation in the booklet



Indicates a **QUESTION** asked



Indicates an **ANSWER** to the question asked



Note: This brings to attention supplementary information to be taken into consideration



Text box: This gives further explanations of certain areas



Directs the user to another booklet

Definition of key terms

EAC Partner States - means EAC countries which form the East African Community. These countries are; Republic of Burundi, Kenya, Rwanda, Tanzania and Uganda.

EAC Rules of Origin (2015) - a set of rules used to differentiate between goods that are obtained and produced within EAC Partner States and those that are not.

Excise Tax - this is a tax charged on certain goods and paid by the producer and not the consumer.

Foreign Direct Investment (FID) - is a controlling ownership in a business enterprise in one country by an entity based in another country.

Gross Domestic Product (GDP) - is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Short-Term/Temporary Service Providers - these are business persons who provide or supply a service for a short period of time or on short-term basis.

Sanitary and Phyto-Sanitary Measures (SPS) - regulations and controls applied by governments to ensure food, animal and human health and safety.

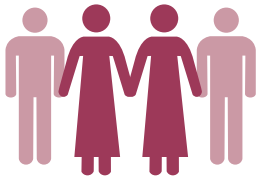
Value Added Tax (VAT) - this is a type of consumption tax that is charged on a product whenever value is added. It is charged at each stage in the chain of production and distribution to the final sale. This cost or tax is paid by the end consumer/buyer and not by manufacturers, producers or distributors.

Introduction and background

Background to the East African Community (EAC)

The East African Community (EAC) is the regional intergovernmental organization of the Republic of Burundi, Kenya, Rwanda, Tanzania and Uganda with headquarters in Arusha, Tanzania. On 30th November 1999, the Treaty of the Establishment of EAC was signed and on 7th July 2000, it became operational. Since its commencement, the EAC Partner States have established: 1) the Customs Union in 2005, which has led to easier movement of

goods within the EAC region; 2) the Common Market in 2010, which has resulted in easier movement of workers, people, services and capital within the EAC region, and 3) the Monetary Union in 2013, (which upon full implementation within a period of 10 years) will result in, among others a single/common currency thereby facilitating easier movement of goods, workers, people, capital and services. EAC Partner States also aim at establishing a Political Federation of East African Countries in the future.



EAC Partner States are committed to **promote gender equality and women's empowerment**

The EAC Partner States are committed to promoting gender equality and women's empowerment as provided for under the following sections of the Treaty for the Establishment of the EAC. The sections are: *Article 5(e) - Objectives of the Community, Article 121- The Role of Women in Socio-Economic Development, and Article 122- The Role of Women in Business.*

Overview of women entrepreneurship in the EAC

The importance of women in entrepreneurship has been widely acclaimed. Women entrepreneurship is increasingly recognized as the driver of economic growth and societal well-being. The Global Entrepreneurship Monitor Report 2012 on Women notes that the job creation capacity of half the world's population could be lost, if women were not actively involved in entrepreneurship.

According to the EAC Strategy for Promoting Women in Business and Women's Socio-Economic Empowerment Draft, women owned businesses in the EAC are estimated at between 35 percent and 55 percent of the total number of businesses in the region. However despite business women forming a big percentage of the private sector in the region, the majority of trade related legal and policy frameworks at national and regional level, are generally gender neutral and to a large extent favour large-scale businesses.

Between **35** and **55%** is the estimated percentage of total businesses owned by women in the EAC region

As a result, the status of business women, particularly women in cross border trade has largely remained at the micro, small and informal level. According to a regional study conducted by the East African Business Council (EABC) and the East African Women in Business Platform (EAWiBP), challenges contributing to the disempowerment of women traders include; access to affordable finance and capital, limited market access and information, cultural prejudices, perceptions and beliefs, low level of education and limited knowledge on business development and management skills, among others. Further, the inadequate knowledge among women in business, of their rights, laws, regulations and requirements related to cross border trade has hindered the easy movement of goods and services across borders.

The following are some characteristics of women entrepreneurs in the EAC region:



1. Low value sectors: The majority of women owned businesses pursue lower value business ventures and sectors, and their enterprises are micro, small and informal.



2. Business Discontinuity: Business discontinuity among women entrepreneurs is higher, compared to male entrepreneurs.



3. Levels of Education: The level of education for women entrepreneurs is lower than that of their male counterparts. In EAC, an average of 15 percent of female entrepreneurs, have post-secondary education. Women education plays a big role in starting a business, expanding it and sustaining its operations.



4. Creativity and Innovation: By and large, there is limited innovation among women entrepreneurs. Most of women-owned/run businesses are started as a result of necessity, rather than opportunity. Further, most women-owned business (over 90%) are solely owned and managed. This mode of operation denies them leverage of ideas, abilities, resources and networks.

