

South Sudan's National Policy and Strategy on EAC Implementation

2022–2026

Ministry of East African Community Affairs

Government of the Republic of South Sudan



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Executive Summary

- Following several months of technical and political negotiations, South Sudan became a full member of the East African Community (EAC) in October, 2016. This month marked the beginning of South Sudan's journey towards regional integration and joining the overall World Trade Architecture.
- Effective participation in international trade represents a powerful avenue to promote economic growth as well as to attain poverty alleviation, social cohesion and stability. For South Sudan, Membership in the EAC is both, a legally-binding commitment for reform and an opportunity to restructure its government systems in line with best regional and world standards.
- As part of the EAC, South Sudan has committed itself to implement a Customs Union, a Common Market and work towards the establishment of the Monetary Union by 2024. Furthermore, the country agreed to co-operate regionally on programmes in a wide variety of areas. These areas include health, education, infrastructure, gender, statistics, judiciary, defence, security, foreign policy, culture, sport etc.
- Furthermore, the Government of South Sudan has committed to harmonizing its laws and regulation to the laws of the East African Community. The regional body of legislation contains more than two dozen Acts of the East African Legislative Assembly and more than 20 Protocols approved by the EAC Summit of Heads of State.
- As part of the Regional Bloc, South Sudan is now under the jurisdiction of the East African Court of Justice which oversees Partner States' compliance to the Treaty of Establishment of the EAC and other laws of the Community.
- South Sudan is now, also, a Member numerous Institutions of the Community such as Inter-University Council of East Africa (IUCEA), East African Development Bank (EADB) or the Civil Aviation Security and Oversight (CASSOA).
- **The extensive work program of the East African Community necessitates the creation of policy/strategy that will guide the implementation of numerous and sophisticated laws, commitments and obligations.**
- In addition to the wide scope of regional commitments, South Sudan has experienced a devastating internal conflict over the past years. This has further constrained the Government's capacity and limited the resource available to the implementing the EAC Agenda. One important way to support the implementation of these reforms is to provide a blueprint, or a plan, as to how to implement this vast agenda. The plan should be a step-by-step outline for key institutions as to what needs to be done to join EAC projects and programs. **These are the aims and objectives of the South Sudan National Policy / Strategy on EAC Integration.**

- To effectively implement the EAC reform's agenda, the Government of South Sudan (GOSS) has created the Ministry of EAC Affairs (MEACA) with the creation of the Transitional Government of National Unity in February, 2020. Hon. Deng Alor was appointed as the Minister of EAC Affairs in July of that year.
- The South Sudan Policy / Strategy for EAC Integration, therefore, aims to support GOSS in ensuring implementation of commitments entailed by the country's membership in the EAC. This is to be achieved by clearly spelling out the tasks and programs of the EAC. In this regards the key sections of this Policy and Strategy are:
 - Section 4.1 which outlines the details and the **work plan** for the implementation of the **EAC Customs Union**;
 - Section 4.2 which outlines the details and the work plan for the implementation of the **EAC Common Market**;
 - Section 4.3 which outlines the details and the work plan for the implementation of the **EAC Monetary Union**.
- This document is intended to guide Government Ministries and other key institutions to ensure the introduction of regional integration program in their work, budgets, mandates and strategic plans. It, therefore, provides analyses and proposals on the following cross-cutting issues:
 - Establishing a **cohesive institutional framework** that maps EAC and regional integration scope and commitments. Section 4.7 spells out management structures and operational modalities for implementation of EAC Projects and Programmes.
 - Supporting **mainstreaming of EAC regional integration agenda** in legislations that are the basis for regional integration work of government institutions (see sections 3.2)
 - Preparing a **system of indicators with targets** that the Government of South Sudan wishes to achieve in terms of EAC regional integration (contained in Annexes 1, 2 and 3).
 - Ensuring **adequate stakeholder consultations** by including, policy-makers, implementers, private sector, civil society in EAC regional integration matters; (Outlined in Section 4.7).
- One of the key sections of the document is Section 4.9 which contains a summary of Ministry-by-Ministry EAC Projects organized by EAC Sectoral Council. In the interest of keeping the policy to a manageable size more detailed overviews are provided to the relevant Ministries directly.
- Finally, Addendum 1 to this Policy / Strategy contains **the Roadmap for Integration of South Sudan** to the EAC developed jointly by the EAC Secretariat, Government of South Sudan and all other EAC Partner States.

Foreword

In February, 2020, in line with the provisions of the Revitalized Agreement on Resolution of Conflict in South Sudan, The Ministry of East African Community Affairs was established. The creation of a stand-alone Ministry tasked exclusively with coordination and implementation of South Sudan's East African Community commitments is a key step for the Government of South Sudan. It highlights the importance that the Government places to the regional integration processes taking place in the East Africa region.

For South Sudan's membership in the EAC is critical. It is a firm commitment by our country to seek economic, social and cultural development together with our brothers and sisters from the East African Community.

South Sudan's Admission to the East African Community marks a decisive shift in my country's foreign and economic policy.

Throughout the last century South Sudanese did not have the freedom to choose their own destiny;

- first as a part of the British colonial system; and
- then as part of the Republic of Sudan.

It is only since the Proclamation of Independence, in 2011, that South Sudan is free to make its own regional and foreign policy.

As part of this policy, we have made a clear statement that we want to be a part of the EAC.

This is not surprising as South Sudan is historically, culturally and ethnically a part of the greater East Africa Region.

South Sudan's Membership in the EAC is a return of our country to its rightful place - as an integral part of the East African Region.

In Africa - as elsewhere in the World - regional integration has long been viewed as a catalyst for long-term prosperity. With COVID-19 pandemic placing severe strain on economies across the continent, regional coordination is critical. In the face of the pandemic, we are stronger together and benefits of unity far outweigh the short-lived advantages of individual paths.

With support from the European Union, South Sudan National Policy / Strategy for EAC integration was developed. This is intending to make the management of my country's regional integration process more effective and efficient. I anticipate and expect that the Policy / Strategy should become one of the key supportive tools for the Government of South Sudan to be in the position to implement the extensive array of regional integration EAC reforms. This document should also support the

mainstreaming of regional integration into national planning and priority setting to fully reap the benefits of regional integration in the years ahead.

The East African Community is a people-centred organization and the work taking place at this venue is ultimately intended to benefit South Sudanese citizens as a whole. I, therefore, also urge the private sector and civil society and all other stakeholders to take an active role in the EAC regional integration processes as they are one of the determinants that will shape our future in the years to come.

Hon. Deng Alor,
Minister of East African Community Affairs,
Government of South Sudan

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CHAPTER 1: A National Policy/Strategy for South Sudan EAC Integration – Introduction

Regional and International Integration is indispensable for sustainable social and economic development in the World. Exchange of ideas, technologies, goods, services, inventions is at the very core of economic and social development in the world. Unhindered exchange of these variables moves our societies forward and provides economic growth and social development.

Furthermore, effective participation in international trade represents a powerful avenue to promote economic growth as well as to attain poverty alleviation, social cohesion and stability. Countries that increased their economic integration with the global economy over the past decades have achieved higher economic growth rates, better schooling and longer life expectancy.¹ Regional Integration is a key supporting pillar of these processes. Solving regional and global problems such as – for example – terrorism, global warming or poverty falls outside of the realm of individual countries, and their Governments. A coordinated approach to these intractable problems is necessary and this requires international rules and institutions.

Creating larger markets based on economic freedom and effective common political institutions to deal with issues that concern all members and beyond is therefore critical.

For the Republic of South Sudan regional and international co-operation is, also, of key importance. This is because:

- As a land-locked country, the country's access to the sea and window to the world is through Eastern and/or Northern Africa.
- As a small economy, the country needs to enlarge the market for its goods and services.
- As the world's youngest country, exchange of technologies, ideas, trade and services is critical for the process of developmental and catch-up with the rest of the World.
- An alternative to the integration with the global economy is economic nationalism and political isolation that proved incapable of bringing economic and social development around the world.

As a result, the 1st of October, 2016 is an important date for South Sudan. This is the date that the country joined the East African Community and started its regional integration journey. So, why South Sudan made considerable efforts to joined this regional bloc? Well, arguably, for the same reasons that over the past four decades there was a global rise in the number of Regional Trade Agreements (RTAs). In 1960, there were just twenty (20) such agreements and in 2020 there are more than two hundred and fifty (250) RTAs. This trend is even more prominent on the African continent. In fact, each sub-Saharan African country is -

¹ World Bank (2002) "Globalization, Growth and Poverty: Building an Inclusive World Economy" available at www.worldbank.org

on average - a member of more than two (2) RTAs. At this point it is important to add that, the EAC, in addition to regional economic integration, has extensive cooperation programmes in areas of security, political matters, regional infrastructure, education, health etc. The regional block has developed a large number of regional integration programs that South Sudan and other members benefit from but are also legally bound to implement. This fact is both a challenge and an opportunity. To address these challenges and take advantage of the opportunities presented, the South Sudan National Policy/Strategy for EAC Implementation was developed.

1.1 Structure of the Document

South Sudan's National Policy / Strategy EAC Integration is structured as follows:

Chapter 2 overviews South Sudan's overall economic, political and trading environment. It identifies key features of the South Sudanese economy and society to formulate a coherent Policy / Strategy that is tailor-made to the specific characteristics of the country. It also provides a detailed review of South Sudan's trade patterns.

Chapter 3 outlines the South Sudan Policy for EAC Integration.

Chapter 4 is the core of the National Strategy for EAC Integration. It outlines the general strategy for South Sudan to implement the three (3) pillars of EAC integration, namely, the Customs Union, the Common Market and the Monetary Union. The Strategy is continued in the Appendix which provides topic-by-topic strategies for implementation of the various EAC Projects and Programmes with special focus on the three (3) pillars. The second part of Chapter 4 provides the strategy for implementation of EAC Projects and Programmes in areas such as security, infrastructure, health, education etc.

Chapter 5 provides overarching recommendations and conclusions of the National Policy / Strategy.

The remainder of this Chapter continues in outlining key introductory issues and focuses on the following subjects:

- Overview of key considerations regarding South Sudan's membership in the EAC;
- The rationale for developing the Policy/Strategy;
- Overview of the process of South Sudan Accession and Integration Process with the East African Community; and
- South Sudan's Membership in the EAC as a reform agenda for the country.

1.2 Overview of key considerations regarding South Sudan Membership in the EAC

The EAC integration process is important for South Sudan. Currently, the EAC can be considered as the most advanced Regional Bloc on the African Continent. Membership in the EAC is akin to Membership in the European Union (EU) as it entails the establishment of

the Customs Union, the Common Market and the Monetary Union. Much like the EU, the EAC also work towards establishing an “ever closer union” with the ultimate aim of achieving political federation. As such it may be the largest single reform process that the Government of South Sudan has so far committed to undertake.

South Sudan’s Membership in the EAC is likely to provide concrete benefits to South Sudan and the Region as a whole. Deep regional integration programme that South Sudan is foreseen to undertake in the years to come is likely to enhance overall EAC’s competitiveness. This will lead to higher economic growth, some degree of employment creation and poverty alleviation.

Since independence, South Sudan has made considerable efforts to participate in the global economy by applying for membership to numerous international and regional bodies. In 2011-12, South Sudan applied for Membership of the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the African Development Bank (AfDB). It is already a Member of the African Union, the World Bank and the IMF and was granted observer status at the World Trade Organization (WTO) in 2020.

Membership in the EAC is a natural step for South Sudan. The country is landlocked, geographically close to the EAC, has large trade links with the regional and significant export potential. EAC is particularly important as a transit route for South Sudan as nearly all imports and non-oil exports transit through that region.

Before joining the EAC, South Sudan was the only country in Africa that was not a part of any regional integration schemes or the WTO. As such, the country is at the very beginning of its journey to integrate globally and more remains to be done for South Sudan to be an integral part of the world’s trading system. Nevertheless, South Sudan’s Membership in the EAC is a key step towards achieving that aim.

There are numerous benefits of South Sudan’s Membership in the Regional Bloc. Such membership will make it much easier and cheaper to trade with South Sudan strengthening regional economies and enhancing economic growth due to trade creation. Lower trade costs, in turn, can improve South Sudan’s food security as food prices will fall and their availability will increase.

Regional integration may also entail short-term costs for South Sudan. Currently, tariffs are lower in South Sudan than in the EAC. As a result, there might be some degree of trade diversion and increase in costs of imports for selected goods from outside of the EAC. Trade diversion outcomes will need to be carefully managed by the Government to minimize any negative effects. In the long-run, however, efficiency gains related to the extensive EAC trade facilitation programme and trade liberalization are foreseen to outweigh the short-term costs.

The young country of South Sudan stands to benefit from the EAC Membership by harmonizing Government programs and structures to these of the EAC. Such harmonization is likely to take place on many levels including in:

- Coordination of Trade Relations and Customs;
- Coordination in technical, sanitary and phytosanitary standards;
- Coordination of Transport Policies and Infrastructure Development;
- Coordination in Security and Defence;
- Coordination of Social and Tax Policies;
- Coordination in Agriculture and Food Security Policies;

The list of EAC work areas is long. In all these areas South Sudan stands to gain from co-operation, harmonization and information exchange.

Furthermore, South Sudan as a Member of the EAC will be seen as a “credible” and safer place to invest. EAC will make it much easier and cheaper for South Sudan’s firms to export their products and services to the region. Cross-border development programming in the area of trade and transit infrastructure as well as cross-border health and education programmes can support a gradual increase in trust.

Over the past 20 years, the EAC has succeeded in significantly decreasing travel time of cargo trucks, from Mombasa to Kampala, Uganda from 18 days to 4 days, and between Mombasa and Kigali, Rwanda from 21 days to only 5 days. This progress was achieved from no new investment in roads or rail, but rather through the targeted elimination of inefficiencies.

It is also important to add that never before – in the world’s economic history – has an oil-dependent economy engaged in such an advanced regional integration scheme with more diversified economies.

Never before have countries at a relatively low level of economic development gone as far as negotiating liberalization of labour, capital, services as well as a common currency and political integration. Also, never before has a country of only five years, at the time of Accession, joined a regional integration scheme that is, de jure, so advanced. The East African Community is at the forefront of regional integration in Africa and beyond.

Overall, this uniqueness provides another reason for the integration process to be carefully managed. It requires significant efforts from the Government of South Sudan and, for this reason, should be supported by the international community. The drafting of this document is part of these efforts as this document is supported by the European Union donor financed project entitled: “*Support to South Sudan Ministry of EAC Affairs*”.

1.3 Rationale for developing the Policy/Strategy

South Sudan faces numerous challenges in the implementation of EAC Reforms. These challenges are related to limited capacities of Government and society but also limited knowledge of the East African Community, its aims, programs and opportunities.

One important way to support the implementation of these reforms is to provide a blueprint, or a plan, as to how to implement these reforms. The plan should be a step-by-step outline as to what each key Institutions of the Government need to do to join EAC

projects and programs. It is for this reason that the South Sudan National Policy/Strategy for EAC Integration was developed. The document forms a guide to the implementation of programs by the newly created Ministry of EAC Affairs and other key institutions.

The other EAC Partner States have been drafting such documents to guide Government processes in the past. In particular, Rwanda has developed its National Strategy on EAC Implementation soon after it has joined the Community, in 2007. Uganda has also drafted one soon after the creation of the Community, in 2001. Such a document may be particularly important for countries that join after the creation of the Regional Bloc. This is because these countries were not involved in the creation of many policies of the Regional Bloc from the start. As such, in South Sudan, for example, there is a need to catch up to the level of integration of the EAC founding members.

A guiding strategy document for Implementation of EAC Laws, Projects and Programmes is critical for the success of the EAC Agenda in South Sudan. The provision of a concrete, unified and achievable implementation framework for South Sudan integration should lead to mainstreaming of regional integration activities into South Sudan's Development Plans. The cross-cutting nature of regional integration demands the adoption, by the Government, of a holistic policy. A holistic policy for regional integration seeks to put all constituent elements of integration into a single framework. The National Policy on EAC Integration is meant to compliment sectoral policies in these areas by identifying priorities related to EAC integration.

The guiding policy is intended to be a Ministry-by-Ministry blueprint for reform, identifying specific actions, proposed timeframes and resource requirements regarding the necessary reforms and actions.

1.4 Overview of the process of South Sudan Accession and Integration Process with the East African Community

South Sudan was admitted to the EAC at the Summit of EAC Heads of State in 2016. H.E. Salva Kiir Mayardit, the President of South Sudan signed with H.E. John Magufuli, the President of the United Republic of Tanzania the Treaty of Accession of South Sudan to the Regional Bloc.

The overall process of South Sudan's accession to the EAC started soon after the country's independence, in 2011. After South Sudan has created relevant negotiation structures and made necessary preparations, formal Negotiations commence in late 2014. Over the next year, five (5) negotiations rounds took place. These negotiation rounds assessed, in great detail, South Sudan's policies in nearly all areas of government. The Negotiation sought to verify the level of compliance of South Sudan's policies with those of the EAC and analyse the country's level of preparedness for membership. The concluding Ministerial Report from these negotiations noted that *"South Sudan meets the criteria for accession to the EAC"*. This eventually led EAC Heads of State to decide to accept South Sudan to the EAC in April, 2016.

After South Sudan gained full membership in the EAC it was important for the country to join all key EAC Institutions. Participation in these institutions is a critical first step to effectively implement the Community's reforms. This process is now more or less complete as South Sudan is now a part of the East African Court of Justice and the East African Legislative Assembly, Inter-University Council of East Africa etc.

The Government of South Sudan is now legally bound to participate in dozens of EAC program. Many of these projects are financed by international donors. These projects range from the development of EAC competition or financial inclusion laws, harmonization of higher education credit systems and curricula, devising common trade negotiations' strategies, to freedoms of movement of labour, capital or services. Effective participation and effective contribution in these projects constitutes the very core of EAC work ahead.

Critically, the Treaty of Accession of South Sudan to the East African Community legislates a 3-year transition period for South Sudan to have time to implement the EAC Agenda Programs. This transition period ended in October, 2019 and now the country is legally bound to implement the EAC Agenda.

1.5 South Sudan's Membership in the EAC as a reform agenda for the country

South Sudan's Membership in the EAC should be viewed as the Government's legally binding commitment to implement business-friendly policies, improve governance and external accountability. EAC rules and regulations impose discipline on domestic policies. These rules support positive policy changes by allowing the Government to implement the policies without bearing full political responsibility as many of the reforms are externally mandated. The private sector and the people of South Sudan should gain from internationally agreed and enforced rules because of increased credibility, predictability and continuity of policies.

Overall, South Sudan may also gain by shared regional administrative capacity. Pooling regional administrative capacities can allow states to develop institutional capabilities they could not manage on their own. As part of the EAC, South Sudan is now part of the East African Court of Justice and work towards a common macroeconomic policy in line with the Monetary Union Protocol. These initiatives can supplement difficult national institutional transformations and may merit assistance from regional and international development institutions.

To summarise, South Sudan's membership in the regional bloc can strengthen institutional capacity in the country as well as provide a "lock-in" mechanism for policy-making and reform. In this sense, membership in the EAC can become a commitment device for reform particularly relevant for states with weak domestic commitments and institutional capacity.

Furthermore, these processes may contribute positively to the on-going peace processes. Independent assessments provide evidence that EAC Membership can support not only a

stronger and diversified economy but also lasting peace in South Sudan. A recent Overseas Development Institute's research paper entitled: *"Exiting the cycle of conflict in South Sudan: Diversifying trade for sustained and inclusive prosperity"* places EAC membership as an important ingredient of attaining sustainable peace and development in South Sudan.

The article argues that:

"Unless South Sudan's economy is transformed it is difficult to imagine the emergence of long-term peace and shared prosperity. Investing now in productive capacity would allow South Sudan to create a broad and inclusive economy. Trade (if effectively leveraged) will provide access to capital (investment), technology, and know-how. Without peace, sustained and inclusive economic development cannot take root. And without economic development, peace and prosperity rest on unstable foundations. It is important to recognise that peace and economic development are interconnected and that only by investing in both will long-term prosperity be secured. In the absence of adequate investment in productive capacity, South Sudan has found it difficult to exit the cycle of conflict".

CHAPTER 2: South Sudan's Economic, Historic and Trade Context

2.1 Historical and Governance Context

South Sudan celebrated its independence on July 9th, 2011. It became the world's youngest nation with a full-fledged mandate of an independent country. At independence, South Sudan inherited significant natural resources, but with a legacy of over 50 years of conflict, its development challenges were some of the most significant in the world. The gruesome legacy of armed struggle manifested itself through destruction and neglect that left the country with very limited infrastructure, agriculture at bare subsistence level, and some of the world's worst human development indicators.

The signing of the Comprehensive Peace Agreement (CPA) between the Government of Sudan and Sudan People Liberation Army in 2004, effectively marked the end of the conflict with the Khartoum Government which was considered, by many, as the longest conflict in the 20th Century. Several interrelated factors can be considered as root causes of the conflict including political and economic exclusion and isolation of Southern Sudan by the government in Khartoum and a colonial legacy that amalgamated regions of different ethnicity and religion into one political entity.

In December, 2013 South Sudan entered into a period of internal strife. The internal strife manifests itself with significant insecurity faced by the citizens of South Sudan and had caused a sharp deterioration in living standards in the country. After lengthy negotiations, Revitalized Agreement for Resolution of Conflict in South Sudan (R-ARCSS) was signed in 2018. A Government of National Unity was formed in February, 2020.

As a new nation with a limited history of formal institutions, South Sudan started to build its government institutions from a low base less than two decades ago. Since then progress has been achieved as core administrative structures and mechanisms of political representation have been set up. Nevertheless, creating effective government institutions is a long-term and difficult process and several challenges remain. South Sudan's legislative framework is far from complete and the government continues to have limited capacity to enforce this framework given the severe shortages of skilled civil servants. Government systems are not yet fully structured and operational resulting in weaknesses in macroeconomic policy coordination, ineffective governance, and often inefficient public financial management.

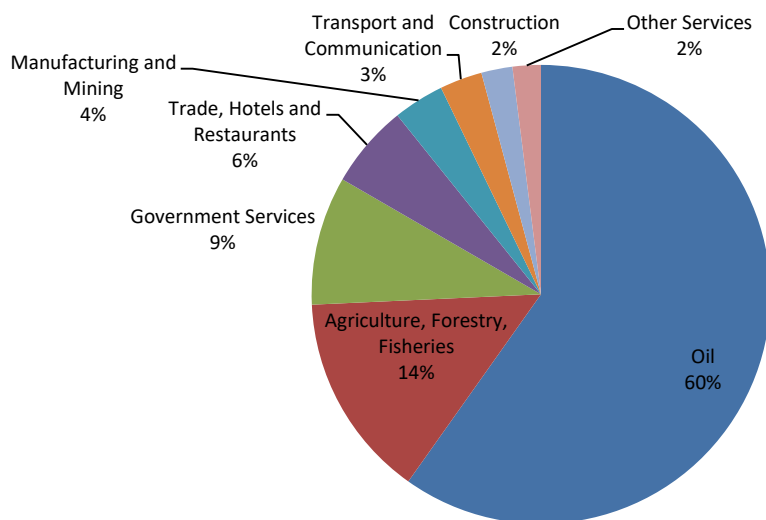
2.2 Economic Context

The Republic of South Sudan has a population of roughly 12 million people comprising over 100 ethnic groups and a land area of 619,000 square km, slightly larger than that of France.

Decades of struggle for independence stalled any significant human and economic development in the country. As a result, independent South Sudan suffers from some of the world's lowest educational and health outcomes, inferior infrastructure and high poverty rates. With more than half the population in poverty, literacy rate of only 27%, roughly 17% of children being fully immunized and 1% of children dying at childbirth the developmental challenges are immense. Problems are compounded by shattered or non-existent infrastructure with only a few hundred kilometres of paved roads and insufficient electricity generating capacity which make provision of essential health and educational services very difficult.

Another legacy of the protracted war for independence is sharp underdevelopment of the non-oil economy and extremely small and under-developed private sector, which contributes toward a low living standard for the majority of the population. Almost two-thirds of its national income is derived from oil (see Chart 1). Except for the oil sector, South Sudan has preciously few modern industries; 78% per cent of the population engages in subsistence farming, fishing or pastoralism which is the source of only 14.5% of GNI. Government services are an important part of the non-oil sector and constitute 9.1% of GNI.² Services such as trade, hotels and restaurants are estimated to constitute 5.9% of the South Sudanese economy whereas transport and communication services comprise 3.6 of GNI. Significantly for this analysis manufacturing and mining, sources of exports, only contribute 3.6% of GNI. Overall, limited manufacturing activity is concentrated in high volume, low price products that generate high transportation and importation costs allowing for a small production to take place in and around Juba. This type of manufacturing is concentrated mainly in beverages (bottled water) and construction materials.

² It is important to note that government services in large part financed from oil revenue hence this part of the non-oil economy is strongly linked to oil exports.

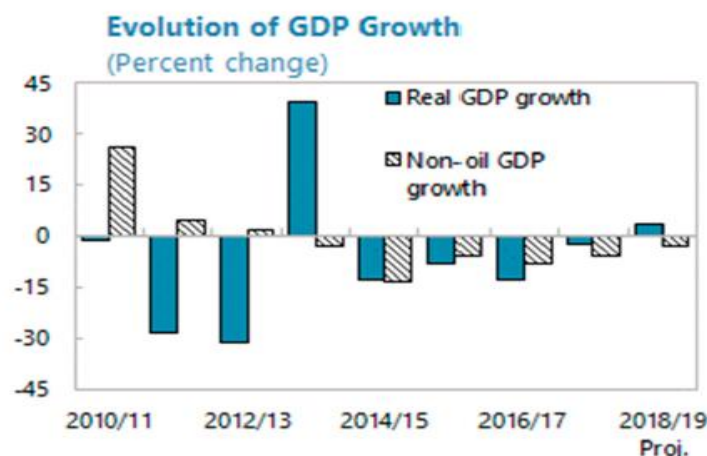
Chart 1: The Structure of the Economy of South Sudan

Source: African Development Bank Interim Country Strategy

Until the end of 2019, economic conditions have been steadily deteriorating due to the violent internal conflict. The signature and implementation of the Revitalized-Agreement of the Resolution of Conflict (R-ARCSS) with the creation of the Government of National Unity in February, 2020 have brought about a more positive outlook to the economic situations in South Sudan. Just one month later the worldwide pandemic has stuck the global economy once again calling into question the viability and strength of the economic recovery in the country. According to the IMF Article IV Consultations Report, real GDP is estimated to have declined by 2.4 per cent in 2017/18 adding to a cumulative decline of 22 per cent in the last three years (see Chart 2). However, the implementation of R-ARCSS allowed reopening some of the damaged oil wells, which pushed up daily oil production (export) from 120,00 barrels per day to about 180,000 barrels per day by the end of 2019. Moreover, inflation, which had reached 550% in September 2016 gradually declined to about 40% in 2019 as money growth moderated due to restraints in government expenditure and central bank financing.

The decrease in the oil process and resulting inflation coupled with the internal strife has been a significant economic shock to the young South Sudanese economy. Since the resumption of oil output which happened in 2013 and had a significant positive effect on overall GDP and output all subsequent years, the economy shrunk as depicted on Chart 2.

Chart 2: South Sudan's GDP Growth 2011-19



Source: IMF, 2019

Given the year-on-year shrinkages of the economy the overall size of the economy has fallen significantly and the GDP per capita currently hovers at around US\$700. This figure is still skewed by the oil revenue hence an average South Sudanese's output per capita is somewhat less than the above-mentioned figure (see Chart 2).

Nevertheless, South Sudan has significant economic development potential. It has large oil reserves which are, however, forecasted to be depleted significantly in the next 25 years. The country also has a large potential for increasing its agricultural output. It boasts some of the world's largest reserves of unutilized, good quality farmland and has more cattle than people placing South Sudan fourth in the world in terms of cattle per capita. More recently, reserves of various minerals have also been discovered. In addition to petroleum, South Sudan is also endowed with iron ore, gold, silver, copper, aluminium, coal, uranium, chromium ore, copper, zinc, mica, diamond, quartz and tungsten. In terms of water resources the river Nile and Sudd swamps – the largest swamps in the world covering a total area of 30,000 square kilometres – are large reservoirs of freshwater fish. Overall, South Sudan faces a formidable development challenge that, subject to improving governance and security situation, can be turned into development opportunities for the new state of South Sudan.

