



**EAST AFRICAN COMMUNITY**

# **BUDGET SPEECH**

*Theme: Transforming Lives through Industrialization and Job  
Creation for shared prosperity*

**PRESENTATION OF THE BUDGET OF THE  
EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR  
2019/2020 TO THE  
EAST AFRICAN LEGISLATIVE ASSEMBLY**

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AFRICAN COMMUNITY, REPUBLIC OF RWANDA, AND  
CHAIRPERSON OF THE COUNCIL OF MINISTERS OF THE EAST  
AFRICAN COMMUNITY**

**19<sup>TH</sup> JUNE, 2019 AT 14.30HRS**

**EALA Chambers, EAC Headquarters, Arusha, The United Republic of  
Tanzania**

## **LIST OF ACRONYMS AND ABBREVIATIONS**

|          |  |
|----------|--|
| AfDB     | African Development Bank                                 |
| AGOA     | African Growth and Opportunity Act                       |
| AIP      | Agricultural Investment Plan                             |
| AU       | African Union  |
| AWF      | African Wildlife Foundation                              |
| BEA-BEA  | Buy-East Africa-Build East Africa                        |
| BIOMAPA  | Biodiversity for Protected Areas Management              |
| BMS      | Budget Management System                                 |
| CAADP    | Comprehensive African Agricultural Development Programme |
| CASSOA   | Civil Aviation Safety and Security Oversight Agency      |
| CDD      | Community Driven Development                             |
| CEDAT    | College of Engineering, Design, Art and Technology       |
| CET      | Customs External Tariff                                  |
| CMI      | Capital Markets Infrastructure                           |
| CMP      | Common Market Protocol                                   |
| CODESRIA | Council for the Development of Social Sciences in Africa |
| COMESA   | Common Market for East and Central Africa                |
| CTC      | Counsel to the Community                                 |
| DANIDA   | Danish International Development Agency                  |
| DRDM     | Disaster Risk Reduction and Disaster Management Bill     |
| DRRM     | Disaster Risk Reduction and Management                   |
| EABC     | East African Business Council                            |

|             |   |
|-------------|---|
| EAC         | East African Community  |
| EAC-EU-EPAs | East African Community – European Union-<br>Economic Partnership Agreements     |
| EACJ        | East African Court of Justice   |
| EACREEE     | East African Centre for Renewable Energy and<br>Energy Efficiency               |
| EADB        | East African Development Bank   |
| EAHRC       | East African Health and Research Commission                                     |
| EAKC        | East African Kiswahili Commission   |
| EALA        | East African Legislative Assembly   |
| EAMU        | East African Monetary Union   |
| EAPCE       | East African Petroleum Conference and Exhibition                                |
| EAPP        | Ester Africa Power Pool   |
| EAPPCCO AGM | East African Police Chiefs Cooperation Organization<br>– Annual General Meeting |
| EASTECO     | East African Science and Technology Commission                                  |
| EATUC       | East African Trade Union Confederation  |
| ECOWAS-PF   | Economic Community for Western Africa<br>Parliamentary Forum                    |
| EGL         | Energy for Great Lakes  |
| EPA         | Ecosystems Profile Assessment   |
| EU          | European Union  |
| FDIs        | Foreign Direct Investments  |
| FN          | Fast Jet  |
| FSDRP       | Financial Sector Development and Regionalization<br>Project                     |
| FTA         | Free Trade Area   |

|              |   |
|--------------|---|
| GAVI         | Global Alliance for Vaccines  |
| GDP          | Gross Development Product   |
| GIZ          | Deutsche Gesellschaft für International<br>Zusammenarbeit               |
| GMP          | Good Manufacturing Practice   |
| HIV and AIDs | Human Immunodeficiency Virus and Acquired<br>Immune Deficiency Syndrome |
| ICT          | Information and Communication Technology                                |
| IMO          | International Monetary Organization                                     |
| IPU          | Inter-Parliamentary Union   |
| ITC          | International Trade Centre  |
| IUCEA        | Inter-University Council for East Africa                                |
| IUCN         | International Union for Conservation of Nature                          |
| IWRM         | Integrated Water Resources Management<br>Programme                      |
| JAMAFEST     | Jumuiya ya Afrika Mashariki Utamaduni Festival                          |
| KfW          | German Development Bank   |
| KQ           | Kenya Airways   |
| LVBC         | Lake Victoria Basin Commission  |
| LVEMP        | Lake Victoria Environmental Management Project                          |
| LVFO         | Lake Victoria Fishers Organization                                      |
| LVWATSAN     | Lake Victoria Water Supply and Sanitation Project                       |
| MOU          | Memorandum of Understanding   |
| MRAS         | Mutual Recognition Agreements   |
| MTEF         | Medium Term Expenditure Framework                                       |
| NELSAP       | Nile Equatorial Lakes Subsidiary Action Programme                       |

|          |  |
|----------|--|
| NIRTO    | Network of Industrial Research and Technology Organization   |
| NMRAs    | National Medicines Regulatory Authorities                    |
| NPCA     | NEPAD Planning and Coordinating Agency                       |
| NPFMPII  | Nile Perch Fishery Management Plan                           |
| NTBs     | Non-Tariff Barriers  |
| OSBPs    | One Stop Border Posts  |
| PAP      | Pan-African Parliament                                       |
| PHE      | Population Health and Environment                            |
| PPS      | Public Private Sector Partnerships                           |
| PREPARED | Policy, Adaptation, Research and Economic Development        |
| RECs     | Regional Economic Communities                                |
| RMNCA    | Reproduction Maternal New-born, Child and Adolescent Health  |
| RRIS     | Regional Reference Information system                        |
| RSS      | Republic of Southern Sudan                                   |
| RTOS     | Research and Technology Organization in Africa               |
| SADC     | Southern African Development Community                       |
| SADC-PF  | Southern African Development Community – Parliamentary Forum |
| SALW     | Small Arms and Light Weapons                                 |
| SCT      | Single Customs Territory                                     |
| SCTIFI   | Sectoral Council on Trade, Industry, Finance and Investment  |
| SDGs     | Sustainable Development Goals                                |
| SEZs     | Special Economic Zones                                       |

|        |  |
|--------|--|
| SIDA   | Swedish International Development Agency                     |
| SMEs   | Small and Medium Enterprises                                 |
| SOLAS  | Safety of Life at Sea  |
| SoPs   | Standard Operating Procedures                                |
| SPS    | Sanitary and Phyto-sanitary                                  |
| STEM   | Science, Technology, Engineering and Mathematics             |
| SQMT   | Standardization, Quality Assurance, Metrology, Testing       |
| TBP    | Time Bound Programme   |
| TBT    | Technical Barriers to Trade                                  |
| TCM    | Sectoral Council on Transport, Communication and Meteorology |
| TMEA   | Trade Mark East Africa                                       |
| TORs   | Terms of Reference   |
| TTPF   | Tax Treaty Policy Framework                                  |
| UHC    | Universal Health Coverage                                    |
| UN     | United Nations   |
| UNFPA  | United Nations Population Fund                               |
| UNIDO  | United Nations   |
| US     | United States of America                                     |
| VAT    | Value Added Tax  |
| VC     | Video Conferencing   |
| VETGOV | Reinforcing Veterinary Governance in Africa                  |
| VIA    | Vulnerability Impacts Assessment                             |
| WASH   | Water, Sanitation and Hygiene                                |
| WHO    | World Health Organization                                    |

WMO

World Meteorological Organization

WTM

World Travel Market

## I. INTRODUCTION

1. **Mr. Speaker**, I beg to move that this Assembly resolves into a House Committee to debate and approve the proposals by the Council of Ministers for the Budget of the East African Community for the Financial Year 2019/2020.

The theme of this year's budget is: *Transforming lives through industrialization and Job Creation for shared prosperity.*

2. The Budget estimates for the Financial Year 2019/2020 are being presented at a time when the integration process is gathering momentum in all the four pillars.

## II. ECONOMIC PERFORMANCE AND OUTLOOK

3. **Mr. Speaker**, given the accelerated growth within Sub-Saharan Africa attributed to strong agricultural production, rapid public investment and private consumption in the past two years, the EAC region has maintained its position as the fastest-growing sub-region in Africa, with estimated growth of 6.3 percent in 2018, up from a revised growth of 5.6 percent in 2017. Strong growth was widespread in the region, with Kenya, Rwanda, Tanzania and Uganda growing at more than 6 percent. Economic growth in Burundi and South Sudan remained subdued in 2018, with some strong signs of recovery. GDP growth in Burundi was 0.1 percent in 2018 compared with a contraction of about 1.3 percent in 2017. In South Sudan, the economy contracted by 1.2 percent in 2018 compared to a contraction of 3.5 percent in 2017.

### **III. REVIEW OF EAC PROGRAMME PERFORMANCE FOR THE FINANCIAL YEAR 2018/2019**

**4.** As **Honourable Members** will recall, this august House approved a Budget of **USD111, 933,303** for the Community for the Financial Year 2018/2019 which focused on the following priorities:

- a) Consolidation of the Single Customs Territory (SCT) to cover all imports and intra-EAC traded goods including agricultural and other widely consumed products;
- b) Infrastructural development in the region;
- c) Further liberalization of free movement of skilled labour across the Partner States;
- d) Enhancement of regional industrial development through investment in key priority sectors, skills development, technological advancement and innovation to stimulate economic development;
- e) Improvement of agricultural productivity, value addition and facilitation of movement of agricultural goods to enhance food security In the region;
- f) Promotion of regional peace, security and good governance; and
- g) Institutional transformation.

The performance on implementation of the above priorities by the EAC Organs and Institutions is as follows:

### **3.1. EAC SECRETARIAT**

#### **3.1.1. DIRECTORATE OF CUSTOMS**

##### *a) Implementation of the Single Customs Territory:*

5. **Mr. Speaker**, the Customs Union remains a cornerstone of EAC regional integration agenda. In this regard, we continued with the implementation of the Single Customs Territory. Under the SCT export regime, the export documentation and shipping arrangements are done once and transmitted electronically to the exit ports thus reducing the time taken to move EAC goods to the global market. In this regard, Partner States have implemented bilateral country system-to-system interconnectivity and data exchange protocols. This has enabled exchange of electronic documents such as Manifests, Customs Declarations, Releases, Exit Notes and Arrival Notifications, among other things.

