



THE REPUBLIC OF UGANDA



EAST AFRICAN COMMUNITY

AGRICULTURE AND RURAL  
DEVELOPMENT STRATEGY  
FOR THE EAST AFRICAN  
COMMUNITY  
(2005 - 2030)



EAC SECRETARIAT  
Arusha, Tanzania

November, 2006

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## LIST OF ABBREVIATIONS AND ACRONYMS

AGOA	- African Growth and Opportunity Act
AIDS	- Acquired Immunity Deficiency Syndrome
ASAL	- Arid and Semi-Arid Land
BSE	-Bovine Spongiform Encephalopathy
CARDF	-Common Agriculture and Rural Development Fund
CBI	- Cross-Border Initiative (for Trade and Investment in Eastern and Southern Africa)
CBIs	- Community Based Institutions
CBPP	- Contagious Bovine Pleuro-Pneumonia
CBO	- Community Based Organization
CCPP	-Contagious Caprine Pleuro-Pneumonia
COMESA	- Common Market for Eastern and Southern Africa
DFIs	-Development Finance Institutions
DFN	-Distant Fishing Nations
EAC-ARDS	- East African Community - Agriculture and Rural Development Strategy
EBA	- Everything But Arms
EAC	-East African Community
EIA	-Environmental Impact Assessment
EU-EPA	- European Union – Economic Partnership Agreement
FIQA	-Fisheries Inspection and Quality Assurance
GDP	- Gross Domestic Product
HIV	- Human Immuno-Deficiency Virus
IGA	- Income Generating Activities
IPR	- Intellectual Property Right
M&E	-Monitoring and Evaluation
MTEF	- Medium Term Expenditure Framework
NGO	- Non-Governmental Organization
PRSP	- Poverty Reduction Strategy Paper
SADC	-Southern African Development Cooperation
TRIPS	- Trade Related Intellectual Property Rights
WTO	- World Trade Organization



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## EXECUTIVE SUMMARY

This document sets out a strategy for implementing the Agriculture and Rural Development Policy and reflects the commitment of the Partner States to strengthen the economic cooperation between them for the benefit of their peoples. It provides a framework for improvement of the rural life over the next 25 years through increased productivity and production of food and raw materials, improved food security, provision of an enabling environment for improvement of trade, provision of social services such as education, health and water, development of support infrastructure, power and communications and fight against poverty and Human Immuno-deficiency Virus and Acquired Immune Deficiency Syndrome (HIV AND AIDS). In this respect, East African Community (EAC) Partner States have a broad vision of attaining *“A well developed agricultural sector for sustainable economic growth and equitable development”* and a cooperative and singular mission to *“support, promote and facilitate the development, production and marketing of agricultural produce and products to ensure food security, poverty eradication and sustainable economic development”*.

The East African Community – Agriculture and Rural Development Strategy (EAC-ARDS) is a roadmap for the Partner States, private sector, religious groups, NGOs, rural communities, community based organizations and development partners in defining interventions that will lead to attaining the intended improvements in the rural economy. The strategy is multi-sectoral and will require the participation of all stakeholders.

The rural economy provides the backbone for development efforts. About 80 percent of the population lives in the rural areas and 75 percent of them are engaged in agriculture which is the key enterprise of the rural economy. Besides agriculture, other rural activities include: artisan activities, tourism, quarrying, mining, forestry, fishing, small-scale trading and manufacturing. The performance of the rural economy mirrors that of the overall economy such that any decline in the performance of the rural sector results in poor performance of the overall economy. Deterioration of the rural economy therefore calls for a critical evaluation of past development efforts and the need for alternative shared vision, policy and strategy for inclusive rural development.

The declining performance of the agricultural sector in the EAC Partner States has been caused by an interaction of several factors: namely; inadequacies in policy formulation and implementation; low technology development and transfer; climatic and weather variabilities, natural resource degradation, social and cross-cutting factors including high incidences of HIV and AIDS.

It is against this background that an Agriculture and Rural Development Strategy for the East African Countries is considered necessary. The Strategy will guide the Partner States and EAC in developing and implementing the Medium and Long-Term Development

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Plans. It also provides a pillar for the development of a shared regional vision for sustainable development and to take advantage of the opportunities arising from globalisation and regional integration such as African Growth and Opportunity Act (AGOA) and Common Market for Eastern and Southern Africa (COMESA).

The Partner States and the EAC Secretariat will implement the Strategy. Both the public and private sectors together with the development partners will contribute to the implementation of the strategy.

The Strategy is organized into six sections. Section one provides the background and rationale. Section two presents the status of agricultural and the rural economy. Section three presents the rural development challenges, constraints and opportunities whereas section four presents the vision, mission and objectives of the Strategy. Section five presents the strategic interventions that will resuscitate development of the rural sector, while section six presents the financial, institutional, monitoring and evaluation framework with the logical framework of envisaged programmes.

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## 1.0 BACKGROUND AND RATIONALE

The three East African Partner States, the Republic of Uganda, the United Republic of Tanzania and the Republic of Kenya, decided to revive regional co-operation that collapsed in 1977 and established a Permanent Tripartite Commission in November 1993 and the Secretariat in March 1996. The Heads of State of the Partner States subsequently signed the Treaty establishing the East African Community on November 30<sup>th</sup> 1999 in Arusha, Tanzania.

The former co-operation arrangements mainly provided for the delivery of common services such as railways, telecommunications, some research, higher education, harbours, airways and common currency. To a certain extent it also provided for cooperation in trade and development. Attempts by individual state to advance trade and development policies led to disparities and partly contributed to its break-up. The main focus of the new cooperation is trade and development for the benefit of all Partners States. This is in line with the current trends in internal trade policies on trade liberalization and promotion of the private sector. It offers increased market opportunities for traders and a wide range of raw materials for the industrialists.

The objectives of the Community as reflected in Article 5.1 of the Treaty are aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security, legal and judicial affairs, for their mutual benefit. To this end, a number of agreements have been mutually concluded and strategy papers developed. These include sector-based committee reports and decisions towards the increase of cross - border trade and harmonization of policies and legislation on fisheries, disease and pest control.

In the challenge to cover all economic sectors, the EAC is laying emphasis on the agricultural sector with the objective of:

- i. Attaining food security within the Community
- ii. Liberalizing the cross - border trade in agricultural produce and products between Partner States;
- iii. Harmonizing the agricultural policies, and regulations of the EAC Partner States,
- iv. Increasing production of crops, livestock, fishery and forest products,
- v. Developing markets and marketing infrastructure,
- vi. Attaining sustainable utilization of natural resources,
- vii. Reducing post harvest losses,
- viii. Promoting value addition through agro-processing, and
- ix. Protecting human, animal, plant and environmental safety.