2.3 Overview of Trade Patters

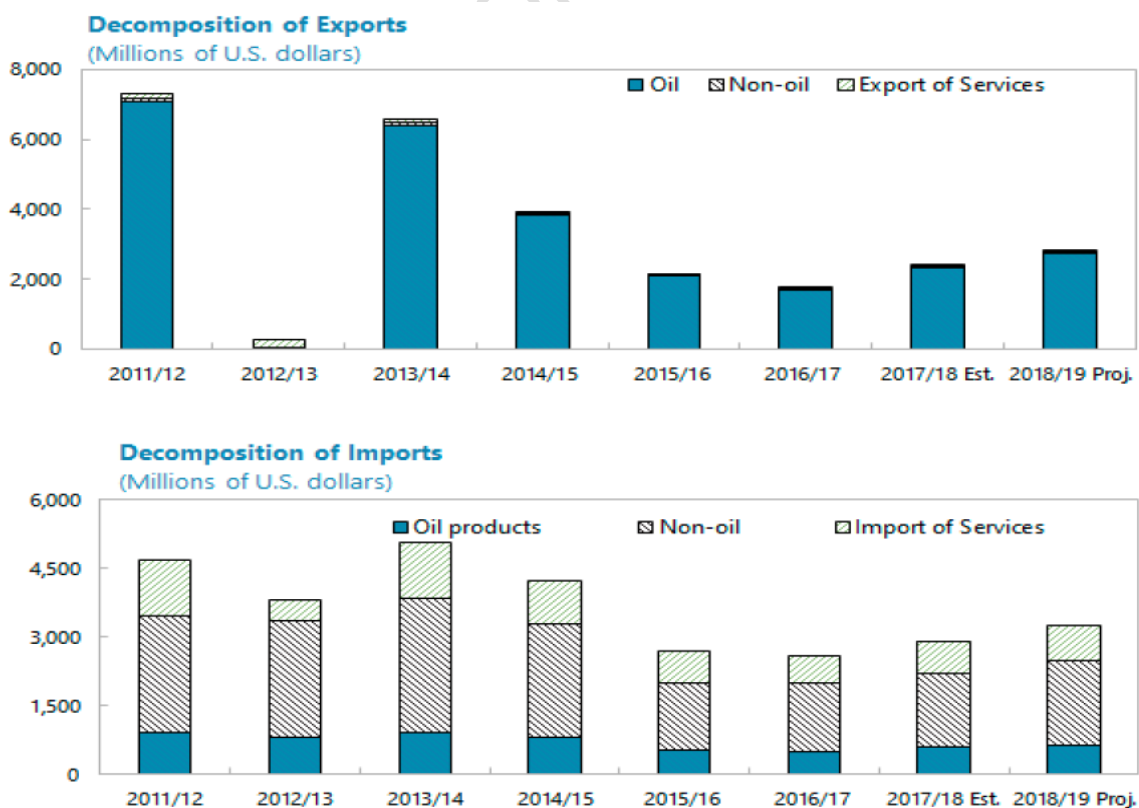
An in-depth understanding of the structure of South Sudan's imports and exports is essential for designing effective trade and regional integration policies. The current composition of trade should be one of the key determining factors in designing effective export development policies, in shaping negotiations for accession to regional and multilateral trade agreements as well as in the development of policies for supporting the domestic industry. Although individual import and export transactions are recorded at South Sudan's borders, systems are yet to be developed to compute reliable and timely aggregated trade statistics. This analysis, therefore, had to resort to several date sources -

from South Sudan and its trade partners to provide a snapshot picture of South Sudan’s trade including estimated data from World Bank and relevant Bureaus of Statistics.

Although South Sudan has significant export potential in a variety of products, at present, it is highly dependent on exports of only one commodity – crude oil. In years when crude oil was exported it amounted to more than 95% of overall exports. This makes South Sudan one of the most dependent countries in the world for exports of crude oil and has significant implication for its trade policy. Here it is important to note that sharp fluctuations in the world prices of oil coupled with very difficult negotiations with the Republic of Sudan over crude oil transit fees have caused considerable export earnings fluctuations. Since it is estimated that oil represents over 50% of South Sudan’s GDP and, until recently, 90% of Government Revenue, these fluctuations have severe knock-on effects on the whole of the economy. Chart 1 shows South Sudan’s oil exports and total exports since 2008. It clearly illustrates these sizable fluctuations in crude oil exports, and by extension, total exports in the past years.

South Sudan’s crude oil is mainly exported to Asia with China being the recipient of roughly 2/3 of the country’s output. Other destinations for South Sudan’s exports include Japan, Indonesia and Malaysia. In addition to crude oil, South Sudan mainly exports timber (wood) (World Bank, 2013 draft not for citation). Timber is mostly exported to EAC Member countries for further processing. Chart 3 outlines a decomposition of South Sudan exports and imports.

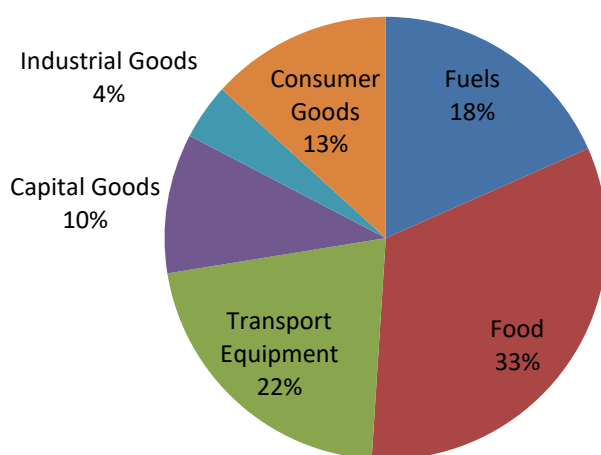
Chart 3: South Sudan’s Decomposition of Exports and Imports (2011-2017)



Source: IMF, 2019

Oil exports are crucial for the economy as they finance nearly the whole of the government’s budget as well as being used to import vital food and consumer goods. South Sudan’s capacity-constrained domestic industry does not satisfy the demand of the local market in terms of basic commodities such as refined fuels and food. As a result, some of South Sudan’s biggest import items are foodstuffs with a 33% share and refined fuels which comprise 18% of total imports (see Chart 4 for details). Other important import categories are Transport Equipment with a 22% share of total imports and Consumer Goods that amount to 13% of total imports.

Chart 4: South Sudan’s import structure



In terms of individual products, South Sudan’s most imported import are fuels with a 16% share of total imports, closely followed by cars and other transport equipment with a 14% share. Food items such as beverages and spirits, sugar and confectionary, cereal and animal and vegetable fats all have a roughly 5% share in South Sudan’s imports. Other important import commodities are Salt, Cement and Plastics (see Table 1 for details).

Table 1: South Sudan’s top ten imports by-product (2018)

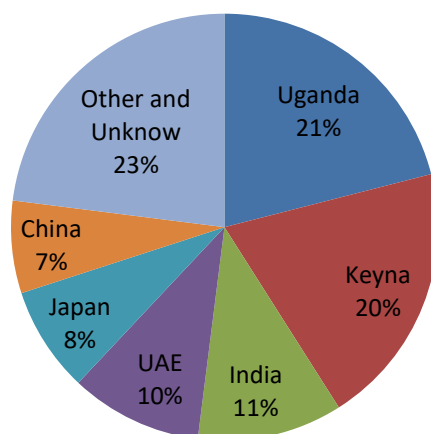
Rank	Product Description	Imports Share
1	Fuels	16%
2	Cars and other Transport Vehicles	14%
3	Machinery and Mechanical Appliances	6%
4	Beverages and Spirits	5%
5	Sugar and Sugar Confectionery	5%
6	Animal and Vegetable Fats	5%
7	Electrical Machinery and Equipment	5%
8	Cereals	4%
9	Salt and Cement	3%

10	Plastics	3%
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South Sudan is crucially dependant on imports for the vast majority of consumer goods hence imports fluctuate to a much lesser extent than exports. The trade balance is, therefore, determined by oil exports revenue. In years of high revenue, South Sudan experiences an overall trade surplus whereas in years of limited oil receipts trade deficits are large.

In terms of imports, South Sudan is well integrated into the region (see Chart 5 for details). Uganda and Kenya are South Sudan’s biggest import partners. In 2018, Uganda was the source of 21 per cent of South Sudan’s imports whereas Kenya supplied 20 per cent. Other important import partners are India (11 per cent), Arab Emirates (10 per cent), Japan (8 per cent) and China (7 per cent). Uganda and Kenya contribute most to imports of vegetable products and food stuffs. Fuels are mostly imported from India and partially from the United Arab Emirates. Japan is the main source of transportation equipment including vehicles. China, Kenya and United Arab Emirates are key sources of machinery.

Chart 5: South Sudan’s main import sources (2018)



CHAPTER 3: South Sudan National Policy for East African Community Integration

3.1 Vision, Objectives and Principles of the National Policy for East African Community Integration

3.1.1 Vision and Objectives of South Sudan Policy for EAC Integration

The vision of this Policy is a stable, integrated and prospering South Sudan with a competitive, diversified and sustainably growing economies participating fully in regional and global trade and investment. Hence the goal of this policy is to help and realize this

vision. In accordance with the vision, the South Sudan National Policy on EAC Integration intends to achieve the following objectives:

- Support South Sudan to advance its agenda in the EAC integration process;
- Support South Sudan to benefit from regional integration; and
- Develop a clear, well spelt out, strategic approach for effective implementation of EAC related reforms.

Therefore, the aim is to make the implementation of the EAC integration process more effective and efficient and to guarantee that the relevant integration processes take place.

Overall, this Policy/Strategy, much like all other government policies and programmes, aims to increase the prosperity of the nation.

3.2 The aims of the Policy on South Sudan EAC Integration

The aims of Policy are as follows:

- Establish a cohesive institutional framework that maps EAC and regional integration scope and commitments and spells out management structure and operational modalities;
- Support mainstreaming of regional integration agenda in legislations that are the basis for various government institutions and ensure the introduction of regional integration in the mandates and strategic plans of these institutions;
- Prepare a comprehensive system of indicators with targets that the Government of South Sudan wishes to reap in terms of EAC regional integration. Based on this system, prepare a Monitoring and Evaluation Plan that is linked to the obligations of various institutions in order to entrench EAC integration into institutional budget cycles;
- Ensure adequate stakeholder consultations by including, policymakers, implementers, private sector, civil society in EAC regional integration matters;
- Ensure full implementation of commitments entailed by South Sudan's Government signing the Treat of Accession of South Sudan to the EAC.

3.3 Guiding Principles of the Policy and key considerations of the Policy

Consistent with the fundamental objectives of the Policy the following seven overarching principles will guide its implementation:

1. ***Creation of a coherent EAC integration policy framework and coordinated approach for South Sudan regional and international engagements.*** Future regional integration efforts shall be anchored in the EAC framework. This will require domiciling coordination of regional integration efforts and issues into one entity for efficiency and effectiveness. This entity is the newly created Ministry of EAC Affairs. At the same time the executive and local government, private sector and non-state

actors, legislature and judiciary need to perform their core functions as they relate to regional integration and international corporation.

2. **Strategic Openness and Integration in Regional and the World Economy.** The reasons for international trade are, in reality, only an extension of the reasons for trade within a nation. Rather than firms or countries trying to be self-sufficient and manufacture everything by themselves, it is much more efficient to specialize in producing a limited range of products and exchange them in the market for other goods. These simple economic principles of specialization and comparative advantage have been the theoretical foundations behind multilateral and regional trade liberalization over the past decades. Global tariff reductions have increased world trade six-fold since the 1970s, stimulated global economic growth and created millions of jobs in every corner of the world. Furthermore, reductions in government-imposed restrictions on both domestic and international trade have exposed local firms to competition, stimulated innovations, increased efficiency in the world economy and lower prices for consumers. These price reductions help consumers and domestic producers obtain cheaper inputs thereby improving living standards. ***In the light of undeniable benefits of keeping an open economy South Sudan's key trade policy principle will therefore be to operate an open domestic and international trading regime that seeks to minimize government-induced distortion to exchange of goods and services.***

Having said that, deriving benefits from “*external integration*” is contingent on a number of preconditions. These preconditions include a certain level of local production capacity, skills, technological sophistication, efficient market supporting institutions and good infrastructure.

As noted in the Trade, Integration and WTO Handbook (2003) “*if trade policy reform is to be successful, it must be embedded in and supported by an effective institutional setting, and it must be complemented by other reforms. A large and complex “behind-the-border” agenda has to be addressed if regional integration is to have its intended effect. Much depends on complementary policies that define the business environment—on policies regarding investment in human capital (education), infrastructure, and the quality of public and private sector governance*”.

For this reason, South Sudan needs to ensure that its on-going integration into the regional and global economy is pursued in a manner that explicitly supports the country’s national objectives. ‘Strategic integration’ should aim to ensure that the country preserves the necessary policy space to pursue national objectives while leveraging the benefits of more integrated regional and global markets.

3. **Leverage EAC regional integration programmes to maintain and eventually guarantee peace and stability in South Sudan, the Region and beyond.** In the past regional integration, schemes proved to be some of the key contributing factors that have secured long-lasting peace and stability in Europe and elsewhere. Regional

integration strengthens and interlinks economies around the work. In fact, a key motivation in European integration, after World War II, was a belief that trade integration promoted peace. Indeed, research by Martin et al (2008) has established a causal link between trade and reduction in conflict. Mayer and Thoenig (2010) leveraged this prior work to estimate that changes in trade patterns associated with regional integration lower the statistical risk of conflict.

The EAC has an extensive peace and security regional Integration program. Given the fragile security situation in the country, the Government of South Sudan should focus particular attention on implementing all key projects in this area. To give an example, in this area, the EAC carries out capacity building programmes and information exchanges on security-related matters including on terrorism, human trafficking, and cyber-crime.

4. **Pursue convergence of national and regional macroeconomic policy framework.** In 2015, the EAC has approved a Protocol on the Establishment of a Monetary Union. The Protocol commits the Member States to adhere to stringent convergent criteria which set maximum limits on inflation or budget deficits. Given South Sudan's poor macroeconomic outcomes, the Government should strive to vigorously implement these convergence criteria. This will support macroeconomic stability and predictability leading to increased investments and overall better business climate. This should also include promoting actions aimed at addressing gaps in monetary and fiscal policies, benchmarking international best practice in the review of laws and regulations to enhance the capital markets, mobile money. These actions shall be pursued within the framework of deeper regional integration through full implementation of the EAC Customs Union and Common Market and in the progressive implementation of the Monetary Union. Hence, South Sudan shall strive to create an enabling environment for the development of South Sudan's financial sector and ensure macroeconomic stability within the harmonised EAC regulations and convergence criteria.
5. **Promoting the development of joint infrastructure and service for enhanced competitiveness.** The guiding principle here is to develop transport (roads, railways, air), energy, ICT and services infrastructure to reduce private and public sector operational costs and increase competitiveness. Building on the regional economic corridors identified in the EAC infrastructure, energy and ICT master plans, South Sudan shall intensify implementation capacity through joint public-private and inter-governmental initiatives and domestication of its commitments to improve the efficiency of its infrastructure.
6. **Transparency, information access and private sector-led and participatory approach:** The extent to which the legal instruments governing EAC are known, clear and comprehensible to all parties is a key determinant of the effectiveness of regional integration. Improving transparency on EAC issues is assumed to constitute

an important pillar of this policy. Policies of this sort are often of limited value if the private sector and/or civil society are unaware of opportunities provided by regional integration. Transparency needs to entail, among other, efforts towards the full publication of all EAC legal texts and documents, ease of access to these documents, notification of changes and the right to ask questions and seek interpretations about them. Consultation with industry and business representatives would also ensure that impacts on regional areas are fully understood and considered.

Furthermore, these issues will be addressed through intensified sensitization programmes and multimedia approach for effective information dissemination and promotion of EAC Reform Agenda.

Furthermore, it is important to recognize that it is not Governments that engage in both domestic and international trade – firms do. Support and development of the private sector constitute therefore key principles of this Strategy / Policy. The Government will implement the policy through activities aimed at Private Sector Development and the creation of diverse markets and productive capacities with a focus on value addition and employment creation. This is in recognition that overall, the private sector is a more efficient economic actor than the government, capable of generating profits and efficiency as its incentives are better aligned with the needs of the market and the people of South Sudan.

Further, the diversity and complexity of the National Policy for EAC Integration as well as its cross-cutting nature, means that although its implementation is the responsibility of Government all the major stakeholders in the economy, including the private sector, the civil society and the general public, who are key players in economic and political activity need to be involved. South Sudan's EAC Policy will, therefore, be grounded upon a participatory, inclusive and supportive approach.

7. ***Provide adequate resources for regional integration.*** Regional integration commitments and initiatives need to be mainstreamed in all relevant Ministerial and Government policies and institutions to ensure the introduction of regional integration in the national and county budget cycles. In this regard, the Government should provide dedicated funds to finance regional integration initiatives; promote strategic public-private partnerships and establish targeted joint inter-governmental partnerships.

3.4 Other guiding principles and considerations in EAC areas of co-operation

Policy's Sectoral Goal in Agriculture & Food Security

South Sudan will focus on value addition for agricultural products to enhance its regional competitiveness and positioning; reduce dependence on import of foods stuffs and fertilizers. This shall be achieved by developing domestic capacities and improved management for sustainable agricultural production.

Policy's Sectoral Goal in Environment & Natural Resources Management

South Sudan shall enhance the effective utilization of natural resources and their sustainable management;

Policy's Sectoral Goal in Tourism & Wildlife Management

South Sudan shall implement key EAC projects and programs in this area. This shall include the common marketing of tourism and wildlife management projects (including forest management in the interest of tourism) and establishing the region as a single tourist destination.

Policy's Sectoral Goal in Health

Boosting cooperation in the health sector with EAC Partner States aims to ensure increased levels of health services and better access to these services for South Sudanese people. This should include cooperation on COVID-19, Tuberculosis, HIV/AIDS, Malaria control among others and effort to join regional cooperation initiatives in developing health systems.

Policy's Sectoral Goal on Gender

Join the extensive regional integration programs of the EAC in the area of Gender and work towards enhancing women's access towards levelling of the playing fields in all socio-economic sectors with special focus on economic opportunities.

Policy's Sectoral Goal on Political Matters

Cooperate for the establishment of policies and programmes on political matters which ultimately may work towards the establishment of a common foreign and security policies, ensuring regional security, peace and improvements in governance.

Policy's Sectoral Goal in Legal and Judicial Affairs

Ensure that South Sudan's legal frameworks are in line with EAC commitments and guarantees that the country benefits from regional integration.

Policy's Sectoral Goal in Private Sector & Civil Society

Boost the private sector's role in the socioeconomic development of South Sudan's and the region; safeguarding citizen's rights and interests through civil society and the private sector's participation in regional integration.

Policy's Sectoral Goal in Culture & Sports

Join, fully participate and internalize EAC initiative in the area of Culture and Sport.

3.5 Mainstreaming EAC Agenda into South Sudan's Development Plans/ Policies and Strategies

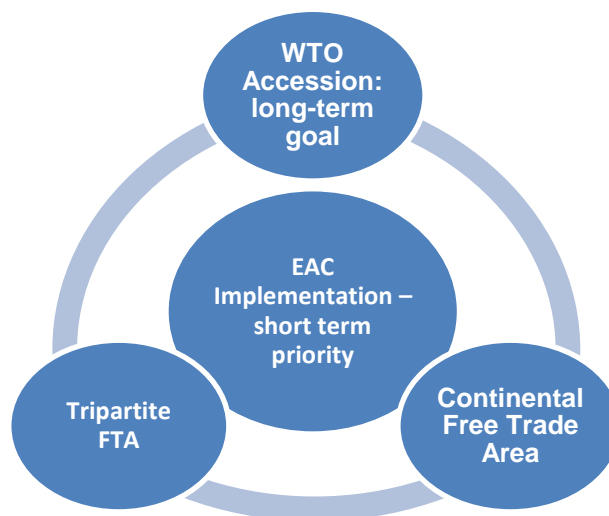
The Policy on EAC Integration must be mainstreamed in other plans of the Government of South Sudan. As such, it should be treated as a cross-cutting agenda of other Government Policies and Plans. Adequate budgetary resources need to be provided to implement the key EAC commitments. Subject to Ministerial planning, budgetary constraints and operations it seems to be necessary to review and amend relevant plans and budget in line with the requirement of mainstreaming regional integration across all Government services.

Mainstreaming regional integration the EAC agenda needs to be across and in line with the Government's processes and structures. South Sudan's interests and the Government's ability to pursue those interests requires that the strategies, plans and budgets of all relevant ministries, departments and agencies take fully into account of the opportunities, risks, rights and obligations regarding to EAC membership. This National Policy on EAC integration is supported by a detailed strategy and implementation plans contained in Chapter 4 of this document. They provide further evidence and methods as to the ways forward on mainstreaming regional integration in the work of the Government.

With the adoption of South Sudan's Development Plan (SSDP) in 2011 and its revisions, it has become increasingly important to specify with greater clarity how trade policy will complement and support developmental objectives set out in the Plan. Diversification of the economy and private sector-led economic growth that improves livelihoods and reduces poverty is one the key pillars of the SSDP. In this context, the National EAC Policy / Strategy sets out the contribution the regional integration should make to advancing South Sudan's economic development, addressing peace and security challenges, development of infrastructure, etc.

3.6 EAC as the anchor of Regional Integration in South Sudan

South Sudan's EAC Accession should be viewed as an anchor for its Regional Integration (see Chart 6). By becoming an EAC Member, South Sudan has automatically joined the Tripartite EAC-COMEAS-SADC FTA as well as the Continental Free Trade Area work. The Negotiations to become a WTO Member have also started recently and the progress with these Negotiations is deeply linked to the implementation of EAC Reforms.

Chart 6: South Sudan's Integration into the World Economy

CHAPTER 4: South Sudan National Strategy for EAC implementation

The primary focus of Strategy for of EAC Integration is the implementation of the three pillars of economic integration which are the Customs Union, the Common Market and the Monetary Union. These are the most important and capacity-intensive projects of the Community that require extensive cooperation among Government ministries, agencies and the private sector. The following three (3) Sections (4.1, 4.2, and 4.3) provide an in-depth strategy to implement these pillars of economic integration.

4.1 Strategy for implementation of Customs Union

4.1.1 Overview

The implementation of a Customs Union is, arguably, the most important commitment that South Sudan made in the context of joining the EAC. It is also an entry point for economic integration with the regional bloc. Given that the deadline for implementation of a Customs Union expired in November, 2019 it should be considered a priority.

In general, to implement this strategy, South Sudan needs to create relevant organizational structures, provide resources and capacities. EAC Customs Union provisions mean an overall overhaul of the ways South Sudan Customs Services operates. There is also an urgent need to speed up the implementation of the National Revenue Authority. An outline of this section of the Strategy is, therefore, disaggregated into an analysis of:

1. Key EAC Customs Union reforms (Sections 4.1.2. – 4.1.9);
2. Intuitional / Organizational Structures necessary to implement the Union (Section 4.1.10);

3. Outline of Legal reform requirements (Section 4.1.11);
4. Administrative, procedural and capacity building steps toward Customs Union in South Sudan (Section 4.1.12).

More details for the Strategy for Implementation of Customs Union are contained in the Roadmap for implementation of Customs Union in the Appendix. The Strategy of Implementation of the Customs Union needs to be two-tiered. First and foremost a change in the customs legal framework needs to take place. Secondly, change of procedural and administrative requirements needs to be implemented by the South Sudan Customs Services and the National Revenue Authority at the points of entry and the Headquarters.

Change in tariff structures necessitated by the Customs Union is, in itself, a relatively simple realignment exercise. However, the overall customs reform programme is the most advanced of any EAC workstreams. It involves restructuring the South Sudan Customs Services and the National Revenue authority in line with the regional approach. For South Sudan, this means not only application of EAC's Common External Tariffs (CET) but also the effective implementation of Rules of Origin (RoO), alignments to the EAC Customs Management Act, application of EAC's Regional Trade Agreements (RTAs), legally bound removal of non-tariff barriers or the establishment of Electronic Cargo Tracking System. Implementation of EAC customs reforms shall modernize and professionalize the customs services but will require extensive resources, training and capacities. The remainder of this sub-section contains a step-by-step outline of the required actions to implement the Customs Union in South Sudan.

4.1.2 Customs Union Protocol and Common External Tariff

Procedures for the establishment of a Customs Union

- **Procedures to apply the CET:**
 - Fully implement the Harmonized System (HS) Code, (accede to WCO HS Convention, if necessary);
 - Implement the EAC CET review and change tariff structure to comply with CET with three tariff bounds of 0%, 10% and 25%;
 - Implement the tariffs on Sensitive Goods;
 - If necessary, apply for relevant Stay of Application of the tariff for some goods. Stays of Application are annually approved by the EAC Council of Ministers. Partner states need to make a formal request to the EAC Council of Ministers for Stay of Application and approval are granted only through a unanimous decision of the Council.
- **Procedures to Eliminate Internal Tariff and Charges of equivalent effect.**
 - Implement a system whereby EAC products that qualify under the EAC Rules of Origin Regulations and as such originate in EAC do not attract import duties in South Sudan.

- Implement a system where manufactured products that qualify under the EAC Rules of Origin Regulations and as such originate in South Sudan do not attract import duties when traded to the other EAC Partner States.
- Eliminated charges of an equivalent effect on internal trade. Carry out an analysis as to the provenance of these charges and eliminate as appropriate.

4.1.3 EAC Customs Management Act and associated EAC Customs Regulation

The adoption of the Customs Management Act (CMA) means the Act will be directly applied on the territory of RSS and will take precedence over customs laws of RSS in case of conflicts (Section 253 of the Management Act).

The Customs Management Act is a broad-based legal text that outlines the very way the Customs Services in the EAC need to be administered. For South Sudan to align itself with the CMA two key actions need to be undertaken:

1. The South Sudan Customs Services and the National Revenue Authority need to align their operations to the provisions of the CMA; and
2. Harmonisation and approximation of domestic regulations need to be undertaken to take this into account. The task to achieve the above are as follows:
 - identify relevant South Sudan Acts and Regulations including the Customs Act, the Penal Code, the Police Act etc and amend as appropriate.
 - Establishment of Tax Appeal Tribunals in line with the provisions of the CMA.
 - Prepare a list of goods subject to customs control. Liability for a contravention shall be incorporated into domestic law (Customs Management Act: Section 16). This also includes other procedures such as Customs Exemptions etc.

In addition, the EAC has developed subsidiary legal instruments for operationalisation under the CMA. Partner States are implementing these Regulations in day-to-day operations. The Regulations include:

- 1) The EAC Customs Management Regulations;
- 2) The EAC Customs Management (Duty Remission) Regulations;
- 3) The EAC Customs Management (Working Arrangements between the Directorate and Customs) Regulations;
- 4) The EAC Customs Management (Compliance and Enforcement) Regulations;
- 5) EAC Post Clearance Manual;
- 6) EAC Duty Remission Manual.

Furthermore, the EAC Council of Ministers adopted the EAC Customs Procedure Manual in 2012. The purpose of the manuals is to enable the uniform application of the customs processes in the delivery of the customs services. The manuals are benchmarked against the WCO Revised Kyoto Convention on Harmonization and Simplification of the Customs Procedures.

The Customs Management Act and the associated customs regulations necessitate the harmonization of customs procedures. The overall process goes quite in-depth in terms of such harmonization. All EAC Customs Departments need to adhere to the coordinating and monitoring role of the EAC Directorate of Customs and Trade based in Arusha, Tanzania. In addition, Customs Departments need to standardise customs documentation and procedures, streamline the list of customs exemptions and prohibited goods as well as numerous other issues. Full implementation of the CMA, therefore, goes deep into restructuring the way Customs Departments operate and is one of the more capacity and training intensive implementation programs that South Sudan's Government needs to undertake.

4.1.4 Internalize and Implement the EAC Customs Valuation Manual

EAC Customs valuation is broadly based on the provisions of the WTO Customs Valuation Agreement. The EAC developed a customs valuation manual to ensure uniform interpretation and application of customs valuation provisions. Furthermore, EAC Secretariat has developed guidelines for high-risk products that might pose valuation challenges. These guidelines provide further details, regarding the valuation of specific products, including possible countries of origin as well as their past f.o.b. values.

Application of the EAC Customs Valuation procedures shall require extensive training to internalize the new procedures and requirements so that trade can proceed smoothly. As already mentioned above, the implementation of the Customs Union including its customs valuation component requires that South Sudan Customs Service and the National Revenue Authority undertake an overall process of procedural and management change.

