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## Regional Business Councils in the African Region: Sharing experiences and lessons for the future

### East African Business Council

*Case study on its origins, functions and mandate as a representative for private sector  
in the East African Community region*

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## 1. About the East African Business Council

### 1.1. A Brief History:

An understanding of the East African Business Council (EABC) would be incomplete without first delving into the history of the East African Community (EAC). With four of its members landlocked and all having relatively small markets, regional integration has always been viewed as the vehicle for economic, social and political transformation of the partners that form the EAC. The first attempt at a structured Community was between 1967 - 1977, when Kenya, Uganda and Tanzania operated the East African Community. Following the latter's dissolution, the three countries signed a Mediation Agreement in 1984, under which they committed to explore and identify further areas of future cooperation.

Following the dissolution of the first Community, businesses across the region began cooperating as early as 1988, initially as peer-to-peer learning on establishment of national business associations and later on business-to-business partnerships and the need for a vibrant regional trade and economic co-operation framework that could support this. Informal discussions on the re-establishment of the EAC were held by the business community from 1989 onwards, with the Charter to create the East African Cooperation Forum being adopted in 1992 by the businesses. It is this Forum that is said to have reached out to the Presidents of the three EAC countries to re-establish the EAC.<sup>1</sup> In November 1993, the heads of state of Uganda, Kenya and Tanzania signed the Agreement for the Establishment of a Permanent Tripartite Commission for Cooperation—a coordinating body with decision-making powers, comprising Ministers responsible for agreed areas of cooperation. The Tripartite Commission was given the express directive to reactivate and deepen regional cooperation.<sup>2</sup>

#### Collapse of the first EAC

Several factors are recorded to have contributed to the collapse of this first EAC. Among them is the challenge of inequitable distribution of costs and benefits among the Partner States of the EAC, with Kenya being seen to gain more than the other two and the lack of sustained political will and ideological differences among the partner states, which were taking divergent paths in terms of political architecture. Another major reason for the collapse and which is acknowledged in several EAC documents<sup>1</sup> is the limited involvement of the private sector in the EAC. Up till then, the EAC was seen as more of an intergovernmental organisation, with 'a very narrow and shallow foundation which could not withstand serious disagreements amongst the Partner States'.<sup>2</sup>

<sup>1</sup> See the first EAC Private Sector Development Strategy; first EAC Development Strategy.

<sup>2</sup> Francis Muthaura speaking in the EABC Commemorative Journal: Celebrating 20 Years of Representation of Private Sector Interest in the EAC Integration

Recognising the need to ensure inclusion of the business community in the Tripartite Commission activities, its Executive Secretary (Hon. Francis Muthaura) reached out to the business community for their input, underscoring the need for them to be structured and organised in a manner that would enhance their participation. Discussions on formation of the EABC thus begun in 1996, with the creation of the EABC being achieved in November 1997 by three business leaders, Dr. Manu Chandaria of Kenya, Dr. James Mulwana of Uganda (now deceased) and Amb. Juma Mwapachu of Tanzania. EABC was / is established as a company limited by guarantee under the laws of Tanzania. Dr. Chandaria become its inaugural Chairman. The owners of the Association were the manufacturers' associations which the three businessmen led – i.e. the Kenya Manufacturers Association, Confederation of Tanzania Industries and the Uganda Manufacturers Association. A formal launch, attended by representatives of the Association and Hon. Muthaura, was held in Nairobi.

Given the support of the head of the Tripartite Commission, the EABC was accorded 'Observer Status' immediately upon establishment, enabling it to participate in the discussions for the formulation of the Treaty for the establishment of the EAC. The input can be seen in the decidedly private sector leaning

<sup>1</sup> Francis Muthaura speaking in the EABC Commemorative Journal: Celebrating 20 Years of Representation of Private Sector Interest in the EAC Integration

<sup>2</sup> [www.eac.int](http://www.eac.int)

thrust of the EAC Treaty, which places great emphasis on fostering a regional integration process that is people-centred but *private sector driven*. The Treaty places private sector development at the heart of its strategy for accelerating regional growth, creating wealth and reducing poverty. Its key pillars are the establishment of, in a gradual manner, a EAC Customs Union, Common Market, Monetary Union and ultimately a Political Federation as a means of creating a prosperous, competitive, secure and politically united East Africa<sup>3</sup>. Other areas of cooperation are included to support these four broad objectives.