Agriculture is still the predominant sector in the three Partner States. In Kenya agriculture contributed up to 26.5 percent of the Gross Domestic Product (GDP) in 2001 in Tanzania was





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48.1 percent and Uganda was 34.4 percent (Table I). These ratios confirm the importance of the agricultural sector in the economies of the three Partner States. Over 80 percent of the population live in the rural areas and depend on agriculture for their livelihood. Agriculture substantially contributes to foreign exchange earnings and employment.

Despite the importance of agriculture in the Partner States, poverty levels are still high particularly in the rural areas due to poor performance of the sector. Poverty is multi-faceted and is manifested where households lack basic needs such as health, education, housing, food security and income generating opportunities. In essence, subsistence farmers and pastoralists are the most vulnerable and account for over 50 percent of the total poor. Moreover, food insecurity is experienced in various parts of the Partner States even though some producers have surplus produce going to waste due to lack of market. Trade restrictions and lack of market information aggravates food insecurity. Improvement in agriculture is therefore a basic pre-condition for reduction of food insecurity and rural poverty in the region.

Table I: Development and Composition of GDP in EAC Region

		Year							
		1994	1995	1996	1997	1998	1999	2000	2001
<b>Kenya</b>									
GDP at factor cost current prices	Million US-\$	7172	7661	7823	9122	9825	8857	8911	10038
Agriculture, Forestry and Fisheries	%	27.5	27.4	27.3	27.0	26.9	26.9	26.5	26.4
Manufacturing	%	13.6	13.5	13.4	13.3	13.3	13.2	13.1	13.0
Trade, Restaurants and Hotels	%	11.4	11.8	12.2	12.3	12.4	12.5	12.6	12.7
Transport, Communications	%	6.1	6.1	6.0	6.0	6.0	6.0	6.1	6.2
Others	%	41.4	41.2	41.1	41.4	41.4	41.4	41.7	41.7
<b>Tanzania</b>									
GDP at factor cost current prices	Million US-\$	4170	4866	5953	7043	7719	7879	8756	9219
Agriculture, Forestry and Fisheries	%	49.6	50.7	50.6	50.1	49.1	48.9	48.1	48.1
Manufacturing	%	8.4	8.2	8.3	8.1	8.4	8.3	8.3	8.3
Trade, Hotels	%	15.7	15.7	15.6	15.8	15.9	16.1	16.4	16.5
Transport, Communications	%	5.1	5.3	5.1	5.2	5.3	5.4	5.4	5.4
Public Administration, Services	%	8.7	8.2	8.0	7.9	7.8	7.7	7.7	7.5
Electricity, Water	%	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Mining	%	1.3	1.4	1.5	1.7	2.0	2.1	2.3	2.5
Others	%	9.6	8.9	9.2	9.5	9.8	9.8	10.1	10.0
<b>Uganda</b>									
GDP at factor cost current prices	Million US-\$	4895	5453	5961	6056	6847	7495	9745	9390

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		Year								
		1994	1995	1996	1997	1998	1999	2000	2001	
Agriculture, Forestry and Fisheries	%	48.8	46.6	44.7	42.8	42.7	41.9	42.0	34.4	
Manufacturing	%	6.9	7.5	8.2	9.0	9.5	9.9	9.1	9.7	
Trade, Restaurants and Hotels	%	13.9	14.9	14.9	14.7	14.9	15.0	14.5	16.4	
Transport, Communications	%	4.4	4.7	4.9	5.2	5.2	5.3	5.5	5.4	
Community Service	%	15.4	15.2	15.3	15.5	15.2	15.2	15.7	22.3	
Others	%	10.6	11.1	12.0	12.8	12.5	12.7	13.2	11.4	

Source: Compiled from Economic Surveys and Backgrounds to the National Budgets

The Development Strategy for the East African Community (2001-2005) recognized the importance of the agricultural sector in the economic development of the Partner States. The Strategy recognizes that, in the immediate future, agriculture will continue to be the base for sustainable economic growth and development. This is due to the fact that the majority of people in East Africa live in the rural areas and derive their livelihood from agricultural production. Most of the present industries in the region are agro-based and use agricultural raw materials as inputs. Furthermore, the export trade of each Partner State is presently dominated by agro-based commodities and will continue to be of importance in an increasing and highly competing future trade.

Agricultural production cannot be stimulated and the optimal allocation of resources in the agricultural sector cannot be attained unless there is a market for both the agricultural inputs and outputs. In the past, markets for agricultural products in the EAC Partner States were dominated by the governments' objectives of maintaining national food security. For this purpose, parastatals were established to be responsible for agricultural marketing, input supply and processing. However, all EAC Partner States have reformed their agricultural policies and rationalized parastatals' respective roles in the agricultural sector towards market liberalization. This has led to low degree of public intervention in the agricultural sectors and a stiff competition for farmers from world markets.

Parallel to the recent development of reducing state intervention in the agricultural sector, available records show that the performance of the agricultural sector does not match the increase in demand for food arising from demographic development. The migration to urban areas combined with the natural growth rate is resulting in the increase of demand of 5 to 10 % per annum. The real growth rate in the demand for food will be the main driving force for the development of the market oriented agricultural sector.

The EAC Partner States have vast areas of diverse agro-ecological zones suitable for production of all food and most of the raw materials required for development of the region. However, the Partner States lacked a harmonized agriculture and rural development strategy



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that could have provided a road map for rural development and an enabling environment for investment in agriculture and the rural areas.

It is against this background that a harmonized Agriculture and Rural Development Strategy for the EAC is considered necessary and critical. This Strategy is derived from ARD Policy for EAC and has a framework running from the year 2005 to 2030. Therefore, this strategy will address issues of food insecurity and poverty in the region through improvement in agricultural production and farm incomes to ensure availability and access to food to all households. As all Partner States are almost facing a similar situation regarding their agricultural sectors, it is expected that joint efforts under the umbrella of the EAC could provide some essential support in accelerating the agricultural development in each of the Partner States.

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## 2.0 STATUS OF AGRICULTURE AND RURAL ECONOMY

### 2.1 Population

The total population of EAC Partner States was 85.4 million in 2000 and is projected to grow to 107.4 million by 2010. The most striking feature of East Africa's demographic situation is its high but declining rate of growth (Table 2). A big proportion of this population is rural based. The high population growth rates present serious challenges to the Partner States rural development in that the rural population is mainly comprised of the young and dependent people who require basic social services like education and health. In addition, the demand for investments in employment opportunities, law and public order, and environmental management programmes has increased. Pressure on land leads to severe land fragmentation. The decline in farm size as population density increases has contributed to declining soil fertility, which has put enormous strain on food production capacity. Furthermore, subdivision of land to accommodate emerging land uses has led to unsustainable agricultural practices, especially in Arid and Semi-Arid Land (ASAL) areas, steep slopes and wet lands with devastating environmental consequences.

