THE CORE WAVE

The Official Newsletter of the EU–EAC CORE Programme

Annual Edition: 2025-2026

The EU–EAC CORE Programme proudly presents the 2025 edition of the CORE Wave Newsletter—an annual reflection of milestones that are reshaping regional integration across the East African Community. In a year defined by bold reforms, strengthened partnerships, and dynamic engagement with public and private actors, the Programme advanced practical, evidence-based solutions that enhance services liberalisation, empower MSMEs, modernise regulatory systems, and deepen Secretariat capacity. This edition captures the momentum built across five flagship interventions, demonstrating how targeted actions taken in 2025 are laying the foundation for a more competitive, connected, and opportunity-rich EAC.

The Ease of Currency Convertibility and Payments within East Africa Community Region

INSIDE:

Linking East Africa to the AfCFTA and Payments

Customs (Trade facilitation, clearances and agents)

EAC SecretaryGeneral news

EU- EAC CORE Programme Milestones

The Ease of Currency Convertibility and Payments within East Africa Community Region

Currency Convertibility is a vital aspect of the East African Community region's economic framework. It determines the ease with which multiple nations' currencies can be exchanged for foreign currencies. This mechanism has played a crucial role in international trade, investment, and economic stability for the regional bloc.

Currency convertibility is an important facet of trade and travel for both residents and non-residents within the region. It is greatly determined by the market forces of supply and demand for an individual country's currency, which are governed by three (3) standards of usability, exchangeability, and exchange value.

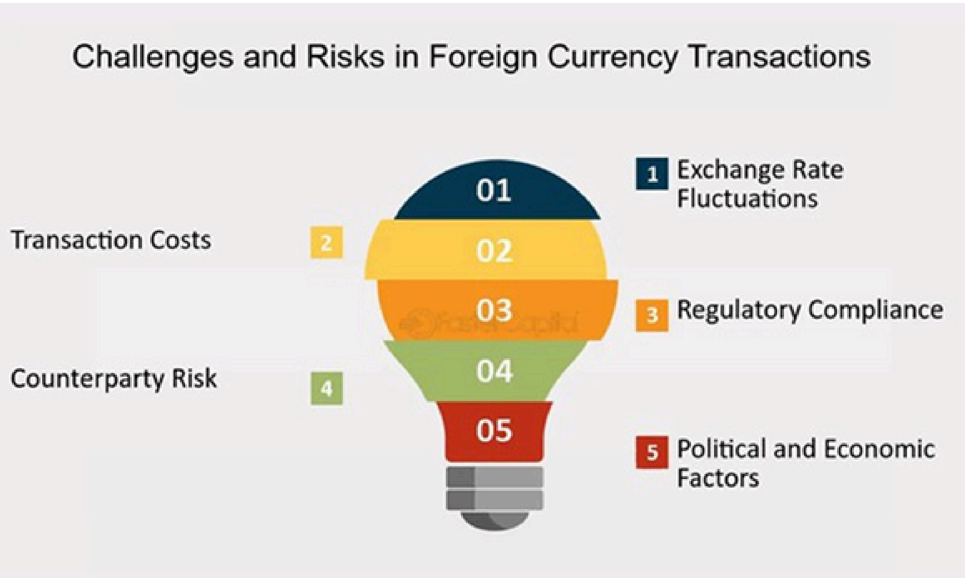
The East African Community (EAC) with the mission of promoting economic integration, finds the ease of currency convertibility and efficient payment systems, critical for boosting intra-regional trade and economic growth. This article explores the achievements, challenges, and prospects of currency convertibility and payments within the EAC Partner States.

Assessing progress in currencyconvertibility and payment systems

The **East African Payment System (EAPS)**, introduced by the central banks of Kenya, Uganda, Rwanda, and Tanzania, is a real-time gross settlement system that allows transactions in local currencies. It facilitates cross-border payments without requiring U.S. dollars as an intermediary currency. This system has significantly reduced transaction costs and enhanced trade efficiency, thus boosting trade facilitation and enhancing the movement of goods and services in the region.

Integration efforts under the EAC Monetary Union are guided by the Monetary Union Protocol, signed in 2013. The Protocol which outlines steps for achieving a single currency in the EAC by 2031. Progress in aligning fiscal and monetary policies among partner states indicates a strong commitment to deeper financial integration and further enhancing the negotiating power of partner states in international trade.

Mobile Network Operators Interoperability evidenced by the rise of mobile money platforms like M-Pesa, MTN Mobile Money, and Airtel Money has easedsmall-scale cross-border transactions. Interoperability agreements between Kenya, Uganda, and Rwanda have allowed users to send and receivemoney across borders seamlessly further enriching the ease of currency convertibility and facilitating regional trade and the free movement of goods and services.