4.1.5 Implementation of EAC Rules of Origin (RoO)

Specific procedures to implement EAC Rules of Origin (RoO) are the very core of the establishment of a Customs Union. Without RoO it is impossible to administratively establish a tariff preference system. This is, simply, because, in the absence of such a system, there would be no way to differentiate between EAC made products and goods coming from other countries. Equally, without an RoO system in place, South Sudan will not be able to benefit from tariff-free exportation to the EAC region.

In these regards, the Government needs to accept and issue Certificates of Origin (CoO). In particular, the following needs to be achieved:

- CoO issued by the EAC Partner States need to be accepted by GOSS. These certificates shall become the basis for duty-free exportation of EAC originating goods to South Sudan.
- GOSS needs to start issuing CoO to its domestic exporter and producers. The certificates need to be compliant with EAC criteria and should certify that a particular good is 'Made in South Sudan'.

Issuance of EAC-compliant CoO is not an easy task. It requires detailed knowledge of production methods as well as sources and nature of inputs into the manufacturing processes. In particular, there is a need to determine whether the costs of material inputs do not exceed 60% of the cost of the final good. Alternatively, the value-added resulting from the process of production accounts to more than 35% of the ex-factory cost of the good. Establishment of these thresholds requires detailed and verifiable company data and competent civil servants. At this point, it is important to stress once again that a system of RoO is a key pre-requisite for the establishment of a Customs Union hence significant work needs to be done to establish a such a system. South Sudan should consider carrying out activities that allow civil servants to get acquainted with systems in operation in other Partner States.

4.1.6 Approved Economic Operator (AEO) Programme

A regional AEO programme was introduced in 2016. Under the programme, any individual or business entity involved in international trade may benefit from faster customs clearance procedures, if recognized as a low-risk company by customs authorities. Customs declarations from traders and manufacturers with AEO status are given priority throughout the whole clearance process. AEO clearing and forwarding agents are accorded priority treatment in the cargo clearance chain, and a waiver from the bond requirement. Benefits for AEO transporters include priority clearance at the borders and an exemption from the mandatory use of the electronic cargo tracking system. Participation in the programme is free of charge, and AEO status is granted for three years, renewable. The programme was introduced in 2012 on a pilot basis and was fully rolled out in 2015. South Sudan needs to join this noteworthy EAC initiative.

4.1.7 EAC Single Customs Territory

The EAC's single customs territory (SCT) model relies on three pillars:

1. free circulation of goods;
2. a revenue management system; and
3. an adequate legal and institutional framework (see Box 1).

The SCT was rolled out in July 2014. At present, the assumption is that all imports into the EAC and intra-EAC transfers of goods are cleared under the SCT, and its extension to the export regime is under consideration.

According to EAC Trade Policy Review, 2019, steps taken to operationalize the SCT have contributed to reducing delays in cargo clearance. For instance, on the Northern Corridor, the turnaround time of goods transiting from Mombasa to Kampala has been reduced from 18 days to 4, and goods from Mombasa to Kigali, from 21 days to 6.2 Similarly, on the Central Corridor, the turnaround time between the port of Dar es Salaam and Kigali (or Bujumbura) has been reduced from over 20 days to 6. South Sudan is expected to join this initiative.

Box 1: Pillars of Single Customs Territory

The free circulation of goods is based on the following principles:

- a) **Imports into the EAC:** they are subject to the CET. Imports are declared only at the country of destination, and are released at the first point of entry; the goods are then moved under a single bond to the final destination. Unlike the previous system, where transit goods and goods for warehousing enter as such in each country, they are now declared only once and are covered by a single regional bond system;
- b) **Intra-EAC transfer of goods:** duty-paid goods continue to be subject to customs duties when transferred to another EAC country. Locally-produced goods are subjected to applicable domestic taxes and levies when transferred to another member country;
- c) **Exports to markets outside the EAC:** they are covered by a single regional bond guarantee. Depending on the level of risk, they are monitored through an electronic cargo tracking system; and
- d) **Port and border operations:** the activities of agencies involved in the clearance of cargo at ports and borders are to be centralized through a single window system at designated one-stop border posts.

Each revenue authority has its own distinctive revenue management system. Taxes and duties are assessed and paid at destination Partner States.

Source: Trade Policy Review: East African Community, 2019

4.1.8 Interconnectivity of customs IT systems and ICT Technical support on Automation and Integration of customs systems and process.

EAC customs administrations have already automated their customs systems and this has enhanced customs clearance within the Community. In order to further integrate these systems, a project to interconnect customs processes is currently on-going. Interfaces of Customs Systems have been attained on bilateral and centralized platforms known as RADDEX.

However, as noted by the EAC Trade Policy Review, 2019, within the EAC, national customs use different computer systems. ASYCUDA World is in place in Rwanda, Uganda and Burundi. In 2017, Kenya replaced its Simba system with the Integrated Customs Management System (ICMS). Tanzania also replaced ASYCUDA++ with the Tanzania Customs Integrated System (TANCIS). The use of these different systems is potentially a source of delays in cargo clearance, mainly for transit goods. The EAC countries have taken steps to interconnect their systems in order to facilitate the flow of information between customs authorities.

In this respect South Sudan needs to, at minimum, undertake the following:

- Implement the EAC Customs IT Regulations.

- Implement the pilot stage of the EAC Project on Customs Connectivity that will interface South Sudan Customs with their counterparts at Uganda Customs.
- Migrate to Asycuda World.
- Undertake a comprehensive programme for the automation of Customs systems.
- Procure additional computer equipment and software to cater to the need to comply with the EAC Customs Strategy.
- Recruit of IT/Computer Experts to run the relevant computer systems.

4.1.9 Elimination of Non-Tariff Barriers

The EAC has an extensive program for the elimination of non-tariff barriers. Details regarding this program are outlined in Box 2 and South Sudan to join this overall program.

Box 2: Non-Tariff Barriers in the East African Community

Under the EAC Customs Union Protocol, member countries agreed to remove all existing NTBs to intra-EAC trade, and to refrain from imposing new ones. In order to facilitate the removal of NTBs within the EAC, an NTB elimination mechanism was adopted by the Council of Ministers in 2009. At the institutional level, the mechanism comprises the EAC NTB Monitoring Committee and National Monitoring Committees (NMCs). NMCs meet quarterly to discuss progress in the elimination of barriers. Companies that face trade barriers in their operations can report them directly to their NMC through an online or SMS-based platform. If the complaint is found to concern a valid NTB, the NMC can pursue its elimination through one of the following three channels:

- a) Mutual agreement: the concerned NMCs can hold discussions and agree on a strategy to eliminate the reported barrier. The strategy typically includes an assessment of the measure and a timeline for its elimination;
- b) The EAC Time-Bound Programme for the Elimination of Identified/Reported NTBs: upon a written notification from a reporting country, the NMC of the responsible country investigates the impact of the barrier, and identifies the required timeframe and potential challenges to its elimination;
- c) Referral to the Council of Ministers: if NMCs fail to reach an agreement, the case can be referred to the Council of Ministers. The Council shall consider the matter and issue a directive, decision or recommendation with regard to the elimination of the NTB in question, or refer the matter to the EAC Committee on Trade Remedies. Any person aggrieved by a directive, decision or recommendation of the Council or a decision of the Committee on Trade Remedies may refer such matter to the EACJ.

The NTB elimination mechanism was reinforced with the enactment of the EAC Elimination of Non-Tariff Barriers Act in 2017. The Act contains a list of measures identified as NTBs, but also provides for the Council of Ministers to add any activity identified as such. Under the COMESA-EAC-SADC Tripartite FTA, a regional platform for the elimination of NTBs was established in 2008.

Source: Trade Policy Review, East African Community 2019

4.1.10 Institutional / Organizational Implementation Structures

While the bulk of bureaucratic work on setting up a Customs Union should be carried out by South Sudan Customs Services and the National Revenue Authority, overall the Custom Union is a cross-cutting, whole-of-the-government endeavour. It needs the involvement of numerous Ministries and Agencies. Key from this perspective are the Ministry of Justice, the National Legislative Assembly, Ministry of East African Community Affairs, Ministry of Finance and Development Planning, South Sudan Chamber of Commerce, Ministry of East African Community Affairs, and the Bureau of Standards.

Furthermore, as outlined immediately above, the establishment of a Customs Union is a sophisticated government reform that requires appropriate organizational structures as well as capacities, financial resources and training.

Effective co-operation between all these entities is crucial. South Sudan Customs and the National Revenue Authority need the Customs Union to be part-and-parcel of the South Sudan law before they can proceed with implementation.

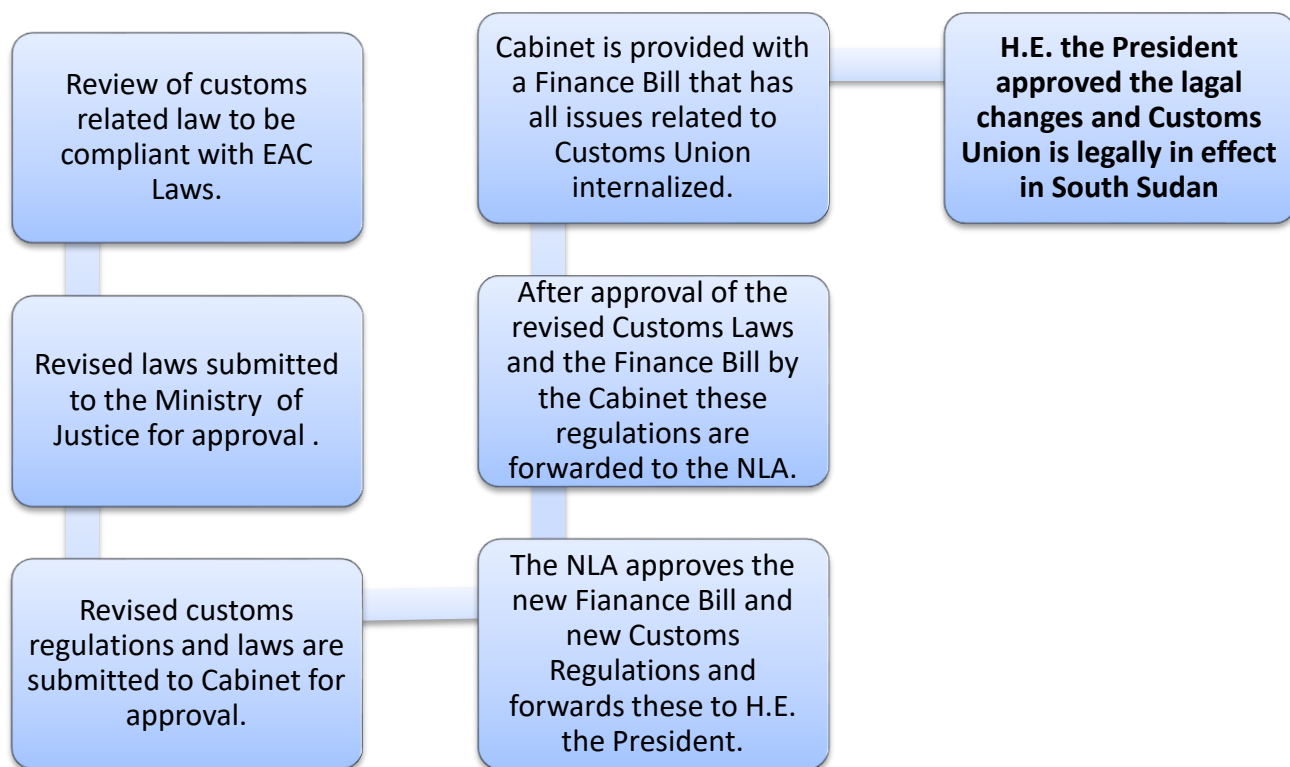
For this reason, and given the urgency of the matter this Strategy proposes the following:

- To set up an **inter-Ministerial Task-Force** tasked with the implementation of the EAC Customs Union in South Sudan.

4.1.11 Legal Harmonisation with the EAC in the area of Customs

Harmonization of South Sudan's laws with the EAC is overviewed in detail in Section 4.10.1. A visual representation of the necessary procedures to carry out such harmonisation in terms of setting up a Customs Union is provided in Chart 7 immediately below. This section and section 4.10.1 should complement each other and together form a comprehensive review of the key legal harmonisation issues.

Chart 7: Legal step towards the implementation of Customs Union in South Sudan



4.1.12 Administrative, Procedural and Capacity building steps towards implementation of the Customs Union

Short-term priorities

- South Sudan delegates (including Ministers and Undersecretaries, Director Generals) need to attend all key EAC meetings, especially the Committee on Customs and the related EAC Sectoral Council of Ministers meetings.
- South Sudan Customs Services and the National Revenue Authority need to undertake relevant preparations to restructure tariff-structure in line with the procedures outline in Section 4.1.2.
- The Government needs to provide adequate resources for the implementation of short-term priorities. This should include finances for South Sudan Delegates to attend the all customs-related meetings at the EAC. This is critical because if South Sudan Government representatives do not attend all relevant meetings they also have no say in the development of customs policies concerning South Sudan.
- Creation of the relevant inter-Governmental structure to coordinate efforts for Customs Union reform.

Medium to long-term priorities

Carry out the relevant managerial, organizational, procedural and administrative changes to implement the EAC Customs Programs. This needs to be done in concurrence with an extensive training program and coupled with the provision of adequate resources. Further

details regarding the implementation are contained in the Roadmap Implementation in Appendix 1. The key priorities here are as follows:

Medium Term Priorities:

- Elimination of Non-Tariff Barriers (outlined in Section 4.1.9.);
- Approved Economic Operator (AEO) Programme (outlined in Section 4.1.6);
- Internalize and Implement the EAC Customs Valuation Manual (4.1.4);
- Procedures for the Establishment EAC Customs Management Act (4.1.3);
- Implement EAC Customs Regulation which includes:
 - 1) The EAC Customs Management Regulations;
 - 2) The EAC Customs Management (Duty Remission) Regulations;
 - 3) The EAC Customs Management (Working Arrangements between the Directorate and Customs) Regulations;
 - 4) The EAC Customs Management (Compliance and Enforcement) Regulations;
 - 5) EAC Post Clearance Manual; and
 - 6) EAC Duty Remission Manual.

Long Term Priorities:

- Single Customs Territory (outlined in Section 4.1.7); and
- Interconnectivity of customs IT systems and ICT Technical support on Automation and Integration of customs systems and process (outlined in Section 4.1.8.).

Cross-Cutting Short to Medium Term Priorities

- **Overarching training need:** At every step in the implementation of a Customs Union there are significant training needs. The primary target of the training programme should be the South Sudan Customs Services and the National Revenue Authority. Other key stakeholders include logistics agents, exporters and others in the private sector. The most important part of the training programme is related to setting up the Common External Tariff (CET) and Rules of Origin (RoO) and coincide with the immediate short-term priorities outlined above. Further details regarding the training needs are outlined in Appendix 1.
- **International Donor support:** Given the complexity of setting up a Customs Union and the relatively limited capacity of South Sudan Customs Services there is a significant need to source additional international donors support.

Technical analyses requirements

The implementation of a Customs Union also requires some technical studies to be carried out. These studies should provide further details regarding the economic effects of the Customs Union and propose relevant mitigation policies. In particular, these studies should deal with the following topics:

- Carry out a study analysing the impact of the implementation of EAC Customs Union on the Government budget. After the assessment of the budgetary impact, the study

should propose mitigation policies for the financial losses by the imposition of other relevant taxes or other means.

- Study to assess the prevalence of charges of an equivalent effect that may distort trade. The study would aim to identify the above-mentioned charges and propose ways to eliminate them in line with the EAC Customs modernization requirements.

4.2 Strategy for Implementation of Common Market

The Protocol for the Establishment of the EAC Common Market was approved and became operational in July, 2010. The Protocol aims to create a single market across the EAC Partner States. According to Article 76 of the EAC Treaty, the Common Market Protocol (CMP) is to facilitate and guarantee the implementation of four major freedoms; labour, goods, services and capital and also facilitate the enjoyment of two rights; residence and establishment. The Protocol also seeks to strengthen, coordinate and regulate the economic and trade relations among the Partner States.

Furthermore, partner states agreed to mutually recognize academic and professional qualifications; harmonize labour policies, laws, and programs; guarantee the right to access and use of land and premises; as well as rights to establish residence and self-employment. Regarding capital mobility, partner states agreed to eliminate all restrictions on the free movement of capital and payments connected to such movement.

The scope of cooperation under the Common Market Protocol covers any activity undertaken in cooperation by the Partner States to achieve the free movement of goods, persons, labour, services and capital and to ensure the enjoyment of the rights of establishment and residence of their nationals within the Community.³ Partner States are obligated to approximate their national laws and to harmonize their policies and systems, for purposes of implementing the CMP, (Article 47).

According to the Protocol, the establishment of the Common Market shall be progressive and following schedules approved by the EAC Council of Ministers. In line with this, Partner States have adopted detailed annexure for purposes of implementing the Common Market Protocol.

The implementation of the agreements resulted in significant progress including the adoption of common travel documents, work permits and fees for education and tourism; creation of common negotiating frameworks; transport facilitating instruments; and freer movement of capital (IMF, 2015).

Establishment of a Common Market is a long and progressive process. Hence, a good starting point for South Sudan is to take stock of the progress that the EAC made so far. Following this, a painstaking process of review and harmonization of laws to the EAC standard and restructuring of bureaucratic procedures to attain the economic freedoms contained in the Protocol needs to take place.

³ Article 5 (1) of the EAC CMP

4.2.1 The EAC Common Market Protocol: the Details

Based on the provisions of Articles 76 and 104 of the Treaty, the Common Market Protocol (CMP) provides for the following:

- a) The free movement of goods (also part of the Customs Union Protocol);
- b) The free movement of persons (see Section 4.2.1.2 for details);
- c) The free movement of labour (see Section 4.2.1.3 for details);
- d) The free movement of services (see Section 4.2.1.1 for details);
- e) The free movement of capital (see Section 4.2.1.6 for details);
- f) The right of establishment (see Section 4.2.1.4 for details); and
- g) The right of residence (see Section 4.2.1.5 for details).

The Common Market is guided by the fundamental principles enshrined in Articles 6 and 7 of the Treaty. Partner States need to ensure the following:

- a) Observe the principle of non-discrimination of nationals of other Partner States on grounds of nationality;
- b) Accord treatment to nationals of other Partner States, not less favourable than the treatment accorded to nationals of Third Party States;
- c) Ensure transparency in matters concerning the other Partner States; and
- d) Share information for the implementation of the CMP.

The details regarding the Protocol can be seen in Table 2.

Table 2: Common Market Protocol and Annexes

ARTICLE
ESTABLISHMENT OF THE EAST AFRICAN COMMUNITY COMMON MARKET
ARTICLE 2: Establishment of the East African Community Common Market
ARTICLE 3: Principles of the Common Market
ARTICLE 4: Objectives of the Common Market
ARTICLE 5: Scope of Co-operation in the Common Market
FREE MOVEMENT OF GOODS
ARTICLE 6: Free Movement of Goods
FREE MOVEMENT OF PERSONS AND LABOUR
ARTICLE 7: Free Movement of Persons
ARTICLE 8: Standard Identification System
ARTICLE 9: Travel Documents
ARTICLE 10: Free Movement of Workers
ARTICLE 11: Harmonisation and Mutual Recognition of Academic and Professional Qualifications
ARTICLE 12: Harmonisation of Labour Policies, Laws and Programmes
RIGHTS OF ESTABLISHMENT AND RESIDENCE
ARTICLE 13: Right of Establishment
ARTICLE 14: Right of Residence
ARTICLE 15: Access to and Use of Land and Premises
FREE MOVEMENT OF SERVICES
ARTICLE 16: Free Movement of Services
ARTICLE 17: National Treatment
ARTICLE 18: Most Favoured Nation Treatment
ARTICLE 19: Notification
ARTICLE 20: Domestic Regulation
ARTICLE 21: General Exceptions to Trade in Services

ARTICLE 22: Security Exceptions on Trade in Services	
ARTICLE 23: Implementation of the Free Movement of Services	
FREE MOVEMENT OF CAPITAL	
ARTICLE 24: Elimination of Restrictions on the Free Movement of Capital	
ARTICLE 25: General Exceptions	
ARTICLE 26: Safeguard Measures	
ARTICLE 27: Conditions for Application of the Safeguard Measures	
ARTICLE 28: Capital and Related Payments and Transfers	
OTHER AREAS OF CO-OPERATION IN THE COMMON MARKET	
ARTICLE 29: Protection of Cross-Border Investments	
ARTICLE 30: Economic and Monetary Policy Co-ordination	
ARTICLE 31: Financial Sector Policy Co-ordination	
ARTICLE 32: Harmonisation of Tax Policies and Laws	
ARTICLE 33: Prohibited Business Practices	
ARTICLE 34: Prohibited Subsidies	
ARTICLE 35: Public Procurement	
ARTICLE 36: Consumer Protection	
ARTICLE 37: Co-ordination of Trade Relations	
ARTICLE 38: Co-ordination of Transport Policies	
ARTICLE 39: Harmonisation of Social Policies	
ARTICLE 40 : Environmental Management	
ARTICLE 41: Cooperation in Statistics	
ARTICLE 42: Research and Technological Development	
ARTICLE 43: Co-operation in Intellectual Property Rights	
ARTICLE 44: Co-operation in Industrial Development	
ARTICLE 45: Co-operation in Agriculture and Food Security	
GENERAL PROVISIONS	
ARTICLE 46: Institutional Framework	
ARTICLE 47: Approximation and Harmonisation of Policies, Laws and Systems	
ARTICLE 48: Safeguard Measures	
ARTICLE 49: Measures to Address Imbalances	
ARTICLE 50: Monitoring and Evaluation of Implementation of the Common Market	
ARTICLE 51: Regulations, Directives and Decisions	
Annex	Protocol Description
I:	Free movement of persons regulations:
II:	Free movement of workers regulations
III:	Right of establishment regulations:
IV:	Right of residence regulations
V:	Schedule of commitments on the progressive liberalization of services
VI:	Schedule on the removal of restrictions on the free movement of capital

The remainder of this section outlines the details of CMP provisions of its key components and freedoms as outline immediately above.

4.2.1.1 Trade in Services

Partner States in Article 16 of the CMP are to guarantee the free movement of services Trade in services covers the following modes of supply:

- a) **Cross border supply of services:** from the territory of one country, into the territory of another country (mode I). Such services include telecommunication and banking services;

- b) **Consumption abroad:** in the territory of one country, to service consumers from another country (mode II). These services include medical and tourism services where nationals of a Partner State travel to consume the service in the territory of another Partner State;
- c) **Commercial presence:** by a service supplier of in one country, through the commercial establishment in the territory of another country (mode III); these encompass all sorts of commercial activities where nationals of EAC Partner State establish companies and subsidiaries, to conduct business; and
- d) **Movement of natural persons:** by the presence of a service supplier from another country, into the territory of another country to supply a service (mode IV).

The freedom of movement of services is limited to those services liberalized under the Partner States' schedule of commitments embedded in the EAC CMP Schedule of Commitments in the Progressive Liberalization of Services Annex V. At this point, it is also important to add that as a young country South Sudan needs to be open for provision of critical business services from abroad to be able to run an efficient economic system in the country.

4.2.1.2 Free Movement of Persons

The free movement of persons who are nationals is also enshrined in the CMP. To facilitate the implementation of this freedom, each Partner State is to ensure non-discrimination of the citizens of the other Partner States based on their nationalities by guaranteeing:

- a) The entry of citizens of other Partner States into their territory without a visa;
- b) Free movement of persons who are citizens of the other Partner States within their territories;
- c) The right to stay by citizens of other Partner States in their territories;
- d) The right to exit by citizens of other Partner States in their territories without restrictions.

Partner States are enjoined to establish a common standard system of issuing national identification documents to their nationals which is to be the basis for identifying the citizens of the Partner States within the Community.

Students from other Partner States wishing to study in the host Partner State are obliged to apply for a student pass, which shall be issued free of charge.

4.2.1.3 Free Movement of Workers

The freedom of movement of workers is guaranteed under the Common Market Protocol within the Community based on the principle of national treatment concerning all conditions of employment. Freedom of movement of workers within the Community entitles the worker to the following:

- a) Apply for employment and accept offers of employment actually made;
- b) Move freely within the territories of the Partner States for the purpose of employment;

- c) Conclude contracts and take up employment in accordance with the contracts, national laws and administrative actions, without any discrimination;
- d) Stay in the territory of a Partner State for the purpose of employment in accordance with the national laws and administrative procedures governing the employment of workers of that Partner State;
- e) Enjoy the freedom of association and collective bargaining for better working conditions in accordance with the national laws of the host Partner State; and
- f) Enjoy the rights and benefits of social security as accorded to the workers of the host Partner State.

The worker is also entitled to move with his family; the spouse of such a worker is entitled to employment in the host state, as well as his children of employable age. This freedom does not extend to employment in the public service of the host state unless the national laws so permit. The freedom of movement of workers is only limited to those workers contained in the schedule of commitments made by the Partner States. This schedule is found in the EAC Common Market (Free Movement of Workers) Regulations, Annex II to the CMP. Concerning self- employed persons, the removal of restrictions under the right of establishment relating to trade in services shall be per the EAC Common Market Schedule of Commitments in the Progressive Liberalization of Services, Annex V.

The implementation of this freedom is also to be facilitated by other annexes to the CMP; these are the EAC Common Market (Right of Residence) Regulations Annex IV and the EAC Common Market (Right of Establishment) Regulations.

Work Permits

Workers who have contracts of employment for more than ninety days in the territory of a host State are obliged to apply to the competent authority for a work permit within fifteen working days from the date of entry into the territory of the host Partner State. The work permit issued under these Regulations is to be under the harmonized classification of work permit and forms, fees and procedures as may be approved by the Council.

For self- employed persons who intend to take up and pursue economic activities, or to set up and manage economic undertakings in the territory of another Partner State, they are obliged to apply to a competent authority for a work permit within thirty working days from the date of entry into the territory of the host Partner State. The work permit issued is to be under the harmonized classification of work permit and forms, fees and procedures as may be approved by the Council.

4.2.1.4 Right of Establishment

The right of establishment by nationals of EAC Partner States within the Community is guaranteed under the CMP. Partner States are to ensure non- discrimination of the nationals of the other Partner States, based on their nationalities. The right of establishment entails the following entitlements:

- a) To take up and pursue economic activities as a self-employed person; and set up and manage economic undertakings in the territory of the host Partner State;
- b) As a self-employed person to join a social security scheme under the national laws of the host State;
- c) National treatment and non-discrimination of companies, firms and self-employed persons from other Partner States by the host state and non-introduction of any new restrictions on the right of establishment save as provided under the CMP.

The implementation of this right is to be facilitated by the EAC Common Market (Right of Establishment) Regulations, Annex III to the CMP.

4.2.1.5 Right of Residence

Partner States are obligated to guarantee the right of residence to the citizens of the other Partner States who have been admitted in their territories under the freedom of movement of workers in Article 10 and the right of establishment in Article 13 of the CMP. The right of residence guaranteed above shall also apply to the spouse, child and a dependant of a worker or self-employed person. Under the above right, Partner States are obliged to issue residence permits to citizens of other Partner States. This right is subject to limitations imposed by the host Partner State on grounds of public policy, public security or public health.

However, matters pertaining to the permanent residence are to be regulated by national laws and policies of the Partner States. The implementation of this obligation is under the EAC Common Market (Right of Residence) Regulations, Annex IV to the CMP.

Residence Permits

A worker or self-employed person who intends to reside in the territory of a host Partner State is obligated to apply to a competent authority for a residence permit within thirty days from the date of entry into the territory of the host Partner State. The residence permit issued is to be under the harmonized classification of residence permits, forms, fees and procedures as may be approved by the Council.

4.2.1.6 Free Movement of Capital

Free movement of capital is among the four freedoms set out in Article 76 of the Treaty to be guaranteed by the EAC Partner States. This freedom is governed in the CMP, as well as the Monetary Union Protocol. Partner States are to facilitate the free movement of capital under the following conditions:

- a) Remove restrictions between the Partner States, on the movement of capital belonging to persons resident in the Community;
- b) Remove any discrimination based on the nationality or the place of residence of the persons or on the place where the capital is invested;
- c) Remove any existing restrictions and not introduce any new restrictions on the movement of capital and payments connected with such movement and on current payments and transfers, or apply more restrictive regulations; and

- d) Remove restrictions relating to current payments connected with the movement of goods, persons, services or capital between the Partner States under the provisions of the CMP.