##### *b) Review of the EAC Customs Union Instruments*

6. The Community is continuing with the process of undertaking a comprehensive review of the EAC Common External Tariff and EAC Customs Management Act 2004. So far, Partner States have adopted a four-band structure.

##### *c) Operationalization of One Stop Border Posts*

7. **Mr. Speaker**, I am happy to report that the region has successfully institutionalized the functioning of the One Stop Border Posts (OSBPs), which are now a major trade facilitation component under the Single Customs Territory framework. The Namanga OSBP was launched in December 2018 by the Heads of State of the Republic of Kenya and the United Republic of Tanzania. Training and sensitization of OSBP officials as well as the local

communities were carried out at Nimule/Elegu (Uganda/South Sudan border) and Tunduma (Tanzania/Zambia border).

*d) Partnership with the Private Sector and Implementation of the Regional Authorized Economic Operator Programme*

8. **Mr. Speaker**, further enhancement of the collaboration with the private sector was witnessed in the establishment of the Authorized Economic Operator Association. The Association assumes key responsibilities in popularizing and mainstreaming the trusted trader agenda among the business community in the region.

*e) Integration of the Republic of South Sudan*

9. **Mr. Speaker**, EAC adopted a capacity building programme to integrate the Republic of South Sudan in the EAC Customs Union. The capacity building interventions have been carried out successfully and so far a total of 138 persons in both the public and private sectors have been trained and sensitized on various EAC instruments and institutional arrangements.

*h) Customs Related NTBs*

10. **Mr. Speaker**, EAC is committed to ensuring that there is smooth flow of goods within the Community and in this regard out of 19 Customs related NTBs, six (6) were resolved, two (2) were partially resolved while 11 were not resolved. The Partner States concerned agreed to engage bilaterally to address the unresolved NTBs.

### **3.1.2 DIRECTORATE OF TRADE**

#### ***(a) Elimination of Non-Tariff Barriers***

**11. Mr. Speaker,** in spite of the substantial progress made in the elimination of NTBs, their continued existence presents serious challenges to EAC intra-regional trade. The EAC NTBs Act 2017 proposes a more effective and efficient regional dispute resolution mechanism, with the possibility of compensation. The Act further prescribes timelines to the elimination processes that Partner States should abide by. These provisions will act as a deterrent in addition to strengthening the EAC Secretariat's mandate to compel Partner States to eliminate any identified NTBs and to ensure that no new ones are created.

#### ***(b) Jua Kali-Nguvu Kazi Exhibition***

**12.** In promoting Small and Medium Enterprises (SMEs) activities, the 19<sup>th</sup> EAC Jua Kali Nguvu Kazi Exhibition was successfully held in Eldoret, Kenya, from 2<sup>nd</sup>-10<sup>th</sup> December, 2018. The Exhibition was attended by more than 1,500 Exhibitors from the Partner States. The exhibitors/artisans were trained on cross border trade and trade integration issues through daily Symposium Sessions which covered different aspects of regional integration.

#### ***(c) Tripartite and Continental Free Trade Area Negotiations***

**13. Mr. Speaker,** with regard to the Tripartite Free Trade Area, two Partner States namely Kenya and Uganda have ratified the Agreement, while others have expressed commitment to ratify the Agreement by 31<sup>st</sup> October, 2019. The African Continental Free Trade Area (AfCFTA) Agreement is now operational as of 30<sup>th</sup> May, 2019. The EAC Partner States will continue to

approach the negotiations as a Customs Union and Common Market in order to preserve the integrity of our regional trade arrangements.

**14.** In order to drive the EAC export competitiveness forward, the Community has now adopted the Export Promotion Strategy 2020-2025. The Strategy has four key interventions namely: stimulate exports through acquired market intelligence for enterprises and improved visibility on international markets; improve market access and conditions for EAC exports; strengthen export competitiveness through interventions like improved access to finance and technology for enterprises, in particular SMEs; and strengthen the trade support institutions and partnerships. EAC Partner States should fully implement the Export Promotion Strategy in order to maximize on the trade opportunities both within and outside the region.

*(d) Liberalization of trade in services*

**15. Mr. Speaker,** to facilitate the free movement of goods and services in the Community, Partner States undertook to improve their Schedule of Commitments on Trade in Services as contained in Annex V of the Common Market Protocol. Partner States have developed Regulations on the Free Movement of Services and Services Suppliers that will be instrumental in the operationalization of Part F of the Common Market Protocol. In addition, Partner States have developed a mechanism for monitoring removal of restrictions in the area of trade in services.

In addition,

*(e) Harmonization and implementation of Standards*

**Mr. Speaker,** harmonization and implementation of Standardization, Quality Assurance, Metrology and Testing (SQMT) activities as provided for in the SQMT

Act 2006 play a critical role in the implementation of the Customs Union and the Common Market Protocol. During the FY 2018/2019, efforts were directed towards harmonization of standards for the commonly traded goods registering tremendous milestones harmonizing 105 in 16 different sectors for trade facilitation. Progress is registered on developing guidelines to facilitate cross border trade through mutual recognition of the product quality marks and test certificates especially in areas such as food and cosmetic products where there have been persistent NTBs. Peer appraisal of each Partner State's conformity procedures was also undertaken with a view to building trust and confidence.

*(f) Review of the SQMT ACT 2006*

**16. Mr. Speaker**, streamlining and strengthening the EAC Quality Infrastructure is critical as EAC deepens its engagement in the Tripartite (COMESA, EAC, SADC) and AfCFTA. Technical discussions were finalized repealing the SQMT Act 2006 into a draft Metrology and draft Standardization, Accreditation and Conformity Assessment (SACA) Bills that were approved by the Council of Ministers now awaiting legal drafting before final enactment.

### **3.1.3 DIRECTORATE OF PLANNING**

**Mr. Speaker**, the following were the key achievements in the Directorate of Planning during the Financial Year 2018/19:

*(a) Monitoring the implementation of the EAC Common Market Protocol*

**17. Mr. Speaker**, the EAC Secretariat and Partner States continued to track the implementation of the commitments under the EAC Common Market Protocol. In a bid to integrate the Republic of South Sudan into the EAC, the Secretariat

facilitated the establishment of the National Implementation Committee (NIC) on the EAC Common Market Protocol and conducted a training for NIC Members in February 2019.

**18. Mr. Speaker,** in an effort to expedite implementation of the EAC Common Market Protocol provisions, the EAC Secretariat in collaboration with TradeMark East Africa and the World Bank Group developed the EAC Common Market Scorecard (CMS) 2018 on free movement of labour and right of establishment.

*(b) Establishment of Institutions to support the East African Monetary Union*

**19. Mr. Speaker,** I am pleased to report that the Bill for the establishment of the East African Monetary Institute was assented to by the Summit of EAC Heads of State in February 2019. You will also recall that the Bill for establishment of the East African Bureau of Statistics was passed by this august House in November 2018. The Council of Ministers is working on the Bills for establishment of East African Surveillance, Compliance and Enforcement Commission and the East African Financial Services Commission.

*(c) Harmonization of Domestic Taxes in the EAC Region*

**20. Mr. Speaker,** in May 2019, The Council of Ministers adopted the Policy for Domestic Tax Harmonization in the region. The policy identifies all areas for tax harmonization and coordination with a view to removing tax distortions and promoting efficient allocation of resources within the Community as required by the EAC Treaty.

*(d) Cooperation in Statistics Harmonization and Development*

**21.Mr. Speaker,** The Secretariat has secured a grant from the World Bank for implementing a 5-year EAC Statistics Development and Harmonization Regional Project which has been factored in the next year's budget. The overall objective of this project is to support development of statistical capacity of the EAC Statistics Department and the National Statistical Offices (NSOs) to produce harmonized and quality statistics necessary for planning, implementing, and monitoring the integration agenda.

***(g) Implementation of Payment and Settlement Systems in the region***

**22.Mr. Speaker,** with support from the African Development Bank (AfDB), the Central Banks continue to implement secure, efficient, and reliable payment and settlement systems to cement the foundation for the Monetary Union. In the current financial year, business continuity plans, disaster recovery sites, upgrading of real time gross systems for high value payment, Automated Clearing House (ACH) for retail payments systems and SWIFT Transaction Monitoring Solution tool in some of the Central Banks were put in place. The above support has been extended to include the Republic of South Sudan in the modernisation of her Payment and Settlement Systems Infrastructure.

**23. Mr. Speaker,** in May 2019, the Council of Ministers approved the EAC Financial Education Strategy (2019-2022), the EAC Insurance Certification Program Implementation Strategy (2019-2024), the EAC Guidelines on Consumer Protection for the Pensions Sub-Sector, the Paper on Extending Pension Coverage to the Informal Sector in the region and underlying principles as well as the revised Financial Services Commission (FSC) Policy.

***(h) Development of an EAC e-business registry***

**24. Mr. Speaker,** the right of establishment under the EAC Common Market Protocol requires Partner States Business Registries to cooperate and share information. A stock taking exercise was undertaken to assess the level of readiness of Partner States Business Registries to e-Business Registry. It was noted that Partner States are at different levels of automation of Business Registries. The Registrars of the Business Registries in their meeting held in March, 2019 agreed on a model for an EAC e-Business Registry that will be implemented in a phased approach.

*(i) EAC-German Business and Investment Expert Dialogue*

**25. Mr. Speaker,** to boost investments in the region, the EAC Secretariat in collaboration with the East African Business Council and Africa Verein (A German-African Business Association) organized the EAC-German Business and Investment Expert Dialogue in May 2019 in Arusha, Tanzania. The event enhanced business synergy in the various sectors, built partnerships, promoted investment opportunities and showcased EAC as an ideal business and investment destination.

### **3.1.4 DIRECTORATE OF INFRASTRUCTURE**

*(a) Roads Sub-sector*

**26. Mr. Speaker,** the Secretariat has continued to coordinate development of multinational roads linking the Partner States including construction of the following roads:

- i. On the Tanzanian side, both the dualling of the Sakina - Tengeru section, 14 km long, and construction of the 42-km long Arusha Bypass is completed.

- ii. Further, following the completion of detailed design Studies for the 400-km long Malindi-Lunga Lunga and Tanga-Bagamoyo road between Kenya and Tanzania the two Governments approached the AfDB to finance the construction phase of project. It is anticipated that construction of sections of the road will commence towards the end of 2019.