Assessing the challenges in currency convertibility and payments

As the region progresses and makes strides towards a single regional currency to enhance currency convertibility, a few hurdles remain to be overcome.

Exchange rate instability or Volatility

The unstable exchange rates among EAC Partner State currencies make trade and investment less predictable across East Africa. For instance, fluctuations in the Kenyan and Ugandan shillings can eat into profit margins for businesses involved in cross-border trade, thus broadly affecting income and economic development.

Secondly, despite the EAPS's benefits, its adoption among the Partner States remainslow due to limited awareness and reliance on traditional banking systems. Some traders often preferinformal channels or US dollars, which counteract the EAPS's intended efficiency and ease of payments within the region, which enhances currency convertibility.

Thirdly, there are consistent delays in implementing the Monetary Union as the target date for introducing a single EAC currency has been repeatedly postponed, now set for 2031. This reflects challenges in achieving the required macroeconomic convergence among Partner States and posing a threat to the attainment of ease of payments and currency convertibility.

Despite the advancements highlighted above, cross - border payments are met with high transaction costs due to

hidden fees and double conversion rates in some corridors. This affects regional trade and income for the businesses disproportionately.

Exploring strategies for enhancing currency convertibility and payments

It has become clear that harmonising macroeconomic policies is not just a good thing to do but Partner States must align fiscal and monetary policies to ensure exchange rate and currency convertibility stability and prepare for the introduction of a single currency. This will necessitate greater coordination between central banks governed by Partner States commitment.

The EAC PartnerStates need to strengthen digital payment systems by enhancing fibre coverageand the adoption of digital platforms, including the Pan-African Payment and Settlement System (PAPSS), which can reduce costs and increase efficiency in cross-border payments while enhancing currency convertibility.

It is pertinent to increase awareness and adoption of EAPS among regional traders and financial institutions through education and awareness campaigns coupled with incentives that might boost its uptake and usage and facilitate smoother transactions in the region.

The foregoing is easily attainable with private sector engagement i.e., involving private sector stakeholders in policy dialogues can help identify practicalsolutions to barriers in currency convertibility and payments.

Conclusion

Currency Convertibility is crucial for integrating the EAC region's economy with the global financial system, balancing the benefits of increased financial access with the risks of economic instability. By carefully managing these components, the EAC Partner States can optimisetheir economic interactions on the international stage, fostering growth, competitiveness, and resilience in an interconnected world.

The East African region has made commendable progress in easing currency convertibility and enhancing payment systems, but significant challenges remain. Addressing exchange rate volatility, reducing transaction costs, and accelerating the Monetary Union's implementation are critical steps for realizing the full potential of regional economic integration. By fostering collaboration, leveraging technology, and increasing public awareness, the EAC can create a more seamless financial ecosystem that drives sustainable growth.

Linking East Africa to the AfCFTA

As the African Continental Free Trade Area (AfCFTA) seek to create a single continental market for goods and servicesin Africa, it is also envisaged to reduce trading problems such as different regulations from one African country to another thus boosting economic growth which has in the past been constrained by poor infrastructure, unreliable power, low agricultural productivity, poor governance, and lack of market competitiveness.
It then follows that the African Continental Free Trade Area (AfCFTA) presents a transformative opportunity for all East African partner states including Uganda, kenya, Tanzania and Rwanda.
Despite its seemingly the ambitious nature, the AfCFTA liberalizesservice sectors as well as merchandise goods by aiming to create open, rules-based, transparent, inclusive and integrated single services market while simplifying the investment regime and create a common platform for competition policy. It is enriched by its Protocol on Free Movement of people and capital which is helping address the skills shortages constraining trade in the regional economy.

By fostering greater trade integration and simplifying cross-border payments, the AfCFTA has the potential to significantly boost economic growth and regional connectivity although challenges remain in aligning East African economies with the AfCFTA framework and optimizingpayment systems to support seamless trade.

This article offersstrategic insights into the opportunities, obstacles, and strategies for effective integration of East Africa into the AfCFTA.