The implementation of this obligation is to be progressive and to be based on the schedule on the removal of restrictions on the Free Movement of Capital, Annex VI to the CMP.

However, the CMP provides general exceptions that may be applied to restrict capital movements;

- a) To ensure prudential supervision,
- b) For public policy considerations,
- c) To prevent crime such as money laundering and
- d) Financial sanctions that may be agreed upon by the Partner States.

Such restrictions as above are to be notified to the Secretariat and other Partner States accompanied with proof that the restriction was appropriate and justified.

The CMP also provides for safeguard measures where the implementation of the freedom leads to disturbances in the functioning of the financial market of any Partner State. In cases where a competent authority of a Partner State intervenes in the foreign exchange market, which seriously distorts the conditions of competition, the other Partner States are mandated, for a strictly limited period, to institute the necessary measures to counter the consequences of the intervention. Partner States are also mandated to take safeguard measures, where one is in difficulties or is seriously threatened with difficulties, as regards its balance of payments.

Nonetheless, some conditions must be met before the application of the safeguard measures can be undertaken;

1. Safeguard measures may be adopted that:
 - a) Do not discriminate among the Partner States in favour of Third Party States;
 - b) At all material times seek to minimize damage to the commercial, economic or financial interests of other Partner States;
 - c) Do not exceed the safeguard measures necessary to deal with the particular disturbances or difficulties with the balance of payments;
 - d) Must be temporary and be phased out progressively as the situation improves.
2. The Partner State concerned should accord priority to activities which are essential to its economic stability.
3. They are not to be adopted or maintained to protect a particular sector in contravention of the provisions of the CMP.
4. Such measures adopted or maintained or any changes to the safeguard measures must be notified to the Secretariat and to the other Partner States.

4.2.1.7 Banking and Capital Market Development

Under the Treaty, Partner States have undertaken to implement within the Community, a capital market development programme that is to be determined by the Council and create

a good environment for the movement of capital within the Community. To achieve this objective, Partner States are enjoined to do inter alia; the following:

- a) Take steps to achieve wider monetization of the region's economies under a liberalized market economy;
- b) Harmonize their banking Acts;
- c) Harmonize capital market policies on the cross-border listing, foreign portfolio investors, taxation of capital market transactions, accounting, auditing and financial reporting standards, procedures for setting commissions and other charges;
- d) Harmonize the regulatory and legislative frameworks and regulatory structures;
- e) Harmonize and implement common standards for market conduct; and
- f) Harmonize policies impacting on capital markets.

4.2.2 EAC Tax Harmonization

The EAC *'acquis communautaire'*⁴ contains numerous legal commitments by the Partner States to harmonize their tax regimes. In particular, Article 32 of the CMP notes that: *"The Partner States undertake to progressively harmonize their tax policies and laws to remove tax distortions in order to facilitate the free movement of goods, services and capital and to promote investment within the Community."* This article is derived from Article 80(1) of the Treaty of Establishment of EAC. Article 80(1) vows to harmonise and rationalise investment incentives relating to the taxation of industries and avoid double taxation. Furthermore, Article 83 (2) (e) of EAC Treaty, notes that Partner States shall harmonise their tax policies whereas Article 85 of the Treaty notes that EAC shall harmonise policies impacting on capital markets particularly granting of incentives for the development of capital markets.

These provisions are an opportunity for South Sudan Government to incorporate international and regional best practices in its tax systems. It can lead to a reduction of the cost and time for tax compliance and promote an investor-friendly environment conducive to regional growth. It is also important to add that, some economic costs may be incurred as tax harmonization may lower domestic revenue. This is because of tax rationalization by firms and lowering the overall tax structure. The overall revenue effects of EAC tax reform, however, are likely to depend on idiosyncratic country characteristics and should be subject of further research.

The work on tax harmonization is, to a large part, still ahead of the EAC. Hence, South Sudan has a chance to take an active role in jointly developing policies in this area. In line with the key objectives of this Strategy, South Sudan needs to reach consensus on ways forward with EAC Partner States. This consensus needs reflect the interests of South Sudan but also that of other Partner States.

Some work on tax harmonization has already been undertaken by the EAC. In particular:

⁴ *Acquis communautaire* is the accumulated legislation, legal acts, and court decisions which constitute the body of East African Community's Law.

- With support from GIZ a background report on the technicalities for implementation of tax harmonization was drafted.
- EAC Sectoral Council of Ministers on Trade, Industry, Finance and Investment has directed the EAC Secretariat to draft a tax harmonisation policy.
- In 2018 and 2019, several meetings of the EAC's Tax Policy and Tax Administration Sub-Committee and the Committee on Fiscal Affairs took place to develop the said policy.

In addition, guiding principles for EAC Tax Harmonization have already been discussed and approved at EAC level. In particular, Partner States agreed that domestic tax harmonisation should be a gradual process. It should commence with harmonization of excise duties followed by value added tax (VAT) and finally income tax. Furthermore, focus of the harmonization of taxes will be on those aspects of tax regimes that eliminate tax-induced distortions, facilitate trade and investment and prevent harmful tax competition — rather than a perfect alignment of tax systems.

Furthermore, in 2012 the EAC Agreement on Avoidance of Double Taxation has been approved. However, to date National Parliaments of Tanzania and Burundi have not yet ratified this Agreement. It is important to note that the Agreement seeks to eliminate double taxation among partner states with the following assumptions - profits of an enterprise are only taxable in the country of residence. The agreement stipulates that EAC firms will be exempted from paying taxes in their host country and only pay tax to their home country and hence avoid double taxation.

The issue of Tax Harmonization at the EAC is discussed and implemented at various venues. This includes the Sub-Committee on Tax Harmonisation and the Fiscal Affairs Committee. Revenue Authorities and Ministries of Finance are key members of these Committees.

In addition, Revenue Authorities created their own EAC Integration structures which include: the East African Revenue Commissioners General Forum (EARACG) and the East African Revenue Authorities Technical Committee (EARATC).

The EAC has developed a Tax Treaty Policy which identifies international tax norms that Partner States should follow with respect to scope, distributive rules, double taxation, non-discrimination, and exchange of information. In line with these principles, the EAC prepared a Modal Tax Treaty. The intent of this document is for Partner States to follow a specific model when signing a Tax Treaty with third parties. Finally, The *East African Revenue Authorities (EARA)* established a '*Memorandum of Understanding on Exchange of Information on tax, expertise and other related matters*' which also describes the way in which information should be exchanged. The MoU intends to cover not only exchange of information but also providing assistance in capacity building.

Strategic Recommendations – Short Term Priorities:

- Ministry of Finance and Development Planning and the National Revenue Authority to join all the Forums and Committees related to tax harmonisation efforts and commence this work-stream in line with its description above.
- Relevant Government Institutions to carry out an economic study which should aim to assess best ways for the EAC Tax Harmonisation. Such a study needs to assess the benefits and costs for South Sudan and the region regarding various possible ways forward on the issue.

4.2.3 EAC Standards and Quality Assurance

4.2.3.1 Overview

From its very inception, the EAC worked on development of common technical, sanitary and phyto-sanitary standards. This areas of work is one of the key components of EAC Common Market.

In the EAC, standards developed or adopted by the respective national standards bodies have been in existence for many years. The EAC Standardization, Quality Assurance, Metrology and Testing (SQMT) Act (2006) was developed in line with the EAC Protocol on SQMT which provided for regional cooperation in the areas of standards, metrology, conformity assessment, accreditation and technical regulations. The objective of the SQMT Act was to facilitate industrial development and trade. It also aimed to ensure protection of health and safety of society and the environment. Crucially, the SQMT Act also provided for the development of common East African Standards (EAS). The standards are developed jointly by the national standards bodies of the EAC Partner States in accordance with the procedures approved and maintained by the East African Standards Committee (EASC). Of course, standards are essential in helping the business community to be innovative, reduce business costs, improve quality and maintain competitiveness in local, regional and international marketplace.

Prior to 2010, adoption rates of EAS in the EAC were low. This changed when guidelines for the harmonization of EAC Standards were developed. In addition, the East African Standards Catalogue was reviewed and revised. The revised Catalogue now contains 366 East African Standards and 800 International Standards endorsed by East African Standards Committee. All these standards need now to be adopted by the South Sudan's Bureau of Standards. The country needs to catch up with other Partner States as such adoption in the EAC is rather high.

A study by the East African Business Council (EABC) shows that adoption rates of EAC Standards for the selected sampled products was 100% by all the EAC Partner States except for South Sudan

As already mentioned above, the EAC Partner States developed the Principles and Procedures for the Development of East African Standards (EAS). These procedures were intended to be used as a reference tool and guide for the development of EAS. They establish a preferred style for the development of the standards thereby allowing for

consistency of the documents, as well as elaborating on the methodologies and publication of standards. The procedures define the methodologies for the development and maintenance of EAS through the activities of technical committees and their subsidiary bodies. The procedures are intended to be used as resource materials for standards writers, editors, technical chairpersons and technical committee members and can additionally be used as a training tool. Once the need for a standard is established, it is assessed and a draft standard is developed that normally originates from any of the National Bureau of Standards. Thereafter the draft is discussed by the EAC Technical Committee members, comments on the draft are generated, assessed and incorporated into the draft until consensus is reached and the draft becomes a final draft EAS. The final draft EAS becomes an EAS after it has been declared so by the Council of Ministers and gazetted. Table 3 shows the stages of the development process of the EAS.

Table 3: The Development of EAC Standards in stages

Stage	Associated Document	Duration
1. Preliminary Stage	Identification of a need for EAS	N/A
2. Proposal Stage	New Work Item Proposal	2-4 months
3. Preparatory Stage	Working Draft	2 months
4. Committee stage (internal comments)	Committee Draft	6 months
5. Enquiry stage (preparation for balloting)	Draft East African Standard	2 months
6. Ballot stage	Final Draft EAS	1 month
7. Approval and Declaration stage	East African Standard	N/A
8. Publication stage	East African Standards	N/A
Total		19 Months

Source: East African Business Council, 2016

4.2.3.2 The Administrative Structures for SQMT in the EAC

The three key administrative structures according to the SQMT Act are:

- The East African Standards Committee (EASC),
- The Liaison Office, and
- The East African Accreditation Board (EAAB).

The EASC was established under Section 4 of the SQMT Act. It has a crucial mandate that includes coordinating activities related to standardization, metrology and conformity assessment. The Standards Technical Management Committee (STMC) is responsible for developing and harmonizing EAS. The Liaison Office under section 5 of the Act provides administrative support to the EASC. The tasks of the office include: providing logistical support to the EASC in the design and management of EAC projects for the implementation of standardization, metrology and conformity assessment activities as well as cataloguing of the declared EAS. The office is based at the EAC Secretariat in Arusha, Tanzania.

The East African Accreditation Board (EAAB) is established under Section 11 of the SQMT Act. It comprises of the chief executives of the national accreditation bodies and national focal points. The Board facilitates cooperation and coordinates accreditation activities to avoid duplication of functions of the national accreditation bodies and also promotes the acceptability of test certification and inspection results from accredited organizations within the Community.

4.2.3.3 The Strategy for Adoption of EAC Standards in South Sudan

Adoption of EAC Standards may be somewhat easier than implementation of EAC reforms elsewhere. For this to be achieved, South Sudan does not need to review its laws and only needs to adopt what is already in place.

The proposed **immediate ways forward** in this area for the South Sudan Bureau of Standards are, therefore, as follows:

- Study and identify the EAS to be harmonised in South Sudan. Assess the importance of EAC Standards for the economy of South Sudan.
- Draft and deliver a presentation to Hon. Minister of Trade and Industry that outlines the issues of EAS Harmonisation.
- Support the Office of the Minister in their efforts to secure a slot at the Council of Minister to present the issue of adoption of EAC Standards.
- Provide background support to the Minister of Trade and Industry at the Council of Minister for successful delivery of the EAC Standards issue at the Council.

Once the EAC Standards are adopted in South Sudan, **long-term work** on full implementation of EAC Standards needs to commence. This means, the South Sudan Bureau of Standards needs to analyse and internalise the approved standards to be able effectively enforce them in South Sudan. This is a long-term goal that requires effective training, capacity and resources.

4.2.4 Strategy for Implementation of EAC Common Market in South Sudan

Procedures for Progressive Implementation of the Common Market in South Sudan

Free Movement of Service

- South Sudan should draft, negotiate and approve its commitments embedded in the Schedule of Commitments Progressive Liberalization of Services under Annex V of the Common Market Protocol. This Annex outlines the service sectors that should be liberalized under the Common Market Protocol. So for example, South Sudan can agree that it will liberalize first the banking and insurance services. The underlining logic behind such an approach is that these two sectors constitute the backbones of economic activity in South Sudan. It may be desirable for the country to keep these sectors open for efficient regional banks to be able to operate in the country and provide crucial banking and insurance services to the rest of the economy.

Free Movement of Persons

- Withdrawal visa requirements for EAC citizens entering South Sudan. Cooperate with all EAC Partner States for them to also withdrawal such requirement vis-à-vis South Sudanese passport holders. This may require to amend the Passport and Immigration Act of South Sudan.
- Streamline domestic laws and procedures to ensure free movement of EAC citizens outlined in the CMP is fully captured. This should include the right to stay and exit without restriction, student pass etc. The Free Movement of Persons Annex of the CMP outlines all relevant details on this matter.
- Allow EAC Citizens to enter South Sudan on the basis of their domestic IDs.
- Work towards implementation of the EAC's E-Passport.

Free Movement of Workers

- South Sudan to draft, negotiate and approve its schedule of commitments embedded in the Schedule of Commitments Progressive Liberalization of Workers. This schedule is found in the EAC Common Market (Free Movement of Workers) Regulations, Annex II to the CMP. In this regards Government of South Sudan needs to carry out the following: EAC commitments require for GOSS to choose which category of workers it wishes to liberalize first. The freedom of movement of workers is **limited to only these categories of workers** contained in the schedule of commitments made by the Partner States. It was previously proposed for South Sudan to liberalize only these professions of which there is not enough in the country. For example, there is an overall lack of well-qualified teachers and doctors in South Sudan. Given the importance of health and education services to sustainable development in the country, there is a critical need to fill relevant skill gaps quickly. Hence, it will be beneficial to South Sudan to allow doctors and teachers for EAC Member states to practice in the country without undue restrictions.
- Streamline and harmonize regulations and procedures related to work permits in line with the CMP provisions. Here the most important part of the Common Market is Annex II on the Free Movement of Workers.
- Join the EAC work program which seeks to establish Mutual Recognition Agreements (MRAs) for professionals such as architects or lawyers.

Rights of Residence

- Amend the legal framework to guarantee the rights of Residence for spouses, children and dependants of a workers or self-employed persons from EAC.
- Harmonize residence permit procedures, forms and fees.
- Implement other changes to the legal framework necessitated by the EAC Common Market (Right of Residence) Regulations, Annex IV.

Free movement of Capital

- Remove restrictions between the Partner States, on the movement of capital belonging to persons resident in the Community;
- Remove any discrimination based on the nationality or on the place of residence of the persons or on the place where the capital is invested;
- Remove any existing restrictions and not introduce any new restrictions on the movement of capital and payments connected with such movement and on current payments and transfers
- Remove restrictions relating to current payments connected with the movement of goods, persons, services or capital between EAC Partner States.

4.2.5 Institutional / Organizational Implementation Structures

The establishment of a Common Market is an extensive, multi-institutional reform that needs to be implemented in South Sudan. It requires budgets, capacities and external support from the EAC and international community.

In fact, the list of involved institutions is so large that only a few will be mentioned here. These Institutions include: Ministry of Finance, Education, Justice, Trade and industry, EAC Affairs, Cabinet etc.

Given the complexity of implementation of the EAC Common Market in South Sudan this policy recommends:

- To set up an **inter-Ministerial Task-Force** tasked with implementation of the EAC Common Market in South Sudan.

The implementation of a Common Market is different in scope and reach than the Customs Union as it entails numerous individual tasks/reforms to be carried out by very different seemingly unconnected Institutions. What binds these reforms together is often the very aim of the Common Market in terms of establishing freedoms of movement of goods, services, people, labour and capital. So for example, at first glance the removal of visa requirements might not have much in common with adhering to common EAC standards on food hygiene. But both of these reforms fall under the Common Market umbrella.

This has implications for the establishment of effective Government structures for the Common Market. The relevant Government committee for Common Market should, therefore, be able to set-up working groups within the task force that would be tasked to carry out specific reforms.

4.3 Monetary Union: Strategy for Implementation

4.3.1 Overview

The Monetary Union Protocol (MUP) is an important stage in the process of EAC Regional Integration. The MUP was adopted in accordance with the EAC Treaty and signed on 30th November 2013. The Protocol lays groundwork for a monetary union within 10 years and

allows the EAC Partner States to progressively converge their currencies into a single currency in the Community.

In the run-up to achieving a single currency, the EAC Partner States need to harmonise:

- monetary and fiscal policies;
- financial, payment and settlement systems;
- financial accounting and reporting practices;
- policies and standards on statistical information; and
- establish an East African Central Bank.

The implementation of MUP is different than that of the other two economic Protocols. The EAC is only at the very beginning of implementation of the MUP. Hence, in this area, South Sudan does not need to catch-up to the level of integration attained by other Partner States. The key activity for South Sudan is to join on-going preparatory work related to the establishment of a Monetary Union. The ratification of the MUP in 2015, paved the way for a 10 year roadmap on the implementation of the Protocol. The concept of 'variable geometry' – that individual EAC members may not qualify or may choose to opt out of monetary union – is fully entrenched in this Protocol. According to the Protocol, Monetary Union can be created by a minimum of 3 Partner States. The objective of the Union is to promote and maintain monetary and financial stability. The overall aim of the union is facilitating economic integration to attain sustainable growth and development.

Under the MUP, Partner States committed to undertake the following:

- a) Harmonize and coordinate their fiscal policies;
- b) Formulate and implement a single monetary policy and a single exchange rate policy;
- c) Develop and integrate their financial, payment and settlement systems;
- d) Adopt common principles and rules for the regulation and prudential supervision of the financial system;
- e) Integrate their financial management systems;
- f) Harmonize their financial accounting and reporting practices;
- g) Adopt common policies and standards on statistics and
- h) Adopt a single currency

In order to implement the monetary union Partner States need to apply the minimum Macroeconomic Convergence Criteria which are as follows:

- 1) A ceiling on headline inflation of 8%;
- 2) A ceiling on fiscal deficit, including grants of 3% of Gross Domestic Product;
- 3) A ceiling of gross public debt of 50% of Gross Domestic Product in Net Present Value terms; and
- 4) A reserve cover of 4.5 months of imports.

In the final stages before the implementation of a single currency the newly created East African Central Bank will be formulating a single monetary policy. Prior to that Partner

states will be required to eliminate direct Central Bank funding of the fiscal deficit. Partner States' Central Banks will give-away the right to implement this policy to the Regional entity. Furthermore, exchange rates will need to be pegged and single exchange rate policy will be implemented by the Regional Bank. The Protocol requires each Partner State to develop a Medium-Term Convergence Programme (MTCP) to facilitate attainment of the agreed criteria, taking into account each country's economic circumstances.

The institutional framework to monitor and enforce convergence includes, at minimum, the establishment of the East African Monetary Institute, as a precursor to the East African Central Bank; the East African Statistics Bureau; and East African Surveillance, Compliance and Enforcement Commission.

4.3.2 Strategic Recommendations

- South Sudan needs to join and effectively participate in all EAC Monetary Union work streams. Roadmap for implementation of Monetary Union is outlined.
- The Bank of South Sudan and the Ministry of Finance and Development Planning are the most important institutions in this area. However, other Institutions such as the South Sudan Bureau of Statistics are also critical. This Policy/Strategy proposes that GOSS creates a Special Task-Force for the Establishment of Monetary Union. The Task-Force should that comprises of all key institutions in this area. More details regarding these structures can be found in Section 4.4. At the regional EAC level, GOSS should join all committees, structures, intuitions for the establishment of the Monetary Union. GOSS should participate in the establishment of the East African Monetary Institute, East African Statistical Bureau, East African Surveillance, Compliance and Enforcement Commission.

Specific Monetary Union Requirements

- South Sudan should coordinate and harmonize its fiscal policy as outlined in the MU Protocol. It is expected to harmonize and co-ordinate the fiscal policies to maintain, in particular:
 - a ceiling on fiscal deficit, including grants of 3% of GDP
 - a ceiling on gross public debt of 50% of GDP in NPV terms; and
 - a reserve cover of 4.5 months of imports.
- Disclose fiscal policy to other Partner States;
- Co-ordinate its fiscal policy with the single monetary policy and exchange rate policy;
- Harmonize and coordinate its budget framework;
- Coordinate and harmonies its public procurement policies;
- Implement its economic policy to achieve and maintain macroeconomic convergence;
- Adopt and adhere to the principles of fiscal discipline;
- Avoid harmful tax competition;

- Disclose its aid flows to the East African Central Bank; and
 - Ensure efficient mobilization and allocation of resources.
- GOSS should commission a study which will devise a detailed work plan for coordination and harmonization of monetary and exchange rate policies during the transition to monetary union. The study shall provide a detailed master plan and outline of key activities and structures necessary for South Sudan to attain coordination and harmonization of monetary and exchange rate policies within the timeline outlined in the MU Protocol. The aim of the study is to:
 - (i) Describe the operational frameworks for Common Monetary and Exchange rate policy in South Sudan, and
 - (ii) Propose an optimal set of harmonised instruments and procedures which best suit the adopted monetary and exchange rate policy in South Sudan.
- The study shall consider, among others, the following issues: harmonization of liquidity management, framework for common exchange rate management and interventions, reserve requirements, and open market operations etc.
- GOSS shall cooperate with Partner States to develop and implement a secure, efficient, and reliable regional payment and settlement system. In particular, GOSS shall:
 - Adopt and integrate trading and securities depository system; and
 - Harmonize and integrate the payment and settlement system and other financial sector systems/infrastructure.
- South Sudan shall participate in EAC activities aimed to harmonise policies, standards and laws relating to production analysis and dissemination of statistical information in line with the Schedule outlined in the MUP.
- With regards to integration of financial systems and adoption of common principles and rules for the regulation and supervision of financial system, the Government should undertake the following:
 - Commission a study to identify institutional, policy and regulatory gaps that need to be addressed to develop, harmonize, and integrate the financial sector with that of the EAC;
 - Develop a detailed implementation plan for addressing the identified gaps,
 - Raise financial resources (both internal and externally) to implement the plan;
 - Commission a study to identify the gaps that need to be addressed to develop, harmonize, and integrate the capital markets sector with that of the EAC;
 - Commission a study to identify the gaps that need to be addressed to develop, harmonize, and integrate the insurance sector with that of the EAC; and

- Commission a study to identify the gaps that need to be addressed to develop, harmonize, and integrate the pension sector with that of the EAC;
- South Sudan should prepare a timetable for progressive phasing out of overdraft facilities and will co-operate with Partner States to establish a liquidity management mechanism within the MUP framework. This is to be handled concurrently with other provisions such as adoption of macroeconomic standards such as debt to GDP ratio and limitations on deficit spending.
- South Sudan should cooperate with Partner States in developing a framework for monitoring compliance with macroeconomic convergence criteria and design a medium-term convergence programme in line with the implementation timeframe outlined in the Monetary Union Protocol.
- Once it is established, South Sudan should participate and make its contribution for the establishment of the East African Community Stabilization Facility.
- South Sudan should participate in the development and implementation of a Common Exchange Rate Mechanism. This should include:
 - Design a Common Exchange Rate Policy;
 - Implement a convergence phase during which the Partner State shall implement managed float exchange rate regimes;
 - Implement a phase of conversion of the exchange rates during which the council shall irrevocably fix the exchange rates among the Partner States.
 - Convert Partner States' currencies to a single currency on a date to be announced that shall not be more than six months from the date of irrevocable fixing of the exchange rates.
- Finally, South Sudan shall participate in the determination of Conversion Rates and design of a single currency. The conversion rates at which the single currency will replace the currencies of the Partner States.

4.4 Institutional / Organizational arrangements for EAC Reforms Agenda

EAC is extensive and hence they require the creation of tailored, effective government structures to implement them. The Government has already begun this important task with the creation of the Ministry of East African Community Affairs which is embedded in the Revitalized Agreement on Resolution of Conflict in South Sudan (R-ARCSS). However, given the whole-of-the-government and cross-cutting nature of the Reforms it is necessary to form relevant additional structures that will support the line Ministries in implementation carry out the duties outlined in this Strategy / Policy. The role of these organizational structures outlined here is to lead the reforms implementation and also to provide a venue for effective communication and cooperation between Ministries.

Chart 8: provides an outline of the proposed structures. It shows that following:

- **H.E. the President** is to provide the highest level of oversight regarding the EAC Regional Integration Reform Agenda. H. E. the President shall also: 1) Provide

impetus and direction to EAC Regional Integration Reforms and 2) Sign EAC legislative changes and Reforms.

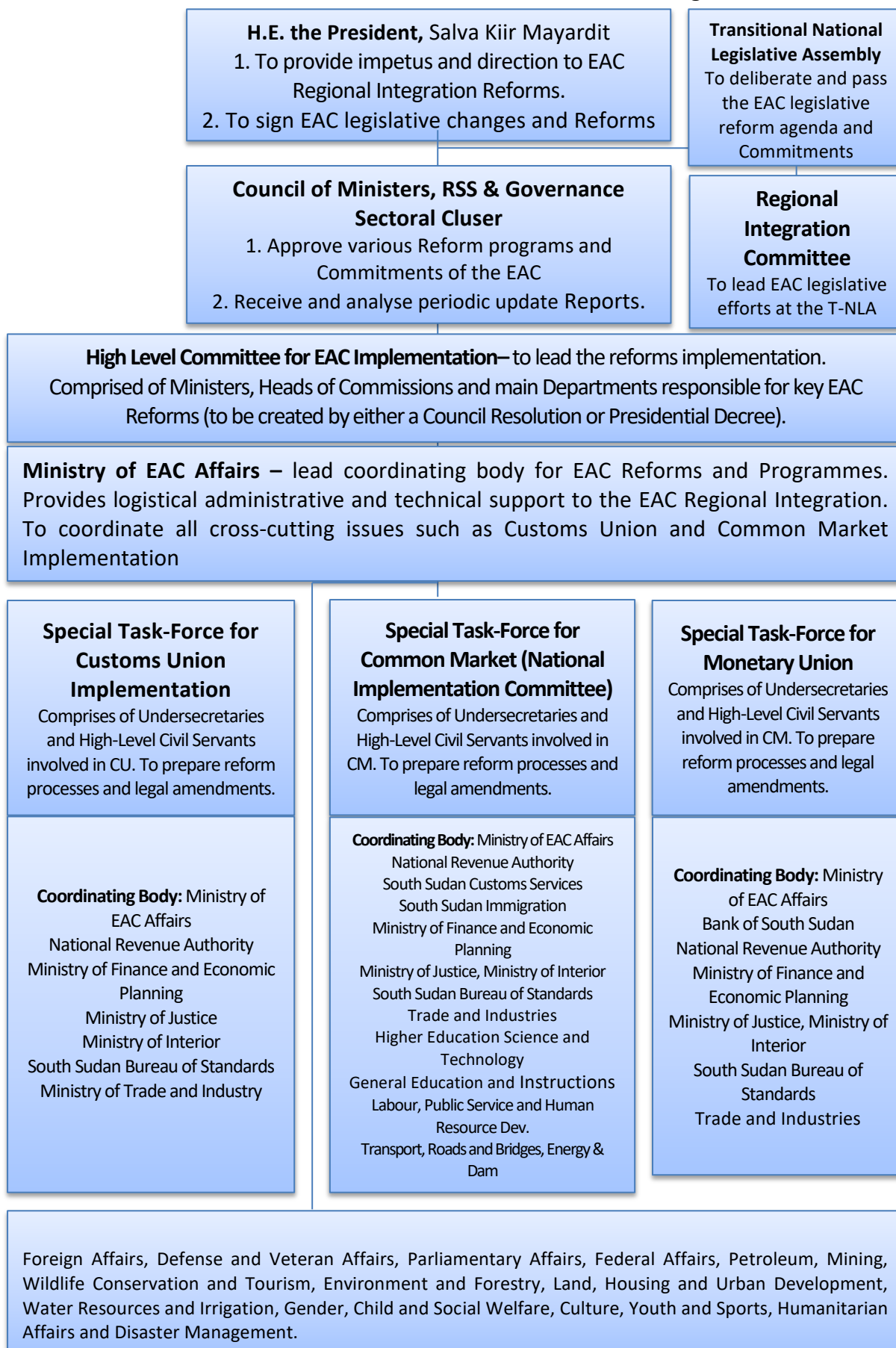
- The **Regional Integration Committee** at the Transitional National Legislative Assembly coordinates and leads the key legislative changes necessitated by the EAC Membership. **The Legislative Assembly** deliberates and passes key legislation and amendment legislation related to the EAC Agenda.
- The **South Sudan Council of Ministers** as the Government's executive branch is to approve the various Reform programs and Commitments of the EAC and to receive and analyse periodic update Reports.
- **South Sudan Ministry of East African Community Affairs is**

This Policy proposed the creation of the following structures:

- **High-Level Committee for EAC Implementation** – is envisaged to be the top body leading the implementation of EAC Agenda Reforms. The Committee shall comprise of Ministers (or Deputy Ministers) of key Economic and Governance Ministries related to EAC Integration and Heads of key Institutions such as the National Revenue Authority and South Sudan Bureau of Standards. The Committee shall oversee progress with EAC Implementation and commission update Report to be presented to Cabinet. The Committee shall guide, direct and oversee the work of three special task-forces outlined below. The Chair of the Committee shall be the Minister of EAC Affairs.
- **Three (3) Special Task forces:**
 - **(1) Special Task-Force for Customs Union Implementation;**
 - **(2) Special Task-Force for Common Market Implementation;**
 - **(3) Special Task-Force for Monetary Union Implementation**

The Task-Forces shall comprise of Undersecretaries and High-Level Civil Servants as well as representatives of the organized forces. The main aim of the task forces would be to implement directives from the High-Level Committee and carry out the technical, administrative and logistical tasks entailed by the directives from High-Level Committee. In essence, the special task forces shall be the key implementers of the Common Market, Custom Union and Monetary Union.