## 1.2. The Formative Years:

The Objectives of establishing the EABC as envisaged at creation were three-fold:<sup>4</sup>

- a) To support the creation of a vibrant regional trade and economic co-operation framework for the purpose of creating a bigger market for EAC businesses. This was partly achieved through the creation of the EAC.
- b) To create a common and inclusive voice for the private sector to articulate regional concerns. It was felt at the time that business concerns were only addressed at the national level and there was neither consensus on what businesses needed at the regional level, nor a voice through which it could be articulated.
- c) To create the might / clout needed to collectively influence political decision makers and businesses alike, and in so doing, exercise stronger bargaining power in championing Private Sector interests.

Membership to EABC was initially open to associations only, a decision that was made to ensure that a collective voice of the private sector was achieved. Between 1997 and 2000, EABC did not have a Secretariat and relied on the involvement of the Chairmen to engage with the EAC policy makers. Thus, each founding member and their respective Association provided their own time and resources to support the growth of the EABC. A first meeting of the EABC Executive Committee was held in June 1999, which also saw the peaceful handover of the Chairmanship to Amb. Mwapachu. By then EABC had 16 members: four from Tanzania, seven from Kenya and five from Uganda. Interestingly, among the first members were government bodies, specifically investment promotion agencies and export promotion organisations from the three Partner States.

A Secretariat was opened circa 30<sup>th</sup> October 2000 in Arusha, with members of the executive committee donating furniture and computer equipment. This helped EABC to recruit its first staff – an Executive Director and an Administration Assistant. Support from the GIZ, which was also supporting the EAC Secretariat, was secured in 2003. This support helped EABC to recruit a Trade Economist and a Public Relations Officer. The support from GIZ, as well as the negotiations towards the EAC Customs Union supported the growth of EABC. Among others, membership grew during this period and EABC became engaged in the negotiations for the customs union, which included not only undertaking of studies, but also concerted efforts to develop consensus on key aspects of the union. This was particularly important as the negotiations were complicated by two fears: the first was revenue loss after the removal of tariffs, these were critical for countries still heavily dependent on customs revenue; second was the historical baggage of unequal distribution of benefits and costs of integration.

## 1.3. EABC Today

EABC has now grown into a recognised and respected business membership organisation. Looking at its mission, EABC's *raison d'être* is primarily to seek change in public policy in order to promote a business environment conducive to business formation, growth and expansion. EABC therefore provides a regional platform through which the business community can present their concerns at the EAC policy level, with

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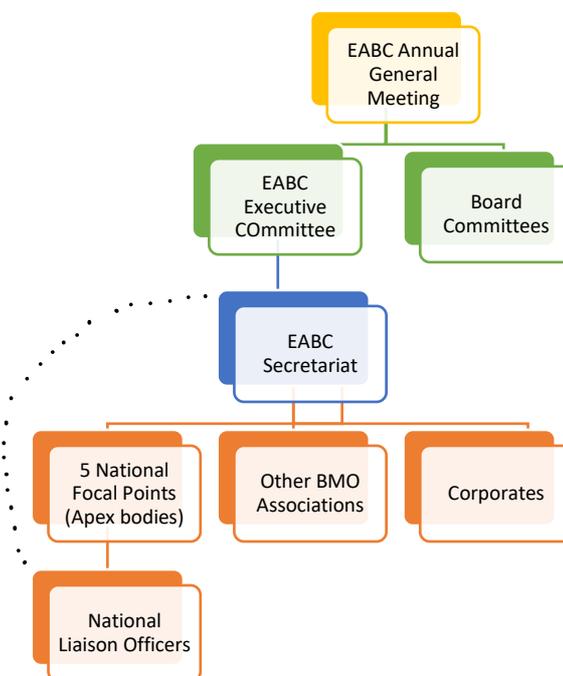
<sup>3</sup> EAC Treaty (1999)

<sup>4</sup> Based on interviews with two founding fathers of EABC

the overall aim of speedy resolution of issues and enactment of reforms to increase intra-EAC trade and create a diversified, competitive, export-led, integrated and sustainable economy in the East African Community.<sup>5</sup> Additionally, the profile also notes that EABC works towards promoting private sectors' regional and global competitiveness in trade and investment through addressing challenges experienced by EABC members at organisational and firm level. The latter is achieved through provision of tailored market intelligence, availing opportunities / platforms for business to business engagement and undertaking various trainings relevant for businesses.