**27.** In addition, the feasibility studies and detailed designs of two key links for the Republics of Rwanda and Burundi to the Central Corridor, which commenced in April, 2016 have been completed. The roads include the following sections:

- i. The 250-km long Nyakanaz-Kasulu-Manyovu road in Tanzania linking to the 78-km long Rumonge-Bujumbura road in Burundi;
- ii. The 92-km long Lusahunga-Rusumo road in Tanzania linking to the 70-km long Kayonza-Kigali road in Rwanda. Studies were completed in December 2018 and mobilization of funds for the construction is ongoing.
- iii. The negotiations between the Governments of Tanzania and Burundi was concluded in November 2018 to fund the construction of the Burundi/Tanzania Multinational road covering Gitaza-Rumonge (45km) in Burundi and Manyovu-Kabingo (260km) in Tanzania. The total approved funding by the African Development Bank is USD322.35 million consisting of a loan (USD256.2 million to Tanzania) and Grant (USD66.15 million to Burundi).

**28. Mr. Speaker,** the Secretariat secured a grant from the AfDB under the NEPAD-IPPF facility in November 2017 to fund the studies for multinational Tanzania-Uganda road project, Masaka-Mutukula in Uganda linking Mutukula-Kyaka and Bugene-Kasulo-Kumunazi Road in Tanzania. The study is now in progress and it is expected to be concluded by January 2020.

***(b) Railways***

**29.Mr. Speaker**, the construction of the Northern Corridor and Central Corridor Standard Gauge Railways is ongoing with phase II from Nairobi to Naivasha in progress and expected to be completed by the end of 2019. Likewise, construction of phases I and II (Dar es Salaam-Makutupora) of the Central Corridor is ongoing.

***(c) Tripartite Cooperation***

**30.Mr. Speaker**, under the Infrastructure Development Pillar of the Tripartite Free Trade Area, the EAC is collaborating with COMESA and SADC to implement the Tripartite Transport and Transit Facilitation Programme through harmonization of policies, standards and specifications in the roads sector. With funding from the EU under the 11<sup>th</sup> European Development Fund (EDF) funding cycle, the three RECs aim to harmonize over the next four years the following standards and systems:

- i. Vehicle Dimensions and Equipment Standards;
- ii. Transportation of Abnormal Loads and Dangerous Goods;
- iii. Training and Licensing of Commercial Drivers, and;
- iv. Road Transport Management System (RTMS).

***(d) Civil Aviation and Airports***

**31.Mr. Speaker**, during the year under review, the EAC Secretariat coordinated the implementation of EAC Seamless Upper Airspace Project and this included the harmonization of regulations, Manuals of Air Navigation Services operations and development of common Secondary Surveillance Radar (SSR)

codes. A Memorandum of Understanding (MoU) for establishment, operationalization and management of EAC Upper Airspace was developed to facilitate the acquisition of interoperable Air Navigation infrastructure and services.

**32. Mr. Speaker,** EAC Partner States have committed to fully implement the Yamoussoukro Decision as part of the Common Market Protocol and in line with the ongoing efforts by the African Union Commission (AUC) and the African Civil Aviation Commission (AFCAC) to establish and operationalize the Single African Air Transport Market (SAATM). The EAC Secretariat has completed the draft Regulations to guide the Partner States to fully liberalize their Air Transport Services in order to achieve improved efficiency, enhancement in capacities and eventually lowering the cost of Air Transport in the region. During the period under review, the EAC Secretariat also coordinated the operationalization of the EAC Aeronautical and Maritime Search and Rescue Agreement and the development of an EAC Agreement in handling Aircraft Accident and Incident investigation.

**33. Mr. Speaker,** in the financial year 2019/20, the Civil Aviation and Airports Sub-Sector priorities will focus on implementation of the EAC Seamless Upper Airspace project (2017/18 to 2021/22), to undertake a joint aeronautical and maritime search and rescue table top exercise, and finalization of the multilateral Agreement for Partner States cooperation in handling aircraft accident and incident investigation. It will also focus on implementing strategies to reduce the current high cost of intra-EAC Air tickets and air operations including the harmonization of charges and taxes, follow-up the implementation of the Single African Air Transport Market (SAATM) and

implementation of the approved priority Airports projects including the operationalization of the related tourism circuits.

*(e) Meteorology*

**34.Mr. Speaker,** under Meteorology, the Secretariat developed strategies aimed at improving the Meteorological Services to produce more accurate and timely weather forecasts. The region continued to phase out mercury-based observing meteorological instruments to ensure compliance by 2020 in line with the MINAMATA Convention on Mercury.

**35.** The EAC Secretariat in collaboration with the World Meteorological Organization and Partner States commenced the implementation of the HIGHWAY project. The HIGHWAY Project, which is supported by Department for International Development through the Weather and Climate Information Services for Africa (WISER) Program, aims at upgrading the Early Warning Systems for severe weather events on the Lake Victoria Basin in order to increase the safety of life and to reduce the damage to property caused by thunderstorms and strong winds generated over Lake Victoria.

### **3.1.5 DIRECTORATE OF PRODUCTIVE SECTORS**

*(a) Agriculture and Food Security*

**36.Mr. Speaker,** the Community continues to prioritize implementation of the Malabo Declaration made by Heads of States in June 2014 on Agricultural Growth and Transformation in Africa and being implemented under the Comprehensive Africa Agriculture Development Programme (CAADP) Compact framework. The 38<sup>th</sup> Extra-Ordinary Meeting of the Council of Ministers held in January 2019 approved the Regional Agriculture Investment Plan (RAIP).

**37.Mr. Speaker,** with financial and technical support from USAID and the East Africa Trade and Investment Hub (EATIH), the Community developed a Regional Food and Nutrition Security Strategy (FNSS) and a Food Security Action Plan (FSAP). The two documents were approved by the 38<sup>th</sup> Extra-Ordinary Meeting of the Council of Ministers in January 2019.

**38. Mr. Speaker,** in the financial year 2019/20, the Community will focus on following key agricultural sector priorities:

- i. supporting coordination and implementation of EAC CAADP Regional Agricultural Investment Plan (RAIP) and EAC Regional Food and Nutrition Security Action Plan (FNSAP);
- ii. strengthening regional coordination and EAC Partner States capacities for domestication and implementation of EAC SPS Protocol;
- iii. strengthening regional and national mechanisms for managing priority trans boundary plant and animal diseases and pests; and
- iv. Strengthening the regional Food Balance Sheet to establish Regional Food Market Intelligence Hub under which detailed crop harvesting calendar will be established to better assess seasonal and geographic variations in food supply, which, in turn, will be important for mitigating potential significant shortfalls in food production and distribution at certain times of the year.

***(i) Industrialization and Small and Medium Enterprises (SMEs) Development***

***EAC Mineral Value Addition (MVA) Strategy***

**39.Mr. Speaker,** the East African region has recently witnessed an upsurge in exploration activities targeting oil and gas. The EAC, in partnership with United

Nations Economic Commission for Africa (UNECA) and Commonwealth Secretariat set in motion, the process of developing a Regional Mineral Value Addition (MVA) Strategy. A regional Taskforce to spearhead the formulation process has been constituted and will commence its work shortly.

*(c) Energy Sector*

**40. Mr. Speaker,** in the Power Sector, implementation of projects under the Power Master Plan has continued with success. This has raised the region's installed capacity to 5,919 Mega Watts (MW) against a peak demand of 3,886 MW in 2019. The Peak demand plus the 15% reserve margin together totals to 4,774 MW, hence, the region has a surplus of more than 1,000 MW. The Secretariat in collaboration with Partner States, the Nile Equatorial Lakes Subsidiary Action Programme (NELSAP), Eastern Africa Power Pool (EAPP) and Energy for the Great Lakes (EGL), have continued to mobilize resources to implement power interconnection projects.

**41. Mr. Speaker,** the EAC together with SADC and COMESA are implementing the project on enhancement of sustainable regional energy market in the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO) Region that seeks to address market governance and regulatory related challenges affecting the implementation of energy development projects in the Eastern Africa, Southern Africa and Indian Ocean region. It is supported by Euros 7 million fund provided under the 11<sup>th</sup> EDF for a period of four years since the signing of the grant delegation agreement with COMESA in May 2017.

**42. Mr. Speaker,** the implementation of the cross-border Kigagati/Murongo Hydro-power project (14MW) is ongoing and the Joint Steering Committee to monitor its implementation is in place. The EAC Secretariat has embarked on

the preparation of the downstream Nshongezi hydro-power (36MW). Following both the Sectoral Council decision and the request from Republic of Rwanda, the Republic of Uganda and the United Republic of Tanzania have accepted Rwanda to join them in the project.

**43.Mr. Speaker,** The Secretariat organized a joint team of Experts meeting from Energy, Transport, Aviation, Finance and EAC Affairs in April 2019 in Nairobi, Kenya that updated the Priority Projects identified during the Heads of State Retreat on Infrastructure. A 10-year road map for the projects was prepared as directed by the Council.

**44.Mr. Speaker,** in the Petroleum Sector, the Secretariat successfully held the 9<sup>th</sup> East African Petroleum Conference and Exhibition 2019 (EAPCE'19) in Mombasa, Kenya in May, 2019. The East African Petroleum Conference 2019 attracted over 650 participants from the region and beyond. The Conference was preceded by a preconference workshop that attracted 113 participants.

**45.Mr. Speaker,** the East African Centre of Excellence for Renewable Energy and Energy Efficiency (EACREEE) hosted by Makerere University College of Engineering, Design, Art and Technology (CEDAT) is now registered as a non-for-profit entity, with Makerere University Council as the Trustee/Subscriber. Together with EAC Secretariat, EACREEE designed a project “Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA).” This is a joint project with SADC funded by the Swedish International Development Agency through United Nations Industrial Development Organization. The EELA project aims to create market and institutional conditions to enable a transformation of the sector to stimulate increased diffusion of energy efficient lighting products and appliances across all sectors. Six months preparatory phase (EELA-PREP) was successfully completed in

April 2019 with key deliverables. The implementation phase commences in June 2019.

*(d) Environment and Natural Resources*

**46. Mr. Speaker,** during the financial year 2018/2019, Comprehensive Action Plan on the implementation of Disaster Risk Reduction (DRR) matters was developed. Terms of Reference of studies on the Integration of DRR into education curriculum; development of an EAC DRR Training manual; development of regional emergency response plans and mapping out disasters evacuation centres in Partner States; strengthening and harmonizing existing regional early warning systems; and development of harmonized mechanisms and coordination in addressing transboundary hazards were adopted.