Chart 8: Institutional Structures for the EAC Reform Agenda



4.5 Generic Ministry-by-Ministry Implementation Strategy

This section provides a generic step-by-step proposal as to the steps that each Government Ministry may wish to undertake to jump-start or enhance its cooperation with the EAC Structures. These steps are as follows:

1. Ministry/relevant institutions to co-ordinate with the Ministry of EAC Affairs its engagement with the EAC Secretariat and EAC Partner States.
2. The Ministry of EAC Affairs can provide the following:
 - a. Allocate a contact point from the Ministry to support and co-ordinate the cooperation efforts with the EAC.
 - b. Provide contact information for the relevant Departments at the EAC Secretariat that are responsible this specific area of responsibility.
 - c. Provide additional relevant documentation regarding the EAC work area including protocols and policies that will support the Ministry / Relevant in its work. Ministry of EAC Affairs can also provide additional copies this Policy / Strategy that aims to guide all Ministries in their EAC commitments implementation.
3. The Ministry / Relevant Institutions studies this Strategy / Policy, the Roadmap for EAC Implementation and any other relevant materials and assesses the following:
 - a. The overall extend of co-operation of the Ministry required by the EAC Protocols, Projects and Programmes; and
 - b. Additional resources, if any, that are required to implement key provisions of the EAC agenda.
4. Relevant Ministry / Institution allocates a department or at minimum civil servant(s) to work on implementation of key EAC requirements. The department and/or civil servant(s) become focal points and coordinators for all EAC related enquiries and work.
5. With co-operation from the Ministry of EAC Affairs the Ministry/ relevant Institution establishes working relations with EAC Secretariat to jump-start the work programme. This includes:
 - a. Obtaining from the EAC Secretariat the most recent information of the EAC work in the area. This includes, among other, an update on progress in the development of various work-streams as well as provision of all latest documents;
 - b. Obtaining information regarding EAC Structures that are undertaking relevant EAC work; and
 - c. Seek information regarding all relevant meetings that GOSS delegates need to attend.
6. Once all relevant information is sourced and policies, strategies and implementation roadmaps are studied the Ministry / Institutions makes an overall assessment of the resources required to implement EAC Provisions and devises a Plan as to how to seek these resources and implement this Strategy. Such Plan may be a few pages

document as to how the Ministry shall internalize the relevant EAC project and programs.

7. Relevant Ministry / Institution budgets all key activities related to EAC in the next budgetary cycle to be able to implement them.
8. Relevant Ministry / Institution implements the EAC plan of action.

4.6 Summary of Sectoral Council or Ministry-by-Ministry work areas for East African Communnality

This Section outlines EAC extensive regional cooperation agenda in areas such as Education, Health, Defence and Security, Infrastructure, Technology, Culture and Sport. Information contained here is addressed and most valuable to the Ministries responsible for these dockets. The Section is structured to in accordance to the key EAC Sectoral Councils of Ministers. These Sectoral Councils include:

- EAC Sectoral Council on Health;
- EAC Sectoral Council on Energy;
- EAC Sectoral Council on Defence and Inter-State Security and Foreign Policy Cooperation;
- EAC Sectoral Council on Education, Science, Technology, Culture and Sports;
- EAC Sectoral Council Trade, Industry, Finance and Investment;
- EAC Sectoral Council on Infrastructure.

As projects and programmes of the Sectoral Ministerial Council on Trade, Industry, Finance and Investment have already been analysed in depth in Sections 4.1, 4.2 and 4.3 the rest of this Section outlines in detail the various policies and programmes of the remainder of EAC Sectoral Councils.

4.6.1 EAC Projects and Programs in Education, Science, Technology, Culture and Sports (Sectoral Council)

One of the EAC's Sectoral Council of Ministers is responsive for a key-cross cutting agenda which includes Education, Science, Technology, Culture and Sports. This section outlines in detail the various projects and programmes that this EAC Sectoral Council was undertaking over the past years.

4.6.1.1 Science and Technology

Partner States recognized the fundamental importance of science and technology in economic development and thus undertook to promote co-operation in the development of science and technology within the Community through inter alia:

- The joint establishment and support of scientific and technological research and of institutions in the various disciplines of science and technology;
- The creation of a conducive environment for the promotion of science and technology within the Community;

- The encouragement of the use and development of indigenous science and technologies; and
- The mobilization of technical and financial support from local and foreign sources and from international organizations or agencies for the development of science and technology in the Community;

This cooperation is primarily carried out through the East African Science and Technology Commission (EASTECO) which is one of the EAC Institutions. Currently EASTCO carries out numerous projects which include:

- EASTCO provides grants for scientific cooperation in the region under the banner of '*Scientific cooperation grants initiative for Eastern Africa*'.
- The Institutions also operates the East African Journal on Science Technology and Innovation;
- E-health and telemedicine conferences are taking place;
- Regional Network of R&D Institutions was established. It has recently drafted a final report on the Assessment of Knowledge and Technology Transfer Institutions in the EAC;
- EAC Regional Framework and Guidelines on Sustainable Renewable Energy Technology Deployment were developed;
- EAC Regional Annual Youth Innovation Forum and Youth Innovation Presidential Awards are taking place;
- EAC Forum for Science, Technology and Innovation to facilitate the STI policy harmonization has also been carried out. This is under the umbrella of a project funded by the African Development Bank; and
- Concept paper for developing the Regional Bio-economy strategy and a concept paper on the regional EAC research collaboration through the Science Granting Council Initiatives have been drafted.

4.6.1.2 Education and Training

Some of the more recent activities in the area are as follows:

Implementation of Mutual Recognition Agreements (MRAs)

- *Development of New Mutual Recognition Agreements as per the CMP:* The EAC Council of Ministers has already approved four MRAs that had been negotiated and signed. These MRAs include MRAs for Accountants, Engineers, Architects and Veterinarians.
- Pharmacists in the EAC also expressed interest in signing an MRA. Sensitization meetings for the MRA for Pharmacists have been completed and negotiation meetings on the MRA have commenced.
- Annex VII of Common Market Protocol (CMP) on Mutual Recognition of Academic and Professional Qualifications has been developed but has not yet been approved by the EAC structures.

- EAC carried out a study on implementation and challenges in MRA which is to guide future actions in the area.

The EAC has also undertaken work towards an alignment of Examination Rules and Regulations within the Harmonized EAC Examinations Guidelines and Frameworks. In particular, analyses were made to harmonize national examinations guidelines with the approved harmonized EAC examinations, rules and regulations. In addition, Explore mechanisms of synchronising examinations structures, duration, calendar, grading and certification systems, and

Numerous activities in the area of education are undertaken by the **Inter-University Council of East Africa** which is headquartered in Kampala, Uganda. These activities include:

KFW Scholarships agreement between Government of the Federal Republic of Germany and the EAC:

- Government of the Federal Republic of Germany, the EAC and Inter-University Council for East Africa agreed for a non-repayable grant worth EUR 5,000,000.
- The Inter-University Council for East Africa is the Project Executing Agency.
- The project offers financial support for academically skilled but disadvantaged master students from the EAC Partner States with the main focus on Mathematics, Informatics, Science, Technology (MINT) and Business Science.

East African Qualifications Framework for Higher Education (EAQFHE)

- The EAQFHE is an important tool for harmonization of education and training systems and the qualifications attained. It is one of the policy components aimed to transform East Africa into a **Common Higher Education Area**. It will also be an appropriate guide to facilitate mutual recognition of qualifications among the Partner States. IUCEA initiated the process to develop the EAQFHE, in collaboration with the national commissions and councils for higher education and higher education institutions in the EAC Partner States, as well as the East African Business Council (EABC).

ICT East African Centre of Excellence – Funded by the German Government

- The EAC is creating a Regional Centre of Excellence in the field of Information and Communication Technology (ICT) - *Nelson Mandela African Institute of Science and Technology (NM-AIST)*. The centre will offer **70 full scholarships** to the students from the EAC who will be admitted for Masters of ICT in Embedded and Mobile Systems at NM-AIST.

Eastern and Southern Africa Higher Education Centers of Excellence

- Scholarships to strengthen regional student mobility. IUCEA provides 60 MSc fellowships to female graduate students in order to encourage the participation of young African female students at postgraduate level, as well as to promote regional female student mobility.

4.6.2 EAC Projects related to Ministry of Interior / Sectoral Council on Interstate Security

Overview

In terms of specific objectives of the Community in areas of peace and security, the Treaty states that the Partner States shall cooperate to:

- strengthen the security of the Community and its Partner States in all ways;
- develop and consolidate democracy and the rule of law and respect for human rights and fundamental freedoms;
- preserve peace and strengthen international security among the Partner States and within the Community;
- promote co-operation at international fora;
- establish systematic co-operation between the Partner States on any matter of security in handling of cross border crime, provision of mutual assistance in criminal matters including the arrest and repatriation of fugitive offenders and the exchange of information on national mechanisms for combating criminal activities.

Over the years EAC security structures have also developed a regional legal framework that codifies and spells out in much more detail the policies regarding co-operation on security matters. These legal texts include:

- Peace and Security Protocol;
- Protocol on Cooperation in Defence; and
- Protocol on Combating Illicit Drug Trafficking in the East African region.

To this end, the Partner States have undertaken to adopt numerous measures for maintaining and promoting security. These measures include:

- Enhance the exchange of criminal intelligence and other security information between the Partner States' central criminal intelligence information centres;
- Enhance joint operations such as the hot pursuit of criminals and joint patrols to promote border security;
- Establish common communication facilities for border security;
- Adopt the United Nations model law on mutual assistance on criminal matters;
- Conclude a Protocol on Combating Illicit Drug Trafficking;
- Enhance the exchange of visits by security authorities;
- Exchange training programmes for security personnel; and
- Establish common mechanisms for the management of refugees;

Furthermore, Partner States undertake to co-operate in reviewing the region's security particularly on the threat of terrorism and formulate security measures to combat terrorism (objectives related to security are extracts from the Treaty of Establishment of the EAC Articles 5, 123 and 124).

Details of Current Projects in the area

The Sectoral EAC Council of Ministers on Inter-State Security has also developed an extensive work program. This includes, among others:

- Development of common forensic expertise and standards. As part of this work, a Regional Forensic Referral Centre was build and Regional Police Centres of Excellence are in various stages of development.
- Cooperation and setting up programmes in the area of stolen vehicles.
- In-depth cooperation on the trafficking of persons and narcotics.
- Awareness creation and work in the area of human trafficking in line with the Ouagadougou Plan of Action.
- Co-operation in the area of correctional services and prisons.
- Harmonization of Training Curriculum for the security sub-sector.
- Creation of an annual Peace and Security Report.
- EAC/EU Counter-Terrorism Project.
- Chemical Safety and Security pre-preparedness project.
- Development of confidential communication channels.

4.6.3 EAC Projects related to Ministry of Defence / Sectoral Council on Defence

Key areas for work in this area are:

- Establishment of an enabling legal and institutional framework to enhance coordination and implementation of institutions peace and security interventions;
- Development and implementation of a Conflict Prevention, Management and Resolution(CPMR) Framework;
- Coordination and strengthening of disaster management centres;
- Implementation of Small Arms Light Weapons control programs;
- Harmonization of IDP and Refugee Management Practices;
- Implementation of joint measures to combat cattle rustling.

To operationalize these programmes the EAC has passed two protocols:

- Peace and Security Protocol; and
- Protocol on Cooperation in Defence.

Key Work Programmes in the Area of Defence

- The EAC has developed Conflict Prevention, Management and Resolution (CPMR) Framework;
- The Sectoral Council on Defence adopted the East African Community Early Warning Mechanism (EACWARN) framework and the corresponding indicators;
- The EAC Council of Ministers endorsed the establishment of a Summit sub-committee on emerging peace and security threats and operationalization of the Directorate of peace and security at the EAC Secretariat in Arusha, Tanzania;
- Periodic Meetings of Chiefs of Military Intelligence on the security situation in East Africa.

- Establishment of a secure communication channel for Military Intelligence and Security Sectors
- Counter-Terrorism Strategy has been developed.
- 11th Military Games and Cultural Event took place in September, 2017. In the course of the games, sports competitions between States (both men and women) took place. This included: football, netball, basketball, volleyball and cross country.
- **EAC Military Command Exercises:** Annual exercises codenamed 'Ushirikiano Imara' involves more than 300 military, police and civilian personnel. Practice exercises involved: peace support operations, counter-terrorism, counter-piracy and disaster management to ensure a peaceful region. The military drills helped the Combined Joint Task Force (CJTF) to develop their capacity to respond to "complex security challenges."
- **Mutual Defence Pact:** In 2015, the EAC created a Defense Working Group on the drafting of the Mutual Defense Act. The group recently presented a final draft of the Mutual Defence Pact. The current version of the Pact covers (1) mutual defence and its parameters; (2) defence cooperation and coordination; (3) conflict resolution; (4) military preparedness and other technical matters. The Mutual Defence Act has now been concluded and is under consultations in the Partner States. The key provision of the Mutual Defence Pact essentially states that an attack on one Partner State is an attack on all. This mirrors the long-standing basis of operation of NATO. This is a very powerful provision that may in the future prevent a military conflict in the EAC and beyond. Hence, South Sudan should be in every way part and parcel of this work. History of NATO clearly shows that, indeed, joint defence agreements, like the one currently in development by the EAC, deter conflicts.
- Annual meetings of EAC commandant and staff collages/higher military training institutions.
- Working Group on Military Health Services works on:
 - Joint disease surveillance and early warning system to cater for emerging endemic threats to regional security.
 - Standing Operating Procedures (SOP) on the management of health conditions that have a negative impact on military activities.
 - Basic mental health awareness training package.
- **EAC Forum of Counter-Terrorism Stakeholders.** The purpose of the Forum is to develop modalities to ensure EAC counter-terrorism stakeholders operate jointly in facing security challenges. Recently, the Sectoral Council on Cooperation in Defence approved the EAC Counter-Terrorism Strategy Action Plan to enable the stakeholders effectively implement the Strategy. It is expected that the Action Plan will deny terrorists freedom of action through the application of four pillars: prevent, protect,

disrupt, and respond. Effective implementation of the EAC Counter-Terrorism Strategy requires concerted efforts of all relevant stakeholders.

4.6.4 EAC Projects and Programmes in Infrastructure and Energy

4.6.4.1 Ministerial Sectoral Council on Energy

The objective of the Sectoral Council on Energy meetings is to review the progress made in the sector in implementing Council decisions and to consider other issues of regional importance in the areas of renewable energy, energy conservation, fossil fuels and power sub-sectors.

In terms of renewable energy and energy efficiency the following project has recently been undertaken:

- Regional strategy on scaling-up access to modern energy services (2016-2020) has been developed.
- East African Centre for Renewable Energy and Energy Efficiency (EACREEE) is in process of being established at Makerere University.
- Technical Capacity Building on Small Hydropower in East Africa: Training-of-trainers regarding small hydropower stations has been carried out. The training was funded by the Italian Government through the African Union Commission (AUC)
- Exemption of levying tariffs on Solar Panels and spare parts has been implemented.

In the fossil-fuel sub-sector the following activities are on-going:

- 8th EAC Petroleum Conference and Exhibition.
- Priority Oil Products Pipeline Projects.
- EAC secured funding from AfDB for feasibility studies for two pipelines in the EAC (Kigali-Bujumbura and Mbarara-Mwanza-Dar Es Salaam).
- Analytical report of petroleum policies, legal and regulatory frameworks in Kenya, Uganda, South Sudan and Tanzania has been carried out.

In the Power Sub-Sector the following projects are undertaken:

- Power Supply Situation and Status of Implementation of the East African Power Master Plan (EAPMP).
- Kikagati/Murongo and Nsongezi Hydropower Projects (Tanzania/Uganda)
- Memorandum of understanding for cooperation with the EA Power Pool (EAPP).
- Energy Efficiency Strategy.

4.6.4.2 Ministerial Sectoral Council on Transport

The EAC Road sub-sector has registered commendable milestones from 2000 to 2018. The key achievements include:

- The establishment of road agencies and road funds;
- The construction of Arusha – Namanga – Athi River road;

- The preparation of an EAC transport strategy and road sector development programme;
- The development of a framework for harmonization of policies and regulations in the road sector;
- The finalization of feasibility studies and detailed designs for several road networks aimed to integrate the region's transport network and the prioritization of key regional roads within national programmes.
- There was also the completion of construction of eleven (11) One-Stop Border Posts (OSBPs) operating on a 24-hour basis, with the construction of several others on-going, to fast-track cross border movement of goods and services.

In terms of a legal framework the following acts/regulations/manuals have been concluded:

- The EAC Vehicle Load Control Act, 2013;
- The EAC Vehicle Load Control Regulations, 2016;
- Harmonized regional training curricula for long-distance commercial drivers;
- EAC One-Stop Border Posts Act, 2013;
- The EAC One-Stop Border Posts Regulations, 2016; and
- EAC OSBPs Operations Manual.

Other notable achievements in this sub-sector include:

- EAC Transport Strategy and Road Sector Development Programme (2012 – 2022).
- Three (3) retreats of the EAC Heads of State on infrastructure development and financing were held in 2012, 2014 and 2018.
- EAC Transport Facilitation Strategy.

4.6.4.3 Sectoral Ministerial Council on Information, Communication and Technology (ICT)

Information technology and communication cover telecommunication, postal services broadcasting, internet services and information technology. EAC recognized the importance of ICT in meeting the challenges posed by globalization and facilitating the regional integration agenda. Key achievements in this area are:

- The development of a regional framework for harmonization of ICT policies and regulations;
- The deployment of submarine cable networks to improve international connectivity;
- The preparation of a detailed feasibility study for the establishment of cross-border broadband networks;
- Developing a regional legal framework for cyber laws;
- Preparation of a roadmap for the smooth transition from analogue to digital broadcasting; and development of a strategy to reform the postal sub-sector (EAC, 2011).
- EAC Protocol for ICT Networks;

- Adoption of the EAC Roaming Framework; implementation of cross-border broadband. Interconnections were undertaken at the following common borders: Malaba (Uganda/Kenya); Namanga (Kenya/Tanzania); Isebania/Sirare (Kenya/Tanzania); Mutukula (Tanzania/Uganda); Rusumo (Tanzania/Rwanda); Kobero/Kabanga (Burundi/Tanzania); Gashenyi/Nemba (Rwanda/Burundi); and Katuna/Gatuna (Uganda/Rwanda).

4.6.4.4 Civil Aviation

The EAC CASSOA is a specialised technical institution of the East African Community (EAC). CASSOA is responsible for ensuring the development of safe and secure civil aviation system in the region. The Agency is mandated to work with the Partner States Civil Aviation Authorities which retain the responsibilities of regulating the civil aviation activities in their territories covering licensing, approving, certificating and ensuring compliance and enforcing violations. The institution in its current structure is mainly involved in three major functions: - Harmonising operating Regulations to ensure that they meet the international standards and recommended practices; - Developing standardised procedures for licensing, approving, certificating and supervising civil aviation activities; and - Providing guidance and assistance to States including putting in place measures for resource sharing particularly for the technical personnel

CASSOA was established as an institution of the EAC in 2007 to provide a common framework and mechanism for the Partner States to fulfil their international safety and security oversight obligations.

Some of the key projects and programmes of CASSOA are:

- **The liberalisation of Civil Aviation activities for regional carriers.** The EAC Partner States are implementing the Yamoussoukro Decision on the liberalisation of air transport in the region and established an Air Transport sub-Committee, which is mandated with its implementation.
- **Establishment and Operationalisation of the EAC Unified Flight Information Region (UFIR).** The objective of the project is to create a single block of upper airspace over the EAC Partner States, operating from a single area control centre.
- **Implementation of the Search and Rescue Agreement.** CASSOA works towards operationalising the East African Search and Rescue Agreement and developing a framework for its implementation.
- **Implementation of the Recommendations of the Global Navigation Satellite System (GNSS) Pilot Study** The goal of the project is to develop GNSS procedures for identified three airports in each Partner State in order to bring the existing airports in the region in line with International Civil Aviation Organization Standards and Recommended Practices. The project is being coordinated by the EAC Secretariat and implemented by the Partner States through their national budgets.

- **Regional Airport Projects.** The project aims at primarily improving the airport facilities and services to enhance safety and security standards but also to promote commercial activities which are important for the sustainability of the facility in the long term.
- **East African Aviation Training Organizations Rehabilitation Project.** The goal of this project for the rehabilitation of the aviation schools in the region is to ensure a sustainable provision of timely, relevant and targeted training for the Air Transport Sector in East Africa to support enhanced aviation safety and security in the region so as to promote trade, the tourism industry and the regional economy as a whole.
- **Aviation Examination System.** The EAC civil aviation examination system is an initiative launched in May 2014 and which aims to establish a common computerised personnel licensing examination system for aviation professionals in the region including pilots, flight engineers, aircraft maintenance engineers, air traffic controllers and flight operations officers.
- **Centre for Aviation Medicine (CAM).** The Regional Centre for Aviation Medicine was borne of the need for civil aviation authorities of EAC Partner States to access an aviation medicine facility that complies with International Civil Aviation Organisation (ICAO) Medical Standards and Recommended Practices (SARPs). The core function of the Centre is aeromedical safety oversight. In July 2020 construction of a building that will host the Centre commenced.

4.6.5 EAC Projects and Programmes in Health

4.6.5.1 Introduction

Cooperation in the area of Health is one of the key co-operation areas for the EAC and one of its larger workstreams. This cooperation area is wide-ranging and can provide critical support to attain Millennium Development Goals (MDGs) related to health and well-being.

Strengthening health systems and undertaking joint action towards the prevention and control of communicable and non-communicable diseases is a critical role of regional integration processes. The EAC works to control pandemics and epidemics of communicable and non-communicable diseases that might endanger the health and welfare of the residents of the Community. This workstream became much more important given the emergence of worldwide COVID-19 pandemic.

The Community also co-operates in facilitating mass immunisation and other public health community campaigns. The frequent population movements across the borders pose a risk of spreading diseases. Growth in regional trade and travel in East Africa has increased the likelihood that disease epidemics spreading regionally.

Recognizing the importance of health the Treaty for Establishment of the EAC in its Article 118 outlined following areas of co-operation:

- a) take joint action towards the prevention and control of communicable and non-communicable;
- b) diseases and to control pandemics and epidemics and to cooperate in facilitating mass immunization and other public health community campaigns;
- c) promote the management of health delivery systems;
- d) develop a common drug policy which would include establishing quality control capacities and good procurement practices;
- e) harmonise drug registration procedures to achieve good control of pharmaceutical standards;
- f) harmonise national health policies and regulations and promote the exchange of information on health issues;
- g) co-operate in the development of specialised health training, health research, reproductive health, the pharmaceutical products and preventive medicine;
- h) promote the development of good nutritional standards and the popularisation of indigenous foods; and
- i) develop a common approach through the education of the general public and their law enforcement agencies for the control and eradication of the trafficking and consumption of illicit or banned drugs.

4.6.5.2 Overview of EAC Work in the area of Health

To develop the numerous areas of co-operation in Health, the EAC has created several organizational structures. These include:

- Sectoral Council of Minister responsible for Health;
- Condition Committee of Permanent Secretaries and Undersecretaries responsible for Health;
- 6 Technical Working Groups:
 - Technical Working Group (TWG) on Health Systems and Policy;
 - TWG on Communicable and Non-Communicable Diseases Prevention and Control;
 - TWG on Medicines and Food Safety;
 - TWG on HIV and AIDS & Sexually Transmitted Infections (STIs);
 - TWG (TWG) on Reproductive, Child, Adolescent Health and Nutrition;
 - Technical Working Group (TWG) on the Regulation of Health Professions and Health Services;
- East African Health Research Commission was also established and a Technical Working group is operational to facilitate the work of the Commission.

Cooperation on Health in the EAC for years 2019-2028

Some of the more important EAC work in the area of Health stems from a Joint EAC Heads of State Retreat on Health and Infrastructure which took place in 2018. During this meeting, EAC Heads of State approved the following nine EAC regional health sector investment priorities:

Priority 1: Expansion of access to specialized health care and cross border health services:

- Expand the capacity of the following East African Centres of Excellence for Higher Medical Education, Health Services and Research.

Priority 2: Strengthening the network of medical reference laboratories and the regional rapid response mechanisms to protect the region from health security threats including pandemics, bioterrorism and common agents:

- Establish seven EAC Regional Medical Diagnostic Centres of Excellence.
- Establish an EAC Regional One-Health Rapid Response Mechanism to enhance the region's capacity to rapidly mobilize experts and provide necessary supplies such as Personal Protective Equipment to combat major epidemics and pandemics.
- Establish regional sentinel disease surveillance sites in epidemic-prone areas and provide appropriate facilities.

Priority 3: Expansion of capacity to produce a skilled and professional workforce for health in the region based on harmonized regional training and practice standards and guidelines:

- Modernize University Teaching Hospitals and National Referral Hospitals in the region in terms of infrastructure, technology (including ICT for learning) and personnel in the region.
- Expand the capacity of five (5) mid-level health workforce training institutions in terms of infrastructure, technology and personnel support in each Partner State.
- Strengthen regulation of health professionals by strengthening the Partner States' National Health Professionals Regulatory Authorities

Priority 4: Increase of access to safe, efficacious and affordable medicines, vaccines, and other health technologies focusing on prevalent diseases such as malaria, TB, HIV/AIDS, COVID-19 and other high burden conditions:

- Partner States to provide incentives for local manufacturing of medicines, vaccines, and other health technologies that meet international standards of quality, safety and efficacy;
- Assure quality of medicines, vaccines, and other health technologies through strengthening the EAC Partner States' National Medicines Regulatory Authorities;
- Establish an EAC Regional Pooled Bulk Procurement mechanism to facilitate pooled bulk procurement of medicines, vaccines, and other health technologies;
- Strengthen the network of national quality control laboratories and the EAC Regional Chemical Reference and medicines and health technologies Quality Assurance laboratory to assure the quality of medical products and devices including at cross border points;

Priority 5: Upgrading of health infrastructure and equipment in priority national and sub-national health facilities/hospitals:

- Build or rehabilitate five (5) regional priority secondary or tertiary hospitals per Partner State and equip them with modern and sustainably maintained equipment

- Establish an EAC Regional e-Health Infrastructure to facilitate service delivery through Tele-medicine, capacity building and knowledge management regional priority secondary and or tertiary hospitals from each Partner State.
- Implement an EAC regional institutional healthcare green power/energy, sanitation and water supply project.