Opportunities Offered by the AfCFTA

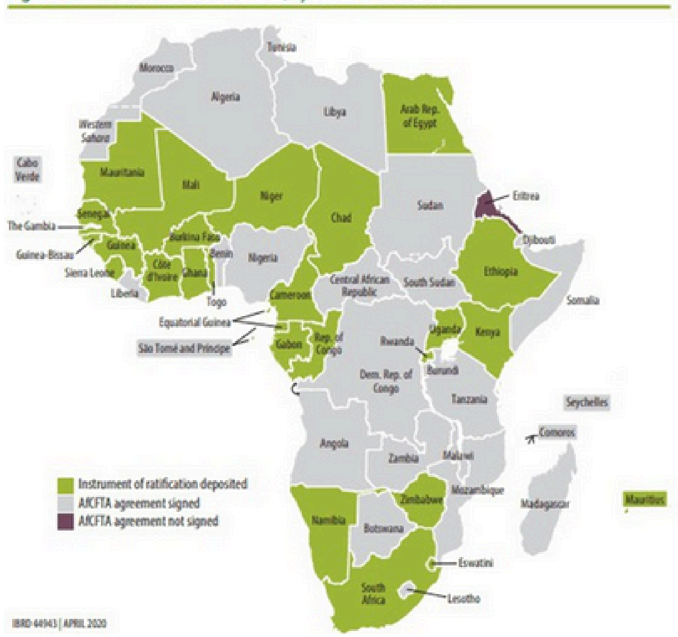
a) Increased Market Access: The AfCFTA creates the largest free trade area in the world by connecting 54 African countries. East African businesses now have access to a market of over 1.3 billion people, which can drive export diversification and economic growth. AfCFTA boosts EAC partner state's trade volumes with other African trading partners and improves the prospects for export diversification by increasing the demandfor manufactured goods exports. It remains economically true that the composition of exports matters for growth and those countries that export a higher share of manufactured products grow faster than countries that export a low share of manufactured products, a relationship which appears particularly strong for African countries.

b) Harmonized Payment Systems: The AfCFTA's Pan- African Payment and Settlement System (PAPSS) enables businesses to make payments in local currencies across Africa thus simplifying the historical complexities and costs of making payments across African borders, providing operational efficiencies, and adding value through a common African market infrastructure for governments, banks and payment providers to corporates, small enterprises and individuals. This easing the pressure on current accounts and demands for foreign exchange liquidity and supports a reduced need for foreign currencies, reduces transaction costs, and increases the speed of trade settlements.

c) Boosting Intra-African Trade: The AfCFTA aims to increase intra-African trade by reducing tariffs and non- tariff barriers including lengthy and duplicated immigration procedures, lengthy customs administrative documentation procedures, cumbersome inspection requirements and un-harmonised standards, among others. East African countries can leverage their strong manufacturing and agricultural sectors to expand exports within Africa thus fostering food security and increased household income.

d)Digital Trade Opportunities: The AfCFTA Digital Trade Protocol aims to promote digital

Figure 1.1 AfCFTA member countries, by status of ratification



trade across Africa and create a favorable environment for digital trade between African Union members. It emphasizes the free flow of data and prevents state parties from requiring access to source code as a market access condition thus easing market access. It further defines the environment for digital trade between EAC partner states and other African nations thus enhancing e-commerce and digital trade, offering East African businesses new opportunities to engage in the global digital economy.

Challenges in Linking East Africa to the AfCFTA

a) Lack of Infrastructure: It is true that the functioning of modern society depends on viable infrastructure-dependent services that improve the quality of life. Inadequate transport and logistics infrastructure within East Africa hampers the movement of goods and services across borders, making it difficult to fully exploit AfCFTA benefits. The transportation sector in the East African Community partner states is characterized by fragmentation, inadequate capacity, and poor performance as road and rail networks are sparse and many of its seaports and airports are in need of renovation and expansion. More so, inadequate infrastructure hampers economic activities: raw materials do not get to the factories and production cannot ensue; goods do not reach consumers; trade and financial activities cannot flourish within or across borders. Infrastructure, no doubt is a necessary attribute for trade.

b) Common currency and exchange rate volatility: It is expected that a stable currency would spur economic growth and development, and the East African single currency has numerous guarantees as far as boosting exchange over the region and advantages for all states through collaboration and beneficial interaction. However, withinthe framework of the Abuja Treaty, Africa is also expected to become an economic union by 2027 and with a common currency.These divergent dreams affect the unity and reach of the available markets.

This is paired with the currency volatility and instability among EastAfrican partner states which further creates unpredictability in trade transactions and affects competitiveness.

c) Regulatory and Policy Divergences: Differences in trade policies and regulations among East African countries hinder the harmonization required for effective AfCFTA implementation. For example, the absence of trade facilitation measures, could disadvantage some EAC partner states, as exporters will experience a decline in East African Community (EAC) preference margins.

d) Limited Awareness and Adoption of PAPSS: While PAPSS is a critical enabler of AfCFTA's payment ecosystem, awareness and adoption remain low in East Africa, especially among small and medium enterprises (SMEs).