EABC Membership and structure has grown in tandem with developments in the region. Thus, upon Rwanda and Burundi joining the he Community in 2007/8, EABC membership also grew to include membership from these countries. Ditto Republic of South Sudan in 2015. Also, in terms of EABC structure, while the Manufacturers Associations, being the founding members were the focal points at national level, the structure was revised in 2009 to recognise the national private sector apex bodies in each country as the National Focal Points (NFPs). Thus, the structure of EABC is as follows:

- **Annual General Meeting:** Being a business membership organization (BMO), the AGM brings together all the members and it is the supreme policy organ of EABC. The AGM meets once a year to elect the Executive Committee headed by the Chairperson and to give overall direction to the Secretariat in line with the Strategic Plan and interests of the business community.
- **Executive Committee** - EABC is managed by a 22-member Executive Committee, headed by a Chairperson, elected from the five Partner States on an annual rotational basis and four Vice Chairs from each of the States not holding the Chair. Each country nominates four Members to the Executive Committee. The Past Chair and the Executive Director (who is also the Secretary to the Board) are the other two members. Since 2018, the tenure of the Chair was revised to be two years from its, traditional one year. The Executive Committee meets on a quarterly basis to provide oversight to the EABC operations.
- **Board Sub-Committees** - EABC has various board sub-committees appointed to assist in implementing the EABC mandate. These include:
  - ✓ Finance and Administration Committee to provide financial oversight and lead in administrative matters like hiring of staff.
  - ✓ Trade and Policy Committee that takes a lead in policy advocacy.
- **Secretariat:** based in Arusha, it manages the day-to-day activities of EABC. The Secretariat is headed by an Executive Director and has both professional and support staff. The Secretariat reports to the Executive Committee.
- **National EABC Focal Points** – At national level, EABC activities are coordinated through the EABC National Focal Points (NFP) / Chapters, who are also the national private sector umbrella bodies. These are:



<sup>5</sup> EABC Profile, EABC Commemorative Journal. See also EABC website [www.eabc.info](http://www.eabc.info)

Burundi	Federal Chamber of Commerce & Industry, Burundi (FCCIB)
Kenya	Kenya Private Sector Alliance (KEPSA)
Rwanda	Private Sector Federation Rwanda (PSFR)
Tanzania	Tanzania Private Sector Foundation (TPSF)
Uganda	Private Sector Foundation Uganda (PSFU)

Through the NFPs, as well as other association members, EABC aims to reach a wide cross section of the private sector. The focal points also play a critical role in harmonising positions for regional related issues, as well as taking forward regional advocacy matters.

- **National Liaison Officers (NLOs):** in addition to staff at the Secretariat, EABC also has NLOs that support its activities at national level. These NLOs are ideally housed at the NFP, to help coordinate EABC and regional activities at the national level. They also act as a link to EABC membership in their countries, supporting the membership recruitment and mobilisation, as well as following up with members as needed.

As a means to raise more funding, EABC's membership was expanded in 2007 to include corporates. Thus, EABC has three membership categories:

Ordinary Members	Associate Members	Corporate Members
<ul style="list-style-type: none"> <li>• Private sector associations</li> <li>• Manufacturers associations</li> <li>• Private sector apex bodies</li> <li>• Federation of employers</li> <li>• Sector associations (banking, tourism, insurance, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Government agencies that facilitate trade and investment (e.g. port authorities, bureau of standards, investment promotion agencies)</li> </ul>	<ul style="list-style-type: none"> <li>• Multinationals</li> <li>• Medium and small enterprises</li> </ul>