Scope and objectives of the guide

This guide provides information on key EAC trade rules, regulations and procedures in a simplified and user-friendly manner. This information has been presented as follows;

Booklet 2: *Elaborates on rules relating to trade in unprocessed agricultural produce and manufactured goods.*

Booklet 3: *Elaborates on rules relating to short-term/ temporary supply or provision of services.*

Booklet 4: *Elaborates on rules relating to right of establishment.*

Booklet 5: *Provides a list of key support services for small scale women cross border traders and short-term/temporary service suppliers, country specific information on registration of businesses and companies, as well as useful contacts for Government Agencies and Women Entrepreneur Associations (WEAs).*

Users of the guide

The main users of this Guide are as follows:

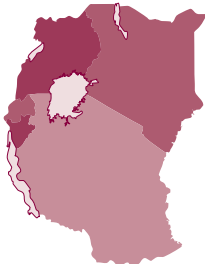
1. Primary users are micro and small scale women cross border traders and service suppliers as well as associations and networks of women entrepreneurs, service suppliers and cross border traders.
2. Secondary users are male cross border traders, the private sector in general, young entrepreneurs, investors, Business Membership Organizations (BMOs), Non-Governmental Organizations (NGOs), development partners as well as relevant government institutions.



Booklet 5: References on Country Specific Key Support Agencies, their Services and Contact Information

Key EAC statistics and trade data

Key trade and development statistics of the East African Community



1,817,700
km sq is the Total
Surface Area (including water)

Total population



141,084,448 persons
72,029,245 Females
69,055,203 males

GDP



769 US\$
Average GDP per capita
(individual purchasing power)



4.95 Billion US\$
Total Combined Gross Domestic Product (GDP)

5,806 Million US\$
Total Value of Intra-EAC Trade
volumes(Exports and Imports)

2,315 Million US\$
Total Value of Intra-EAC
Imports

IMPORT

3,699 Million US\$
Total Value of Intra- EAC
Exports

EXPORT



US\$ 5.7 Billion

Total Foreign Direct Investment (FDI)

236.9 Million US\$ – Total Intra-EAC FDI Inflows

Source: EAC Trade Report (2013) and EAC Facts and Figures Report (2014)

Most traded goods within the EAC and between the EAC and the rest of the World

EAC Partner State	Major exports within the EAC	Major imports within the EAC	Major exports to the Rest of the World from the EAC
Burundi	Coffee and tea, tobacco, iron and steel, aluminum, and soap and waxes	Mineral fuels and oil, vegetable and animal fats, cement, beverages and cereals	Coffee and tea, pearls, precious metals (unwrought gold), raw hides and skins and tobacco.
Kenya	Mineral fuels and oils, pharmaceutical products, machinery, plastics, electrical and electronic equipment	Dairy products, oil seed, paper & paperboard, textiles and cotton	Coffee and tea, cut flowers, edible vegetables, tobacco and plastics
Rwanda	Coffee and tea, cereals, animal and vegetable fats, articles of iron and steel and raw hides and skins	Mineral fuels and oil, cement, dairy products, edible vegetables, fertilizers	Ores, slag and ash (including rare metal ores), coffee and tea, raw hides and skin, articles of iron and steel and beverages
Tanzania	Mineral fuels and oils, paper and paper board, salt and sulphur, cereals and textiles and clothing.	Meat and dairy products, cereals, animal, vegetable fats and vehicles	Pearls, precious stones and metals, slag and ash, coffee and tea, oil seed and fruits and nuts
Uganda	Tea and coffee, raw tobacco, salt and sulphur, iron and steel and animal and vegetable fat.	Mineral fuels and oils, plastics, beverages and pharmaceutical products	Coffee and tea, mineral oils, fish, animal and vegetable fats and tobacco

Source: ITC Trade Map (2-digit product cluster)

References



- i. 4th EAC Development Strategy (2011-2016)
- ii. EAC Customs Management Act
- iii. EAC Facts and Figures (2014)
- iv. EAC Industrialization Policy and Strategy (2012-2032)
- v. EAC Investment Guide (2013)
- vi. EAC Trade Report (2013)
- vii. Manual on Application for EAC Rules of Origin (2006)
- viii. Protocol on the Establishment of the EAC Customs Union (2005)
- ix. Protocol on the Establishment of the EAC Common Market and its Annexes (2010)
- x. Protocol on the Establishment of the East African Monetary Union (2013)
- xi. Relevant Decisions and Directives of EAC Sectoral Councils and Council of Ministers
- xii. Treaty for the Establishment of the EAC (2000)

Notes 

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Notes 

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