The Way Forward: Strategies for Effective Integration

a) Investing in Infrastructure Development: East African governments must prioritize investments in transport and logistics infrastructure including road, sea ports, airports, and rail to facilitate smoother trade flows under the AfCFTA framework.

b) Strengthening Financial Systems: Enhancing the capacity and awareness of PAPSS in East Africa is essential for enabling seamless payments across borders. Governments and financial institutions should conduct outreach and training programs to increase adoption.

c) Policy Harmonization: East African countries should work collaboratively to harmonize trade policies, customs procedures, and standards to align with AfCFTA objectives.

d) Empowering SMEs: Providing capacity building programs, financing options, and access to trade information can enable SMEs to participate more effectively in AfCFTA trade opportunities.

e) Leveraging Technology: Developing digital platforms for trade facilitation, customs clearance, and payments will support the digitization goals of the AfCFTA and enhance East Africa's competitiveness.

Conclusion

By way of conclusion, the AfCFTA as a timely catalyst for the expansion of services trade in Eastern Africa and linking East Africa to the AfCFTA and integrating regional payment systems is a complex but achievable goal. While significant challenges remain, the opportunities for increased market access, enhanced payment systems, and expanded trade far outweigh the hurdles. By addressing infrastructure gaps, aligning policies, instituting trade facilitation reforms, and promoting the adoption of innovative payment systems like PAPSS, East African countries can fully harness the potential of the AfCFTA to drive sustainable growth and economic integration.

Customs (Trade facilitation, clearances and agents)

Customs operations are integral to global trade, ensuring compliance with regulations, safeguarding national interests, and promoting economic growth by streamlining the movement of goods across borders. As trade volumes expand, efficient customs procedures have become vital for national competitiveness, directly influencing supply chain reliability and profitability. Beyond border control, modern customs processes embrace trade facilitation principles to simplify and harmonize procedures, reduce bottlenecks, and lower costs. Supported by stakeholders like customs agents, these efforts are critical for accelerating clearance times and enhancing trade competitiveness, as highlighted by studies such as those from the World Bank. This report examines key aspects of customs operations, including trade facilitation, clearance procedures, the role of customs agents, automation, and persistent challenges, offering recommendations to optimize efficiency and support global trade.

a)Trade Facilitation and Customs in the East African Region.

Trade facilitation through simplified international trade procedures is crucial for the East African Community (EAC) to achieve its regional integration goals. Comprising eight Partner States, the bloc relies heavily on cross-border trade for economic growth. Efficient customs operations are key, influencing the movement of goods, reducing costs, and boosting competitiveness. Despite historical challenges like border delays, the EAC has made progress with initiatives such as One-Stop Border Posts (OSBPs), which streamline customs and immigration, as seen with the Namanga OSBP on the Kenya-Tanzania border. The EAC Customs Union and Single Customs Territory (SCT) have harmonized tariffs and simplified trade, reducing inter-border clearance times and costs. Digital solutions, including Kenya's iCMS and Tanzania's TANCIS, enhance transparency and efficiency, underscoring the positive link between streamlined customs and economic growth. However, challenges like non tariff barriers, limited customs capacity, and the need for stronger interagency collaboration remain. By addressing these, the EAC can strengthen its role as a trade hub, driving economic development and improving livelihoods.

b) Customs Clearance Procedures in the East African Region.

Customs clearance procedures in the East African Community (EAC) involve critical steps such as documentation review, goods inspection, and duty assessment. These steps are essential to ensure compliance with regulations and facilitate the smooth movement of goods across borders. However, inefficiencies and delays in any stage of this process can disrupt trade flows, increase costs, and reduce the competitiveness of the region's businesses.

Challenges in the EAC Customs Clearance Process

- **Lengthy Clearance Times:** Similar to the issues identified in Ethiopia, EAC countries have faced challenges with protracted customs clearance times. Factors contributing to delays include manual handling of documentation, complex procedures, and inadequate staffing at border points.
- **Bureaucratic Inefficiencies:** Multiple checks and overlapping mandates of agencies at border crossingsadd layers of complexity, often leading to unnecessary delays. These inefficiencies can result in higher transaction costs and reduced trader confidence in the customs systems.
- **Infrastructure Gaps:** Insufficient infrastructure at border posts, such as inadequate storage facilities and limited

inspection equipment, exacerbates delays in the clearance process. The bottlenecks are particularly pronounced at major transit points like the Malaba and Busia border posts between Kenya and Uganda.

- Lack of Harmonization: Although the EAC Customs Union seeks to harmonize procedures, discrepancies in the implementation of customs policies among Partner States remain a barrier to seamless trade.

Steps Taken to Address Customs Clearance Challenges

- **One-Stop Border Posts (OSBPs)**: The establishment of OSBPs, such as the ones at Namanga and Busia, has been a game changer for streamlining customs clearance in the EAC. By integrating the functions of border agencies from two countries at a single location, OSBPs reduce duplication and expedite processes.