Table 2: Demographic Development in EAC Region

Area	Year						
	1950	1960	1970	1980	1990	2000	2010
<b>Total Population (in millions)</b>							
Kenya	6.3	8.4	11.5	16.7	23.5	30.1	35.3
Tanzania	7.9	10.2	13.7	18.6	25.6	33.5	42.3
Uganda	4.8	6.6	9.9	13.1	18.5	21.8	29.8
<b>EAC</b>	<b>19.0</b>	<b>25.2</b>	<b>35.1</b>	<b>48.4</b>	<b>65.6</b>	<b>85.4</b>	<b>107.4</b>
<b>Rural Agricultural Population (in millions)</b>							
Kenya	5.7	7.3	9.9	13.7	18.7	22.7	24.9
Tanzania	7.4	9.3	12.2	15.6	21.1	26.2	30.9
Uganda	4.5	6.1	8.8	11.3	13.8	17.2	21.9
<b>EAC</b>	<b>17.6</b>	<b>22.7</b>	<b>30.9</b>	<b>40.6</b>	<b>53.6</b>	<b>66.1</b>	<b>77.7</b>
<b>Urban Population (in millions)</b>							
Kenya	0.6	1.1	1.6	3.0	4.8	7.4	10.4
Tanzania	0.5	0.9	1.5	3.0	4.5	7.3	11.4
Uganda	0.3	0.5	1.1	1.8	2.7	4.6	7.9
<b>EAC</b>	<b>1.4</b>	<b>2.5</b>	<b>4.2</b>	<b>7.8</b>	<b>12.0</b>	<b>19.3</b>	<b>29.7</b>

Source: Economic Surveys and National Bureau of Statistics

### 2.2 Climate and Weather

The region has good climate that is favourable for agricultural production. The tropical climate provides opportunities to produce food, cash crops and livestock. However, the agricultural sector in the Partner States has been and is vulnerable to weather fluctuations.

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During the last decade extreme weather phenomena such as *El Nino* and *La Nina* slowed down the growth rate of the agricultural sector in general and grain production in particular. In years of drought, irrigation and water management could partly balance the potential negative effects but remain largely unutilised.

### 2.3 Land Use and Tenure Systems

There are two distinct land use systems in the Partner States. First is practices in the high potential areas with rainfall above 800-1000 mm per year where the probability of crop failure is low. These areas support intensive and semi-intensive cultivation of annual and perennial crops such as maize, beans, bananas, millets and sorghums; tea, coffee, cloves, pyrethrum, horticultural crops and livestock production. The land holding averages 2.5 hectares per family. There are a few large-scale farms for tea, coffee, horticulture, sisal, sugar cane, tobacco, coconut, livestock and game ranching. The type of land ownership in these areas is mainly individual and public.

The second land use system is found in the ASALs where nomadic pastoralism, ranching and agro-pastoralism are practiced. A prominent feature of the dry land ecosystem is the low and variable rainfall, which rarely exceeds 800 mm, with most areas receiving 200-350 mm annually. These areas are mainly communally owned.

Increase in population in the ASAL has led to rising demand for fuel wood thereby leading to intense wood cutting, acceleration of rainwater run-off, soil erosion, siltation, flooding and reduction in replenishment of ground water sources. With these problems, the ASALs have become prone to disasters like drought and famine.

### 2.4 Poverty

Poverty is a major concern in all the Partner States. It is estimated that 47 % of the population lives below the poverty line with per capita incomes of less than one United States dollar (1 US\$) per day. In Tanzania, it is estimated that 50% of the population lives below the poverty line, while in Kenya it is about 56% and in Uganda it is 35 %.

### 2.5 Food Security

The region is endowed with a wide range of resources including land, water, favourable climate, human resources and market outlets that provide potential for food security within the region. However, food insecurity is still common in some parts of the region as a result of high dependence on rain-fed agriculture, which is subject to vagaries of weather low levels of technologies, post harvest losses (averaged at 30-40%), prevalence of pests and diseases and poor infrastructure. All these factors have constrained availability, accessibility, and utilization of food.

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The effects of food insecurity include poor nutrition, hunger and starvation, diseases, inability to work effectively and stress on women in finding food for the family. All these factors lead to further poverty. For most households increased yields, increased incomes, access to cash and strategies to alleviate periodic food shortages, improved storage and processing would assist in increasing food security.

For many years, the Partner States have tried to enhance food security through maintenance of strategic food reserves in physical stocks and cash. Tanzania set the level at 150,000 tonnes of strategic grain reserves while Kenya set the same at 300,000 tonnes of maize and US\$ 60 million worth of foreign currency. Uganda had earlier on given up the policy of keeping physical reserves. In the last four years, the Partner States have moved towards letting the market forces determine the supply levels and meeting shortfalls through imports. The promotion of traditional food crops production such as millets, bananas, pulses and tubers has also contributed to the stabilization of food supply thus improving food security at the rural household level.

## 2.6 Agricultural Production

The agricultural sector is a major source of food security and a stimulant to growth of off-farm employment. The sector is dominated by smallholder mixed farming of animals, food and cash crops and artisanal fishermen. Ranching and pastoralism are the main preoccupation in the ASALs. The sector is characterized by low productivity which results mainly from low capacity to access appropriate technologies and inputs, rampant land degradation, prevalence of diseases and pests, lack of stimulating markets and limited capital.

### 2.6.1 Food Crops

The major food crops are cereals, tubers, pulses, bananas, and vegetables. Production of maize declined from 6.1 million tonnes in 1995 to 5.3 million in 1999. The same trend was recorded in millet which dropped from 1.08 million tonnes to 887,000 tonnes; and wheat from 406,000 tonnes to 226,000 tonnes over the same period. Production of sorghum decreased from 1,332,000 tonnes in 1990 to 1,145,000 tonnes in 1999. However, an upward trend was evident in production of potatoes where total production in the Community increased from 847,000 tonnes in 1995 to 1,054,000 tonnes in 1999.

### 2.6.2 Cash Crops

The major cash crops are tea, coffee, cotton, tobacco, cloves, sisal, sugar cane, coconut, pyrethrum and cashew nuts. Generally, coffee production increased in the Community from 286,000 tonnes in 1990 to 311,000 tonnes in 1999. However, Kenya recorded significant fall in production from 104,000 tonnes to 66,000 tonnes over the same period. Production of sugar cane increased significantly over the decade from 6.68 million tonnes in 1990 to 8.16 million tonnes in 1999. Uganda alone increased production from 0.61 million tonnes to 1.6



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million tonnes over the same period. Tea production increased from 222,000 tonnes in 1990 to 342,000 tonnes in 1998 with Kenya increasing production by 97,000 tonnes over the same period. However, production dropped to 268,000 tonnes in the year 1999.