Priority 6: Establishment of strong primary and community health services as a basis for health promotion and diseases prevention and control:

- Establishment of a mixed community health worker and skilled health workforce based community health system supported by robust community health information systems that are linked to the formal health facility-based health information systems by all Partner States.
- Promote regional integrated high impact interventions for the prevention, control and elimination of malaria, TB and HIV/AIDS, non-communicable diseases and other high burden conditions.

Priority 7: Expansion of health insurance coverage and social health protection:

- Each Partner State to establish and or expand their National Health Insurance and social protection schemes to support the Universal Health Coverage including financial risk protection, as outlined in the Sustainable Development Goals.

Priority 8: Improvement of quality of healthcare, health sector efficiency and health statistics:

- Conduct one national health sector efficiency study every two (2) years.
- Scale up the accountability of results and resources through innovative approaches such as Maternal and perinatal death surveillance and response.

Priority 9: Strengthening of health research and development:

- Establish an EAC Regional Health Research and Development Facilitation Mechanism
- Establish an EAC Regional Observatory on Health Research and Development.

The EAC has drafted detailed Health Sector Investment Priorities which also include Implementation Plan for these priorities. More details on the

The East African Community has allocated **US Dollars 4.5 billion to the implementation of these priorities**. While the figure is aspirational and subject to securing funding from sources including international donors, the implementation of EAC priorities can be one of the key avenues for South Sudan to strengthen is the health sector. Hence the Ministry of Health needs to cooperate closely the EAC structures to ensure co-operation in this area strengthens service delivery in the country. The current health sector priorities are highly ambitious and entail the building of hospital, laboratories and the use of ICT in Health. So, even if only some portion of the prioritized project will come to fruition, they will nevertheless have the capacity to strengthen health service delivery in the region.

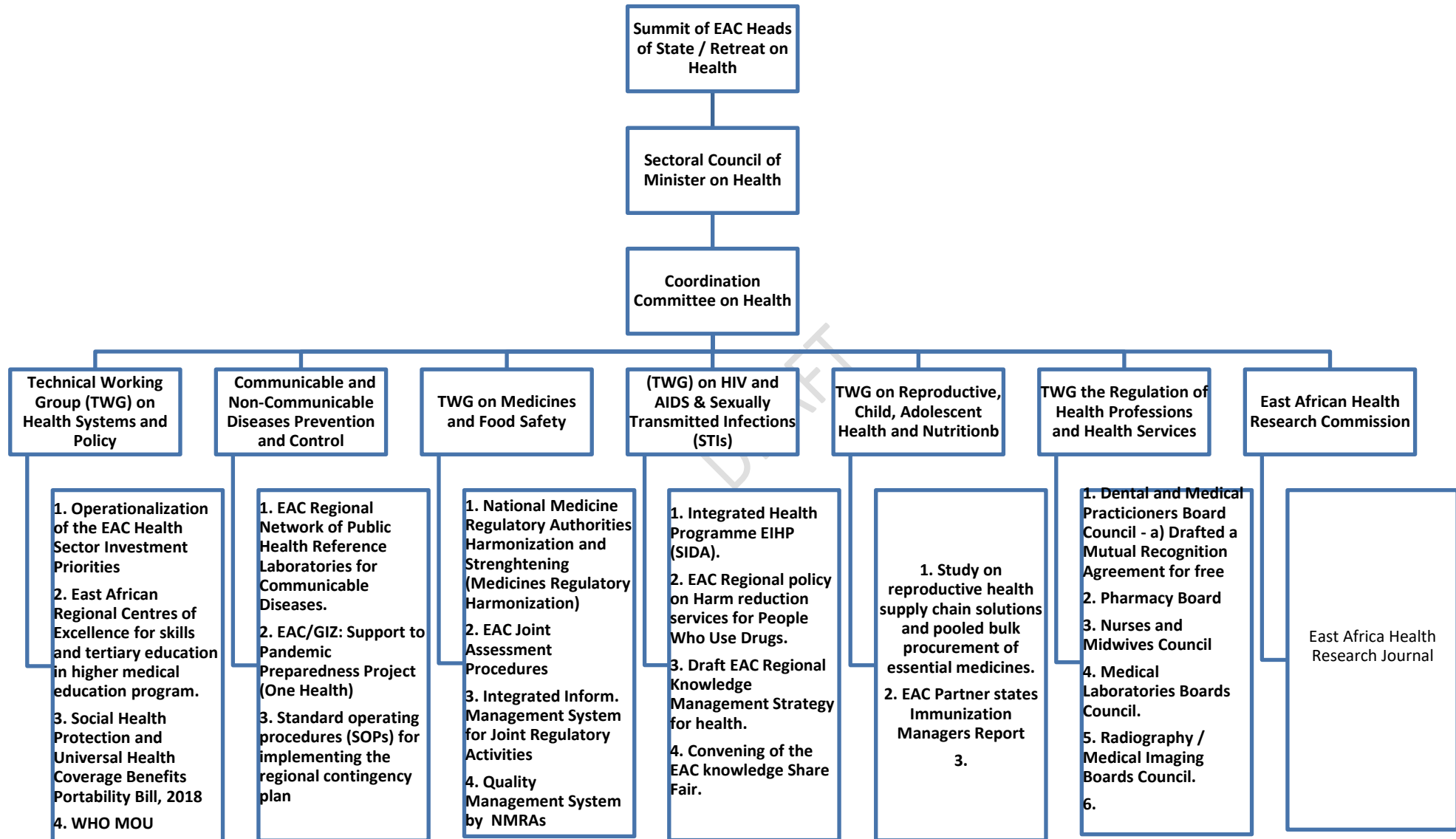
Furthermore, the EAC Council of Minister on Health has urged Member States to officially nominate four (4) experts from Ministry of Health to the EAC regional committee of Experts

on the implementation of Regional Health Sector Priorities. It is critical for South Sudan to nominate and facilitate the best Expert at its disposal to this Committee.

An overview of the work of 6 EAC TWG is outlined in Chart 9. Given the large scope and numerous projects of the TWG more detailed overview, their work is provided to the Ministry of Health directly.

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Chart 9: Overview of EAC Structures in the area of Health



4.6.5.3 EAC Regional response to COVID-19 Pandemic

In light of the advent of global COVID-19 pandemic, regional and international institutions, such as the EAC have a critical role to play. The role is to coordinate policy responses to save lives and curtail the economic fallouts associated with the pandemic. The new and complex set of policy responses, many of which are regional, need to be urgently undertaken. In particular, a whole new set of health, trade and economic policies needs to be implemented. These policies include: setting up COVID-19 tracking, tracing and testing, treatment capacities, but also designing procedures to safeguard cross-border trade and minimize disruptions to economic activities. These policies need to be implemented within the stringent rules of fighting the pandemic related to protective measures, hygiene and social distancing.

To date, the EAC has already undertaken numerous policy initiatives as the Community seeks to rise to the challenge posed by the pandemic. Coordination of the regional response started reasonably early as the first extraordinary meeting of EAC Ministers of Health and EAC on the Global COVID-19 outbreak was held on March 24th, 2020. This meeting has set the overall EAC Agenda going forward. The Agenda was later approved by the EAC Summit of Heads of State on 12 of May, 2020. The Communique after the summit states that the EAC Partner States have adopted and are implementing the following:

- A Harmonized System for certification and sharing of COVID-19 test results;
- EAC Digital Surveillance and Tracking System for Drivers and crew on COVID-19;
- EAC Administrative Guidelines to Facilitate Movement of Goods and Services during the COVID-19 Pandemic;
- EAC Regional COVID-19 Response Plan and its key targeted interventions; and
- Regional Mechanism for COVID- 19 testing, certification and monitoring of truck drivers.

Decisions of the EAC Summit of Heads of State and EAC Council of Ministers are binding on the EAC Partner States. So, for example, the Administrative Guidelines, mentioned above, are now legally binding for all Partner States. The guidelines contain some key provisions to facilitate cross-border trade in the context of the pandemic. They related to, for example, repatriation modalities for truck drivers involved in cross border trade, quarantine requirements, transit corridors, etc. In terms of the EAC setting up a Digital Surveillance and Tracking System for Drivers, such a system will leverage, the existing system hosted by the Revenue Authorities, and additional functionalities will be added to that system to track the health of truck drivers and to enable contact tracing.

Furthermore, the EAC has already developed and approved an all-encompassing, long term plan to provide a set of policy responses both in the area of health as well as trade and economic policy to the COVID-19 pandemic. The Plan outlines, in details, the relevant interventions, in a variety of areas. Some of the most notable interventions include:

- Strengthening sensitization and awareness creation on COVID- 19 (Risk Communication and Community Engagement);
- Ensuring access to Personal Protection Equipment (PPE), laboratory supplies and equipment by the EAC Organs and institutions, and the EAC Partner States (Procurement and supply of supplies and equipment);
- Strengthening capacity for COVID -19 surveillance and reporting at all key border points, and building knowledge on safety measures, existing prevention and control strategies and relevant regional guidelines;
- Regional Coordination of responses to the COVID-19 pandemic to facilitate the movement of goods and services;
- Mitigation of fundamental impacts of the pandemic on the various vital economic and social sectors of the EAC region, including MSMEs;
- Facilitation of a harmonized and coherent implementation of priority activities that will be instrumental in economic recovery in the short-term;
- Building Regional capacity to support partner states on surveillance, monitoring and coordination of preparedness and response to the pandemic.

Among the numerous planned interventions, the most notable include pooled procurement of PPE and testing kits, stimulus packages for manufactures to enable them to boost production and facilitation of the movement of goods and services in the EAC region under Customs Union Protocol.

To date, most prominent EAC achievements in this respect are provisions of mobile laboratories to test for COVID-19 to all EAC Partner States, including South Sudan and the establishment of Regional Electronic Cargo and Driver Tracking System (RECDTS). RECDTS is designed as a mobile phone application and will enable the issuance of the EAC COVID-19 digital certificates that are mutually recognised by the Partner States, thus eliminating the need for multiple testing as well as contributing to alleviating ongoing congestion at East Africa border crossing points.

4.7 Cross-Cutting Issues: Strategy for Implementation

4.7.1 Harmonization of South Sudan Law with the EAC

Article 126 (2)(b) of the EAC Treaty provides that *“Partner States shall through their appropriate national institutions take all necessary steps to harmonize all their national laws appertaining to the Community”*. Harmonization of national laws is one of the critical steps required to facilitate regional integration.

Crucially, the EAC has made community law superior to other domestic legal systems. The Treaty provides in its Article 8(4) that *‘community organs, institutions and laws shall take precedence over similar national once on matters pertaining to implementation of the Treaty’*.

However, national legislation has to be used to give its effect in terms of Article 8(2) of the EAC Treaty. Partner states have to enact national provisions that empower the Treaty. The EAC also has the preliminary reference procedure enshrined within its Treaty. Article 34 of the Treaty requires the national court to refer cases for interpretation to the EACJ in the case of inconsistencies between national and EAC law.

Laws and directives require transposition into the domestic legal system of the Partner State to become effective. In essence, therefore, every national court must apply EAC law in its entirety and protect rights which the latter confers on individuals. As in the case of the European Union direct applicability in such circumstances mean that rules of community law must be fully and uniformly applied in all the member states for so long as they continue to be in force.

4.7.1.1 Harmonization of Laws between South Sudan and the EAC: the Benefits

As outlined above, South Sudan is legally compelled by the Treaty of Establishment of the EAC to harmonize its laws and regulation with these of the EAC. Such harmonization is assumed to bring long-lasting benefits to the country by streamlining its legal system to regional and international best practices. It can be argued that legal approximation to the EAC may even be more important for South Sudan than elsewhere as the legal system in the country is still being developed.

The process of harmonisation aims to:

- create consistency of laws, regulations, standards and practices, so that the same rules will apply to businesses that operate in the EAC, and so that the businesses of one state do not obtain an economic advantage over those in another as a result of different rules.
- reduced compliance and regulatory burdens for businesses operating nationally or trans-nationally.

An objective of the EAC to achieve uniformity in the laws of member states is to facilitate free trade and protect citizens.

The laborious procedures involved in the approximation of laws leads to results which can be very useful to the process of regional integration and economic development. Indeed, once the standards are the same in all member countries, type-approval of a product granted in any member country is recognized by all the others. Businesses have a better knowledge of operating in the country as it applies regional rules and regulation and manufacturers need only fulfil one set of standards. Harmonisation of legislation is also very useful for consumers since it guarantees them the quality and safety of products circulating in the large market ensuring the protection of consumer and environment. Such harmonization is the very essence of a common market and as such is a key EAC commitment.

It is envisaged that in South Sudan in particular, the legal compliance process shall enable, among others, to fully implement the provisions of the customs union, common market and monetary union.

4.7.1.2 The process and of legal harmonization in the context of the EAC

Since joining the EAC, Partner States has undertaken significant efforts to harmonize their legislation as this is the very heart of EAC regional integration efforts.

To support the Partner States in these efforts, the EAC Council of Ministers established a sub-committee on the approximation of national laws. The sub-committee spearheads the process of harmonisation of national laws. It is headed by the Partner State's Law Reform Commissions and it works under the Sectoral Council on Legal and Judicial Affairs. The sub-committee has considered several laws including laws governing contracts, immigration, labour and employment, insolvency, sale of goods and intellectual property. It made specific recommendations on areas that each Partner State is required to work on to harmonise the national laws. However, it is important to note that, the task of re-drafting and implementing the laws **remains the task of the Partner States**.

At this stage, it is also important to add that given the legally binding commitment to implement EAC provision it may be possible for South Sudan to pass or amend relevant legislation in bulk during one sitting of the Assembly.

In South Sudan such review may include at minimum the following laws:

- Laws relating to trade (covering legislation on movement of goods and services, bulk sales, business premises, contract, customs, external trade, import and export transactions and sale of goods, etc.).
- Passport and Immigration Laws;
- Labour Laws;
- Company Laws and Laws Governing Business Transactions (covering legislation on bankruptcy, building societies, business organizations, capital market development, the co-operative movement, export processing zones and transfer of businesses, etc.);
- Finance and fiscal legislation (financial regulation and capital markets);
- Insurance and re-insurance legislation;
- Investment laws;
- Procurement and disposal of assets legislation;
- Monetary legislation (covering exchange rates, interest rate and inflation, etc.);
- Standardization, quality assurance and metrology legislation;
- Banking laws (covering legislation on banking, banking and lending institutions, development banking, bills of exchange and arrangement and micro-finance, etc.);

Given that South Sudan is currently developing its legal system, the regulatory compliance exercise may entail a smaller set of laws. The priority laws from this perspective are:

- Companies Act, 2012
- Investment Promotion Act,
- Customs Act, 2015
- NGO Act, 2015
- Insolvency Act, 2011
- Taxation Act, 2009
- Contracts Act, 2008
- Judiciary Act, 2008
- Passports and Immigration Act, 2011
- Banking Act, 2010
- The Transport Act, 2008
- Public Finance Management and Accountability Act, 2011

4.7.1.3 Strategy for implementation of EAC Legal Harmonization Provisions

The implementation of a holistic review of South Sudan laws is not an easy task. It requires undertaking an in-depth comparative analysis of EAC and South Sudan law and ultimately re-drafting numerous South Sudanese legal texts. The Ministry of Justice, the Law Review Commission, Ministry of EAC Affairs and line Ministries need to cooperate effectively. For this reason, this strategy proposes for special sub-committee to be created. **The proposed sub-committee on legal harmonization** with the EAC should be spearheaded by the above-mentioned institution and administered by the Ministry of EAC Affairs.

4.7.2 The Implementation of EAC Gender Agenda

4.7.2.1 Overview

The East African Community has an extensive work agenda related to equating opportunities among genders. This is an important workstream of the EAC given that there is overwhelming evidence pointing to the fact that giving women economic and social opportunities leads to superior sustainable development outcomes.

EAC work in the area gender, youth, children, persons with disabilities, social protection and community development is spearheaded by the Sectoral Committee of Minister on Gender, Youth, Children, Persons with Disabilities, Social Protection and Community Development. To date, four (4) meetings of this Committee have taken place along with the corresponding committees of permanent secretaries and senior officials. A synopsis of work in this area is provided below.

4.7.2.2 Strategic Plan for Gender, Youth, Children, Persons with Disabilities, Social Protection and Community Development

The Sectoral Committee of Ministers on Gender has developed an EAC Strategic Plan for gender, youth, children, persons with disabilities, social protection and community development. This first such plan was developed for the period 2012-16. It outlined key interventions in the six distinct components. It noted broad strategic objectives of each of

the above components as well as the specific targets to be achieved during the period. Recently a new Strategic Plan was developed for the years 2017-2022.

Under the gender thematic area, the strategic plan envisages to promote gender equality, equity and women and girls' empowerment as normative in the EAC Partner States by mainstreaming gender into all strategic interventions and sectors of the community, promoting women in socio-economic development and women in business and promoting the participation of the citizenry in EAC processes. This will entail the provision of an enabling policy and legislative framework for gender equality and equity, conducting relevant assessments on the status of gender equality in the EAC and undertaking initiatives to promote economic security for women.

Under youth empowerment, the strategic plan intends to promote the socio-economic and political development of the youth within the EAC. It targets the harmonization of regional youth policy and legal frameworks, promotion of strategies for youth employment creation and mainstreaming youth issues in the planning and budget processes of six priority sectors of EAC including health, agriculture, peace and security, trade, infrastructure and statistics. The strategic plan provides for measures to facilitate capacity building of youths in vocational skills, ICT, e-commerce and other special tailored programmes.

Regarding the issues of children protection and development, this strategic plan seeks to implement a comprehensive, coherent and harmonized regional policy on children to promote children's rights among the Partner States. The plan further urges the EAC Partner States to harmonize legislation on the implementation of international conventions on the protection of children's rights with emphasis on children in conflict situations, orphans, those with disabilities, other vulnerable children as well as those infected with HIV/AIDS.

The strategic plan equally seeks to address a full range of issues and challenges affecting the persons living with disabilities. Across the world, as well as in the EAC, people with disabilities have poorer health outcomes, lower education achievements, less economic participation and higher rates of poverty than people without disabilities. This is partly because people with disabilities experience barriers in accessing services that many of us have long taken for granted, including health, education, employment, and transport as well as information. These difficulties are exacerbated in less advantaged communities. Therefore, this Plan is in place to promote the inclusion of a diversity of the people in the region in the development and seeks to eliminate disparities in service provision and ensure services are available to all citizens with disabilities.

On social protection, the strategic plan intends to improve the living conditions of the vulnerable members of society through social protection programs by developing a regional policy on social protection and undertaking a review on the existing programs and approaches on social protection programs in the EAC Partner States. The plan aims to establish a regional forum on social protection at the EAC level and facilitating regional and

south to south cooperation and international exchange visits to share best practices on social protection.

Community Development seeks to empower individuals and groups of people by providing these groups with the skills they need to affect change in their communities. It involves changing the relationships between ordinary people and people in positions of power so that everyone can take part in the issues that affect their lives. This plan seeks to enhance communities to identify and develop sustainable and inclusive solutions to their social development challenges. The strategic plan will develop a legislative framework for community development and develop a capacity building programme for Community Development and engage more community development stakeholders.

4.7.2.3 Gender Equality and Development Bill/Act

In 2017, a ground-breaking achievement at the EAC took place. For the first time in history, the EAC has a legal instrument that promotes gender equality. The EAC Gender Equality and Development Bill was tabled at EALA as a private members bill and later passed by the same body on 8th March 2017. The bill now awaits assent by the Heads of State for it to become legally binding.

The specific objectives of the Bill are to:

- a. harmonise the national laws of the Partner States with the regional and international standards of protection and promotion of human rights based on the principles provided for under section 3, and under the commitments of the Partner States to these standards through the signature and ratification of the various human rights instruments;
- b. enhance the level of implementation of these instruments through the incorporation of emerging issues and gender concerns;
- c. promote non-discrimination and gender equality in the processes of governance as a means of strengthening regional integration and sustainable development of the Community;
- d. provide a participatory framework for strengthening, monitoring and evaluating the level of adherence to regional and international standards of human rights protection through a reporting mechanism based on realistic, measurable targets, time frames and indicators supported by the allocation of the necessary resources for achieving them;
- e. promote the participation of women and men in regional trade and sustainable economic growth by entrenching enabling gender policies and macro-economic frameworks.

4.7.2.4 Development of the EAC Gender Policy

The EAC Gender Policy has been developed to provide guidance on institutionalising gender strategies in the EAC Integration Agenda. This was done in order to ensure that the rights of women and men, boys and girls are promoted, protected and realized on an equal basis.

This Policy provides a framework, intended to accelerate the realization of gender equality, fairness between men and women, non-discrimination and fundamental rights in East Africa. The Policy framework is a tool to facilitate the advancement of East Africa's political and social-economic integration, guarantee that gender issues are included in the EAC agenda, accelerate gender mainstreaming, contribute to higher living standards and enhance the efforts exerted by the East African people to play their rightful role in a globalising world. As such, the Policy proposes several actions and the following priority areas:

- i. Gender, Governance and Participation
- ii. Education and Training
- iii. Health and HIV/AIDS
- iv. Gender-Based Violence
- v. Environment and Climate change
- vi. Energy
- vii. Agriculture, Food Security and Nutrition
- viii. Trade and Economic Empowerment
- ix. Security, Peace Building and Conflict Resolution
- x. Gender and Migration
- xi. Access to Clean water and sanitation
- xii. Forest cover

The EAC Gender Policy is informed by the international, regional and national legal frameworks and will among others guide focused formulation and integration of gender issues in programming within the region. Also, the policy provides a mechanism of reporting on international and regional commitments by the EAC Partner States as a Regional Economic Community (REC).

It also takes into account the fact that policy implementation requires all stakeholders working together and therefore brings together the different players, decision-makers, development partners, private sector, civil society and the East African citizenry.

The draft EAC Gender Policy has undergone reviews, editing and validation by the EAC Secretariat and is now presented to the Partner States for analysis.

4.7.2.5 The EAC Gender Barometer

The EAC Gender Barometer is a participatory people-centred research report from EAC Partner States that contains information and statistical data from different areas that need to be gender-balanced. These areas include legal and state obligations to protect human rights, gender-based violence, the media, education, health, power and decision making, economic empowerment, agriculture and food security, land rights, trade, peace and security, environment management, extracting Industries, marginalized groups, financial provisions, and institutional arrangements.

The Gender Barometer is intended to serve as a participatory measurement tool to support the substantive implementation of key gender commitments and hence responsive governance. It sets in motion a process by which the EAC will periodically monitor, measure and document the progress of gender equality in key result areas and thereby facilitate a regional conversation on strategies for enhancement of substantive gender equality and sustainable development.

4.7.2.6 Action Plan of the EAC Child Policy; the Framework for Strengthening Child Protection Systems in the East African Community and the Minimum Standards on Comprehensive Services for Children and Young People in the East African Community

The EAC Child Policy was adopted by 2016. The Policy provides a framework to facilitate the development, coordination and strengthening of national efforts towards the realization of children's rights by setting out ten priorities for implementation. An action plan to has also been developed. The Policy notes, among others, the need to strengthen national child protection systems and community mechanisms within the EAC region to ensure that all children in all settings are protected from violence, abuse, exploitation and neglect. The EAC Secretariat has developed the Framework for Strengthening Child Protection Systems in the EAC based on the Child Policy.

The initiative to develop the Minimum Standards on Comprehensive Services for Children and Young People in the EAC also was spurred by the EAC Child Policy. The EAC Child Policy highlighted the need to generate a common understanding and approach to children's and young people's well-being and called for the development of guidance for the Partner States to ensure the wellbeing of all children and young people, to ensure no one is left behind.

4.7.2.7 EAC Regional Strategy for Promoting Women in Business for Socio-Economic Development and the 50 Million African Women Speak Platform Project

The EAC Secretariat developed EAC regional strategy for promoting women in business for socio-economic development back in 2015. The purpose of the regional strategy is to delineate interventions on how to promote women in socio-economic development and women in business.

As part of the strategy, the EAC became a party to the 50 Million African Women Speak Platform Project. The premise of the Project is that women business owners continue to face gender-specific barriers such as lower levels of education and business training, weak property rights that deprive them of collateral and tangible assets. There are also legal barriers that impede their economic activities and cultural barriers that discourage women from thriving as entrepreneurs. The consequence is that women have challenges accessing financial and non-financial services and so the size and growth of their businesses suffer. ICT prospectively can help to alleviate some of these challenges. Consequently, the 50 Million Women Speak project is creating a dynamic networking internet platform for women entrepreneurs, connecting them in ways that will foster peer-to-peer learning, mentoring

and the sharing of information and knowledge within communities, and provide them with access to trade finance and market opportunities between urban and rural areas, and across borders and between countries. The project is ongoing. The total estimated cost of the project is USD 9.8 million through an African Development Bank grant. The project is expected to benefit women entrepreneurs all across Africa.

4.7.2.8 Recommendations/Policy Options for the Sector

- Relevant Ministries review and analyse the provisions the following documents related to the Regional Cooperation workstream with the view to commence implementation of these Policies/documents in South Sudan:
 - EAC Strategic Plan for Gender, Youth, Children, Persons with Disabilities, Social Protection and Community Development
 - EAC Gender Equality Development Act/Bill
 - EAC Gender Policy
 - EAC Regional Strategy for Promoting Women in Business for Socio-Economic Development and the 50 Million African Women Speak Platform Project
 - EAC Child Policy and the Action Plan for Child Policy
 - the Framework for Strengthening Child Protection Systems in the EAC and the Minimum Standards on Comprehensive Services for Children and Young People in the EAC
- Carry out a prioritization exercise and determine which of the Programs outlined in this Section need to have priority in implementation and focus on them.
- Streamline Regional Integration Programs in the policies and plans of the Ministry/Department etc.
- Budget key activities in for implementation. Here the special attention should be given to budgeting attendance at various meetings of the EAC to be able to carry out the Regional Integration agenda.

CHAPTER 5: Conclusions

The South Sudan National Policy and Strategy on East African Community Integrations was drafted to support and guide the implementation of EAC reforms, provisions and commitments. The document should act as a blueprint, or a plan, as to how to implement the EAC Agenda. The Policy and Strategy sought to be a step-by-step outline as to what each key Institutions of the Government needs to do to join EAC projects and programs. The document forms a guide to the implementation of programs by the newly created Ministry of EAC Affairs and other key institutions.

To date, South Sudan's implementation of EAC provisions has been lagging. South Sudan became a Member of the Regional Bloc just before the second phase of the internal conflict erupted in 2016. With the implementation of the Peace Agreement, the Ministry of EAC Affairs was created in February, 2020 outlook towards execution of EAC provisions was

bright once again. Regrettably, just a month later in March, 2020 the emergence of COVID-19 worldwide pandemic once again called into question the as to whether capacities can be availed for swift implementation of the EAC Reforms. As we now move towards a more moderate phase in the pandemic in South Sudan a window of opportunity opens up to focus on these important commitments. It is for this reason that the South Sudan Policy / Strategy for EAC Integration was drafted.

DRAFT

ANNEX I: Roadmap for Implementation of EAC Customs Union and Customs Management Act

1) Implementation of of the Protocol establishing the EAC Customs Union (CU).

- Training and effective implementation of various customs procedures is key to effective implementation of the Protocol.
- Building capacity in the Customs Union Protocol is a pre-requisite for sustainability and should be placed as priority number one.

EAC Customs Union Provision	Customs activities	Implementation and Resource requirements	Risks/Mitigating Factors/Dependencies
<p>1. Implement the Protocol Establishing the EAC Customs Union as an integral part of the EAC Treaty.</p> <p>NOTE</p> <p>Training on the Protocol comes as part of the general customs training programme.</p> <p>Training for Customs and Clearing Agents constitutes a key but not exhaustive part of overall sensitization and training activities that GRSS shall undertake to enhance the country's knowledge of the Customs Union Protocol. Other trainings and activities will also be scheduled.</p>	<ul style="list-style-type: none"> • Overall training regarding the EAC Project and Programmes with special focus on Customs matters for both Customs Officers and Clearing Agents.⁵ • Customs training Department to discuss preparation for training programme with the other departments and also with the Clearing Agents. • Sourcing relevant funding and selection of trainers. • Preparation of a training timetable⁶ on the EAC, the Customs Union and the Common Market • Preparation of training materials • Trainees⁷ selected. • Purchase of copies of the Treaty and Protocol. 	<ul style="list-style-type: none"> • Funds (Internal/ External) • Trainers (Internal/ External) 	<p>For successful implementation of the EAC Custom Union Protocol user acceptance of changing work environment is critical. This will require Management support on aligning knowledge handling with users.</p>

⁵ Training of clearing agents will be carried out separately and, therefore, they will have their own training timetable.