- **Adoption of Digital Systems:** The implementation of digital customs systems, such as Kenya's Integrated Customs Management System (iCMS) and Uganda's Automated System for CustomsData (ASYCUDA), has reducedmanual paperwork and sped up documentation reviews and duty assessments.

- **Simplified Trade Regimes (STRs):** For small-scale traders, the EAC introduced Simplified Trade Regimes, which reduce the documentation burden and facilitate quicker clearance of goods below a specific value threshold.

- **Capacity Building and Training:** Various capacity-building initiatives have been introduced to enhance the efficiency of customs officials and agents, ensuring they are well-versed in modern customsprocedures and systems.

c) Role of Customs Agents in the East African Region

Key Functions of Customs Agents in the EAC

a) Regulatory Compliance: Customs agents ensure that traders adhere to import and export regulations, including the correct classification of goods, accurate documentation, and the payment of duties and taxes. This minimizes errors that could lead to delays or penalties.

b) Facilitating Customs Clearance: Agents streamline the clearance process by handling paperwork, coordinating inspections, and addressing any issues that may arise with customs authorities. In Kenya, for example, licensed customs agents play a central role in ensuring consignments meet the requirements for quick clearance.

c) Advisory Services: Customs agents provide traders with critical information about tariff classifications, trade agreements, and regulatory changes. This is particularly important in the EAC, where trade policies and procedures may vary across Partner States.

d) Transport and Logistics Coordination: Beyond clearance, customs agents often arrange for the transportation of goods, ensuring seamless movement from ports of entry to their final destinations.

Challenges Faced by Customs Agents in the EAC

- The differing trade policies and procedures among EAC Partner States make it challenging for customs agents to provide consistent services across the region.

- Some customs agents lack access to adequate training and resources, which can limit their efficiency and ability to keep up with evolving trade regulations and technologies.

- Persistent NTBs, such as roadblocks, weighbridge inspections, and licensing delays, hinder the ability of customs agents to expedite trade flows.

- While some EAC countries have adopted advanced customs systems, others rely on outdated manual processes, creating inconsistencies that agents must navigate.

Strategies to Enhance the Role of Customs Agents in the EAC

- EAC PartnerStates should harmonize licensing standards for customs agents and provide regular training programsto ensure uniform competence and knowledge across the region.
- Invest in building the capacity of customsagents by equipping them with modern tools and technology to enhance their efficiency and adaptability.
- Customs agents should be integrated into digital customs plat- forms like the Kenya Integrated Customs Management System (iCMS) or Uganda's ASYCUDA, allowing them to access real-time information and expedite clearance.
- Customs agents can work with policymakers to identifyand address procedural bottlenecks, thereby contributing to the reduction of NTBs and smoother trade flows.

d) Impact of Automation, Such as Single Window Systems, in the East African Region

Automation of customs procedures, particularly through systems like single window platforms, has revolutionized trade facilitation in the East African Community (EAC). By streamlining processes, reducing manual intervention, and enhancing transparency, automation has significantly improved efficiency in customs clearance, enabling faster and more reliable trade across borders.

a) Key Benefits of Automation in the EAC

- Automated systems have drastically cut down the time required for customs clearance. For instance, Kenya's Kenya Trade Net System, a single window platform, has enabled traders to electronically submit documentation and obtain clearances from multiple regulatory agencies through a single portal. This has reduced the average clearance time from several days to just a few hours.
- Automation reduces errors in documentation and ensures adherence to trade regulations. The electronic lodgment of customs entries minimizes opportunities for non-compliance and fraud, fostering trust between traders and customs authorities.
- Automation lowers transaction costs by eliminating redundant procedures and reducing the need for physical visits to multiple offices. This is especially beneficial for small and medium-sized enterprises (SMEs) looking to enter regional and international markets.

- Automated systems track and log all transactions, enhancing accountability and reducing corruption. In Tanzania, the Tanzania CustomsIntegrated System (TANCIS) has played a pivotal role in increasing transparency in customs operations.

- Automation supports harmonized procedures across Partner States, aligning with the EAC's goals of creating a seamless trading environment. For example, the rollout of the Single Customs Territory(SCT) relies heavily on automated systems to enable pre-clearance of goods and payment of duties at the first point of entry.

Challenges of Automation in the EAC

1. Technological Disparities: While some countries have advanced automated systems, others still rely on manual processes, creating inconsistencies and delays.

2. High Implementation Costs: Establishing and maintaining automated systems require substantial investment in infrastructure, training, and IT security, which can be challenging for some Partner States.

3. Limited Digital Literacy: Traders and customs agents in some areas may lack the skills to fully utilize automated platforms, reducing their potential impact.

4. Connectivity Issues: Internet disruptions, such as those experienced in the region in 2024, can hinder the effectiveness of automated systems and disrupt trade flows.