**47. Mr. Speaker,** in the year 2018/2019, progress was made in the implementation of the Framework for conservation and management of transboundary ecosystem. Accreditation process of the Regional Implementing Entity for Adaptation Fund was completed above 95%.

*(e) Tourism and Wildlife Development*

**48. Mr Speaker,** in November 2018 and March 2019, the Community participated in the world's biggest annual tourism trade fairs, that is, World Travel Market (WTM) held in London and the International Tourism Börse (ITB) held in Berlin, Germany. The objective of our participation was to promote the region as a single tourist destination in the international markets.

**49. Mr Speaker,** in 2018/19 the Partner States and the Secretariat in collaboration with Development and Conservation Partners continued to implement the EAC Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products. The main activities implemented include sensitization of

different stakeholders on the regional anti-poaching efforts and training of wildlife law enforcement officers in the Partner States.

**50. Mr. Speaker,** other priorities for the Tourism and Wildlife sector for the next financial year include:

- i. Finalization of the Protocol on Tourism and Wildlife Management;
- ii. Implementation of the EAC Tourism Marketing Strategy;
- iii. Finalization of the review of the Classification Criteria for tourism accommodation establishments;
- iv. Undertaking awareness programmes and other initiatives geared towards full implementation of the Single Tourist Visa by all Partner States;
- v. Continued implementation of the Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products; and
- vi. Development of a regional wildlife conservation and management policy.

### **3.1.6 DIRECTORATE OF SOCIAL SECTORS**

#### ***(a) Health Sector***

**51. Mr. Speaker,** the Secretariat has implemented major disease prevention and control initiatives in the region with financial and technical support from the Federal Republic of Germany through the German Development Bank (KfW) and GIZ. Under the East African Network of Public Health Reference Laboratories, the Secretariat is in process of acquiring nine mobile laboratory units and 18 vehicles to bolster Partner States capacity to detect and respond to the most dangerous disease causing agents such as Ebola. Under the same

project, 12 laboratory experts trainers of trainees (TOTs) two from each Partner State, were trained in the use of specialized laboratory techniques and use of advanced laboratory equipment in October 2018 at the Bernard Nocht Institute of Tropical Medicine (BNITM) Headquarters in Hamburg, Germany. Further, commencement of training of 10 additional medical laboratory experts per Partner State on handling of dangerous pathogens is underway in the region.

**52. Mr. Speaker,** with technical and financial support from the EAC-GIZ Pandemic Preparedness Project, the sector developed the Risk and Crisis Communication Strategy to facilitate implementation of the EAC Regional Contingency Plan for Epidemics, conditions and other events of public health significance; the regional One Health Curriculum on Pandemic Preparedness, and undertook one of the biggest and most complex health sector led field simulation exercises in Africa at the Namanga border point from 11<sup>th</sup> to 14<sup>th</sup> June, 2019. The Field simulation exercise enhanced Partner States' capacity in pandemic preparedness and response.

**53. Mr. Speaker,** the Secretariat developed an EAC Compendium of Guidelines for Safety and Vigilance on Medical product that was adopted by the 18<sup>th</sup> Sectoral Council on Health in March 2019, with support from the Bill and Melinda Gates and USAID Kenya East Africa. Further, under EAC Medicines Regulatory Harmonization Programme (EAC-MRH) and the EAC Project on Harmonization and Strengthening Pharmacovigilance and Post Market Surveillance project, the region piloted pharmacovigilance safety reporting tools at Namanga Border (Kenya/Tanzania) in February 2019 and conducted Joint post market surveillance of quality of five (5) selected antibiotics in EAC region. Ten (10) Medicinal Products have been jointly assessed by the Partner

States and recommended for registration under EAC Joint Assessment and Registration Procedure.

**54. Mr. Speaker,** the Community developed an EAC Health Sector Knowledge Management Web Portal (*health.eac.int*), which will eliminate the need to develop project or unit specific web portals that are not sustainable after the closure of the projects. In addition, the EAC State of Women's, Children's and Adolescent Health and HIV&AIDS Report 2018, as well as the 2018 EAC Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) and HIV&AIDS Scorecard, EAC Regional Policy of Prevention Management and Control of Alcohol Drugs and other Substance use, 2019 were approved by the Council.

**55. Mr. Speaker,** whereas five (5) of the East African Centres of Excellence for Higher Medical Education, Health Services and Research have been operational since 2014 and the operationalization modalities of the EAC Regional Centre of Excellence for Nutrition Science in the Republic of Burundi are being finalized, effective coordination of these Centers as true regional centers of excellence that benefits all East Africans is lacking. This is due to use of loan as the main financing modality, whose architecture did not provide for a regionally coordinated intervention that foster integration.

***(b) Culture and Sports***

**56. Mr. Speaker,** the 38<sup>th</sup> Extra-Ordinary Meeting of the Council approved the hosting of the 4<sup>th</sup> Edition of JAMAFEST in 2019 by the United Republic of Tanzania. Preparations for holding JAMAFEST 2019 are under way and the festival is scheduled to run from 21<sup>st</sup>-28<sup>th</sup> September, 2019 in Dar es Salaam, Tanzania. The theme of the event is: ***“Cultural Diversity: A Key Driver to Regional Integration, Economic Growth and Promotion of Tourism.”***

**57. Mr. Speaker,** pursuant to the 20<sup>th</sup> Council of Ministers directive to hold regular Sports Tournaments in the region in partnership with the private sector, civil society, voluntary Organizations, institutions, individuals and Development Partners, the 1<sup>st</sup> Edition of the East African Community Games was successfully held from 16<sup>th</sup> to 20<sup>th</sup> August, 2018 in Bujumbura, Republic of Burundi, under the theme “*Fostering EAC Integration and Peace through Sports.*”

**58. Mr. Speaker,** during the period under review, the 1<sup>st</sup> Regional Dialogue Committee (RDC) meeting to discuss activities and prepare a calendar for the Dialogue leading up to the 7<sup>th</sup> annual EAC Secretary General’s Forum and observance of the 20<sup>th</sup> Anniversary of the EAC was held in Bujumbura on 19<sup>th</sup> to 21<sup>st</sup> March 2019. The meeting resolved to convene one main SG’s forum closer to the 20<sup>th</sup> anniversary of EAC in November 2019. The Budget for the FY 2019/2020 will support the convening of the main forum and its preparatory meetings.

**59. Mr. Speaker,** in collaboration with COMESA and ECOWAS, the Community is implementing a project called 50 Million African Women Speak Networking Platform Project funded by the African Development Bank. The project development objective is to contribute to the economic empowerment of African women through the provision of a digital networking platform to access information on financial and non-financial services. The project is in line with provisions for women and youth empowerment in the African Union Agenda 2063 and the Sustainable Development Goals (SDGs).

**60. Mr. Speaker,** during the year under review, the Secretariat engaged stakeholders in each Partner State on the implementation of the 50 Million Women Project. It also worked with the Ministries responsible for Gender and

EAC Affairs to set up Project Country Teams which will provide guidance and advisory support in the implementation of the Project especially in content gathering, publicity and outreach as well as advocacy and user engagement.

**61.Mr. Speaker**, during the Financial Year 2019/2020, the Project budget will be used to develop content for the Platform, as well as conduct an outreach and marketing campaign for the Platform among women entrepreneurs. Other activities will include capacity development for Project Country Teams and women empowerment networks and organizations.

*(c) Education and Training*

**62. Mr. Speaker**, national meetings were held in January and February 2019 to develop action plans to operationalize the signed Mutual Recognition Agreements (MRAs) in the region. A sensitization workshop was held from 20<sup>th</sup>-22<sup>nd</sup> March, 2019 in Nairobi, Kenya for the Competent Authorities from the Republic of South Sudan to the MRAs. Steps have also been taken to finalize Annex VII of the Common Market Protocol (Mutual Recognition of Academic and Professional Qualifications) which provide the regulatory framework for the MRAs. A meeting of Legislative Draftspersons from the Partner States was held in Kampala, Uganda from 13<sup>th</sup> -17<sup>th</sup> May, 2019 to redraft the Annex VII of the EAC Common Market Protocol. The redrafted Annex VII has been forwarded to the Sectoral Council on Legal and Judicial Affairs (SCLA) for consideration and adoption.

**63.Mr. Speaker**, Education plays an important role in involving school going youths into the developments and integration processes of the Community. In this regard, the 2018 Essay Writing Competition was successfully concluded and the winners were awarded during the 20<sup>th</sup> Summit of the EAC Heads of

State held on 1<sup>st</sup> February, 2019. Preparation for the 2019 Essay Writing Competition is currently underway.

### **3.1.7 POLITICAL AFFAIRS**

#### ***(a) EAC Political Federation***

**64.Mr. Speaker,** the 20<sup>th</sup> Summit of the EAC Heads of State held on 1<sup>st</sup> February, 2019 reiterated its commitment to a Political Federation and directed the Council of Ministers to fast-track the Constitution-making process for the EAC Political Confederation. The Summit further decided that HE. President Yoweri K. Museveni shall provide political guidance to this exercise. The constitution-making process is one of the top priorities of the Community in the Financial Year 2019/2020.

**65.Mr. Speaker,** within the sphere of constitutionally enhancing democratic governance in the region, the EAC has over the years deployed Election Observation Missions to observe the elections in Partner States as a means of lending credibility to elections and promoting peaceful elections. The Council has therefore prioritized and allocated funds for the deployment of EAC Election Observation Mission to the Republic of Burundi, which is due to hold General Elections between May and August 2020.

#### ***(b) Peace and Security***

**66. Mr. Speaker,** the financial year 2018/19 witnessed among others the conclusion of the Inter-Burundi Dialogue process, adoption of the Standard Operating Procedures (SoPs) within Police Cooperation, re-evaluation of the operationalization of Police Centres of Excellence and High Level Security Sector Engagements within the EAC, and the Eastern Africa Police Chiefs Cooperation Organization. The implementation of the Conflict Prevention,

Management and Resolution Mechanism was consolidated and a draft Refugee Management Policy was concluded. The European Union continued to support the implementation of initiatives aimed at improving regional capacity to contain Maritime Security through the cross regional Maritime Security Project.