### *2.6.3 Horticulture*

The horticultural sub-sector has grown considerably mainly due to the high demand for floricultural products. The industry has been able to develop and adapt to changing tastes and marketing conditions with minimum state involvement. Cut flowers dominate horticultural exports, followed by French beans, a variety of fruits and Asian vegetables.

### *2.6.4 Animal production*

Production in the livestock sector mainly comprises of the raising of cattle, sheep, goats, camels, bees, pigs and poultry. The cattle population remained fairly static over the last decade at approximately at 32 million heads while that of chicken increased from 64 million in 1990 to 81 million heads in 1999. The number of pigs increased from 1.25 million in 1990 to 1.4 million in 1999 with the increase being attributed to Uganda where population increased by 126,000 over the same period. The number of sheep in the region slightly increased from 11,423,000 in 1990 to 11,920,000 in 1999. Milk production in Kenya fluctuated between 2.08 million tonnes and 2.32 million tonnes over the last decade while Tanzania and Uganda recorded a general upward trend in milk production from 515,000 tonnes to 680,000 tonnes and from 430,000 to 499,000 tonnes for 1990 and 1999 respectively. Production of eggs in the Community increased from 100,000 tonnes in 1990 to 126,000 tonnes in 1999.

### *2.6.5 Fish Production*

Fisheries support a sizeable proportion of the rural population. Fish production comes mainly from the fresh water fisheries, which contribute more than 80% of the annual catch. The Marine Fisheries contribute less than 20%. Fish production during 1999 was about 310,000 metric tonnes in Tanzania, 223,430 tonnes in Uganda and 167,601 tonnes in Kenya. Artisanal fishermen who contribute more than 90% of the annual catch dominate the fishery industry in Tanzania. Commercial fishery in Indian Ocean is mainly by trawlers whose operations started in 1987.

Fish farming is also underdeveloped in the Partner States with only a few fish farms for tilapia, trout and shrimps. Poor fish handling facilities at the landing sites affect fish quality. Few landing sites have all-weather roads and other relevant infrastructure.

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### 2.6.6 Bee keeping

The contribution of bee keeping is realised in the production of honey which, is used as food and medicine; source of income through sale of honey and bees wax. Further bees are agents for pollination and contribute to conservation of environment and biodiversity.

### 2.6.7 Forestry

The performance of the agricultural sector will substantially depend on the success of clear initiatives designed to preserve the delicate ecosystem through conservation of catchment forestry and the water shed areas. The high domestic demand for fuel wood has led to increased pressure on dwindling forestry reserves. In order to reduce the pressure on the few remaining forests, it is important to promote community forestry including agro-forestry. There should also be clear policies on the management of the watershed areas. However sustainable exploitation of non-forest products, which include edible forest products and traditional medicinal plants, is still not well developed.

## 2.7 Governance

Good Governance is a vital tool for revamping the agricultural sector. The major constraints hampering the performance of the agricultural sector include the following:

- i) Centralized decision making,
- ii) Poor management of farmers or producers organizations,
- iii) Inadequate involvement of producers and farmers,
- iv) Inadequate enforcement of laws and regulations,
- v) Multiple taxes, levies and cess; and
- vi) Vulnerability of negative effects of globalisation.

## 2.8 Legal and Regulatory framework

A suitable legal and regulatory framework is vital for revamping the agricultural sector. The major legal and regulatory constraints hampering the performance of the agricultural sector include;

- i. Outdated laws and regulations that require review and harmonization,
- ii. Inadequate enforcement of laws and standards,
- iii. Multiple taxes, levies and cess,
- iv. Inadequate information exchange between regulatory authorities,
- v. Lack of awareness among stakeholders; and
- vi. Inadequate capacity for implementation of standards.

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## **2.9 Physical Infrastructure and Utilities**

The transport sector plays a crucial role in East Africa's socio-economic rural development and regional integration. East Africa's transport network is comprised of four major systems, namely roads, maritime, rail and air transport.

Public investments in transport infrastructure have concentrated on improving mainly highways and relatively little effort has been made to improve feeder roads. There have been relatively less efforts to increase the availability of adequate means of transport or to improve the efficiency of the institutions responsible for road infrastructure at local level. Transport costs constitute a significant proportion of the cost item to farmers. The poor storage facilities compound the problems and lead to high post-harvest losses. Inadequate and unreliable power and clean water affect the development of agriculture and agro-processing industries.

## **2.10 Natural Resources**

The natural resource base is vital to all citizens. As noted earlier, 75 percent of the rural population rely wholly or in part on agriculture. The majority of rural population depends on the use of forestry products for their energy needs and for construction. The water resource for domestic, agricultural and industrial production and energy generation are maintained and recharged only with adequate forest cover. Increasingly, the natural resource base is being depleted and the livelihood of the majority of the rural population is under threat. With its destruction, a vital carbon sink for the increasing population and expanding industries is quickly being lost.

### *2.10.1 Wildlife*

Partner States have a wealth of diverse wildlife that continues to be one of the main foreign exchange earners through tourism. Most of these are found in forests, water basins, game reserves and national parks. However, wildlife is increasingly facing competition from extensive land use by farmers, ranchers and pastoral communities. This is because wildlife shares much of the land with man, and the rapid population growths threaten the survival and extinction of wildlife.

### *2.10.2 Forests*

The area under natural forests has over time declined due to increasing demand for forest products including fuel wood and other land uses. This trend threatens biodiversity in the forest areas, along riverine and down stream ecosystems. Water catchment areas have been destroyed leading to soil erosion, land degradation, water loss and other environmental hazards.

### *2.10.3 Minerals*

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The region has unutilised potential for both metallic and non-metallic industrial minerals as is evident from geological mapping. These include phosphates, natural gas, soda ash and precious metals and stones. However, mineral production and utilization for increased agricultural production has stagnated due to inadequate incentives to make mining attractive.

#### 2.10.4 Soils

Soil fertility has declined mainly due to over cultivation, soil mining resulting in reduced crop yields and declining fodder and pasture production for livestock. Land use policies and capability mapping are inadequate to guide on the judicious use of land for agriculture.

#### 2.10.5 Water Resources

The water resource consists of rivers, dams, swamps, lakes, ocean and underground water distributed over the region. Despite the above, the region is still dependent on rain-fed agriculture, which is subject to vagaries of weather. The Partner States could use these water resources for irrigation and fisheries development.