⁶ The proposed time-table should be drawn up to cover all the training issues under customs – a complete training course for the 700 customs officers and their preventive staff.

⁷ There should be between 25-30 Customs officer per class during training sessions.

2) Implementation of the Common External Tariff (CET) and its review process.

- The EAC CET is aligned to the WCO’s Harmonized Customs Commodity Descriptions and Coding System (HS) 2012 Version
- It is a three-band structure of 0% for raw materials and capital goods, 10% for intermediate goods and 25% for finished goods.
- There are sensitive items for 58 products which attract tariff rates of above 25%

EAC CU Provision	Activities	Implementation and Resource requirements	Risks/Mitigating Factors
<p>1. Implement Annex I (EAC CET) to the Protocol.</p>	<ul style="list-style-type: none"> • Accession to the HS Convention. Relevant Government procedure for acceding to an International Convention need to be carried out. • Carry out training in the HS. • Selection of trainers. • Preparation of a training timetable on the WCO Harmonized System (HS) • Preparation of training materials. • Trainees selected. • Training of trainers. • Procurement of HS Explanatory Notes or print if in electronic format. • Procurement of HS Legal text or print if in electronic format. • Procurement of HS Compendium of Classification Opinions or print if in electronic format. • Production of HS Training hand-outs. • Procurement of HS Database. 	<ul style="list-style-type: none"> • Implementation of the CET requires skills in classification of goods. Hence the first thing to do is to carry out training on the HS Classification Code. This training should not await Accession formalities. This being a highly technical subject, requires time for officers to internalize). • Implementation of the CET also requires skills in implementation of preferential tariff structure as well as setting up relevant procedures and practices for Certificates (Rules) of Origin. • Availability of funds (Internal/External). • Trainers (Internal/External). 	<p>See description below.</p>

<p>2. Adopt and implement a three band tariff structure of 0%, 10% and 25%.</p>	<ul style="list-style-type: none"> • Carry out a detailed analysis that will incorporate the following: <ul style="list-style-type: none"> ○ Review of the CET tariff lines and assess the costs to consumers and revenue effects to the government. ○ Preparation of trade data ○ Preparation of revenue figures ○ Calculation of revenue loss/increase. ○ Assess the revenue impact of the application of the CET. ○ Provide policy recommendation and advise on way forward. ○ These policy recommendations shall make the basis for implementing the required mitigation policies to offset the cost rising and government revenue loss as a result of the CET. 	<p>(as above)</p>	<p>Mitigation measures mentioned in Column 2 and related to strengthening government revenue collection elsewhere and tacking cost-rising effect of the CET may be difficult to implementation in practice.</p>
<p>3. Adopt the EAC Sensitive Items list.</p>	<p>(as above)</p>	<p>(as above)</p>	<p>(as above)</p>
<p>4. Accede to WCO HS Convention</p>	<ul style="list-style-type: none"> • RSS accession to the WCO HS Convention since it is already a member of WCO. • Preparation of relevant accession documents. • Implement trainings on HS convention as detailed under activities for implementation of Annex 1 to the EAC (CET) protocol above 	<ul style="list-style-type: none"> • WCO Expert assistance • Legal advice from Ministry of Justice or other relevant body regarding the details of Accession to the International Conventions. • Parliamentary approval. 	<p>No risk anticipated.</p>

3) Elimination of Internal Tariff and Charges of equivalent effect.

- The EAC enjoys a free trade regime for products that qualify under the EAC Rules of Origin. Goods originating in EAC do not attract import duties when traded between Partner States.
- The EAC Partner States eliminated charges of equivalent effect on internal trade.

EAC CU Provision	Customs and other Institutions activities	Implementation and Resource requirements	Risks/Mitigating Factors and Dependencies
<p>1. Grant duty free and quota free on all goods originating from Partner States and vice versa.</p>	<ul style="list-style-type: none"> • Carry out a detailed analysis that will incorporate the following: <ul style="list-style-type: none"> ○ Detailed review of trade data, since independence, of goods originating from the EAC region and the World ○ Determine importance by tariff line. ○ Assess the revenue impact of the application of the CET. ○ Policy recommendation and advise on way forward. ○ These policy recommendations shall make the basis for implementing the required mitigation policies to minimize potential cost rising and government revenue losses as a result of the CET. • Train Custom Officers on Rules of Origin to ensure appropriate inspection and implementation of the provision. 	<ul style="list-style-type: none"> • Availability of relevant skills and funds. • Training Experts (Internal/External) 	<p>See above</p>
<p>2. Eliminate any charges of equivalent effect that may distort trade in the region.</p>	<ul style="list-style-type: none"> • Conduct a study that outlines charges of equivalent effect that can distort trade. • Customs to list its own charges of equivalent effect to determine why they exist and give appropriate advice to Government to eliminate these distortions. 	<ul style="list-style-type: none"> • Availability of Funds. • Experts (Internal/External) 	

4) RSS to implement the EAC Customs Management Act (EAC CMA)

EAC CU Provision	Actions of Customs and other Institutions	Implementation and Resource requirements	Risks/Mitigating Factors and Dependencies
<p>1. Implement the EAC Customs Management Act</p> <p>NOTE (The various customs Regulations will be analyzed and implemented together with the CMA)</p>	<ul style="list-style-type: none"> • Carry out training for Customs Officers on the CMA • Selection of trainers • Preparation of a training timetable on the EAC CMA • Preparation of training materials • Review national Customs law to incorporate provisions of the CMA and related regulations • Trainees selected • Training of trainers • Print and make available copies of CMA Regulations, Duty Remission Regulations, and Compliance Management Regulations, to relevant departments of SSCS. • Avail National Customs Law to all required parties. • Identification of Customs documentation • Print the documentation • Develop/review/realign South Sudan Customs Operating Procedures to ensure compatibility with the CMA and related regulations • Train Customs Officers on the revised and CMA compatible operating procedures 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (Internal/External) • EAC Secretariat to avail copies of CMA, CMA Customs Regulations, ,EAC Duty Remission Regulations and Compliance Management Regulations. 	<ul style="list-style-type: none"> • Acceptance of implementation of new procedures by the users – training is key to soliciting user buy-in. • Availability of professional customs trainers (including a lawyer from customs) • Cooperation of the Ministry of Justice in fast-tracking the necessary legal amendments • Parliamentary approval may need to be sought for the amendment of the various Acts and Regulations, which could prove time consuming. This risk can be mitigated by having ongoing sensitization process targeting law makers including the role of the parliament in the Accession process

<p>2. EAC Customs management Act takes precedence over similar national laws.</p>	<ul style="list-style-type: none"> • The adoption of the Customs Union Management Act means the Act will be directly applicable on the territory of RSS and will takes precedence over customs laws of RSS in case of conflicts (Section 253 of the Management Act). Hence harmonisation and approximation of domestic regulation will be undertaken to take this into account. The task to achieve the above are as follows: • Identify relevant South Sudan Acts and Regulations including: 1) the Customs Act, the Penal Code, the Police Act etc and amend as appropriate. • Establishment of Tax Appeal Tribunals in line with the provisions of the CMA. • Prepare list of goods subject to customs control / liability for contravention shall be incorporated into domestic law (CMA Section 16). This also includes other procedures such as Customs Exemptions. 	<ul style="list-style-type: none"> • Legislation experts will need to support the process. 	<p>As above</p>
<p>3. GATT valuation System as stipulated in the EAC CMA</p>	<ul style="list-style-type: none"> • Become signatory to the Valuation Agreement • Carry out training on the Valuation Agreement • Preparation of a training timetable on the Customs valuation • Training of trainers (national). • Procurement of the Valuation Handbooks. • Undertake an overall process of procedural and management change in line with the provisions of the GATT Valuations System. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (Internal/External) • Copies of the WTO Customs valuation Agreement, WCO Customs Valuation Hand book and the EAC Customs Valuation Manual made available Customs Officers 	<p>Availability of professional customs Valuation trainers.</p>

5) Implement the EAC Customs Regulations.

- These are the subsidiary legal instruments for operationalisation of the EAC CMA Act. The Partner States are implementing the Regulations in the day-to-day operations.

EAC CU Provision	Actions of Customs and other Institutions	Implementation and Resource requirements
<p>1. RSS to implement the following Customs Regulations.⁸</p> <p><i>a) The EAC Customs Management Regulations</i></p> <p><i>b) The EAC Customs Management (Duty Remission) Regulations</i></p> <p><i>c) The EAC Customs Management (Working Arrangements between the Directorate and Customs) Regulations</i></p> <p><i>d) The EAC Customs Management</i></p>	<ul style="list-style-type: none"> • Adopt the EAC Customs Regulations. • Procurement of the EAC Customs Regulations • Training of officers • Once trainings are concluded the South Sudan Customs Services shall undertake an overall process of procedural and management change to implement the reforms required by the EAC Customs Regulations. This will require a detailed analysis of the Regulations for customs to internalize and implement these regulations. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (Internal/External) • Copies of the CMA Regulations • Hand outs

⁸ Note: These are likely to be implemented together with the CMA

<i>(Compliance and Enforcement Regulations)</i>		
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6) Implementation of EAC Rules of Origin

The EAC Rules of Origin sets out the criteria and management of Intra EAC trade. It came in force in 2005 and reviewed at the end of 2014. The New Rules of Origin will come into force this year (2015).

EAC CU Provision	Actions of Customs and other Institutions	Implementation and Resource requirements
1. Implement the EAC Rules of Origin.	<ul style="list-style-type: none"> • Adoption of the EAC RoO. • Carry out training of Customs Officers on RoO. • Training of trainers (National). • Procurement of copies of the RoO Manual (Not necessarily for all officers. Can be restricted to Headquarters' RoO Unit, airport and some busy entry/exit stations). • Establish a RoO Unit, which will be responsible for issuing and verifying Issuance of certificates of Origin. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (External) • Copies of EAC RoO • Copies of the EAC RoO Manual • Certificates of RoO
2. RSS to mandate Customs to issue Certificates of Origin.	<ul style="list-style-type: none"> • GRSS to sanction and design specific administrative system for the issuance of Certificates of Origin. • Printing of Certificates of Origin • Issuance of Certificates of Origin • Staff will need be well versed with assessing manufacturing companies production structure to determine whether or not a COO can be issued. 	<ul style="list-style-type: none"> • Funds (Internal/External)

7) Progress with the establishment of a Single Customs Territory

The EAC commenced implementation of a Single Customs Territory in 2014. This marks the consolidation of the Customs Union where goods are cleared at the first point of entry upon declaration and payment of taxes in the destination Partner State (Destination Principle). Currently clearance of goods covers both imported cargo from outside EAC and intra EAC trade between the five Countries. Inland Partner States have posted officers in Kenya and Tanzania to facilitate clearance at the ports of entry.

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. RSS to adopt the Framework for operationalization of the Single Customs Territory.</p> <p>NOTE (Once most of the other ingredients are in place, the SCT can take effect)</p>	<ul style="list-style-type: none"> • Post an officer at Mombasa. • Full Computerization of Customs Clearance Systems and training of Customs Officers are computer literate. • Carry out pilot clearance of selected goods • Submit a list of those selected goods to be cleared under the SCT. • Train Customs Officers on SCT and review customs operating procedures accordingly • Training of Clearing agents on SCT and any resulting changes to operating procedures. • Sensitization of the private sector • Preparation of a training timetable on the SCT 	<ul style="list-style-type: none"> • Funds (Internal/External) • Computer equipment and other IT infrastructure. • Trainers (External) • Training materials on the SCT • Successful adoption of a comprehensive computerization program under ICT Strategy) - Dependent on the adoption of other EAC customs procedures.
<p>RSS to fully operationalise the Single Customs Territory</p>	<ul style="list-style-type: none"> • Agree on a list of products to be cleared under the SCT under pilot basis • Develop and implement a rollout plan products cleared on SCT as per the roll out road map. • Eliminate other barriers to trade both tariff and non-tariff barriers 	<ul style="list-style-type: none"> • Funds (Internal/external) • For successful implementation of the SCT user acceptance of changing work environment is critical. This will require Management support on aligning knowledge handling with users.

8) Harmonization and simplification of customs procedures;

The Council adopted EAC Customs Procedure Manual in 2012. The purpose of the manuals is to enable uniform application of the customs processes in the delivery of the customs services. The manuals are benchmarked against the WCO Revised Kyoto Convention on Harmonization and Simplification of the Customs Procedures.

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. RSS to implement the following EAC Customs Procedure manuals:</p> <ul style="list-style-type: none"> • EAC Customs Procedures • EAC Valuation Manual • EAC Post Clearance Manual • The EAC Rules of Origin Manual • The EAC Duty Remission Manual 	<ul style="list-style-type: none"> • Implementation of the Manuals will be related to activities already outlined in this Roadmap such as adoption of EAC Rules of Origin, GATTs Customs Valuation etc. • Adopt and implement the EAC Customs Procedure Manuals • Include in the training programme. • Printing of Manuals. • Analyze in detail: 1) Baseline procedures currently being implemented by the South Sudan Customs Services; 2) the extent to which administrative and procedural change is necessary to implement the relevant EAC Customs Procedure Manuals; 3) The resource and staff skill requirements essential for implementation of the Manuals. 	<ul style="list-style-type: none"> • Funding (Internal/External) • Trainers (Internal/External)

9) Customs Strategy

The EAC Customs Strategy covers the period of 2011-2016 and it is aligned to the overall EAC Development Strategy. It lays out Customs priorities and interventions thereof to support full implementation of EAC Customs Union hence ties directly to the regional integration process of the EAC.

EAC CU Provision	Activities	Implementation and Resource requirements
RSS to implement the EAC Customs Strategy 2011-2016	<ul style="list-style-type: none"> • Internalization of the Strategy by Customs Management and Customs Planning Unit. • The implementation of numerous provisions of the Strategy is already covered elsewhere in this Roadmap. • Implement the Customs Strategy 2011-16. 	In line with requirements in other areas of Customs reform.
RSS to participate in the development of EAC Customs Strategy 2016-2021	<ul style="list-style-type: none"> • South Sudan’s Customs service shall assign officials to participate in the development of the new strategy. 	N/A

10) Implementation of harmonized customs training and curriculum

A regional Customs Curriculum has been developed and rolled out by some Partner States. A training Strategy and Standards were also developed. A process of accrediting the EAC Curriculum is ongoing in Partner States.

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. RSS to implement the:</p> <ul style="list-style-type: none"> • The EAC Customs 	<ul style="list-style-type: none"> • Adopt and implement the: <ul style="list-style-type: none"> a) EAC Customs Training Curriculum b) EAC Training Strategy and Standards. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (Internal)

<p>Curriculum</p> <ul style="list-style-type: none"> • EAC Training Strategy and Standards • The EAC Customs Training of Trainers Manual.⁹ 	<p>c) EAC Customs Training of Trainers Manual</p> <ul style="list-style-type: none"> • Internalization by Customs Training department. • Adjust current training programmes to incorporate the EAC Training Curriculums. • Training of Customs trainers. 	
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11) Interconnectivity of customs IT systems and ICT Technical support on Automation and Integration of customs systems and process.

Customs administrations in Partner states have been automating their systems and this has enhanced Customs clearance. In order to further integrate customs clearance in EAC a project to interconnect Customs processes is ongoing. Interfaces of Customs Systems has been attained on a bilateral and centralized platforms known as RADDEX

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. Implement the EAC Customs IT Regulations.</p>	<ul style="list-style-type: none"> • Finalise the pilot stage that will interface South Sudan Customs with their counterparts at Uganda Customs. • Migrate to Asycuda World. • Undertake a comprehensive programme for the automation of Customs systems. • Procurement of additional computer equipment and software to cater for the needs of EAC Customs Strategy. • Legal framework • Recruitment of IT/Computer Experts to run the relevant computer systems. 	<ul style="list-style-type: none"> • Funds (Internal/External) • IT/Computer experts (Internal/External) • IT infrastructure • Availability of funding • Reliable power supply.

⁹ Should be considered while planning the proposed training programme.

12) Establishment of One Stop Border Points and supportive legal framework and EAC internal border operations

The One Stop Border Post (OSBP) is a concept which entails that people and goods stop only once at the border for all clearance formalities (both exit and entry). Within East Africa, fifteen (15) border posts have been earmarked to operate as OSBPs. The EAC OSBP Act was enacted by EALA and is undergoing assent by the Heads of States. The OSPB draft regulations are being developed

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. RSS to adopt and implement the EAC OSBP Act once it is assented.</p>	<ul style="list-style-type: none"> • Adopt and implement the EAC OSBP Act once it is assented • Strengthen the exchange of customs officers with Uganda • Exchange of information between RSS customs and Uganda Customs and initiate similar information sharing arrangements with other EAC countries. • Implement the MOU with Uganda and Kenya Customs. • Sign MOUs with Rwanda, Burundi and Tanzania Customs. 	<p>Availability of funding for the development of OSBP.</p>
<p>2. Development of the EAC OSBP Regulations once admitted.</p>	<ul style="list-style-type: none"> • South Sudan shall allocate civil servants to Participate and develop Regulations regarding OSBP with other Partner States. 	

13) EAC Trade facilitation Programme

Trade Facilitation is an integral component of the Protocol Establishing the EAC Customs Union. A number of initiatives are being implemented to enhance trade facilitation in the region. The EAC Partner States have embraced the Trade Facilitation Agreement of WTO and have commenced preparations to submit the specified categories of the Agreement to WTO

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. Implement initiatives on Trade facilitation.</p>	<ul style="list-style-type: none"> • Implement trade facilitation initiatives being undertaken in EAC. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (External)

<p>2. Become a member of WTO.</p>	<ul style="list-style-type: none"> • South Sudan will need to design a comprehensive plan/strategy for its accession process to the WTO. • Acceptance of the WTO Trade Facilitation Agreement (TFA) • Training of Customs Officers on the WTO. • Accession to the WCO RKC. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Trainers (External)
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14) Cooperation with Partner States Customs Administration

- Exchange of information.
- Joint customs programmes.
- Administrative assistance.
- Enforcement and compliance operations.

EAC CU Provision	Activities	Implementation and Resource requirements
<p>1. Customs to cooperate with EAC Partner States customs administrations in order to enhance integration of EAC.</p>	<ul style="list-style-type: none"> • Participation in the customs activities such as Revenue Authorities meetings, EAC Heads of Customs Committee meeting etc. • Adopt cooperation instruments • Share information with other Customs administrations of EAC Partner States. • Joint border patrols. • Participate in border security meetings. 	<ul style="list-style-type: none"> • Funds (Internal)

15) Institutional Framework of Customs

- All EAC Partner States have established Revenue Authorities.
- The structures of Customs have, to a certain level, been aligned.

Negotiating Issues	Overview of Progress
<p>1. RSS to establish a Revenue Authority.</p>	<p>On overview of progress with regards to the Establishment of a Revenue Authority in South Sudan is outlined in the South Sudan submission on tax harmonization. Here it is sufficient to note that the Revenue Authority Bill (2015) is currently at the second reading at the National Legislative Assembly. Once the Assembly passes the Bill, and H.E. the President signs it, the Act will pave the way for</p>

the creation of the Revenue Authority. Necessary plan for the creation of such an authority have already been prepared.

16) Customs Modernization Programmes

All Customs administrations have been undertaking Customs modernization programmes to improve Customs efficiency.

EAC CU Provision	Activities	Implementation and Resource requirements
Customs modernization initiatives	Undertake Customs modernization programs through a number of interventions including: <ul style="list-style-type: none"> • Automation of Customs Systems • Interconnectivity with Partner states • Adoption of Risk management • Private sector consultations and partnerships. • Adoption of Authorized Economic Operators programmes • Adoption of Electronic Cargo tracking • Use of scanners. 	<ul style="list-style-type: none"> • Funds (Internal/External) • Experts in each area (Internal/External)

17) Development of Enforcement and Risk management Systems

The Community adopted the EAC Compliance and Enforcement Regulations which focus on information sharing, use of Information Technology, Authorized Economic Operator (AEO) programme, Mutual Administrative Assistance and compliance audit. The programmes are implemented under the EAC Compliance and Enforcement Action Plan.

EAC CU Provision	Activities	Implementation and Resource requirements
1. Implement the EAC customs Management (Compliance and Enforcement) Regulations)	<ul style="list-style-type: none"> • Apply the EAC Customs Management (Compliance od Enforcement) Regulations • Training • Adoption of risk management • Establish and implement an Authorized Economic Operators programme. • Participate in the EAC Authorized Economic Operator meetings. 	Funds (Internal/External)

2. Review of the Compliance and Enforcement Action Plan.	<ul style="list-style-type: none"> • Customs to participate in the review of the EAC Compliance and Enforcement Action Plan. 	Funds (Internal/External)
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18) Management of Duty remission and exemption regime

The Customs law empowers the Council of Ministers to grant duty remission for manufacturers. The details are included in the Duty Remission Regulations. Applicants submit their requirements to the National duty remission committees for vetting and submission to the EAC Secretariat for final vetting and inclusion in the official gazette.

Exemptions are covered under the Fifth Schedule to the EAC Customs Management Act and may be reviewed from time to time by the Council of Ministers

EAC CU Provision	Activities	Implementation and Resource requirements
1. EAC Exemption Regime and Duty Remission provisions.	<ul style="list-style-type: none"> • Customs Expert to participate in negotiations • Submit all national exemption laws related to customs. • Carry out an assessment of the RSS Investment Act and other legislation in view to align these legal texts with the EAC Exemption and Duty Remission Regime. • Implement EAC Exemption and duty remission schemes • Training of officers. 	Funds (Internal/External) Trainers (External)

19) Customs Integrity programme

An EAC Customs Integrity Action Plan and a Customs Code of Conduct were developed to guide the Integrity programmes. The Instruments are based on WCO's Revised Kyoto Convention and the Arusha Declaration on good governance and integrity in Customs. The purpose of these initiatives is to promote integrity and fight against corruption

EAC CU Provision	Activities	Implementation and Resource requirements
1. EAC Code of Conduct	<ul style="list-style-type: none"> • Implementation of the integrity plan. 	As above

2. EAC Integrity Plan	<ul style="list-style-type: none"> • Customs activities for implementation of the Code of Conduct and the Integrity Plan will be similar to the activities outlined elsewhere in this Roadmap. 	
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ANNEX II: Roadmap for the Implementation of the EAC Common Market

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
PART C FREE MOVEMENT OF GOODS				
Article 6 Free Movement Of Goods	See the Implementation Roadmap for the Customs Union Protocol.			
Article 6 Free Movement Of Goods	1. RSS will implement EAC Rules of Origin 2. Standards. The National	Specific Implementation Requirements: RSS will undertake: 1. Institutional and regulatory amendments of Customs regulation: <ul style="list-style-type: none"> • Finalisation of system of certification, and accreditation of competent authorities • Mandate to Customs to issue Certificates of Origin. 	<ul style="list-style-type: none"> • Customs • Bureau of Standards • Ministry of Commerce, Ministry of Transport, 	24-36 months

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>Standards Act and the Metrology and Testing Act will be reviewed to be in compliance with the EAC SQMT Protocol and Act.</p> <p>3. Non tariff barriers.</p> <p>3.1. RSS will eliminate NTBs in accordance with the EAC Time Bound Programme.</p> <p>3.2. Ratify the EAC Elimination of Non</p>	<p>2. RSS will:</p> <ul style="list-style-type: none"> • Ratify the EAC Sanitary and Phytosanitary Measures (SPS) Protocol and Act. • Adopt EAC Standards • Participate in the development of EAC standards • Ongoing cooperation under the MOUs with Rwanda, Kenya, Uganda. • Undertake SQAM-related institutions and training. <p>3 RSS will:</p> <p>3.1 Operationalise the EAC mechanism on the elimination of NTBs</p> <ul style="list-style-type: none"> • Create a National Monitoring Committee with a public and private sector focal point • Establish the Non Tariff Barriers 	<ul style="list-style-type: none"> • Ministry of Interior (Immigration) 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	Tariff Barriers Act 2015	<p>Monitoring Mechanism</p> <ul style="list-style-type: none"> • Participate in the EAC Regional Forum on NTBS • Eliminate identified barriers in accordance with the time bound programme. <p>3.2 The implementation of the EAC Elimination of Non Tariff Barriers Act 2015 will require customs reform, regulatory reform and capacity building in particular in the areas of border administration and the enforcement of technical regulation.</p>		
<p>Article 7 Free Movement Of Persons</p>	Draft South Sudan Schedules on Free Movement of Persons and Labour		<p>Ministry of Labour Ministry of EAC Affairs</p>	24-36 months

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Article 7 Free Movement Of Persons</p>	<p>1. In implementing article 7 and Annex I, of the CMP, RSS will:</p> <ul style="list-style-type: none"> • facilitate the visa-free entry, and movement, of these categories of EAC citizens <ul style="list-style-type: none"> ○ Visitors ○ Medical visitors ○ Transit visitors ○ Students (education and training) ○ Persons entering the RSS for any lawful purposed (other than as workers or self-employed persons). • RSS will ensure non-discrimination against citizens of partner states 	<p>Specific Implementation Requirements:</p> <p>RSS will</p> <ul style="list-style-type: none"> • Adjust attendant immigration procedure and administrative guidelines to guarantee this freedom. This will include the below actions. <ul style="list-style-type: none"> ○ Training of officials ○ Amendment of border procedures ○ No fee student passes ○ Automatic 6 months stays for EAC citizens ○ Sensitisation of law enforcement authorities and police on the nature of rights and protections guaranteed to partners state citizens ○ Seek resources to implement all of the required procedural reform, and facilitate the training of resources. 	<ul style="list-style-type: none"> • Ministry of Passports and Immigration; Interior; • Ministry of Police 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>RSS will mobilise additional resources to effect implementation of these commitments</p> <p>The following, which require additional resources and collaboration with partner states, will be implemented progressively:</p> <ul style="list-style-type: none"> • Cooperation with respect to integrated border management • Increased resourcing and implementation of integrated border management systems • Extending border hours • Harmonised border management practices • Process to compensate for costs of processing visas for free <p>Further regulations and practice notes will be issued to give effect to amended and updated practice.</p>		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Article 8 Standard Identification System</p> <p>Article 9 Travel Documents</p>	<p>As part of facilitating the movement of persons and labour, RSS will:</p> <ol style="list-style-type: none"> 1. Review Passports and Immigration Act, 2011 (exemption for EAC citizens); read together with regulations, administrative practice) 2. As part of this, RSS will specifically recognise the common standard document / EAC passport. 	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> • recognise the travel document that is used by partner state citizens; • facilitate the issuance of the EAC travel document to South Sudanese citizens • Amend the current computer system of identity documents or procure a new one that will be compliant with EAC requirements. • Train staff in the usage of the new/amended system for ID. • Train relevant civil servants and general public on the new layout of the documents. • Seek resources to implement the required procedural reform. <p>RSS will mobilise additional resources</p>	<ul style="list-style-type: none"> • Ministry of Interior (Department of Passport and Immigration) • Support from the Ministry of EAC Affairs 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>and engage in ongoing discussions with partner states, with a view to:</p> <ul style="list-style-type: none"> • The use and recognition of machine-readable and electronic national identity cards • Consulting on the reciprocal easing of border crossings, and opening of border posts; • operational hours for the border posts; manning of border posts for twenty four hours; the necessary infrastructure and standards for border management; harmonisation of immigration procedures; and evaluation of the implementation of border management recommendations and programmes. 		
<p>Article 10 Free Movement Of</p>	<p>Refer also to Schedule for the Free Movement of Workers</p>			