H.E. Veronica Nduva, Secretary General of the East African Community, delivering a keynote address at the International Customs Day 2025 celebrations.

EAC Secretary General news

The East African Community (EAC) has made significant strides in regional integration over the past 25 years, marked by notable achievements, milestones, and challenges. As we commemorate this journey,it's essential to reflect on these aspects and chart a way forward for deeper integration and development.

Achievements

1. Expansion of Membership: The EAC has grown from its original three Partner States—Kenya, Uganda, and Tanzania—to include Rwanda and Burundi (2007), South Sudan (2016), the Democratic Republic of Congo (2022), and Somalia (2024). This expansion has increased the bloc's market size and diversified its economic potential.

2.Implementation of Integration Protocols:

- Customs Union (2005): Established to promote intra-regional trade by eliminating internal tariffs and adopting a common external tariff.
- Common Market (2010): Facilitated the free movement of goods, services, capital, and labor across member states.
- Monetary Union (2013): Laid the groundwork for a single currency to enhance economic stability and integration.

3. Trade Facilitation: The EAC has increased both inter- and intra-regional trade, witnessing a rise in intra-EAC Foreign Direct Investments (FDI) and FDI from outside the region. (ECDPM, 2013)

4. Monetary Union Progress: The EAC has harmonized critical policiesnecessary for a sustainable Monetary Union and remains on course towards attaining a single currency by 2024. The East African Legislative Assembly enacted the East African Monetary Institute Bill, 2018, and the East African Statistics Bureau Bill, 2018, to support this goal.

5.Trade Integration: The EAC was ranked as the most integrated bloc among the eight regional economic communities recognized by the African Union, according to the 2019 Africa Regional Integration Index.

6. Infrastructure Development: Malindi–Bagamoyo Highway: Construction of the Malindi–Bagamoyo Highway, also known as the Coastline Transnational Highway, commenced to connect Malindi and Mombasa in Kenya to Tanga and Bagamoyo in Tanzania. This project aims to improve cross-border trade and regional integration.

7. Infrastructure Development: Kakira–Kisumu Expressway: The EAC initiated the upgrade of the Kakira–Kisumu Expressway to a dual carriageway to boost intra-regional trade along the Northern Corridor.

8. African Continental Free Trade Area (AfCFTA): EAC Partner States actively participated in the AfCFTA, which aims to create a single continental market for goods and services. The agreement came into force on May 30, 2019, marking a significant step towards continental integration.

Annette Mutaawe Ssemuwemba, Deputy Secretary General - Customs, Trade and Monetary Affairs, EAC Secretariat, Arusha - Tanzania

Milestones

1.East African Community Competition Authority (EACA): The EACA developed its Strategic Plan for 2019/20 – 2023/24, focusing on implementing the EAC Competition Act, mobilizing resources, and leveraging strategic partnerships to enhance fair competition within the region.

2.Progress in Regional Integration

- **Tripartite Free Trade Area (TFTA):** The TFTA, involving COMESA, SADC, and the EAC, entered into force on July 25, 2024, after ratification by 14 countries, aiming to create a large free trade area and enhance trade across member states.

- **African Continental Free Trade Area (AfCFTA):** EAC Partner States actively participated in the AfCFTA, which aims to create a single continental market for goods and services. The agreement came into force on May 30, 2019, marking a significant step towards continental integration.

2. Commemoration of the 25th Anniversary (Silver Jubilee Celebrations): On November 30, 2024, the EAC celebrated its 25th anniversary, reflecting on its achievements and setting the agenda for future integration efforts. The EAC celebrated its 25th anniversary under the theme "EAC@25: Promoting Trade, Sustainable Development, and Peace and Security for Improved Livelihoods," reflecting on its journey and envisioning future integration.

Challenges

1.Political Instability and Security Concerns.

- **Conflict in Eastern Democratic Republic of Congo (DRC):** The resurgence of violence in eastern DRC, particularly involving the M23 rebel group, strained relations within the EAC. Accusations of external support for rebel activities further complicated regional dynamics. A summit held in Arusha, Tanzania, in November 2024, aimed at promoting peace, was marked by the absence of key leaders, highlighting the complexities in addressing the conflict. (Associated Press, 2022)

- **Somalia's Internal Conflict:** Despite its accession to the EAC in 2024, Somalia's ongoing civil war and the presence of militant groups like Al-Shabaab posed significant security challenges, affecting regional stability and integration efforts.

2. Economic Disparities and Integration Hurdles

- Non-Tariff Barriers (NTBs): Persistent NTBs continued to hinder intra-EAC trade. Although ten NTBs were resolved by June 2023, four new ones emerged, indicating ongoing challenges in achieving seamless trade across member states.