## 2. EABC as a representative of the private sector

### 2.1. Methodologies and mechanisms for driving policy reforms

With regard to the functioning of the EABC as a representative voice of the private sector, particularly on the matter of driving policy reforms and supporting improvement of business environment, the EABC has, at the institutional level, **established a structured practice** for engagement, as elaborated below:

Step / Activity	Description of step / activity
<b>Identification of advocacy issues</b>	<ul style="list-style-type: none"> <li>- On an annual basis, EABC undertakes a membership survey to collate issues of concern for the private sector. The issues identified form the EABC Agenda for the year and subsequently are prioritised into the EABC Annual Workplan.</li> <li>- The agenda developed is shared with the NFPs as well as EABC membership. The workplan is approved by the relevant policy Committee and the Executive Committee</li> </ul>
<b>Analysis of the issues and</b>	<ul style="list-style-type: none"> <li>- As may be required by the issue at hand, EABC will undertake studies, or other forms of research to understand the issue, gather the necessary</li> </ul>

<b>validation of the recommendations</b>	evidence and develop policy proposals. These are then presented to members for validation. - The validation process also serves as a common understanding of the issue and to agree on the position of the private sector.
<b>Development of policy proposals / Position Papers etc</b>	Once the recommendations are agreed, policy engagement documents are developed. These could be policy briefs, issue briefs, position papers etc.
<b>Engagement with policy makers</b>	EABC will undertake the needed engagement with targeted policy makers. The engagement will include a mix of the following: - Issue is submitted to the EAC Secretary General and the relevant Directorate / Department of the EAC. - Through NFPs and or sector specific BMO, issue is submitted to national public sector stakeholders. - EABC also directly presents the issue to the national public sector. - When the issue comes up during EAC policy meetings, EABC presents the agreed position. The ideal situation will also be to have other private sector support the same positions in the meetings.
<b>Sustained Advocacy</b>	As advocacy issues are hardly resolved at first engagement, EABC will ensure issues are continually brought up at various events / functions / policy meetings etc, as the opportunities may present.  Where possible, national BMOs are also involved in advocacy of the issues whenever opportunities present.

This structure is however flexible and also highly dependent on the issue requiring advocacy / input from the private sector. For example, an issue may arise with regard to an NTB that is current (happening at the moment) and which demands immediate action by EABC both in terms of engagement with relevant policy makers. For example, trucks may be stuck at border points. In such instances, EABC will engage with EAC, National Monitoring Committee as well as the relevant trade facilitation agents.

Other advocacy issues may be through some of the established policy meetings to which EABC feeds on a regular basis. Such would include the following:

- EAC Regional Committee on Elimination of NTBs: Expected to meet quarterly, the EABC often sends a call to members to collate NTBs affecting them and will then present these during the meeting. They are then added to the matrix of NTBs being discussed and the updates on their removal is reported during the next regional Committee.
- Participation in the pre-budget process: - this occurs annually. EABC will usually collate input from members and then identify areas of convergence, usually through the responsible EABC sub-committee. The issues are then presented to the Pre-Budget Consultations of the Ministers of Finance, or through the EAC Secretariat and onwards to the minister's meeting.

With regard to **mechanisms that are in place to facilitate interaction and engagement of EABC with the policy makers**, the following are the key ones:

- i. **Observer Status:** This was granted to the EABC upon the establishment of the EAC in 1997. Through the Observer Status, the EABC can attend and participate at all EAC policy meetings. EABC is also allowed, under the 'Observer' status, to comment on the matters being discussed. Through this mechanism, EABC has been able to provide input in various EAC meetings – right from the

Technical level, to the Council of Ministers. It is also in recognition of its Observer Status that EABC continues to hold engagements with the Summit of the EAC heads of State.