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
Workers				
<p>Article 10 Free Movement Of Workers</p>	<p>1. RSS will review laws and issue regulations and administrative procedures to ensure non-discrimination of workers from other Partner States, and their freedom to be accompanied by spouses and children.</p> <p>2. The following general laws will be reviewed to cater for EAC workers:</p> <ul style="list-style-type: none"> • Chapter 4 of the Passports and Immigration Act 2011 restrictions to cater for EAC <p>3. EAC workers will be entitled to the same rights accorded</p>	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> • Strengthen institutions for the issuance of work permits to EAC workers ○ Increase human resources to manage CMP-related immigration; ○ Train, and issue performance indicators to, immigration and labour officials. These will include, inter alia: <ul style="list-style-type: none"> ○ Standards for processing times for work permits. ○ Undertake a general sensitisation and awareness programme focused on, <i>inter alia</i>; government officials, labour unions, employer organisations. 	<ul style="list-style-type: none"> • Ministry of Interior; • Ministry of Labour, Public Service and Human Resource; Social Security; • Ministry of EAC Affairs; • Professional Bodies in RSS 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>to RSS workers under the following South Sudan labour laws.</p> <ul style="list-style-type: none"> • <i>South Sudan Employee Justice Chamber Act, 2011 (if applicable)</i> • <i>Workers Trade Union Federation Bill (for categories covered)</i> • <i>Labour Bill</i> • <i>Laws on the Occupational Health, and Social Security spectrum (for both RSS and PS workers)</i> <p>4. RSS will, further, as part of discussions with partner states, cooperate on harmonisation of these laws, and of overarching labour</p>	<p>The following, which require additional resources and collaboration with partner states, will be implemented progressively:</p> <ul style="list-style-type: none"> • Institutional infrastructure for the recognition and accreditation of foreign qualifications; • Fast-track, for the professions listed in the schedule for the movement of workers, arrangements for admissions exams and / or board membership – with involvement of professional bodies. • <i>Fast-track National Council for Higher Education (NCHE), as part of full implementation of Ministry of Higher Education, Science and Technology (MoHEST) Policy</i> 		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	policy.	<p><i>Framework</i></p> <p>RSS will also mobilise additional resources and engage in ongoing discussions with partner states, with a view to:</p> <ul style="list-style-type: none"> Cooperating with partner states on ongoing joint programmes on young workers 		
<p>Article 11 Harmonisation And Mutual Recognition Of Academic And Professional Qualifications</p>	<p>1. RSS will review for compliance and strengthening of regulatory framework:</p> <ul style="list-style-type: none"> General Education Act 2011 Higher Education Act 2012 Examination Council Act 2011 <i>Full implementation of MoHEST Policy Framework, including:</i> 	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> Have in place domestic processes for the recognition of academic qualifications (including qualifications authority); Fast-track, for the professions listed in the schedule for the movement of workers for, where required, arrangements for recognition and professional body 	<ul style="list-style-type: none"> Ministry of Education; Ministry of Higher Education, Science and Technology; Ministry of Labour, Public 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<ul style="list-style-type: none"> ○ <i>establishment of National Council for Higher Education (NCHE);</i> ○ <i>Regulatory body for professional quality assurance</i> ● Sectoral rules governing any of the categories covered by the schedule on the free movement of workers. <p>2. RSS will enter into mutual recognition agreements with partner states - in collaboration with relevant professional bodies</p>	<p>registrations – with involvement of professional bodies.</p> <ul style="list-style-type: none"> ● <i>Fast-track the NCHE</i> ● Identify institutions that will be focal to effecting notification <p>2. RSS will also mobilise additional resources and engage in ongoing discussions with partner states on:</p> <ul style="list-style-type: none"> ● mutual recognition of academic and professional qualifications ● harmonisation of curricula, examinations, standards, certification and accreditation of educational and training 	<p>Service and Human Resources; and</p> <ul style="list-style-type: none"> ● Ministry of EAC Affairs ● In collaboration with RSS professional bodies ● Cooperation with partner states 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>3. <i>Process is in motion for rules to accredit private and foreign tertiary institutions (MoHEST Policy Framework)</i></p> <p>4. For standardisation, and in order to allow compliance with the accreditation requirements contained in the Higher Education Act and the MoHEST Policy Framework – would apply to both RSS suppliers and foreign suppliers</p>	<p>institutions</p>		
<p>Article 12 Harmonisation Of</p>	<p>1. RSS will cooperate with partner states on</p>	<p>RSS will engage in ongoing discussions with partner states on, assist the</p>	<ul style="list-style-type: none"> • Ministry of Labour, Public 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Labour Policies, Laws And Programmes</p>	<p>harmonisation of labour policies and national laws and programmes.</p> <p>2. The following policies will be reviewed for harmonisation:</p> <ul style="list-style-type: none"> • Labour Policy • Labour Bill, 2012 	<p>Secretariat with information to facilitate its work on harmonisation and monitoring:</p> <ul style="list-style-type: none"> • compile a list of policies, laws and programs to be harmonised to facilitate the free movement of labour. • Participate in regional discussions for the harmonisation of national social security policies, laws and systems concerning self-employed persons. • Share information with the partner states and the Secretariat on matters pertaining to manpower surveys and monitoring of the regional labour market. 	<p>Service and Human Resources</p>	
PART E				

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
RIGHTS OF ESTABLISHMENT AND RESIDENCE				
<p>Article 13 Right Of Establishment</p>	<p>1. RSS will, as part of the review of the Immigration Act, 2011 and practice, to give effect to the right of establishment. The procedures will facilitate:</p> <ul style="list-style-type: none"> • The issuance of residence permits to qualified workers and self-employed persons from partner states • The issuance of dependant passes to spouses, children and dependants of the above persons • The issuance of issuance of work/residence permits • The tracking the volumes of, and processing timelines for, applications. 	<p>1. Specific Implementation Requirements:</p> <p>RSS will, in tandem with implementation of laws and administrative procedures giving effect to the movement of persons and workers:</p> <ul style="list-style-type: none"> • Strengthen institutions for the issuance of residence and work permits to EAC workers ○ Increase human resources to manage CMP-related immigration; ○ Train, and issue performance indicators to, immigration and labour officials. These will include, inter alia: <ul style="list-style-type: none"> ○ Standards for processing times for applications for residence. 	<ul style="list-style-type: none"> • Ministry of Interior; • Ministry of Lands, Housing, and Physical Planning; • Ministry of Trade, • Ministry of EAC Affairs • Ministry of Justice 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>2. RSS will remove administrative and licensing restrictions relating to trade in services</p> <ul style="list-style-type: none"> • The following general laws will be reviewed, with a view to issuing clarification or, if appropriate, practice notes: <ul style="list-style-type: none"> ○ <i>Investment Promotion Act</i> ○ <i>Companies Act</i> ○ <i>Land Act</i> 	<p>RSS will mobilise additional resources to effect implementation of these commitments</p> <p>2. RSS will also engage in ongoing discussions with partner states on:</p> <ul style="list-style-type: none"> • cooperation on information exchange pertaining to the exercise of the right of establishment; • Collaboration on issues and discussions relating to the simplification of processes and procedures relating to licensing; • Collaboration on discussions pertaining to the harmonisation of licensing and related fees; • sharing any other relevant information pertaining to the right of establishment. <p>Specific Implementation Requirements:</p>		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<ul style="list-style-type: none"> • RSS will implement these obligations in accordance with, and in tandem with, the schedule on the movement of service • RSS will continue to monitor whether there remain any administrative restrictions on the right of establishment, with a view to: <ul style="list-style-type: none"> ○ removing them, where they exist; and compiling a list of them, where they exist, or the purpose of sharing such information with Council 		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		DRAFT	<ul style="list-style-type: none"> • 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Article 14 Right Of Residence</p>	<p>1. RSS will guarantee the right of residence to Partner States in accordance with the requirements of Articles 10 and 13. This includes the rights of residence their spouses, children and dependants.</p> <p>2. RSS will, implement this article, and the requirements of Annex IV in tandem with implementation of immigration laws and administrative procedures relating to the movement of workers and the right of</p>	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> • ensure the issuance of issue residence permits to partner state citizens • have in place procedures and mechanisms for facilitating the renewal of residence permits, • have in place mechanisms for notifying Council of any limitations <p>RSS will mobilise additional resources to effect implementation of these commitments</p>	<ul style="list-style-type: none"> • Ministry of Interior; • Ministry of Lands, Housing, and Physical Planning; • Ministry of Trade, • Ministry of EAC Affairs • Ministry of Justice 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>establishment.</p> <p>3. RSS will review, for compliance, the content of the definition of “resident” in its immigration and nationality law, as well as in some of its general laws.</p>			
<p>Article 15 Access To And Use Of Land And Premises</p>	<p>1. Access to, and use of land and premises in RSS is government by the Constitution and by South Sudan’s Land Policy.</p> <p>2. A number of specific laws will be reviewed as part of:</p> <ul style="list-style-type: none"> • facilitating access to land to partner state nationals; • ensuring the use and 	<p>Specific Implementation Requirements:</p> <p>RSS will, in tandem with implementation of laws and administrative procedures giving effect to use of, and access to, land and premises in relation to residence and establishment:</p> <ul style="list-style-type: none"> • Clarify procedures relating to access to leasehold land • Procedure (grounds for, procedures, and compensation; Chapter XII of the Land Act) 	<ul style="list-style-type: none"> • Ministry of Interior; • Ministry of Lands, Housing, and Physical Planning; • Ministry of Trade, 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>enjoyment of land by partner state nationals and investors; and</p> <ul style="list-style-type: none"> • rectifying substantive and institutional discrepancies relating to matters of land use. <p>The laws which will be reviewed include:</p> <ul style="list-style-type: none"> ○ <i>The Land Act,</i> ○ <i>Licensing and land use laws.</i> ○ The Investment Act (2009), and the investment incentives regime. ○ A Community Land Act, which is currently under 	<ul style="list-style-type: none"> • Fast-track the finalisation of pending aspects of the Land Policy, including clarification of issues relating to land tenure • Issue relevant directives for ensuring the use and enjoyment of land by partner state nationals and investors • Train officials in all the responsible ministries • Consult with communities <p>RSS will mobilise additional resources to effect implementation of these commitments</p>	<ul style="list-style-type: none"> • Ministry of EAC Affairs • Ministry of Justice • South Sudan Land Commission 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	consideration.			
PART F FREE MOVEMENT OF SERVICES				
Article 16 Free Movement Of Services	Refer also to Schedule for the Free Movement of Services			
Article 16 Free Movement Of Services	1. RSS will review and amend the law and facilitate all modes of supply of services, as per schedule of commitments. 2. As part of compliance, provisions in the following general laws will be reviewed - Investment Act - Companies Act	Specific Implementation Requirements: As part this, RSS will undertake the following: <ul style="list-style-type: none"> • review all sectoral laws relating to the liberalised sectors, and will, during the implementation period adjust laws and regulations which are considered to be discriminatory • sensitise authorities in the states, and their representatives of RSS’s obligations and commitments in the area of the free movement of services 	<ul style="list-style-type: none"> • Ministry of EAC Affairs • Various line ministries • State authorities • In collaboration with professional bodies 	24-36 months

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>3. RSS will review sectoral laws covering the scheduled commitments</p> <p>4. In the case of all of the above laws, the RSS will progressively remove existing restrictions and, (save for prudential, public policy, and other permissible measures) shall not introduce new restrictions in the sectors covered in its schedule of commitments.</p>	<ul style="list-style-type: none"> • throughout the implementation period, to ensure that the progress of activities at all levels of government is in keeping with the timelines set in the scheduled elimination dates • where necessary, undertake training of government officials (national, state, and local) from the line ministries responsible for the sectors covered • RSS is in the process of aligning its provisions in relevant general laws with its commitments in the area of trade in services • RSS is, in collaboration with sectoral line ministries, in the process of 		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>aligning provisions in relevant sectoral laws with its commitments in the area of trade and services</p> <p>RSS will mobilise additional resources to effect implementation of these commitments</p> <p>RSS will also engage in ongoing discussions with partner states on:</p> <ul style="list-style-type: none"> • Extending commitments to the remaining five broad services categories • Deepening commitments in the current seven categories • Reformulating Mode 4 commitments, and part of delinking Annexes V and II 		
Articles 17 and 18 National Treatment	1. As per its scheduled commitments, RSS will	<ul style="list-style-type: none"> • All the actions above, will apply to commitments here 	<ul style="list-style-type: none"> • Ministry of EAC Affairs 	24-36 months

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Most Favoured Nation Treatment</p>	<p>accord to services and service suppliers of partner states, treatment not less favourable than that accorded to similar RSS services and service suppliers</p> <p>2. As per its scheduled commitments, RSS will apply its market access commitments, and the most favoured nation principle is applicable to trade in services.</p> <p>3. In the case of all of the laws reviewed under article 16 will be aimed at removing any discriminatory</p>	<p style="text-align: center; opacity: 0.5; font-size: 2em;">DRAFT</p>	<ul style="list-style-type: none"> • Various line ministries • State authorities 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>tendencies in the treatment of services and service suppliers, is already in process</p> <p>4. In all the sectors liberalised, RSS will accord no less favourable treatment to service providers from partner states. Where limitations exist, they will be scheduled, and legally justifiable.</p>	<p>DRAFT</p>		
<p>Article 19 Notification</p>	<p>1. After accession RSS will promptly notify Council of any restrictive measures, as required by article 19</p>	<p>Specific Implementation Requirements:</p> <ul style="list-style-type: none"> • RSS will continuously monitor its measures affecting trade in services, and those taken by state authorities. • The various line ministries 	<ul style="list-style-type: none"> • Ministry of EAC Affairs • In collaboration with various line ministries 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>national government level, and the states' and local governments, will work jointly to identify any measures which might be restrictive to trade in services</p> <ul style="list-style-type: none"> The Ministry will be the focal point for responsible for Trade and EAC Affairs requiring notification <p>RSS will mobilise additional resources to implement these commitments</p>		
<p>Articles 20 - 22</p> <p>Domestic Regulation</p> <p>General Exceptions To Trade In Services</p>	<p>1. RSS will maintain appropriate disciplines on domestic regulation, in the various sectors, in accordance with obligations undertaken</p>	<ul style="list-style-type: none"> All the actions above, will apply to commitments here 	<ul style="list-style-type: none"> Ministry of EAC Affairs Ministry of Justice In collaboration 	<p>24-36 months</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
Security Exceptions on Trade in Services	2. RSS administrative authorities will monitor the enjoyment of the right and impose restrictions in accordance with the protocol when need arises.		with various line ministries	
Article 23 Implementation Of The Free Movement Of Services	<p>1. RSS will implement its commitments, as per schedule for the free movement of services</p> <p>2. RSS will also participate in the further negotiations with partner states to deepen and widen commitments in trade in services</p> <p>3. RSS will also participate, with partner states in developing Mutual</p>	<p>Specific Implementation Requirements</p> <p>See above, in relation to article 16.</p> <p>With respect to MRAs, RSS will:</p> <ul style="list-style-type: none"> • develop a programme to prepare the RSS government and sector to participate in MRAs • Conduct domestic consultations to: <ul style="list-style-type: none"> ○ Develop indicators and benchmarks and prepare for participation in MRA discussion ○ Ascertain the present joint capacity needs of industry of 	<ul style="list-style-type: none"> • Ministry of East African Affairs • Ministry of Labour, Public Service and Human Resource; Social Security; • Ministry of Higher Education, Science and 	24-36 months

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<p>Recognition Agreements (MRAs) in professional services.</p>	<p>government</p> <ul style="list-style-type: none"> ○ Create structures for industry and professional bodies' involvement. Where no such bodies are fully established, a forum for soliciting input from industry, and the capacity of authorities ○ Develop a list of, in collaboration with industry, of professional sectors, with timelines (progressive), in which MRAs will be concluded <ul style="list-style-type: none"> ● A number of actions will be undertaken in order to enable RSS to effect the MRAs: <ul style="list-style-type: none"> ○ The creation of institutional infrastructure for the recognition and accreditation 	<p>Technology;</p> <ul style="list-style-type: none"> ● Various line ministries; ● The private sector (industry) and professional bodies; ● The National Council For Higher Education (NCHE) 	

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>of foreign professional and academic, and other qualifications. This will include:</p> <ul style="list-style-type: none"> ○ The establishment, and staffing of a Professional and Qualifications Authority; ○ Seeking to fast-track the finalisation of the National Council For Higher Education, whose work will be linked to the commitments under the schedule on the movement of workers. ● RSS will engage with the competent authorities of other partner states to rationalise benchmarks for recognition of foreign and EAC qualifications ● RSS will streamline processes for the 		

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
		<p>professional services sectors and worker categories liberalised</p> <ul style="list-style-type: none"> • RSS will designate competent authorities that can enter into MRAs in order to facilitate the free movement of professionals across the EAC <p>RSS will mobilise additional resources to effect implementation of these commitments</p> <p>RSS will also engage in ongoing discussions with partner states and professional bodies on:</p> <ul style="list-style-type: none"> • Extending commitments to the remaining five broad services categories • Mutual Recognition Agreements (MRAs) 		
<p>Article 24 Elimination Of</p>				

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
Restrictions On The Free Movement Of Capital				
Articles 24-28	<p>1. RSS does not impose significant restrictions to the movement of capital. Where restrictions exist, these will be eliminated as per the schedule on the free movement of capital.</p> <p>2. For compliance, the following laws have been reviewed, and will be reviewed further to ensure the commitments reflected in the schedule of commitments:</p> <ul style="list-style-type: none"> • Bank of South Sudan Act, 2011 	<ul style="list-style-type: none"> • Amendments to any laws and administrative practices will be progressive, as per the timeframes set in the schedule on the removal restrictions. • A committee comprising the relevant institutions, and ministries will: <ul style="list-style-type: none"> ○ Monitor the implementation of the schedule ○ And provide guidance on any matters concerning the implementation of this article and Annex VI of the Common Market Protocol. 	<ul style="list-style-type: none"> • Ministry of Finance, • Central Bank • Ministry Of Justice 	<p>24-36 months after Accession to the EAC.</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	<ul style="list-style-type: none"> • Banking Act, 2012 • Progressive Anti-Money Laundering, 2012 • Counter-Terrorism Financing Act, 2012; and • The Foreign Exchange Business Act, 2012 • Relevant sections of the Constitution (will be part of all overarching amendments to bring it in line with EAC accession. 	DRAFT		
PART H: OTHER AREAS OF CO-OPERATION IN THE COMMON MARKET				
Article 29 Protection of cross border investments	1. The Constitution, IPA 2009, and membership of ICSID (2012) provide for the rights under Article 29.	Specific Implementation Requirements: Train judiciary.	<ul style="list-style-type: none"> • Ministry of Justice. 	24-36 months after Accession to the EAC.
Article 32 Harmonisation of	1. The EAC Double Taxation Avoidance Agreement 2010 will be adopted.	Specific Implementation Requirements: RSS will:	<ul style="list-style-type: none"> • Ministry of Finance 	24-36 months after Accession to the EAC.

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Tax Policies and Laws</p> <p>Article 33 Prohibited subsidies</p>	<ul style="list-style-type: none"> • The Taxation Act (Amendment No2) Provisional Order 2012 will be amended to give effect to the Agreement. • Tax information Exchange Agreements and Mutual Agreement procedures with Partner States. <p>2. The incentives offered in the Investment Promotion Act 2009 will be reviewed to approximate the EAC Model Investment Code 2006.</p> <p>3. The Taxation Act (Amendment no 2) Provisional Order 2012 will be reviewed to promote greater harmonisation of producers and application of indirect taxes.</p>	<ol style="list-style-type: none"> 1. Undertake a study to assess elimination modalities and institutional needs. The study will provide the basis for resource mobilisation. 2. Cooperate with the EAC Fiscal Affairs and the EAC Framework for Fiscal Affairs Committee. A study will be undertaken to assess harmonisation with other Partner States of the PIT and CIT systems (capital allowance and tax incentive), tax procedures codes, and alignment of SME tax regimes. This study will form the basis for participation in the EAC tax harmonisation programmes. 3. Given South Sudan is at an early stage with developing its tax system, and is currently operating a simplified sales tax, cooperation will initially focus on excise tax. 	<ul style="list-style-type: none"> • Ministry of Trade • Ministry of Foreign Affairs. • Ministry of Justice. 	
<p>Article 33 Prohibited Business Practices</p>	<p>South Sudan's Unfair Competition Bill and Consumer Protection Act</p>	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> • Regulatory review of the 	<ul style="list-style-type: none"> • Ministry of Justice 	<p>24-36 months after Accession to the EAC.</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
<p>Article 36 Consumer Protection</p>	<p>2011 will be reviewed to ensure its compliance with the EAC Competition Act 2006 and Policy.</p>	<p>Competition Bill and develop secondary implementing regulation.</p> <ul style="list-style-type: none"> • Establish a Competition Commission. • Establish and build the capacity of an investigative unit. • Train judiciary in addressing competition and consumer protection issues 		
<p>Article 37 Coordination of Trade Relations</p>	<p>1) RSS will adopt the East African Trade Negotiations Act 2008.</p> <p>2) RSS will accede and implement</p> <ul style="list-style-type: none"> • The agreements between the EAC and the USA • The Tripartite Free Trade Agreement • The EAC – EU Economic Partnership Agreement. <p>3) RSS will continue with its efforts to accede to the</p>	<p>Specific Implementation Requirements: RSS will:</p> <ul style="list-style-type: none"> • Establish a National Trade Negotiations Committee and nominate two members, one of each gender, to the EAC Joint Trade Negotiations Commission. <ul style="list-style-type: none"> ○ Training will be provided to build the capacity of the national committee to develop national positions. • Studies will be undertaken to identify how RSS can benefit most from accession to the TFTA and the EAC – 	<ul style="list-style-type: none"> • Ministry of Commerce • Ministry of Foreign Affairs. 	<p>24-36 months after Accession to the EAC.</p>

Common Market Protocol Provisions	Regulatory Harmonization Requirements	Implementation and Resource Pre-requisites	Responsibility and Support Requirements	Implementation Target
	WTO.	<p>EU EPA. This will form the basis for Aid for Trade for implementation</p> <ul style="list-style-type: none"> RSS will seek the support of EAC Partner States in its ongoing efforts to accede to the WTO. 		
Article 43 Cooperation in Intellectual Property Rights	<p>1. Regulation of IPR is under development.</p> <p>2. The Investment Protection Act 2009 makes provision for the protection of intellectual property rights. An implementing mechanism and regulation is needed to give effect to the rights given in the Article.</p>	<p>Specific Implementation Requirements:</p> <p>RSS will:</p> <ul style="list-style-type: none"> Provide protection on counterfeiting through its customs development programme. <p>The EAC Regional Intellectual Property Rights Policy on the utilisation of Public Health related to WTO-TRIPS Flexibilities will be of relevance to South Sudan on Accession to the WTO.</p>	<ul style="list-style-type: none"> Ministry of Justice Customs Ministry of Commerce. 	24-36 months after Accession to the EAC.

ANNEX III: Roadmap for implementation of EAC Monetary Union Protocol

No	Activity	Implementation and Resource Pre-requisites	Timeline
1	Implementation of the Customs Union and the Common Market Protocol	As outlined in the Implementation Roadmaps for the Customs Union (CUP) and Common Market (CMP) Protocols.	As per the CUP and CMP

			Implementation Road-maps.
2	Establishment of the East African Monetary Institute (EAMI)	South Sudan shall participate in the establishment of the EAMI.	As above
3	Establishment of the following institutions a) Institutions responsible for surveillance, compliance and enforcement b) Institution responsible for statistics c) Institutions responsible for financial services	South Sudan shall participate in the establishment of the relevant institutions.	As above
4	Coordination and Harmonization of Fiscal Policies	South Sudan shall coordinate and harmonize its Fiscal Policy as outlined in the MU Protocol: a) Harmonize and co-ordinate the fiscal policies to maintain in particular: <ul style="list-style-type: none"> • a ceiling on fiscal deficit, including grants of 3% of GDP • a ceiling on gross public debt of 50% of GDP in NPV terms; and • a reserve cover of 4.5 months of imports. b) Disclose fiscal policy to other Partner States; c) Co-ordinate its fiscal policy with the single monetary policy and exchange rate policy; d) Harmonize and coordinate its budget framework; e) Coordinate and harmonies its public procurement policies; f) Implement its economic policy to achieve and maintain macroeconomic convergence; g) Adopt and adhere to the principles of fiscal discipline; h) Avoid harmful tax competition; i) Disclose its aid flows to the East African Central Bank; and j) Ensure efficient mobilization and allocation of resources.	As above
5	Coordination and Harmonization of Monetary and	GRSS shall commission a study which will devise a detailed work	As above

	Exchange rate policies during the transition to Monetary Union.	<p>plan for Coordination and Harmonization of Monetary and Exchange rate policies during the transition to Monetary Union. The study shall provide a detailed master plan and outline of key activities and structures necessary for South Sudan to attain coordination and harmonization of Monetary and Exchange rate policies within the timeline outlined in the MU Protocol.</p> <p>The aim of the study is to:</p> <ul style="list-style-type: none"> (i) Describe the operational frameworks for Common Monetary and Exchange rate policy in South Sudan, and (ii) Propose the optimal set of harmonised instruments and procedures which best suit the adopted monetary and exchange rate policy in South Sudan. <p>The study shall consider, among others, the following issues: harmonization of liquidity management, framework for common exchange rate management and interventions, reserve requirements, and open market operations etc.</p>	
6	<p>Harmonize payments and settlement systems</p> <ul style="list-style-type: none"> a) Develop a payment and settlement system framework for harmonization and integration of payment and settlement system infrastructure. b) Create a framework for integration of trading and securities depository and payments and settlement system 	<p>RSS shall cooperate with Partner States to develop and implement a secure, efficient, reliable and integrate payment and settlement system. In particular, RSS shall:</p> <ul style="list-style-type: none"> • Adopt and integrate trading and securities depository system; and • Harmonize and integrate the payment and settlement system and other financial sector systems/infrastructure. 	As above
7	<p>Harmonise policies, standards and laws relating to production, analysis and dissemination of statistical information</p> <ul style="list-style-type: none"> a) Develop a framework for production, analysis and dissemination of statistical information b) Develop national statistical systems while 	<p>South Sudan shall participate in EAC activities aimed to Harmonise policies, standards and laws relating to production analysis and dissemination of statistical information in line with the Schedule outlined in the Monetary Union Protocol. Further details regarding the work are outlined in the Implementation Roadmap for National Bureau of Statistics.</p>	As above

	<p>observing the requirements of the EAC statistical system and internationally accepted best practice; and</p> <p>c) Harmonize statistical methods, concepts, definitions and classifications for compiling statistics while observing internationally accepted best practice.</p>		
10	<p>Phase out any outstanding central bank lending to public entities.</p> <p>a) Prepare a timetable for progressive phasing out of overdraft facilities.</p> <p>b) Establish a mechanism to bridge temporary liquidity gaps.</p>	<p>South Sudan shall prepare a timetable for progressive phasing out of overdraft facilities and will co-operate with Partner States to establish a liquidity management mechanism within the EAC Monetary Union framework.</p> <p>This is to be handled concurrently with other provisions such as adoption of macroeconomic standards such as debt to GDP ratio and limitations on deficit spending.</p>	As above
11	<p>Attainment of macroeconomic convergence criteria:</p> <p>a) Develop a framework for monitoring compliance with macroeconomic convergence criteria.</p> <p>b) Each Partner State to design a medium term convergence programme.</p>	<p>South Sudan shall cooperate with Partner States in developing a framework for monitoring compliance with macroeconomic convergence criteria and design a medium-term convergence programme in line with the implementation timeframe outlined in the Monetary Union Protocol.</p>	As above
12	<p>Strict adherence and maintenance of the Macroeconomic Convergence:</p> <p>a) Monitoring consistent compliance with Macroeconomic Convergence criteria.</p>	<p>South Sudan shall adhere and maintain the Macroeconomic Convergence.</p>	As above
13	<p>Establishment of East African Community Stabilization Facility.</p>	<p>South Sudan shall participate and make its contribution for the establishment of the East African Community Stabilization Facility.</p>	As above
14	<p>Design and implement a common exchange rate mechanism. South Sudan shall participate in the development and Implementation of a Common</p>	<p>South Sudan shall participate in the development and Implementation of a Common Exchange Rate Mechanism.</p>	As above

	<p>Exchange Rate Mechanism:</p> <ul style="list-style-type: none"> a) Design a Common Exchange Rate Policy b) Implement a convergence phase during which the Partner State shall implement managed float exchange rate regimes c) Implement a phase of conversion of the exchange rates during which the council shall irrevocably fix the exchange rates among the Partner States d) Convert Partner States' currencies to a single currency on a date to be announced that shall not be more than six months from the date of irrevocable fixing of the exchange rates. 		
15	<p>Determination of Conversion Rates and design of a single currency. South Sudan shall develop legal instrument to irrevocably fix:</p> <ul style="list-style-type: none"> a) The exchange rates among currencies of the Partner States; and b) The conversion rates at which the single currency will replace the currencies of the Partner States. 	<p>South Sudan shall participate in the determination of Conversion Rates and design of a single currency</p>	<p>As above</p>

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