### 2.11 Prices and Trends

In nominal terms, producer prices for agricultural commodities rose between 30% and 50% during the last decade. However, returns from agricultural production did not improve due to high cost of imported inputs.

### 2.12 Agricultural Industries and Processing

Kenya has fairly well developed and privately owned agro-processing industries. However, Tanzania's processing industries are in the process of privatisation. According to the National Bureau of Statistics in Tanzania, there were about 1,570 agro-based industries in the country in 1999. Uganda had about 1,000 such industries. The development of Export Processing Zones and manufacturing-under-bond has recently been introduced in the Partner States and is fast expanding. The increase in supply of raw materials, power and roads will lead to further expansion of these industries across the region.

### 2.13 Rural Finance

Due to the slow progress in the financial and banking sector reforms in the Partner States the financing of primary production through loans is at extremely low levels and declining and is one of the key constraints to agricultural development. However, rural saving and credit co-operatives and micro-finance institutions are gaining importance and to some extent funds through these channels are invested in the agricultural and rural sectors, through, *inter alia*, group lending schemes. The costs of borrowing from micro-finance institutions are very high and inhibit borrowing

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#### **2.14 Impact of HIV and AIDS on Agricultural Sector**

The productive capacity of the producers - farmers, fishermen, pastoralists and service providers is continuously being weakened by the upsurge in HIV and AIDS. Since it was first reported in the region, HIV and AIDS had claimed the lives of over 2 million people by the year 2000. Through its impact on the productive segment (ages 15 to 45 years) of the population, HIV and AIDS has resulted in reduced productivity. The quantity and quality of the productive workforce is continuously being undermined as productive resources both financial and physical are diverted to care for the sick and burying the dead.

At the macro level, HIV and AIDS negatively affect agriculture production. Since the disease kills people in most productive years reducing aggregate national savings rate and total income. The projected industrialization through linkages to labour intensive agriculture will therefore not materialize unless the rate of infection is reduced substantially. As a result of inadequate capital formation, the envisaged subsequent phase of capital-intensive industrialization will be impaired.

#### **2.15 Gender**

A distinguishing factor within the region is that, men and women play different roles in economic development. The majority of men and women in the region depend directly on natural resources for their livelihoods, through farming, pastoralism or herding, fishing, mining and forestry activities. However, men who are traditionally considered heads of households have greater access to productive resources than women. Women contribute about 60 -70% of labour force in agricultural production (producing about 60% of the food) as well as contributing the largest proportion of the labour in productive activities. However, there exists gender inequality as a result of limited access of women and poor men to productive resources including land, credit and market information; and social services.

#### **2.16 Liberalization and Policy Reforms**

Currently, regional integration efforts within the EAC are focussed on liberalization of cross-border trade in tradables including agricultural products between Partner States and harmonization of their agricultural policies. These efforts are partly or entirely in response to the commitments that countries of the region have entered into the framework of multilateral trade agreements, all of which aim at liberalization of agricultural trade. The most important ones include the Cross-Border Initiative (CBI), the Common Markets for Eastern and Southern Africa (COMESA), Southern Africa Development Community (SADC) and the World Trade Organisation (WTO). Currently the EAC Partner States negotiate trade agreements separately e.g. with WTO and thus fail to take advantage of synergies between them. These reforms have basically led to a marginal increase in trade. However, so far trade in agricultural commodities amongst the EAC Partner States has not changed significantly in volumes and structures mainly due to non-tariff trade barriers.

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In the context of substantial structural adjustment programmes for the agricultural sector and in combination with the far reaching adjustment programmes for the national economies all the Partner States have almost completely liberalised the agricultural and food sectors and have drastically reduced direct public involvement.

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### 3.0 CONSTRAINTS, CHALLENGES AND OPPORTUNITIES

#### 3.1 Constraints and Challenges

The agricultural production and productivity is largely constrained by natural factors, policy and adoption of technologies. The reasons for poor performance of the agricultural sector include:

Policy related factors:

- i. Governance,
- ii. Legal and regulatory framework,
- iii. Insecurity,
- iv. Inadequate access to productive resources,
- v. Inadequate participation of local communities,
- vi. Poor physical infrastructure and utilities,
- vii. Weak institutional framework,
- viii. Low public expenditure; and
- ix. Unfavourable terms of trade

Technology related factors:

- i. Inadequate research, extension services and training; and
- ii. Prevalence of pests and diseases

Nature related factors:

- i. Degradation of natural resources; and
- ii. Climatic and weather unpredictability

Cross cutting and cross-sectoral related factors:

- i. High incidence of poverty;
- ii. Inadequate social infrastructure; and
- iii. Gender imbalances

The above constraints have inhibited the rural economy's potential to: alleviate poverty through employment creation and income generation; meet growing food needs driven by rapid population growth and urbanization; stimulate overall economic growth, given that agriculture is the most potential lead sector for growth and development; and conserve natural resources.



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The main challenge facing the rural sector is to increase productivity and economic growth in order to halt the worsening food security and to reduce poverty by 50 percent by the year 2015. This is at a time when East Africa faces declining financial resource base, HIV and AIDS pandemic, globalisation and declining natural resources, which reduce availability of investment funds.

East Africa has a significant irrigation potential that remains unexploited. Irrigation can play an important role in increasing agricultural productivity, expanding area under production and stabilizing agricultural production in situations of adverse weather conditions. Opportunity to expand irrigated agriculture exists. Utilization of this opportunity would boost agricultural production.

The Community is faced with a number of challenges: harmonizing various policies and legislations; increasing involvement of local communities in planning and decision making; increasing production and economic growth; elimination of trans-boundary pests and diseases including wildlife diseases; expanding irrigated agriculture; reducing poverty levels; combating the HIV and AIDS pandemic; slowing down the environmental degradation and desertification process; sustaining utilization of natural resources; establishing an effective early warning system and improving governance, security and political stability.

### **3.2 Policy Related` Factors**

#### *3.2.1 Governance*

Poor governance/management of farmer organizations is characterized by declining quality of services, poor leadership, inadequate and inappropriate policies, weak financial management, failure to clearly distinguish public and private interest, arbitrary applications of laws and regulations, closed decision making processes, misallocation and misappropriation of resources, conflicts and failure to decentralize resources, power and taxing authority to lower levels of government.

Attaining good governance, including the rule of law, transparency, lack of corruption, conflict prevention and resolution, sound public administration, and respect for human rights is of critical importance to ensure sustainable agricultural and rural development. Good governance calls for effective policies, which creates a conducive environment for increased investment by local and foreign investors.

There exists an opportunity to promote farmers' zeal and to use it to build institutional self-governance, and also use political will to empower farmers.

