



EABC COVID-19 ADVOCACY AND POLICY WINS.

S/N	Advocacy Issue	Intervention	Outcome
1.	COVID-19 Related NTBs. - Cessation on the movement of people in some EAC Partner States. To avoid the spread of COVID-19 in the EAC, some Partner States issued executive orders on cessation of movement of people. - Due to a Kenyan executive order, the entry processing of non-Kenyan residents was halted. This affected cross border movement of cargo destined to and transiting through the territory of Kenya. Over 150 trucks were barred from entry into Kenya via Namanga. - In Malaba and Busia borders, the truck queues stretched to over 50 kilometers away from the One-Stop Border Posts due to inadequate testing capacities for COVID-19 that would increase border clearance times for Uganda bound cargo.	EABC called for EAC coordinated approach to solve the issues. EABC successfully engaged the Ministry for EAC Affairs and Regional Development of Kenya, as well as the Ministry of EAC Affairs Uganda to facilitate entry of cargo trucks from Tanzania and Uganda into Kenya via Namanga, Busia and Malaba One-Stop Border Posts.	- EAC Secretariat released regional guidelines on the movement of goods and people amidst COVID-19 - Following EABC interventions, 150 cargo trucks from Tanzania were allowed entry into Kenya on 18th March 2020. - Through EABC's advocacy, Uganda deployed additional medical personnel for COVID-19 testing at the OSBPs of Malaba and Busia to fast-track the clearance of cargo at the two points of entry hence the reduction in the border turnaround time.

	- At Rusumo border post, over 100 trucks from Rwanda were not being allowed to cross to United Republic of Tanzania and vice versa due to Rwanda's decision of relay driving as an effort to fight the spread of Covid-19 - COVID-19 Related NTBs at the Namanga, Holili-Taveta, Horohoro-Lungalunga, Sirari-Isebania borders. Issuance of Executive Order by Kenya restricting the movement of people between Kenya and Tanzania. This affected movement of truck drivers and cargo between the two countries	- EABC engaged the Ministries from both Rwanda and United Republic of Tanzania to implement agreements signed between both responsible Ministries in charge of EAC Affairs in allowing free movement of cargo during the pandemic - EABC successfully engaged the Ministries responsible with EAC Affairs from Kenya and Tanzania and recommended for bilateral dialogue to resolve their issues and facilitate the movement of truck drivers and cargo between the two countries	- Currently, goods are flowing and the agreement signed between both Rwanda and the United Republic of Tanzania is being implemented. - Following the meeting, the movement of truck drivers and cargo between the two countries was resumed.
2.	COVID-19 Related caused by enforcement of a curfew in Kenya. 300 trucks were reported to be stranded at Namanga from Tanzania into Kenya due to a curfew in Kenya. This caused long truck queues and lengthy clearance time of cargo trucks entering Kenya through the Namanga OSBP.	EABC engaged the Ministry of EAC and Regional Development of the Republic of Kenya to intervene on these issues and urged harmonized measures and efforts by the EAC Partner States geared to reduce the clearance time of cargo at the borders. With Support from TMEA, EABC also provided the	Following EABC's intervention, the following outcomes were realized; - A bilateral meeting between the Republic of Kenya and Tanzania agreed to allow movement of cargo trucks during curfew times. - Over 300 cargo trucks that had been blocked from entering Kenya via Namanga were cleared to proceed on 23rd March 2020.