**67. Mr. Speaker,** the focus for the next fiscal year will be on consolidating gains already made and advancing in sub-sectors that have hitherto been moving integration in a sub-optimal manner. In this regard, through the Africa Peace and Security Architecture Support Project, the Community will continue refining tools that enhance regional capacity to foresee and respond to security challenges in a timely manner and hence coordination at continental level within the context of the ongoing AU Reforms and the principle of subsidiarity. We also intend to establish a Rapid Decision Making Structure for the Peace and Security Sector. Preliminary work on the implementation of the recently concluded Counter Terrorism Strategy will also be commenced. During the next financial year, the Community will sustain the sub-sectoral cooperation initiatives within Peace and Security through deeper and regular engagements at the highest levels.

### **3.1.9 Corporate Communications and Public Affairs**

**68. Mr. Speaker,** the Secretariat continued with programmes to sensitize and create awareness among East Africans on the integration process through public relations management support for EAC meetings and events; sensitization forums for border communities; study tours by various groups- students, leaders, researchers to the EAC Headquarters; production and distribution of Information, Education and Communication materials, and; participation in regional Conferences and Exhibitions.

**69.**The Secretariat produced and aired documentaries on diverse aspects of the EAC integration process on various TV stations and Social Media Channels in the Partner States. It also continued to utilize new communication tools to engage stakeholders and members of the public especially New Media such as Facebook, Twitter, Instagram and YouTube. New and/or Social Media are particularly critical in stakeholder engagement given that the majority of the population of East Africans are youth who are IT-savvy. The EAC website continues to be updated as a first-line engagement tool with both internal and external stakeholders.

**70.**Going forward, the Secretariat's priorities will be fourfold, namely: to enhance the popular participation of EAC citizens in the integration process through improved Media Relations, and Social Media engagement; the Finalization of the EAC Brand Architecture Strategy and Popularization of the New Brand Identity; Production and distribution of infomercials and public education programmes, and; Printing and distribution of Harmonized IEC Materials to East Africans.

### **3.1.10 Resource Mobilization Strategy**

**71.Mr. Speaker,** as mandated by Article 71 (i) of the Treaty, the Secretariat continued to seek support from Development Partners for the implementation of EAC Projects and Programmes. Efforts were made in 2018 which led to the signing of the financing agreements including: Euro 10M with European Union to support Integrated Water Resource Management in collaboration with Lake Victoria Basin Commission, and Euro 25.585M in support of the Market Access Upgrade Programme (MARK-UP); Euro 10M with KFW to support the EAC Scholarship Programme in collaboration with Inter-University Council for

East Africa; US\$500,000 with Alliance for a Green Revolution in Africa (AGRA) towards catalyzing the implementation of Comprehensive Africa Agriculture Development Programme (CAADP) Business Plan 2017; US\$20.6M with USAID to support the Energy Sector; US\$20M with World Bank for the Statistics Development and Harmonization Regional Project; US\$500,000 with Bill and Melinda Gates Foundation (BMGF) to support the EAC Medicines Regulatory Harmonization (MRH).

**72.** During the next Fiscal Year 2019-2020, three (3) key interventions have been proposed aimed at mobilizing required resources for the implementation of EAC Projects and Programmes. These include:

- i. Conducting Donor engagements through Donor Missions and Donor Round Tables;
- ii. Finalizing the process of establishment of the EAC Development Fund (EACDF); and
- iii. Developing a framework for EAC engagement with DPs as directed by the Council.

**73.** Mr. Speaker, under cooperation in legal judicial affairs the Community continues to register good progress. In that context, this Assembly has enacted a number of laws including amendments to the Customs Management Act to further facilitate the realization of the Customs Union. In the coming months consistent with the Legislative Calendar of the Council, the Council will introduce Bills relating to the implementation of Article 21 of the Protocol on the Establishment of the East African Monetary Union. These Bills have been mentioned elsewhere and including a Bill on Financial Services and another on Enforcement and Compliance. The various Bills to be introduced have been indicated in an appendix to this speech. The Community continues to pursue a

programme harmonization of laws especially those related to the Common Market Protocol to enable our people enjoy the various rights and freedoms. Initiatives are on course in respect of judicial training under the leadership of the East African Judicial Education Committee.

### **3.2. EAST AFRICAN LEGISLATIVE ASSEMBLY**

**74. Mr. Speaker,** let me start by appreciating your dedicated leadership and service to this Community. As Council, you have been our greatest ally when it comes to furthering the objectives and ideals for which we agreed to cooperate. The recommendations in your various reports, the petitions and resolutions have continued to make our Organs and Institutions rethink the way they do things so that their impact is felt.

**75. Mr. Speaker,** during the current financial year, the Assembly undertook significant activities. On the legislative front, three (3) key enactments were passed by this august House, namely: The East African Community Customs Management Act (Amendment) (No.2) Bill of 2018; the East African Community Statistics Bureau Bill, 2017; and the East African Community Supplementary Appropriation Bill, 2019. The Council has accordingly lined up these pieces of legislation for assent by the Summit.

**76.** In the same vein, a number of Bills are being developed by either the Council or by the respective Members as Private Members Bills. Similarly, we are engaged in various studies, which should eventually culminate into pieces of legislation. At an opportune time therefore, this august House will have the opportunity to consider them or get the Council's response on some of the proposals coming through as private Members Bills.

**77.**The Assembly also adopted a number of resolutions in order to further its legislative work, the notable ones being:

- i. the one urging the Council of Ministers and Partner States to conserve forests and promote policies that make the Community a green region;
- ii. commending the Republic of South Sudan for the signing of the peace accord and calling upon the signatories to respect the peace agreement as well as work towards the realization of total peace and stability in the Republic of South Sudan;
- iii. uniform fees for East Africans in respective Partner States' educational institutions;
- iv. recommending to Council the ban in the manufacture and importation of soaps and cosmetics containing hydroquinone;
- v. urging the Council to expedite the introduction of the Climate Change Bill; and
- vi. urging the Council to establish a dedicated food security desk in the EAC and a fully-fledged EAC institution for agriculture and attendant portfolios.

**78.**In furtherance of its representative role, the Assembly undertook sensitization and outreach activities through the Committees and the respective EALA Chapters in the Partner States. The Assembly facilitated Members of EALA, National Parliaments and the Media to work together to sensitize key stakeholders of our citizenry, local leaders, women groups, Civil Society Organizations (CSOs), and professional associations on the status of EAC integration.

The representative role was also undertaken by the Committees. I therefore, commend all the committees of the Assembly for this noble cause.

**79.Mr. Speaker,** the Council acknowledges the Assembly's achievements in the following areas:

- i. Capacity building: the East African Parliamentary Institute (EAPI) formally commenced operations on 1<sup>st</sup> October 2018 through Legal Notice No. EAC/51 and on 1<sup>st</sup> March, 2019, the EAC Speakers launched it and already, contributions have started coming in from Kenya and Uganda to kick start its activities. The Institute is expected to provide alternative cheap training and harness capacities and narrow skills gaps, and promote parliamentary practices and procedures within our region. The regions Speakers, MPs and Parliamentary staff have also been engaged in joint activities under the auspices of the EAC Speaker's Forum; Network of Parliamentary staff; and the East African Parliamentary Institute.
- ii. Relations with National Assemblies: during sensitization in the Partner States EALA undertook exchange programs and attachments to National Parliaments and vice-versa; the inter-parliamentary games were coordinated and jointly run with the Parliament of Burundi in Bujumbura; and the EAC Speaker's Forum was held in the Republic of South Sudan.
- iii. One rotational sitting was held in Zanzibar and served as an opportunity to take EALA to the people and to enable the popularization of the EAC;
- iv. EALA's participation in high profile meetings: the bi-annual Inter Parliamentary Union meetings; the Common Wealth Parliamentary Association meetings; the Pan-African Parliament meetings; the SADC-

Parliamentary Forum meetings as well as the ECOWAS Parliamentary Forum meetings.

### **3.2 EAST AFRICAN COURT OF JUSTICE**

**80.Mr. Speaker,** the East African Court of Justice (EACJ) is a judicial body, which ensures the adherence to law in the interpretation and application of and compliance with the Treaty for the establishment of the EAC. Being an Organ for disputes resolution, it recorded a number of achievements arising from its core business of handling Court cases.

**81.Mr. Speaker,** the number of cases filed before the Court has increased. Besides, the Court is now receiving numerous arbitration cases and therefore becoming extremely engaged every day. This not only indicates an enhanced awareness of the presence of the Court but also the level of integration activities that raises disputes ending up in the Court. During the period under review, the Court was able to conclude the development of its five year Strategic Plan (2018-2022) and will now embark on its implementation.

**82.**The Court's priority interventions in the next financial year are to increase the number of cases concluded at the earliest possible time, enhance the skills of judges and staff for delivery of justice, conduct sensitization and awareness programmes in the Partner States and enhance collaborations with other regional and international Courts.

**83. Mr. Speaker,** the Court will continue with its cardinal responsibility in ensuring there is good governance including adherence to the principles of democracy, the rule of law, accountability and transparency in the Community.

### **3.4 LAKE VICTORIA BASIN COMMISSION**

**84. Mr. Speaker**, during the Financial Year under review, the Lake Victoria Basin Commission (*LVBC*) continued to lay emphasis on three key areas namely:

- i. Promoting the sustainable utilization and management of the natural resources in the Lake Victoria Basin;
- ii. Operationalizing community- oriented activities; and
- iii. Strengthening coordination and management capacity of the Commission.

**85.Mr. Speaker**, the Commission, in collaboration with the participating Partner States continued with the preparation of the third phase of the Lake Victoria Environmental Management Project (LVEMP) through the Project Preparation Advance (PPA) from the World Bank. Due to the success registered by the Commission under the second phase of LVEMP in the promotion of cleaner production technologies for industries in Lake Victoria Basin, the LVBC negotiated and secured additional funds from the Nordic Development Fund to the tune of Euro 3.2 million to enhance private sector engagement for Green Growth in the Lake Victoria Basin. During this Financial Year, activities aimed at scaling up Resource Efficient and Cleaner Production were undertaken where 350 enterprises were mapped with regard to industrial point source pollution while 224 industries were trained on Resource Efficient Cleaner Production practices.