- ii. **EAC Consultative Dialogue Framework (CDF)** – the EAC-CDF was established by the EAC Council of Ministers in November 2012, following concerted efforts by the private sector and civil society, as a way to give force and meaning to Art. 127 (4) of the Treaty that calls on the EAC Secretary General to provide ‘*a forum for consultation between the private sector, civil society organization and other interest groups and appropriate institutions of the Community*’. Under Art. 129(2), the Treaty also calls on Council to establish modalities that would enable business associations, professional bodies and CSOs in Partner States to contribute effectively to the development of the Community. The CDF names the EABC as the private sector representative body. The CDF gave rise to the EAC Secretary General Forum, that is held annually, with its recommendations incorporated in EAC policy meetings / directives.
- iii. **SG CEO Roundtable** – This was a platform created in 2010 to bring the EAC Secretary General together with leading CEOs in each of the EAC Partner States. The aim of the forum is to discuss topical issues that are affecting the Members at any given time. Subject to funding, the SG CEO Forums are held twice annually in each Partner States.
- iv. **Dialogue with Trade Facilitation Agencies** – these were initiated in 2015 to provide a platform for EABC members to engage with specific trade facilitation bodies like revenue authorities, bureaus of standards, port authorities / transport authorities and the like on a regular basis. Though held at least once in every Partner State, they are driven more by member interests – implying that they may be held more frequently where need is greatest.
- v. **Joint Activities with the EAC:** Over the years, EABC has collaborated with the EAC to host various activities that are / were part of the EABC calendar of regular engagements. Among these are:
  - The EAC Investment Conferences: these were a joint conference that also included Investment Authorities and Ministries of Trade. They were held annually from 2008 up to around 2014. They were halted on the directive of the Council for impact assessments to be undertaken. These have since become the EABC Business and Investment Summit that are held annually.
  - EABC-EAC Media Summit – started in 2008 to enhance the narrative of EAC integration through the media, the Summit ran up to 2014. Each Summit comprised a conference to discuss topic issue with regard to the media’s role in regional integration as well as an award to journalists and media houses that sought to reinforce the critical role of the media in driving the integration agenda, as well as to reward, recognize and encourage journalistic talent across media platforms in the various aspects of regional cooperation.
- vi. **Establishment of Sector / Issue Platforms:** Given its multisectoral nature and the challenges inherent in it (see challenges section), the EABC has over the years established or supported the establishment of various platforms, with whom it worked with to push specific agenda forward. These are the following:
  - EABC Standards Platform – to support engagement related to standards issues. The platform is fully owned by EABC
  - East African Women in Business Platform – now independent, the platform is EABC’s engagement partner on matters gender.
  - East African Employers Organisation – Independent organisation initially hosted at the EABC. EABC and EAEO jointly developed position papers on the free movement of workers, as well as on issues related to social dialogue.
  - EABC Professional Services Platform – established by EABC to support issues related to the free movement of trade in services. Now defunct due to funding, the issues have been taken over by the EABC services desk.

## 2.2. Key Achievements

EABC has registered many successes during its almost 24 years of existence. As it is not possible to elaborate all of them, this section summarises the key ones, across three different levels:

### At the Institutional Level:

- a) Recognition by both the EAC policy makers and the business community as the multi-sectoral representative body of the private sector in the EAC.
- b) Though challenged by some constraints, the EABC has established a firm structure with functional Secretariat, democratic and efficient governance structure and committed leadership and competent staff complement, albeit insufficient to meet its wide mandate.
- c) A loyal membership.

### At the Policy / Regulatory Level

- a) Establishment of the EAC NTB Monitoring Mechanism, which comprises National Monitoring Committees (NMCs) and a Regional Monitoring Committee (RMC) on NTBs. This is one of the key successes associated with EABC. Following advocacy to address persistent NTBs, as well as introduction of the EABC Business Climate Index (BCI) in 2006 that analysed the NTBs imposed by each Partner State (including attempting to quantify them), the EAC Council of Ministers developed the EAC NMCs and RMC on NTBs. Both are expected to meet on a quarterly basis, though funding restrictions hinder this. Beyond the structure, Partner States even agreed to a timebound NTB framework, that indicates the date on which an NTB was reported and by when the involved Partner State will resolve it. Furthermore, the report of the RMC is included in the Report of the Ministers Responsible for EAC affairs, as well as the Report to the Council and to the EAC Summit of the Heads of State.