		health workers at the border with Thermal guns to reduce the health check time and fast-tracking the flow of goods.	
3.	Absence of a coordinated approach by the EAC Partner States in the implementation of measures to curb the spread of COVID-19	EABC mobilized its National Focal Points from each of the EAC Partner States and recommended for a common approach regarding preparedness and response measures against the outbreak of Coronavirus (COVID-19) in the EAC region.	Following this meeting, a Joint Communiqué was developed, signed by the CEOs of the National Focal Points sent to the chair of the EAC Council of Ministers and the EAC Secretary-General. Ministers Responsible for Health and EAC Affairs held a meeting on 25th March 2020 and issued a joint statement on Covid-19 preparedness and response in the EAC region. The joint statement later informed the Heads of State e-meeting between their Excellencies; President Paul Kagame, President Yoweri Museveni, President Salva Kiir, and President Uhuru Kenyatta.
4.	Delay by EAC Secretariat to organize the Summit to address COVID-19 related issues	EABC advocated for the EAC Heads of State to hold a meeting to discuss a coordinated approach on COVID-19 in the EAC. This was in line with the recommendation of the joint communiqué of the private sector associations in the EAC that was submitted to the EAC Council of Ministers.	Heads of State held a virtual meeting between their Excellencies; President Paul Kagame, President Yoweri Museveni, President Salva Kiir, and President Uhuru Kenyatta to discuss the coordinated approach by EAC Partner States. The outcomes of this meeting contributed to the improved flow of goods along the EAC transport corridors and reduced truck turnaround times at the border posts.

5.	Need to cushion the Financial Sector in the EAC from the adverse impact of COVID-19	EABC developed and circulated a Policy brief with recommendations to its Stakeholders on the impact of COVID-19 on the financial sector in the EAC.	8 out of 12 of the EABC recommendations on the financial sector were adopted by the Partner States as measures to mitigate the impact of the COVID-19 in their respective countries. The measures are as follows: 1. Central banks in EAC need to lower the Central Bank Rate to enable commercial banks to access loans at lower rates and ultimately lending to the private sector and personal loans at lower lending rates. <i>Adopted by Uganda, Tanzania, Kenya, and Rwanda</i> 2. Further lowering of the reserve requirement ratio required by Central Banks to boost the liquidity of the commercial banks so that they can have more cash to lend to the private sector. <i>Adopted by Uganda, Tanzania, Kenya, and Rwanda</i> 3. EAC Governments through Central Banks to release a Stimulus Fund (lending facility) to Commercial Banks to enable them have sufficient funds for lending to the private sector. <i>Adopted by Kenya, Rwanda, and Uganda</i> 4. EAC Central Banks to consider reviewing of existing treasury Bonds/Securities rediscount (Open Market Operations) through buying back bonds at the prevailing market rate. <i>Adopted by Rwanda and the United Republic of Tanzania</i> 5. EAC Governments to suspend borrowing from the domestic economy through Government bonds to avoid crowding out the private sector. <i>EAC Central</i>
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6.	Need to protect the manufacturing sector in the EAC from the effect COVID-19	EABC developed and circulated a Policy brief with recommendations to its Stakeholders on the impact of COVID-19 on the manufacturing sector in the EAC.	Arising from the recommendations to the EAC Partner States on the likely impact of COVID-19 on the manufacturing sector, the following are some of the policy outcomes; • The recommendation for “Buy East Africa Build East Africa” (BEABEA) while still under discussion, Partner states have resorted to local purchase of personal protective equipment (PPE) such as Hand sanitizers and Masks. Also, several industries have received financial incentives to produce essential items through VAT exemptions. • Governments across the EAC have set aside funds to recapitalizing their development banks to

			offer low-interest rates to manufacturers while others like Kenya and Rwanda announced stimulus packages to kick start their economies. • Partner States in their 2020/21 budgets have come up with both fiscal and monetary measures aimed at supporting the manufacturing sector to recover from COVID-19 disruptions.
7.	Need for the resumption of Air Transport Operations in the EAC region during COVID-19	• EABC developed a regional private sector position paper on Open Skies for cargo movement amidst the COVID-19 outbreak, which was submitted to the EAC Council of Ministers for adoption. • EABC issued a press release on the resumption of Air transport in the region with harmonized Standard Operating Procedures. • A webinar with CEOs of regional airlines was held in preparation for the resumption of air travel across the region and beyond as well as the recovery strategy	The adopted recommendation from the Policy brief on Agriculture called for the resumption of Air cargo Transport: <i>“There is need for liberalization of the EAC airspace, such that regional and international cargo carriers can pick consolidated products for export from each EAC Partner State to Europe, Asia, and America where they have substantial and consistent demand”</i> • Through this recommendation, an Open Skies Policy, and the extension of freedoms has started being extended for airlines to pick cargo from various particular Partner States to be export to international markets. E.g. Rwandair started transporting fish from the United Republic of Tanzania to Europe, and Emirates Airlines picking cargo from inland Kenya to various markets.
8.	Need to cushion the Agricultural Sector in the EAC from the adverse effects of COVID-19 on the	With the damaging effects of COVID-19 being felt across all sectors of business and the economy, EABC	Some recommendations have so far been implemented as follows.