**86.Mr. Speaker**, maintenance of navigation safety and maritime security on Lake Victoria is key to boosting lake transport, which has a huge potential. During the Financial Year, Lake Victoria Basin Commission coordinated the

implementation of the Multinational Lake Victoria Maritime Communications and Transport Project. Among the activities supported under this project, which is funded by the African Development Bank, was the preparation for the construction of Maritime Rescue Coordination Centres in Mwanza, Tanzania, Kisumu in Kenya, and Entebbe in Uganda. The Centres are intended to coordinate rescue responses in case of accidents and/or incidences on Lake Victoria.

**87.Mr. Speaker**, reducing vulnerability to negative effects of climate change in the Lake Victoria Basin continued to be given attention through a partnership between the LVBC and UNEP by implementing the Adapting to Climate Change project. Already the project sites have already been identified in the five participating Partner States as follows: Burundi selected Kirundo and Muyinga; Kenya selected Busia and Siaya; Rwanda selected Gahara and Musanze; Tanzania selected Magu, while Uganda selected Masaka and Mubende. Under this project, LVBC initiated activities geared towards the establishment of Regional Climate Change Information Platform.

**88.**The LVBC continued to roll out interventions in trans-boundary natural resources management through the implementation of the Planning for Resilience in East Africa through Policy, Adaptation, Research and Economic Development (PREPARED) Project under the funding of USAID Kenya/East Africa. Training on Quality Services Improvement Programmes were conducted. In sensitizing the citizens on the importance of the Mara River Transboundary Ecosystem, the LVBC organized a successful Mara Day in Kilgoris, Kenya. Among the partners supporting the implementation of the Memorandum of Understanding (MoU) between the Republic of Kenya and The United Republic of Tanzania on the management of water resources in the

Mara River Basin is the Sustainable Water Partnership for the Mara (SWM) coordinated by LVBC.

**89.Mr. Speaker,** in its effort to engage communities within the Basin in environmental conservation initiatives, the LVBC continued to support the inter-sectoral approach of integrating population, health and environment through the Population, Health and Environment (PHE) programme funded by the USAID. Integrated Water Resources Management (IWRM) initiatives in Lake Victoria Basin commenced through the funding of KFW and EU to the tune of Euros 30 million. The funds will also support the implementation of the High Investment Projects (HPIs).

**90.**Lake Victoria Basin is upscaling the achievements of Lake Victoria Water and Sanitation (LVWATSAN) project particularly the sanitation component which did not perform very well by commencing the preparation of the Transboundary Sludge Management for the urban poor with funding from the AfDB/African Water Facility.

**91.Mr. Speaker,** to effectively coordinate regional projects and programmes in the Basin, the LVBC continued to strengthen its coordination and management capacity. During the year 2018/2019, the Commission upgraded its Fiduciary, Human Resource Management and Information and Communication Systems. These significantly contributed towards improving of service delivery to the stakeholders. During the FY 2018/2019, the Partner States granted an amount of USD 1,350,000 from the EAC General Reserve Fund for the construction of the first phase of LVBC Headquarters. The ground preparation work has already started.

**92.Mr. Speaker,** Sustainable management of natural resources in the region requires enactment of relevant laws. In this respect, the LVBC will continue

with the process of finalizing the enactment of the Lake Victoria Water Management Bill 2004 through a consultative approach. Industrial pollution is among the major threat to the health of Lake Victoria Basin ecosystem. To address the challenges of industrial pollution, the LVBC shall implement interventions focusing on Resource Efficient and Cleaner Production. This shall be complemented by undertaking Small and Medium enterprises survey and workshop for upscaling of resource efficient and cleaner production interventions. Other initiatives will involve developing industrial symbiosis relationship for 50 industries and organizing regional and national awards ceremonies for industries upholding cleaner production practices.

**93.Mr. Speaker,** Climate Change impacts remain key challenge in Lake Victoria Basin. Through the Adapting to Climate Change Project, LVBC intends to build the capacity of researchers and experts on dealing with climate change risks. LVBC shall also build capacity and provide funds for piloting of climate change adaptation interventions in selected sites within the riparian Partner States.

**94.**The Commission has retained Maritime Safety and Security on Lake Victoria as a key priority during the 2019/20 Financial Year. Implementation of the Multinational Lake Victoria Maritime Communication and Transport project, the Commission will undertake a training for Boats' Pilots and Divers, rescue teams in order to reduce the accidents on Lake Victoria. In order to promote gender, five women shall be trained on maritime.

**95.Mr. Speaker,** Lake Victoria Basin has the highest population density in the region at 300 persons per square kilometre. This has had negative impacts on the dwindling resources within the Basin. Subsequently, the Population, Health and Environment (PHE) programme, will provide technical and material

support to the regional PHE media Network and national PHE Media Association to create awareness and advocacy on the PHE approach.

96. In ensuring improved water quality and availability, the Commission will focus on coordinating the construction of the selected infrastructure namely the High Priority Investments (HPIs) under the Integrated Water Resources Management (IWRM) program. These efforts shall be complemented by the planned feasibility studies on transboundary sludge management for the urban poor and the Future and Solutions initiatives (WFAS) research Project which is a partnership between LVBC and the International Institute for System Analysis (IISA) based in Austria.

### ***3.5 INTER UNIVERSITY COUNCIL FOR EAST AFRICA***

- 97.**Mr. Speaker**, the achievements of the Inter-University Council for East Africa (IUCEA) during the period under review are as follows:

***a) African Centers of Excellence:***

- i. Awarded 28 scholarships to female students to do Masters degree studies in African Centres of Excellence;
- ii. Facilitated the selection of Four Regional Incubation Centers in key priority areas. The Regional Incubation Centres will be located at the Moi University in Kenya, University of Rwanda in Rwanda, Mbarara University of Science and Technology in Uganda and Nelson Mandela African Institution of Science and Technology in United Republic of Tanzania. Each Regional Incubation Centre will get a financial support of US\$250,000; and
- iii. Provided technical and capacity building support to Centers of Excellence.

***b) East Africa Skills for Transformation and Regional Integration Project (EASTRIP):***

- i. supported the development of strategic plans for Flagship TVET institutions in the Federal Republic of Ethiopia; and
  - ii. developed the Project Implementation Manual for IUCEA and the Project Operational Manual for the Flagship TVET institutions in Kenya, United Republic of Tanzania and for the Federal Republic of Ethiopia.
- c) KFW-East Africa Scholarship Programme totaling Euros 5 million:***
- i) developed criteria for the selection of Universities that will host students under this programme; and
  - ii) KFW approved an additional Euros 5 million for the Scholarship Program, making a total of Euros 10 million for the next 10 years.
- d) Centre of Excellence in ICT, Embedded and Mobile Systems worth Euros 4 million:***
- i) Nelson Mandela in partnership with University of Dar es Salaam in the United Republic of Tanzania and University of Technology and Agriculture in Byumba, Republic of Rwanda were selected;
  - ii) The Masters degree program was accredited by Tanzania Commission for Universities in February 2019;
  - iii) The Centre of Excellence in Embedded and Mobile Systems opened its doors on June 4, 2019 and awarded 28 full scholarships to students from EAC Partner States.

**98.Mr. Speaker,** in September 2018, IUCEA signed a Memorandum of Understanding with Kyungdong University. The two Institutions agreed to establish a joint scholarship program for 30 under graduate students to study in South Korea each year for five years. Areas of studies are Smart Computing, Hospitality Management and Business Administration at undergraduate level.

**99.**The IUCEA is also facilitating Academic staff mobility programme among member Universities. Selected staff visit Universities in other Partner States for

teaching, research and community engagement activities. IUCEA has also validated the Quality Assurance training modules in collaboration with UNESCO. During the reporting period, IUCEA continued to facilitate the East African Higher Education Quality Assurance Network (EAQAN), which is one of the regional sustainable strategy for enhancing and strengthening the Regional Quality Assurance System by carrying out capacity building on internal Quality Assurance systems in universities in East Africa and overall implementing a regional QA initiative. Thus, the EAQAN Forum for 2019 was successfully held in Entebbe Uganda, the theme of which focused on Competency Based Learning for Achieving Sustainable Development Goals (SDGs). The Forum attracted about 160 participants from the region and Europe. The ultimate aim of the dialogue was on how to engage universities in East Africa in the attainment of the SDGs by repackaging their academic curriculums and delivery methods for that purpose.

**100. Mr. Speaker,** on harmonization of higher education as part of operationalization of the EAC Common Higher Education Area, during the reporting period IUCEA has successfully developed benchmarks for academic programmes in the fields of Agriculture, Health Sciences, Medicine and Engineering.

**101.** The IUCEA continued to engage with Regional and International partners and signed Memorandum of Understanding with:

- i. the Center for Global Sports in USA for the development of Sports Education and practice in EAC;
- ii. the Education for Sub-Saharan Africa aiming to develop informed policies for scholarships and academic staff development; and

- iii. the African Population and Health Research Center with a focus on the training of Supervisors of graduate and post-graduate students.

### **3.6 LAKE VICTORIA FISHERIES ORGANIZATION**

**102. Mr. Speaker,** fisheries and aquaculture resources contribute to national economies and food security of the Partner States, and provide reliable sources of income, employment and livelihoods to over 35 million people in the region. Given the worrying trend of declining fish stocks and increasing illegalities in capture and trade of fish and fishery products, LVFO developed two policy documents, namely: Guidelines for establishment and management of fish breeding and nursery areas for Lake Victoria; and Guidelines for traders in fish, fishery and aquaculture products and inputs in the EAC. The LVFO also conducted a survey to update the annually collected information on the status of the fish stocks and the trends in distribution and particulars of the means of harvesting and quantities harvested. The findings from Hydro-acoustic Survey for FY 2018/2019 indicated an increase in the mean size of Nile Perch from 16.0 cm to 25.2 cm Total Length between 2017 and 2018, suggesting a shift in size structure. This is attributed to the current effort of combating illegality by the Partner States. The biomass distribution of species in Lake Victoria was composed of Nile perch (25%), Dagua (30%), Haplochromines (19%), *Caridina nilotica* (26%) while the remaining 19% were composed of other species.

**103.** The LVFO developed Electronic Catch Assessment system in which catch and price data is collected using mobile technology. This has reduced the cost of conducting the surveys and reporting. Catch data is very important to estimate fish removal (fishing mortality) from the lake to guide sustainable management of fishery resources and calculate contribution of fisheries to the

national economies. A comprehensive Value Chain Analysis study was undertaken to cover the Nile Perch fishery at local, regional and international markets, including the Fish maws trade. The study has contributed to better understanding of the contribution of the sector to national economies of the Partner States.