While this structure has worked well to report and resolve NTBs, a number of them have persisted throughout the years, leading to the enactment of the EAC NTB Act, that sought to introduce sanctions as a means of enforcing removal of NTBs.

- b) Although the desired results are yet to be achieved on this matter, the EABC has been at the forefront of advocating for harmonisation of domestic tax regimes to remove harmful competition, tax evasion as well as other forms of illicit trade. Among others, the EABC has supported:
  - Specifically created a dedicated Technical Working Group on Domestic Tax Harmonisation.
  - The development of various studies on the tax regimes / disparities across the EAC Partner States, especially with regard to VAT, Excise, Income tax, as well as on double taxation.
  - Contributed to the development of a EAC Policy on Tax Harmonisation.
- c) Harmonisation of EAC Standards: Specifically, through a specially created East African Standards Platform (EASP), the EABC has achieved the following:
  - Mapping of the 20 most traded products and the standards that require harmonisation.
  - Increase of harmonised standards by 156 since the establishment of the EASP Increase in number of EAC standards.
  - Inputs, including private sector consultation and PPDs towards the development of the EAC Standards Accreditation and Conformity Assessment (SACA) Bill, which seeks to address the challenge of non-recognition of each other's standard marks.
- d) Following the negotiations for services liberalization at the EAC, several factors constrained services movement. EABC has, since 2011, undertaken studies, held PPDs and consultative meetings and developed position papers on the integration of the services agenda at the EAC, which among others called for liberalization of commercially meaningful services, removal of errors and inconsistencies

and delinking of Mode 4 from the schedule of workers, among others. As a result of this advocacy, the following has been achieved:

- Revision of the schedule of Commitments to enhance the liberalisation commitments of the services commitments. This also corrected errors and inconsistencies, as well delinked Mode 4 from the schedule of free movement of workers. The revised schedule has been adopted by SCTIFI.
  - Development of the EAC Common Market Regulations on the Free Movement of Services and Service Suppliers, which were concluded in early February 2021 and have now been forwarded to the EAC Sectoral Council for Legal and Judicial Affairs. The Regulations also cover the classification of Mode 4 service suppliers, in line with the delinking.
- e) Development and submission to the EAC and EAC policy Makers of numerous studies, position papers / policy briefs:
- Study on the Tripartite Free Trade Area – which ultimately guided EAC’s negotiations during the Tripartite meetings
  - Free Movement of Workers
  - EAC Air Transport Services
  - Economic Partnership Agreement

### **3. Challenges, lessons and recommendations**

This section discusses some of the challenges encountered by the EABC to setup and take forward its operations and provides practical recommendations/best practices which would be useful for the EBC and other similar bodies set up to strengthen business environment and facilitate trade for the private sector.

#### **3.1. Challenges:**

Over the years, EABC has (and continues to) experience various challenges. In the section that follows, we look at challenges in context of setting up the EABC and developing the capacity and functioning of the Council, as well as those Inherent to the EABC’s mandate of engaging in regional policy making agenda, representing and advancing private sector interest.

In the **context of setting up**, the following challenges were raised by EABC founding fathers during the 20<sup>th</sup> EABC Anniversary celebrations.

- a) The significantly different levels of economic development in the three countries, with Kenya being more developed because of its capitalistic outlook; Uganda being very low because of former President Idi Amin’s policies which did not promote economic development and Tanzania just beginning to come out of the socialistic policies. This situation was compounded by major ideological differences and rivalries amongst the three countries on quite a number of fronts at the time. This meant that the level of generating Private Sector interest in the regional body was always going to be difficult.
- b) Secondly, there were difficulties in understanding the unique business issues in the three Partner States and developing a coherent and visionary regional plan to address emerging Private Sector concerns.
- c) The challenge of keeping the Council’s leadership and the Private Sector in the region continuously engaged and charged. As there was no Secretariat to begin with, coordination was a key challenge for the founding fathers, yet the need to engage with the EAC as well as mobilise private sector to join EABC and participate in EAC matters remained.
- d) Funding the activities of EABC – As only associations were members of EABC (and these came with their own financial challenges), mobilizing sufficient funding to cover the costs of setting up a

Secretariat took long. It was only when GIZ came on board that EABC was able to set up a Secretariat.