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### *3.2.2 Legal and Regulatory Framework*

The EAC integration efforts have focused on liberalization of cross border trade, which include trade in agricultural and livestock inputs and produce. Some of the factors that have led to decline in agricultural production include poor quality of agricultural inputs; poor propagation material, fake seeds, fake fertilizers, substandard vaccines, presence of counterfeit/adulterated/smuggled agro-inputs. Unscrupulous trading practices often affect agricultural productivity by selling adulterated products to farmers. This takes place due to inadequate inspectorate capacity on the one hand, old weak law not in line with new development in technology, weakness in enforcement and endless litigation. Most laws on agricultural inputs are not punitive enough to deter potential offenders. In addition world market have high quality demands and have developed codes of practice as a result of growing consumer concern about food safety and other production methods and their impact on the environment and consumer.

The challenges are to:

- i. Harmonize laws and prepare regulations that enable the smooth handling of arising issues,
- ii. Standardize authorization procedures, inspection, certification and monitoring of quality of agricultural and livestock inputs and produce,
- iii. Inculcate observance of good trade practices in the farm inputs dealers and enhance penalties,
- iv. Strengthen the inspectorate; and
- v. Empower farmers.

The opportunity is to use a better regulatory environment to enhance agricultural production and facilitate intra and inter trade in the Partner States.

### *3.2.3 Insecurity*

Insecurity and proliferation of crime considerably deter rural growth and development, as no investor will risk long-term investment in a region where peace and stability do not prevail.

Banditry, piracy, tribal clashes, cattle rustling and robberies in some areas of East Africa are having negative impacts on agricultural and rural development by restricting production, marketing, commerce, education, communication and provision of essential services to the affected areas. To encourage the private sector to play its role in rural development, political, social and economic stability must prevail.

### *3.2.4 Inadequate Access to Productive Resources*

#### *3.2.4.1. Credit and Micro Finance*

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Financial institutions including commercial banks, agriculture based financial institutions set up by governments, co-operative banks, and formal and informal micro finance institutions are not tailored to meet the needs of agriculture sector. Credit supply for production is a major constraint as a result of the liberalization of the financial sector. Interest rates charged are prohibitive making lending to agriculture and rural activities uncompetitive.

The challenge is to avail public finance, and term and affordable credit to the agricultural sector that will pump-prime economic growth and development.

The rural savings and credit cooperatives are gaining importance and to some extent funds through these channels are invested in the agricultural and rural sectors, among others, through group lending schemes. In addition, informal financial systems have desirable characteristics such as flexibility in criteria for eligibility for funds, non-requirements of land title deeds for collateral and use of group lending.

#### *3.2.4.2 Inputs*

Input supply has become a major constraint after the liberalization of trade. Importation of low quality inputs and insufficient quantities has affected the production of agricultural products.

The challenges among others are to ensure quality, adequate and timely supplies of inputs to farmers; competitive pricing of inputs, enforcement for compliance, empowerment of farmers organizations to avail inputs and potential for local production of farm inputs.

There is potential for production of farm inputs. Farmers' organizations can develop their own supply chain and source quality inputs beyond the region.

#### *3.2.4.3 Land*

Most land is still communally owned giving little incentive for permanent improvement and investment in production. This has resulted in deterioration of land through over-exploitation. Access to credit for production has also been constrained by inappropriate land tenure systems that would provide security of ownership and therefore facilitate the development of a credit system based on land as collateral.

There is need to develop appropriate land tenure systems to promote proper utilization and protection of the land. Rapid increase in overgrazing, destruction of forest cover, and uncontrolled disposal of domestic and industrial wastes has resulted in erosion, silting, and pollution of the environment and destruction of aquatic and terrestrial ecosystems. Slowing down the deterioration process and cost of mitigation/reversing it pose a great challenge.





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The region has over 69 million hectares of high potential land, with suitable climatic conditions that can enable it produce various food and cash crops as well as livestock and livestock products. In fisheries, there is high potential for expanding production through fish farming.

### *3.2.5 Inadequate Participation of Local Communities*

In the past, the Partner States' governments have implemented policies that proved ineffective because of limited participation of the rural communities in planning and decision-making. This has led to poor planning and budgeting, poor allocation of resources and implementation of development programmes and projects. The resulting policies and programmes have not addressed the key problems affecting development in specific communities.

The challenge is for governments to promote local community involvement in planning and decision-making, rational and equitable allocation of resources, capacity building in management and empowerment of local communities in financial management, accountability and leadership.

There exists political will to promote and empower local community participation in self-governance and also tap their synergies through internal and external collaborative efforts.

### *3.2.6 Poor Physical Infrastructure and Utilities*

The critical problem of the agricultural sector is inadequate or non-existent supporting physical infrastructure such as rural roads, irrigation, storage and marketing facilities as well as water and energy supply.

#### *3.2.6.1. Road, Railway, Air and Marine Transport*

Poor road networks have affected the rate of rural development, as large portions are impassable especially during the rainy season. This results into losses due to wastage and increased transportation costs, thus affecting competitiveness. Rail, which is the second most important mode of transportation after road transport, has been slow and unreliable and in some cases declining in area coverage. Air transport is constrained by high freight rates, as a result of relatively high jet fuel prices, inefficient cargo handling, limited number of cargo planes landing in East Africa, insufficient cargo space and landing fees. Also marine transport is not fully developed. The overall impact is that competitiveness of EAC's exports is reduced.

The challenges are to bring efficient transport network close to producers, reduce taxation on energy (fuel and lubricants) and improve governance to eradicate corruption.



Opportunities exist for improving the volume of regional and external trade with lower transport costs; improve and develop maritime facilities.

#### *3.2.6.2. Telecommunications*

Telecommunication services, especially telephones, are generally inadequate, expensive and unreliable. This hampers the efficient flow of information to farmers, traders, and other investors in the rural areas. Even where this is in place, the equipment is mostly out of order due to negligence and vandalism thereby rendering them useless. The emergence of cell phones could change the situation but they too are expensive. The challenge is to extend the coverage and reduce the cost.

Opportunities exist for expanding markets and use of telecom services. Expansion of the service sector for maintenance of telecom facilities would create job opportunities, technology transfer and efficiency.

#### *3.2.6.3. Energy*

The principal sources of energy are wood fuel, petroleum, electricity, and to a lesser extent, solar, wind, thermal, coal and biogas. Wood fuel is currently the major source of domestic energy especially for the rural population. Electricity accounts for two thirds of East Africa's total energy supply. East Africa's electricity is generated from three sources, notably hydro, thermal and geothermal. There is inadequate development of energy sources within the region, which is adversely affecting establishment, and development of rural agro-industries, irrigation, health facilities, and cold storage, among others. These problems have been aggravated by depleted forests/wood production and high dependence on hydroelectric power whose production is affected by the fluctuating weather conditions.