- Financial Constraints: Delays by member states in fulfilling their financial commitments led to budget deficits, affecting the EAC's operations and initiatives. In November 2024, discussions among EAC Speakers emphasized the need for urgent funding and unity to tackle regional challenges.

3.Sociopolitical Tensions

EVENTS OF THE YEAR

A. International Customs Day

The EU–EAC CORE Programme began 2025 by participating in International Customs Day in Tanzania, marking its first major engagement of the year and reinforcing its commitment to advancing trade facilitation within the region.

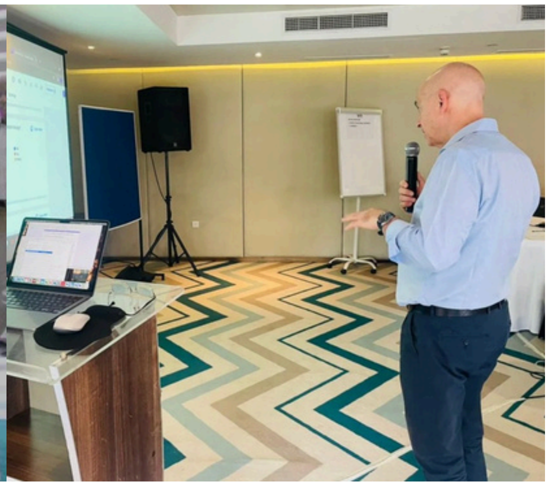
The annual celebration, held under the global theme "Customs Delivering on its Commitment to Efficiency, Security and Prosperity," brought together customs agencies, policymakers, private sector stakeholders, and regional institutions to reflect on emerging trends, foster stronger collaboration, and explore opportunities to modernise and harmonise customs systems across the East African Community. Through this engagement, the Programme highlighted its ongoing work in supporting interoperability, digitalisation, and streamlined border processes under the EAC Customs Union and Common Market Protocol, while recognising the essential role of MSMEs, women traders, and cross-border service providers in driving regional economic growth.

B. The first Public Private Dialogue（PPD）Conference

In 2025, the EU–EAC CORE Programme convened the inaugural Public–Private Dialogue (PPD) on the **Mobility of Business Persons**, a landmark forum organised to address the persistent, practical barriers that continue to hinder entrepreneurs, professionals, investors, and cross-border traders despite existing commitments under the EAC Common Market Protocol. The Dialogue brought together an unprecedented mix of actors—including immigration authorities, ministries of Internal Affairs, Trade and EAC Affairs, professional regulators (law, accounting, engineering, architecture, medical and tourism bodies), labour organisations, major bus and airline companies, regional logistics providers, insurers, ICT associations, hotel groups, tourism federations, and representatives of women and informal cross-border traders. The PPD directly tackled issues such as inconsistent visa regimes, delays at borders, limited recognition of professional qualifications, unclear work permit processes, and administrative challenges that disproportionately affect SMEs and women traders. Early outputs included a shared commitment to streamline visa and permit procedures, accelerate digitalisation of immigration services, expand awareness on Partner State requirements, and prioritise harmonisation of professional recognition processes—laying a solid foundation for deeper regional reforms.

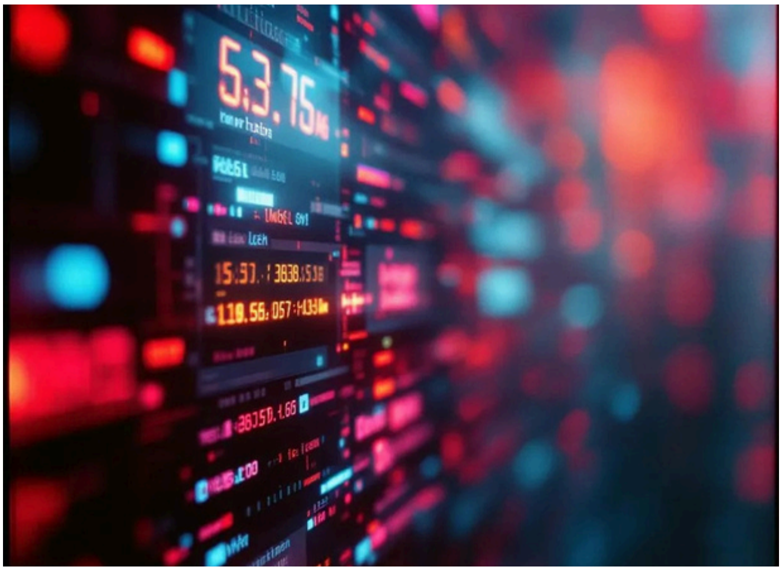
C. Peer-to-Peer Conference on Financial Services