**104.** LVFO continued building capacity of regional fisheries and aquaculture scientists and managers by organizing several short and long-term trainings. LVFO in collaboration with the FAO built capacity of regional staff in collecting, analyzing and reporting aquaculture data in the respective Partner States. In addition, a series of hydro-acoustic and pelagic trawl trainings have been organized both within the region and in Scotland in which capacity was built to several scientists and two are pursuing PhD studies on the same.

**105. Mr. Speaker,** Aquaculture production in the EAC region is still low, contributing only about 13.5% of total fishery output. The main challenges include inadequate supply of quality fish fingerlings and feeds, limited extension services and limited support on credit facilities because aquaculture is considered by Financial Institutions to be a high-risk business. Furthermore, the imported Tilapia, which is cheaper than the one produced in the region, provides unfair competition. Whilst human population in the LVFO Partner States was only 23.5 million in 1954 (a reference period when Nile Perch was introduced in Lake Victoria), the human population has grown seven times to 165.5 million by 2018. However, peak fish production from the main water bodies has remained virtually unchanged, hence creating an ever-increasing imbalance between production and demand. This imbalance draws the attention of the Partner States to step up their effort in aquaculture fish production for nutritional and food security.

**106. Mr. Speaker,** the priority areas for the Financial Year 2019/2020 aims at following up the interventions started in the previous year in addressing the strategic actions in the LVFO Strategic Plan (2016-2020), the Fisheries Management Plan III (2016-2020) and the Nile Perch Fishery Management Plan (2016-2020). During the Financial Year 2019/2020, particular focus will also be given to developing aquaculture in the region by coordinating interventions targeting improved access to commercial networks for aquaculture related businesses, increased availability and quality of local skilled workers for the development of aquaculture-related businesses, and improved sustainability and bio-security of regional aquaculture production systems. Other planned regional activities include Assessment of status of aquaculture development; Assessment of legal framework for aquaculture; and Promotion of fish farming for food security in the EAC.

### ***3.7 EAST AFRICAN KISWAHILI COMMISSION***

**107. Mr. Speaker,** the importance of Kiswahili in regional integration and sustainable development is underscored in Article 137 of the EAC Treaty that recognizes it as the *lingua franca* for the Community. The Resolution by this House in 2016 to make Kiswahili one of the Official Languages of the Community and the appeal to Summit to amend the Treaty to provide for its enhanced status is further evidence of the political will to promote the language.

**108. Mr. Speaker,** in line with the Protocol on its establishment and in pursuit of Council Directives and Decisions, the East African Kiswahili Commission has adopted six essential Steps for quality intervention of Kiswahili Language in Regional Integration and Sustainable Development. These interventions are:

- i. defining and understanding the status of Kiswahili language in each Partner State;
- ii. identifying contextual factors that affect the development and use of the language in each Partner State;
- iii. deciding on mechanisms of Kiswahili for development and change at national and regional levels;
- iv. clarifying how Kiswahili programmes and projects need to be developed and delivered;
- v. testing and adapting Kiswahili for intervention in development; and
- vi. Collecting sufficient evidence of effectiveness to proceed to a rigorous evaluation of the outcomes and impact of the language.

**109. Mr. Speaker,** working with Governments and other stakeholders, the Commission has established those factors that shape and perpetuate Kiswahili use in Partner States, which are complex, diverse and interwoven. To address this challenge, the Commission will in 2019/2020 Financial Year team up with multiple stakeholders in the development and delivery of an implementation plan for the proposed interventions.

### ***3.9 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION***

**110. Mr. Speaker,** during the financial year 2018-2019 the East African Science and Technology Commission (EASTECO) carried out the following activities in line with the EASTECO Strategic Plan and the 5<sup>th</sup> EAC Development Strategy:

- a. Development of the EAC regional Policies for Science, Technology and Innovation (ST) and Intellectual Property (IP), which was adopted by the EASTECO Governing Board;
- b. In order to support the dissemination of Research and Development (R&D) production and findings, and enhance the East African regional technological and innovation capability, the following were implemented:
  - i. The East African Journal of Science, Technology and Innovation was official launched; the Call for Papers for the first issue of the Journal was published and a regional capacity building workshop was held for training in scientific paper writing for graduate students and researchers,;
  - ii. National consultations were conducted to develop the EAC Regional Research Agenda and Management Framework;
  - iii. a regional collaboration network was established linking the national Science and Technology Commissions/Councils and the national industrial research and technology development organizations for adaptation and transfer of manufacturing technologies;
  - iv. a regional training on entrepreneurship skills and job creation was conducted for faculty and graduate students of Nelson Mandela African Institute of Science and Technology (NM-AIST), in Arusha, Tanzania.
- c. To develop a regional innovation driven bio-economy strategy shared by the countries in the Eastern Africa region, initial stages were done including stakeholder consultations, establishment and facilitation of National Working Groups (NWGs) and Regional Drafting Group (RDG) for the development of the strategy.

**111.** Building on the results achieved in Financial Year 2018/19, the EASTECO priority activities planned for implementation in the FY 2019/20 are grouped in four (4) main areas as follows:

- a. In support of evidence-based policies for Science, Technology and Innovation, EASTECO will work on the following:
  - i. The dissemination of the Regional Science, Technology and Innovation Policy and the Regional Intellectual Property Rights Policy;
  - ii. The finalization and dissemination of the Regional Innovation-led Bio-economy Strategy for East Africa (BiSEA);
- b. For the development of East African Collaborative Research Programme and Initiative to support of research activities and dissemination of R&D findings, the following activities will be carried out:
  - i. The finalization of the East African Research Agenda and Management Framework to support;
  - ii. Online publications by the East African Journal of Science, Technology and Innovation (EAJSTI), which will improve regional quality research;
  - iii. Convening the East African STI Conference (for Regional Research Collaboration);
- c. For the enhancement of the East African regional technological and innovation capability, EASTECO will carry-out the following activities:
  - i. The identification and support of STI talented youth, with training in entrepreneurship skills and innovation;
  - ii. The establishment and operational of the East African Youth Innovation Forum;

- iii. The establishment and coordination of a Regional joint Initiative for Adaptation and Transfer of Manufacturing and Industrial Technologies within the National Industrial Research and Development Organisations (RTOs) and their linkages with the academia and private sector;
  - iv. The establishment and operationalization of a Regional ICT Hub to support and coordinate ICT innovation and incubation services in the Community.
- d. The EASTECO's coordination capacity of Regional Science, Technology and Innovation Initiatives will also be improved through support from Development Partners.

### ***3.10 EAST AFRICAN HEALTH RESEARCH COMMISSION***

**112. Mr. Speaker,** during the year 2018/2019, the East Africa Health Research Commission (EAHRC) Headquarters was launched by the First Vice President of the Republic of Burundi in Bujumbura, Burundi on 5<sup>th</sup> March, 2019. The Commission continues to concentrate on implementing its Strategic Plan 2016-2021.

**113. Mr. Speaker,** the notable achievements of the East African Health Research Commission during the Financial Year 2018/2019 include the following:

- i. Launch of Digital REACH Initiative 10-year Strategic Plan: 2019-2028;
- ii. Operationalize the East African Cross Border Health Services Pilot Programme;
- iii. Establishment of Research Network for Holistic Approach Towards Unravelling Antibacterial resistance in East Africa (HATUA) and

- Tuberculosis Working groups to Empower the Nations Diagnostic Efforts (TWEENDE);
- iv. Completed two Baseline and Needs Assessments in the Partner States;
  - v. Convened successfully the 7<sup>th</sup> East African Health and Scientific Conference (EAHSC) in Dar Es Salaam, Tanzania. The conference was fully managed by the EAHRC electronic system established this year;
  - vi. Launching of EAHRC Official One Stop Centre for Health Information in the East Africa. The web portal was officially launched on March 27<sup>th</sup>, 2019 during the 7<sup>th</sup> EAHSC;
  - vii. Setting up an electronic Conference Management System capable of managing all conferences electronically;
  - viii. Launching of the EAHRC second Journal to support Basic Science;
  - ix. Setting up Electronic Management Systems for the EAHRC Journals;
  - x. Mentoring Next Generation Health Scientists and Leaders YEARS' FORUM;
  - xi. Establishment of the East African Government Leaders, Legislators, and Legal Executives Forum (EAGLES); and
  - xii. Development of new cholera Health Research Programmes in the Partner States

**114. Mr. Speaker,** during the Financial Year 2019/2020 the Commission will focus on the following key priorities:

- i. Strengthening of the mechanisms for generating, capturing, synthesizing, assessing, sharing, disseminating and utilizing knowledge for solving health challenges, and support to the development aspirations of the Community;

- ii. Maximization of the power of digital health in East Africa by ensuring an enabling environment and by implementing scaled, coordinated, transformational, and innovative approaches;
- iii. Establishment of health research and capacity strengthening programmes, networks, partnerships and Centres of Excellence; and
- iv. Optimal utilization of the approved EAHRC staffing plans to implement priority activities of the Commission.

### ***3.8 EAST AFRICAN COMPETITION AUTHORITY***

**115. Mr. Speaker,** the EAC Competition Authority (EACA) took important steps towards enforcement of the EAC Competition Act, 2006 (the Act) in the year 2018/19. In this regard, the EACA finalized development of its Strategic Plan 2019/20-2023/24, which was adopted by the 37<sup>th</sup> Meeting of the Council of Ministers held in January 2019. The EACA strategic plan sets out key priorities for effective realization of the objectives of the EAC Competition Act, 2006 and alignment with the broader strategies and policies of the East African Community as a whole.

**116. Mr. Speaker,** the EACA carried out and finalized a regional retail sector study and developed the draft EAC Regional Policy and Regulatory Framework for Cross-border Retail Activities. The findings of the study are meant to support Partner States and EACA to develop policy and regulatory instruments in light of the various challenges that have been faced by various stakeholders in the regional retail sector. In the same period, EACA and Partner States drafted the EAC Competition (Amendment) Bill, 2019 in order to address gaps in the EAC Competition Act, 2006.