The major challenges are to reduce costs of energy, develop potential diverse energy sources and maintain a balance between development and utilization of forests to ensure environmental sustainability.

Opportunities exist for the development of geothermal, further hydro, solar and wind power that would create synergies for the development and expansion of rural agro-industrialisation.

#### *3.2.6.4 Water and Sanitation*

East Africa has significant water resources, which are under utilised. These include: wetlands, coastal, marine, fresh water lakes, and ground water and river resources. The current water schemes in East Africa are operating below capacity due to poor operational and maintenance services, compounded by limited and ineffective user charge fee structures that cannot meet maintenance costs, poor water use control and regulatory framework. Water shortage and poor quality are identified, as problems in both rural and urban areas and water



collection, especially in the rural areas, remain a burden especially for women and children. Over 50 percent of East Africa's households do not have access to safe water, although the proportion of the poor without access is much higher. Inadequacy of safe and clean drinking water and poor sanitation has aggravated the incidence of water borne diseases such as cholera and typhoid.

The challenge is to have access to safe and clean drinking water by all households; have efficient management and maintenance of existing schemes and utilization of the potential water resources.

There exist opportunities for development and utilization of water sources; participation of Community Based Organisations (CBOs), Non Governmental Organisations (NGOs) and private sector in water development; and using water for expansion of irrigated agriculture, energy and power generation.

#### *3.2.6.5 Irrigation*

The region has a potential of 30.35 million ha of land suitable for irrigation distributed into high, medium and low potential as follows;

- i. Kenya – 540,000 ha,
- ii. Uganda – 410,000 ha,
- iii. Tanzania – 29,400,000 ha

Out of this, only 377,000 ha (1.2%) are currently under irrigation (Kenya 65,000 ha, Tanzania – 262,000 ha, Uganda- 50,000 ha) leaving a lot of potential untapped. A number of constraints impede irrigation development including low utilization of high efficiency water use technologies; poor water permits allocation, poor management of various water schemes under government, climate variation, catchment and surface water degradation, uncontrolled groundwater development and low community participation in the management of irrigation schemes. Challenges are to develop and exploit the huge irrigation potential and better management of existing schemes at all levels.

Opportunity to expand irrigated agriculture exists within the region. Therefore irrigation can play an important role in increasing agricultural productivity, expanding area under production and stabilizing agricultural production in situations of adverse weather conditions.

#### *3.2.6.6 Processing, Storage and Marketing*

**Processing:** East Africa has not fully utilised the investment opportunities for value addition of farm products. Most agricultural products are exported as raw materials because of inadequate power, and water development and supply to rural areas to support agro-industries. Investment opportunities that exist to add value through processing and packaging have not been utilised to increase farm incomes and off-farm employment. Processed and

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packaged agricultural commodities fetch more revenues than unprocessed. Commodities which can be processed to add value include tea, coffee, meat, milk, hides and skins, blood, bones, horticultural produce, timber, fish, soya beans, wattle bark, pyrethrum, sorghum, cloves, millets, cassava and bananas.

Difficulties exist for entry of processed agro-products into export market due to tariff and non-tariff barriers thus discouraging value addition. In addition to this there is inadequate capacity of private sector to undertake processing.

**Storage and Marketing:** Poor storage facilities, post harvest technology, inadequate information and inaccessibility to markets have adversely affected rural development. Furthermore, the abrupt withdrawal of public marketing agencies as a result of liberalization has left marketing of some commodities in disarray. Poor marketing systems and poor development and distribution of storage facilities both at the farm and non-farm levels, weak co-operatives, lack of market infrastructure and market information and inaccessibility to markets due to poor road network have adverse effects on rural development.

The challenges are to develop infrastructure that would support agro-processing, storage and marketing and reduce post harvest losses.

The Partner States have the opportunity to exploit regional and international market for crop, fish, live animals and animal products. The opportunity exists to utilize the potential on quality agricultural products by enhancing the role of these commodities in raising farm income, employment and food security.

### *3.2.7 Weak Institutional Framework*

Institutions are vital in any development process. Without stable institutions, rural markets are unlikely to offer sufficient incentives for investment and sustainable use of productive resources. Because of stable institutions, productivity has increased in most parts of the world, but has fallen in land abundant regions, sub-Saharan region included. Most of the agricultural and rural development institutions have been unstable and have contributed to low farm and non-farm productivity, environment and natural resource degradation. Mismanagement of the productive resources and institutions; conflict of interest of members in farmers' organizations; appointment of unqualified staff and under funding of the agricultural institutional framework undermines the production and development of the sector.

The challenge is to critically analyze the tasks at hand and determine, establish and properly manage the relevant institutional framework that will support competitive agricultural production. There is need to clearly separate the roles in the identification and establishment

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of the institutions; properly co-ordinate, monitor and evaluate the institutional framework to ensure its relevance in the changing environment.

There is political will to review the agricultural production, service provision, management and marketing institutional framework with clear definition of roles. The public sector, civil society and the private sector are building capacity, mobilizing funds and stakeholders to strengthen the institutional frameworks in the agricultural sector at all levels.

### *3.2.8 Low Public Expenditure*

The proportion of government budget for the agricultural sectors has been declining in all Partner States in real terms. EAC Partner States budget allocations in the agricultural sector are below 3% far below the 10 % as recommended by the African Union Heads of State and Government Summit Resolution in Maputo Mozambique, July 2003, for the development of the agricultural sector. No significant development can be achieved in agriculture and rural sector in the face of declining resource allocations.

The challenge is for EAC Partner States to widen the tax base and to progressively increase budgetary allocations to the agricultural and rural sector for increased agricultural production and productivity.

There exist opportunities within the region through the implementation of macro economic reforms such as the fiscal and monetary reforms for increased tax base. EAC Partner States can develop joint development projects and syndicate for local and external financing. Investment in agriculture is worthwhile because of its substantial multiplier effects.

### *3.2.9 Unfavourable Terms of Trade*

The frequent increases in the world market prices for essential inputs such as fertilizers and petroleum products and the continuous decline in international prices for commodities affect the farmers' incomes adversely thus making it difficult for them to re-invest in modern technologies. Several trade concessions have arisen out of agreement under international agreements and arrangements on exports but the pace of development of modalities and capacity to take advantage of this is slow. The frequent introduction of tariff barriers and non-tariff barriers, unfavourable international market prices, poor market information services reduces agricultural products accessibility to international markets.

The challenge is the need to manage the liberalization of trade in agricultural commodities; to develop market infrastructure and facilitate the flow of market information; to eliminate tariff barriers and non tariff barriers to trade and to develop agro processing or/and value adding capacity.