Beyond these establishment related challenges, the following challenges are **inherent to the EABC's mandate** of engaging in regional policy making agenda, representing and advancing private sector interest.

### **Internal challenges:**

#### **a) Limited financial resources:**

Given EABC's wide mandate as a multi-sectoral body, the resources (technical and operational) it needs to effectively drive the private sector agenda at the regional level as well as externally are immense. Membership fees alone are not sufficient. As such, EABC has to rely on donors, whose support is however, and rightly so, linked to these donors' own objectives / areas of interest.

Linked to this is that as a multi-sectoral BMO, with a rather broad mandate and diverse membership, it is difficult for EABC to gain enough mileage with advocacy to meet the needs of all members. To be able to serve a broad-based membership requires a high complement of staff that can understand the issues and requirements of the many sectors that fall under manufacturing, services, trade, regulatory reform, to name but a few. EABC doesn't have these resources, which also unfortunately makes it difficult to attract and retain more members. As a result, EABC, as many multi-sectoral BMOs do, struggles with member payment as well as 'free-rider' behaviour, i.e. members who don't pay fees, but benefit from policy reforms as these accrue to all.

Furthermore, as companies usually belong to different BMOs, it is also a challenge to raise membership fees to high amounts, especially when coupled with the challenge above. In an ideal situation, Associations should contribute sufficient funds to meet EABC's operational needs, but most association members suffer from the same challenge of insufficient funds and donor dependency.

#### **b) Lack of an adequate suite of alternative income generating activities:**

EABC has three main sources of financing – membership fees (whose challenges have been discussed above); development partners (whose support is limited to available funds and interest areas) and conference / event generated income. The latter involves raising funds through sponsorship as well as charging for conference attendance. While these have registered some successes in the past, ability is limited because not all types of conferences / events attract sponsorship, nor are companies always willing to pay to participate in events.

EABC has in the past explored other activities, such as training, but a niche that can really be of benefit to members, is yet to be developed, again due to the multi-sectoral nature of EABC. Furthermore, on areas that would generate sufficient interest in terms of training, say when new rules of origin are introduced, these are deemed part of EABC core activities in lieu of membership. EABC has also not yet developed the kind of market intelligence and support to businesses that they can start charging businesses for, which would be another avenue to pursue.

#### **c) Scope of Policy Advocacy:**

The mandate of EABC is wide against limited financial and technical resources. While for a sector specific BMO it should be easy to have well defined interest areas and have consensus on them, this is a challenge for EABC and similar multi-sectoral bodies, which have different sector members, with different interests. And the problem is cyclic - prioritising only some issues means some members feel left out and are thus not motivated to pay membership fees. Trying to advocate on all issues means at best the engagements are general and may not yield much results, which again affects membership fees.

#### **d) Integration of regional agenda at national Level**

Although the structure of the NFPs and NLOs has increased the uptake of regional issues at national level, full integration of these issues into the agenda of the NFPs is still lacking. In most cases, the regional agenda is mainly driven by EABC Directors at national level, as well as by the EABC Secretariat directly. An ideal situation would be one where the NFP appoints and supervises the NLO, as well as takes a lead on regional matters, including advocacy. This is however challenged by the NFPs own heavy workloads as well as limited resources.

#### **External Challenges:**

#### **e) Limitations of the Observer Status**

The founding fathers of EABC considered the 'Observer Status' granted upon establishment as a stepping-stone to EABC becoming an institutional of the EAC. To quote Amb. Mwapachu's statement upon taking over the EAC Secretary General role, East African '*cannot seriously talk about the EAC being market driven when the key institutions that drive the market only peripherally engaged in EAC's mission and work*'.

The Observer Status does not provide room for EABC to drive agenda of the EAC / be part of the policy making framework so to speak, for example through contributing to the agenda of the meetings. In addition, the extent to which input from EABC during EAC policy meetings is taken up is subject to whomever is chairing the meeting and instances are there when EABC is not allowed to present its input. Thus, as Amb. Mwapachu concluded, '*private sector issues have lacked an effective avenue to enter the policy agenda of the EAC*'.