		produced and circulated a Policy brief on the impact of COVID-19 on the Agricultural Sector as well as mitigating measures and recommendations to lessen the damage to the agricultural business.	• The need for an economic stimulus for the sector. The EAC Partner States through the Central Banks have issued specific stimulus packages to boost the Agriculture sector. • VAT Refunds: Need to fast-track payment of VAT refunds owed to agribusiness firms to ensure a speedy recovery for the sector players.
9.	Understanding the Impact of COVID-19 on the Tourism Sector and proposing its recovery strategy	The Tourism industry as well as its associated value chains, has been one of the most severely damaged by the COVID-19 Pandemic. EABC authored and circulated a policy brief on the impact of COVID-19 on the tourism sector. The policy brief contained recommendations to lessen the impact of COVID-19.	EABC recommended Tourism Relief funding to make additional funds available to assist SMEs in the tourism and hospitality sector who are under particular stress due to the new travel restrictions. Through EABC's recommendations to the EAC partner States, the above recommendation was adopted by Rwanda's Ministry of Finance and Economic Planning to fast track the recovery of the Tourism sector.
10.	Need for EABC stakeholder engagements through Webinars on COVID- 19 response	Various webinars have been conducted discussing the impact of COVID-19 on businesses and charting out the EAC recovery strategy. Such include; i. Webinar on the impact of COVID 19 on the EAC Trade ii. Webinar on the impact of COVID-19 on the Manufacturing sector in the EAC	Recommendations have been submitted to EAC Partner States.

		iii. Impact of COVID-19 on the Tourism Sector in the EAC iv. Pre-budget perspectives and Financial Sector Response to COVID-19 v. Post-Budget Digest vi. Webinar on the impact of COVID-19 on Transport and Logistics sector in the EAC vii. Webinar on the impact of COVID-19 on the Aviation Sector in the EAC	
11.	Need for frequent border visits to assess issues related to the movement of cargo across the region	EABC undertakes continuous border visits to engage Joint Border Committees in addressing issues related to cargo movement	• Issues related to the movement of cargo have been profiled and escalated to policymakers for action • With EABC engagement, there has been improved cargo movement across the borders amidst COVID 19
12.	Need to address Stigmatization of Truck drivers while moving cargo across the EAC borders during this COVID-19 pandemic period.	• Social Media messages and a Press Statement was developed to sensitize the general public against the stigmatization of truck drivers at the border points	Low levels of stigmatization of truck drivers by the EAC transport corridor communities through EABC sensitization.
13.	EABC to be part of the National Emergency and response team on regional issues chaired by the Cabinet Secretary for Interior and Coordination of National Security in Kenya	Presentation of private-sector challenges with regards to the movement of cargo	Border issues in Namanga, Busia and Malaba were resolved.