In June 2025, the EU–EAC CORE Programme convened the annual Peer-to-Peer Learning Conference on Financial Services in Kampala, bringing together a powerful mix of financial sector regulators, central banks, FinTech innovators, payment system operators, insurance leaders, investors, digital commerce platforms, parliamentarians, and regional private-sector associations. The event, themed **"Digital Innovation in Financial Services to Boost Cross-Border Trade and Productivity,"** focused on addressing regulatory inconsistencies, cybersecurity vulnerabilities, interoperability barriers, and digital literacy gaps that hinder the region's financial transformation. Lessons drawn from Partner States such as Kenya and Rwanda, alongside African FinTech success stories like Branch and Chipper Cash, reinforced opportunities for regional payment integration, innovation sandboxes, and harmonised FinTech regulation. The conference produced consensus on the need for coordinated regulatory reforms and a structured action plan supporting FinTech growth, financial inclusion, and digital market integration across the EAC.



D. Capacity Building with the EAC Secretariat on EDF Procedures

To strengthen the institutional engine powering regional integration, the EU–EAC CORE Programme implemented a comprehensive Capacity Building Initiative on European Development Fund (EDF) procedures. Guided by a detailed assessment of capacity gaps across Finance, Planning, Resource Mobilisation, Customs, and Trade departments, the training targeted critical competencies in EU-funded project management, financial compliance, procurement procedures, and Logical Framework Approach (LFA) application. Delivered through interactive modules on ACP–EU cooperation frameworks, project cycle management, and contractual rules, the initiative strengthened internal staff proficiency in managing EU-funded programmes. This intervention significantly enhanced the Secretariat's capability to coordinate, implement, and report on integration initiatives under the EAC Customs Union and Common Market Protocol.



E. Development of a Living Database of Trade in Services Restrictions

The Living Database emerged in 2025 as one of the EU–EAC CORE Programme's most forward-looking achievements, designed to support the implementation of the EAC Common Market Protocol by improving how restrictions in Trade in Services are monitored, reported, and progressively removed.

The platform was first tested with stakeholders during the "EAC Trade in Services Public Engagement Pilot," where policymakers, regulators, and private-sector actors interacted with the prototype, submitted real-world feedback, and explored its reporting features.

Built to focus initially on seven priority service sectors, the system compiles up-to-date regulatory, administrative, and institutional information from across the region, offering a transparent way to understand where barriers exist and how they are changing over time. Once operational, the Living Database will feature user-friendly dashboards, reporting and search functions, mobile access, and bilingual usability in English and French. It is being designed to integrate with existing regional systems, including the East African Monitoring System (EAMS) and the Non-Tariff Barriers Elimination Mechanism, ensuring that information remains centralised, accessible, and actionable. By equipping the EAC Secretariat, Partner States, private-sector bodies, and end-users with a real-time tool for monitoring progress, the Living Database is expected to strengthen evidence-based policymaking, streamline stakeholder reporting, and accelerate removal of identified restrictions. As such, it stands as a major step forward in enhancing transparency, supporting free movement of services, and advancing regional competitiveness—reinforcing the CORE Programme's commitment to a more integrated, efficient, and opportunity-driven East African Community.

Read more: https://str.eac.int/

F. Strengthening Regional Integration and Customs Efficiency Across the EAC

In 2025, we made remarkable progress in strengthening trade facilitation and regional integration across the East African Community. Three Partner States successfully fully integrated their Customs Management Systems with the ESB, marking a major milestone in seamless data exchange and coordinated customs operations. The EAC Secretariat received consistent technical and implementation support, enabling smoother oversight of all Lot 1 activities. Regionally, all seven Partner States advanced toward full ratification of the AfCFTA, reinforcing our collective commitment to a unified continental market, while intra-EAC trade continued to grow as a share of GDP. Operationally, we completed the development of all six technical modules through Stages I–VIII, enhanced ICT-based data exchange protocols, and strengthened integration across customs systems. Border efficiency improved significantly with reduced clearance times and lower cargo inspection rates. Our missions engaged a wide range of agencies, contributing to stronger collaboration, while extensive capacity-building efforts saw EAC and national staff trained and certified in interconnectivity and system integration. We also upheld strong governance standards with all financial and narrative reports submitted on time—making 2025 a year of solid, measurable progress.

The achievements of 2025 demonstrate the transformative power of coordinated regional action, evidence-based policymaking, and strong public–private collaboration. From improving business mobility and deepening digital financial integration to empowering MSMEs and strengthening institutional capacity, the EU–EAC CORE Programme has accelerated the momentum toward a more seamless and competitive East African market. As we move into 2026, the Programme remains committed to fostering reforms that drive opportunity, enhance resilience, and deliver meaningful benefits to citizens and enterprises across the region.

Merry Christmas

&

Happy New Year

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