#### **f) Role and structure of the EAC Secretariat:**

The EAC is not a commission like the EU, but a coordinating body of 6 Partner States, that although supports the legislative agenda, does not drive it as that mandate still rests with the Partner States. Thus, while the EAC Secretariat and Partner States recognise EABC, there is no explicit policy favouring collective dialogue /or regional voice of the private sector through a representative association like EABC that would provide incentive for associations / firms to work with EABC. Thus, EAC Partner States participate in meetings with their own private sector representatives in tow and situations have been there where a regionally agreed position is abandoned at national level discussions. A saving grace is that due to this very problem, firms have also not had much influence individually.

#### **g) Pace of reforms / lack of a sanction system:**

Decisions at the EAC are made on the basis of consensus. While variable geometry may be introduced, much of what is needed to be done requires all Partner States to move in tandem (take for example harmonisation of domestic taxes). Thus, issues move at the pace of the slowest member, which makes sustaining advocacy difficult in the face of competing interests. Some issues, like those related to domestic tax harmonization, have been in discussion since 2009.

Furthermore, the EAC does not have in place a system for the enforcement of the commitments made by Partner States at regional level, which also means that Partner States have no incentive, unless driven by own interests, to implement EAC commitments or hurry the pace of reforms. A case in point is the EAC Common Market, that took more than 4 years to negotiate, but which remains unimplemented across many aspects.

### **3.2. Key Lesson for ECOWAS Business Council:**

Ultimately the structure under which the ECOWAS Business Council (EBC) will be established, how it will be funded, who will be its members (associations only, or even corporates?) will determine which lessons

may be useful to it. However, as a multisectoral private sector body, the following key lessons may serve EBC well:

- a) **Clear value proposition:** What will be EBC's value proposition? As a regional body, where best can it add value? If advocacy, on what issues? If training, on what? If provision of information, what kind? How often? If providing business to business linkages, of what kind? If a combination of all these factors, what takes prominence? How do you sequence the services?

Once this is well clarified, EBC should then develop a suite of services that corresponds to this value proposition. While doing so, it should identify services that enable it to generate resources. It should also aim to complement and not compete with its association members.

- b) **Prioritise issues to advocate:** The tendency of multi-sectoral BMOs is to want to cover all issues for all members, which is not possible/advisable. EBC should prioritise the issues it can effectively cover in any given period. To the extent possible, align with the current business agenda that ECOWAS as a REC is pursuing, but keeping in mind member issues that may present quick wins. Also go for issues that have the highest benefit for the highest number of members – for example trade facilitation reforms cut across most, if not all members.

Beyond this, develop a clear structure of advocacy. This should include a) having an advocacy committee b) a system of collating member issues as well as agreeing on how they are prioritised; c) funding to undertake analysis d) How a common voice / position is built e) how advocacy / engagement will be undertaken at both national and regional level. To ensure national BMOs are included in the advocacy, it is important that they are also involved in the advocacy of an agreed regional position – this way, you also ensure their buy in.

- c) **Establish an optimal structure that supports you to engage both regionally and nationally:** Key issues to guide EBC should be: how will you ensure all member issues are covered? Will you develop sector / issue specific desks? How will you link up with members at the national level? Will you have national liaison officers? Will these liaison officers be at the EBC Secretariat or at the national level? Who will be your main link association at the national level? Will it be a private sector apex body? Does it have the buy-in of private sector as the national apex body?
- d) **Cultivate and nurture strategic partnerships:** The agenda for BMOs is often wide, resources are often limited. It will be necessary to cultivate relationships that can support you to drive your agenda, while ensuring that they are of mutual benefit. These partnerships may be with development partners, other BMOs, including outside of ECOWAS, think tanks etc.
- e) **Relationship with ECOWAS:** beyond observer status (or whichever status you are given), the aim is to become an effective partner with ECOWAS – a partner they can engage with who is strong enough to deliver good quality information, advice, collective opinion – that can help them push the private sector agenda. This has an implication on a) your ability as a BMO to bring together the ECOWAS private sector b) organise them into a collective voice and c) use that voice to bring needed reforms and actions.