14.	Absence of Harmonised Regional Budget Proposals Amidst COVID-19	• EABC developed Regional Harmonised Private Sector Budget Proposals for 2020/21 Fiscal Year which were submitted to the EAC Secretariat. • EABC organized pre-budget proposals and post-budget analysis aimed at capturing and addressing post-COVID-19 business recoveries.	Most of the EABC Fiscal and Monetary Measures contained in the EABC Budget proposals were adopted by the EAC Partner States as captured in the EAC Gazette and Partner States Budgets for 2020/21 Fiscal Year. Some of the adopted proposals include: 1. Extending duty remissions to inputs that are not available in the region such as: (i) Importation of the CKDs at 0% by gazetted motor vehicle assemblers and motorcycles, (ii) 10% import duty on sugar for industrial use for all gazetted manufacturers, (iii) Wheat grain to attract 0% for gazetted manufacturers, (iv) Importation of Inputs for manufacturing of beverages and food (HS Code 2106.90), & (HS code & 3302.10.00) at 0% import duty by gazetted manufacturers, (v) Importation of the baby diapers (7222.20.00) at 0% import duty by gazetted manufacturers, (vi) Allowing importation of textile input at 0% import duty for gazetted textile manufacturers, (vii) Allowing gazetted manufacturers to import ranges of bars and rods not further worked at 0% import duty; (viii) Allowing gazetted manufacturers (paper converters) to import ranges of paper & paper at 0% import duty (ix) Allowing gazetted stand-alone soap-factories to import RBD stearin at 0% import duty
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			(x) Allowing gazetted leaf spring manufacturer to import steel alloys under duty remission (xi) Allowing gazetted producers of energy-saving stoves to import their inputs under duty remission 2. Stay of Applications (SOAPs) for Products and Apply Higher Tariff Rates: (i) Stay application on EAC CET and apply a higher tariff of 35% on Iron and steel products (<i>Headings 7209, 7212, 7213, 7214, 7216,</i>) (ii) Stay application on EAC CET and apply a higher tariff of 35% on Ceramic tiles (<i>Headings 6802 and 6907</i>) (iii) Stay application on EAC CET and apply higher tariff on Fishing nets (HS Code 5608.11.00). 3. Reduction in Domestic Taxes: (i) Zero rating VAT for essential products (ii) Maintaining of Excise Taxes for both petroleum products and non-petroleum products (<i>No increase of excise taxes</i>) (iii) Reducing Resident Income Tax (Corporation Income Tax-CTI) from 30% to 25% (iv) Reduction of Taxes on employers such as Skills Development Levy and turnover tax rate (v) Tax relief for persons/employees earning a minimum wage 4. Stimulus packages: (1) Tourism
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			(2) Agriculture (3) SMEs Development
15.	Need for incorporating recommendations of COVID-19 pandemic in the EABC Advocacy activities	EABC incorporated recommendations of the COVID-19 in the EABC Policy Advocacy Agenda 2020/21	Sectoral Impact Assessment and Recommendations on the COVID-19 Pandemic were incorporated in the EAC Policy Advocacy Agenda 2020/21. These include the following sectors: (1) The EAC Manufacturing Sector (2) The EAC Agricultural Sector (3) The EAC Transport & Logistics Sector (4) The EAC Tourism Sector (5) The EAC Financial Sector This will support ongoing advocacy initiatives.
16.	Insufficient information on the economic impact of COVID-19 on various sectors in the EAC	EABC administered a survey on the Impact of COVID-19 on Business and Investment in the East African region.	EABC conducted Survey on the Impact of COVID-19 on Business and Investment in the East African Region. <i>Firstly</i>, the findings of the EABC Survey have been used by EAC Secretariat to inform the development of the East African Community Post COVID-19 Economic Recovery Plan 2021-2024. (See pg4-5 of the draft EAC Post COVID-19 Economic Recovery Plan) <i>Secondly</i>, the findings of the survey have been used by EABC to inform various interventions and recommendations to the EAC Governments and the private sector. Some of the highlights of the findings of the Survey were: (1) The pandemic had hit hard cash flow of the tourism, retail and real estate. Other sectors which experienced an average reduction of cash flow were Finance, construction, Events management, ICT, manufacturing and consultancy while pharmaceutical sector recorded zero effect on cash flow

			(2) Businesses were mainly affected in the following ways: sales, cross border restrictions, sources of raw materials/inputs, and access to export markets (3) The COVID -19 has significantly disrupted supply value chain and may lead closures of businesses and investment projects which will raise unemployment in the region (4) Recommended a raft of measures to mitigate impact of COVID-19 on businesses
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