**117.** In a bid to enhance and entrench regional competition culture, the EACA organized Sensitization Workshops on the EAC Competition Act, 2006 and EAC Competition Regulations, 2010 in December 2018 in all the Partner States. The main objective of the workshops was to promote the mandate of EACA and create awareness amongst Partner States' government officials, the business community and consumers.

**118. Mr. Speaker,** the EACA will undertake the following key interventions during the Financial Year 2019/2020:

- i. Recruitment of the staff of EACA;
- ii. Finalize the EAC Competition (amendment) Bill, 2019 and amendments to EAC Competition Regulations, 2010;
- iii. Finalize development of an Outreach Strategy to facilitate sensitization on competition matters;
- iv. Development of merger and acquisition regulations and guidelines to facilitate analysis of the merger transactions;
- v. Develop EACA Website;
- vi. Develop Enforcement Prioritization framework; and
- vii. Sensitizing the key stakeholders on the benefits of competition policy and law in the EAC region, among others.

### ***3.9 AUDIT OPINION FOR THE FINANCIAL YEAR 2017/2018***

**119. Mr. Speaker,** I am happy to report that, as result of enhanced internal controls and accountability across the Organs and Institutions, the EAC Audit Commission issued an unqualified (clean) audit opinion to all Organs and

Institutions of the Community, as well as projects and programs implemented, for the financial year ended 30<sup>th</sup> June 2018. The Secretary General, as the Accounting Officer, has assured the Council of Ministers that this momentum will continue during the next financial year and beyond.

#### **4.0 SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR 2019/2020**

**120. Mr. Speaker,** in this part of the Budget Speech, the Council is seeking the approval by the Assembly of a Supplementary Budget totaling **USD390,000** in order to accommodate new activities supported by funding from the General Reserve Fund and the Chinese Government that were received after the budgeting process. The activities are as follows:

- a) assessment of the damages caused by the recent heavy rains on the EAC Headquarters buildings and its repairs amounting to USD 305,000 to be withdrawn from the General Reserve Fund; and
- b) Facilitate the activities under the Directorate of Infrastructure in mobilization of funds amounting to USD 85,000 supported by the Government the China.

#### **5.0 EAC BUDGET FOR FINANCIAL YEAR 2019/2020**

**121. Mr. Speaker,** as I mentioned before, the Theme for the EAC Budget Estimates for the Financial Year 2019/2020 is ***Transforming lives through industrialization and job creation for shared prosperity***. The Medium Term Expenditure Framework (MTEF) for 2019/2020 - 2021/2022 has been prepared in line with the Treaty for the Establishment of East African Community, the 5<sup>th</sup> EAC-Development Strategy (2016-2021), pronouncements by the Summit and Council of Ministers directives together with the outcome of the Pre-Budget Conference that was held in August 2018. It was from this background that

Annual Operational Plan 2019/2020 was developed by the EAC Organs and Institutions.

***(a) Priority Interventions for FY 2019/2020 Budget***

**122. Mr. Speaker,** during the FY 2019/20, the Community will focus on the following key priority programmes:

- i) Consolidation of the Single Customs Territory (SCT) and promotion of intra and extra-EAC trade and export competitiveness;
- ii) Development of regional infrastructure;
- iii) Effective implementation of the Common Market Protocol (enhancement of free movement of persons, labour, capital and implementation of commitments on other areas of cooperation as envisaged under the Common Market);
- iv) Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation to stimulate economic development;
- v) Implementation of the Roadmap towards the EAC Monetary Union;
- vi) Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation;
- vii) Institutional transformation, focusing on implementation of the Institutional Review recommendations, sustainable financing mechanism and improvement of performance management at the EAC Organs and Institutions; and
- viii) Cross-cutting priority areas.

***(b) Key Sector-specific Priority Areas for 2019/20***

**123. Mr. Speaker,** the Community will continue to focus on the following priority areas at sector level:

- i) Provision of Customs Services that facilitate and promote Legitimate Trade and Investment in the EAC through use of modern technology, professional staff and application of international best practices
- ii) Streamlining, simplification and harmonization of legal and administrative procedures and regulations to promote regional trade;
- iii) Promotion of economic integration and development in the EAC through regulation of competition in markets;
- iv) Development of regional infrastructure;
- v) Promotion of agricultural productivity and value addition for increased international and cross-border trade and sustainable food security;
- vi) Sustainable natural resource use, management and conservation, and climate change management;
- vii) Promotion of science and technology innovation for industrial development and enhanced competitiveness;
- viii) Establishment of a strong foundation for the EAC Monetary Union and adoption of a single currency;
- ix) Promotion of regional peace and security;
- x) Enhancement of financial resources management, accountability and reporting;
- xi) Strengthening of the Community's capacity for resource mobilization;
- xii) Strengthening of the regional planning, statistics, research, monitoring and evaluation functions; and
- xiii) Enhancement of information, education, communication and popular participation of the East African citizenry in EAC integration process.

*(c) Expected Outcomes during Financial Year 2019/2020*

**124. Mr. Speaker,** it is expected that implementation of the above priority programmes will result into the following outcomes:

- i) Consolidation of the Single Customs Territory (SCT) will enhance intra-EAC trade and lead to a further reduction in the time taken by travellers and trucks at the borders and overall cost of doing business in the region;
- ii) Implementation of programmes under Infrastructure will improve transport inter-linkages, increase efficiency in the delivery of freight and passenger services, lower transport costs, ease movement of persons and goods and enhance regional trade;
- iii) Effective implementation of the EAC Common Market Protocol will result in the realization of accelerated economic growth and development of the EAC region, particularly towards promotion of employment and improvement of standards of living and working conditions within the Community;
- iv) Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation will boost the region's export competitiveness for faster economic development;
- v) Implementation of the Roadmap towards the EAC Monetary Union through harmonisation of fiscal and monetary policies and establishment of the requisite EAMU institutions will facilitate economic integration for sustainable growth and development of the Community;

- vi) Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation are critical for the attainment of a stable and politically united East Africa, factors that will be necessary for the successful implementation of socio-economic programmes to further support growth and development of the EAC region;
- vii) Implementation of the envisaged institutional reforms will ensure that operational systems are fully streamlined to achieve the desired level of efficiency, accountability, and value for money; and
- viii) Implementation of the cross-cutting projects and programmes will complement those that are specific to the four Pillars of the EAC integration towards the realization of the Community's objectives both in the short and medium term.

***(d) Budget Proposal and Allocation to Organs and Institutions for FY  
2019/2020***

- 125. Mr. Speaker,** the Council submits a budget amounting to USD 111,450,529 for the next Financial Year. Out of this amount, USD 57,418,804 (52%) will be either contributed equally by Partner States or from other revenues and USD 54,031,725 (48%) is expected to be sourced from the Development Partners.
- 126.** The Budget is allocated to the Organs and Institutions of the EAC as follows:
- (i) EAC-Secretariat: USD 53,296,404;
  - (ii) East African Legislative Assembly: USD 18,973,845;
  - (iii) East African Court of Justice: USD 4,225,241;
  - (iv) Lake Victoria Basin Commission: USD 13,193,849;
  - (v) East African Science & Technology Commission: USD 1,915,073;

- (vi) East Africa Kiswahili Commission: USD 1,474,775;
- (vii) East Africa Health Research Commission: USD 3,996,270;
- (viii) East African Competition Authority (EACA): USD 727,501;
- (ix) The Inter University Council for East Africa: USD 9,586,426; and
- (x) Lake Victoria Fisheries Organization: USD 4,061,145.

**127.** Mr. Speaker, the Budget for the Financial Year 2019/2020 will be financed from the following sources:

- i. Contributions from Ministries Responsible for EAC Affairs: USD 49,791,446;
- ii. Contributions from Ministries Responsible for Education: USD 4,379,968;
- iii. Contributions from Ministries Responsible for Fisheries: USD 2,060,845;
- iv. Contributions from Member Universities: USD 468,300;
- v. Support from Development Partners: USD 54,031,725;
- vi. EAC-General Reserve USD 422,100; and
- vii. Miscellaneous Revenue: USD 296,145

***(e) Budget Allocation to the Key Priorities***

**128.** Mr. Speaker, the budget is expected to finance the key priorities as indicated below:

- (i) Consolidation of the Single Customs Territory and promotion of intra and extra -EAC trade and export competitiveness USD 2,896,551;
- (ii) Development of regional infrastructure USD 2,110,054;
- (iii) Effective Implementation of the Common Market Protocol (enhancement of free movement of persons, labour, capital and implementation of commitments on other areas of cooperation as envisaged under the Common Market) USD 28,063,275;

- (iv) Enhancement of regional industrial development, agricultural value addition, skills development, technology advancement and innovation to stimulate economic development USD 5,880,143;
- (v) Implementation of the Roadmap towards EAC Monetary Union USD 10,777,243;
- (vi) Institutional transformation, focusing on implementation of the Institutional Review recommendations, sustainable financing mechanism and improvement of performance management at the EAC Organs and Institutions USD 21,206,105;
- (vii) Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation USD 3,401,388;
- (viii) Cross-cutting priority areas USD 11,643,199; and
- (ix) Corporate Support Services (including Personnel Emoluments and administrative costs) USD 25,472,571.

***(d) Budget Assumptions***

**129. Mr. Speaker,** The budget for financial year 2019/2020 has been developed taking into consideration the following key assumptions:

- a) Continued and consolidated political support for the EAC integration;
- b) Availability of adequate financial resources and timely remittances;
- c) Continued financial support from Development Partners;
- d) Political stability and good governance;
- e) Safe and stable security across the region;
- f) Conducive macro-economic and business environment in the region; and  
lastly
- g) Global economic stability.

## **7.0 ACKNOWLEDGEMENTS**

**130. Mr. Speaker,** please join me in recognizing and appreciating the continued support and co-operation from both Partner States and the following key Development Partners:

- (i) African Development Bank;
- (ii) World Bank;
- (iii) United States of America and its Agency USAID;
- (iv) European Union (EU);
- (v) The Federal Republic of Germany and its agencies, GIZ and KfW;
- (vi) Swedish International Development Agency (SIDA);
- (vii) Alliance for Green Revolution in Africa (AGRA); and
- (viii) The People's Republic of China.

The EAC looks forward to strengthening and expanding cooperation and collaboration with these Development Partners.

**131. Mr. Speaker,** I beg to move.

**East African Community  
Arusha, Tanzania  
19<sup>th</sup> June 2019**