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There exists an opportunity for opening up the sector for private investment, widening and deepening trade in agricultural products and taking advantage to negotiate as a block.

### **3.3 Technology Related Factors**

#### *3.3.1 Inadequate Research, Extension and Training*

Agricultural research is important in increasing agricultural productivity and returns to farmers. However, development of research continues to face serious constraints due to inadequate funds. Currently, the proportion of public resources devoted to training, research and extension is low and declining. Furthermore, due to poor linkage between research and extension, dissemination of messages to farmers has been inefficient. There has been limited collaboration between research organizations and stakeholders in research priority setting and low priority has been given to applied and adaptive research. Rapid changes in production technology and equipment have affected farmers' capacity to change and adopt new production systems. For instance, animal draft power is available but not fully utilised.

Accelerated investment in agricultural research is particularly urgent because it is difficult to achieve reasonable economic growth and poverty reduction without productivity increases in agriculture. The challenge therefore is for public and private sectors in the Partner States to increase investment in research, training, and extension and improve research/extension and farmer linkages and adoption of available and new technology.

There exist opportunities to establish and strengthen centres of excellence and improve the existing net work of research, extension services and information technology.

#### *3.3.2 Prevalence of Pests and Diseases*

The high incidence of pests and diseases limits the production and trade in agricultural products. Foot and Mouth Disease (FMD), Rinderpest, Contagious Bovine Pleuro-Pneumonia (CBPP), Caprine Contagious Pleuro-Pneumonia (CCPP), Anthrax, Rift Valley Fever (RVF) and other notifiable diseases have often caused significant livestock losses. The occurrences of tsetse flies in large areas of the region limit the utilization of potential grazing land. Crop pests such as the *Quelea* birds, locusts, Larger Grain Borer (LGB), armyworms, bacteria, fungal and viral diseases destroy crops and pastures significantly. However, the control measures are limited and expensive.

The challenge is to forge effective joint efforts to control and eradicate the trans-boundary pests and diseases within the region. There exist opportunities within and outside the region for improved surveillance, diagnosis and control of trans-boundary pests and diseases; and prevention of emerging diseases such as *Bovine Spongiform Encephalopathy* (BSE), highly pathogenic Avian Influenza, Banana and Coffee wilt and others which will emerge as a result



of trade liberalization. Another opportunity is to tap resources for the production of agro-chemicals, pesticides, vaccines and drugs.

### **3.4 Nature Related Factors**

#### *3.4.1 Degradation of Natural Resources*

Despite efforts aimed at providing solutions to natural resource management through global, regional and community based concerted measures, physical and bio-physical environments have worsened over the years. This threatens livelihoods of millions of people, bio-diversity sustainability and the health of the biosphere ecosystem.

The challenge is to sensitize the stakeholders on the flora and fauna environment interconnectivity for the common good. In addition, the challenge is to enforce monitoring and evaluation regimes that will ensure sustainable utilization and management of natural resources.

There exist untapped appropriate technologies and capacities to conserve and protect natural resources.

### **3.5 Cross-sectoral and Cross-cutting Related Factors**

#### *3.5.1 Gender Imbalances*

Gender imbalance, particularly in relation to access to productive resources and services such as land, finance, research-extension, education, entrepreneurial skills, healthcare, nutrition affect agricultural development. The disparities mainly emanate from socio-economic and cultural practices. The challenge is to overcome undesirable practices that perpetuate gender inequalities.

Over 60% of the agriculture production is performed by women. Improving their access to more resources and mainstreaming gender considerations will enhance agricultural production and productivity.

#### *3.5.2 Increased Incidences of Poverty*

Seventy to eighty percent of the population of the EAC live in rural areas and depend on agriculture. Most of these people are poor (earn less than 1 US \$ a day). Therefore their capacity to invest in agriculture is low. This has severely impaired agricultural production and productivity.

The negative impacts are self-reinforcing. Lacking means to appropriately intensify agriculture, the poor are forced to over-use or misuse the natural resource base to meet basic needs. Over-exploitation of the natural resource base compounds the degradation of the

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environment consequently aggravating the low agricultural production and productivity. Given these circumstances, it has been observed that inefficiency in agricultural production often reflects poverty rather than mismanagement. Opportunity exists to harness population as a source of labour and market.

### *3.5.3 Inadequate Social Infrastructure*

Education plays an important role in human development through the process of empowering people to improve their well-being and to participate actively in development. Investing in education contributes to overall economic and social development through higher labour productivity, improved nutritional status and enhanced partnership in development. Basic literacy skills are essential for the development of the rural areas as this enables the people to read simple instructions and to access research and extension information. The main constraints facing education include inadequate funding, education infrastructure and low staffing levels leading to high illiteracy levels.

The main challenge is to develop mechanisms for improving capacity of farmers and service providers at all levels. This calls for Partner States to invest more in education.

There are established schools, colleges, training institutes; agricultural resource centres and universities that if rationally used would produce the required human resources capacity.

**Nutrition:** Although the region has food security potential, poor nutrition, hunger and starvation are prevalent in some areas of the region as a result of ignorance, poverty, civil strife and poor distribution infrastructures. This has led to death, nutritional diseases, low production capacity and stress especially among the vulnerable groups of society.

The challenge is to improve access to nutritious and sufficient food to all people all the year round through improved production and trade; and empowerment of the vulnerable groups. The various production systems within the region avails to the Community a variety of foodstuffs.

**Health:** The Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome (HIV and AIDS) presents the single most important socio-economic constraints to increased production and productivity. With HIV and AIDS affecting mostly young and economically productive people, it has effectively ceased to be simply a medical problem, and becomes a social and economic one. People with HIV and AIDS require long-term care taking the available hospital bed space, and creating a demand for palliative medicine. Mortality and morbidity from HIV and AIDS is resulting in labour shortages and decline in agricultural output. Declining food production and increased poverty are bound to follow in the wake of the AIDS scourge.





Malaria, water borne diseases, malnutrition, respiratory diseases and sexually transmitted diseases are the most devastating diseases accounting for over 50 percent of all reported diagnoses in health facilities. Malaria costs are high to the health system, the individual and families and to the economy due to the high costs of control measures, drugs, hospitalisation and absenteeism from work place.

The challenge is to improve and maintain agricultural production and productivity in face of HIV / AIDS pandemic, Malaria and other diseases of social economic importance.

**Cultural Considerations:** There are some negative cultural practices and beliefs that slow down agricultural development. For example some communities believe that men should not weed and that women should not open up new land. Other communities believe that people or tractors should not farm at night, else they are witches. Thus, cultural values deprive, just as others avail important resources to agriculture and rural development.

The challenge is analysing the different norms and practices with a view of creating greater awareness of those with positive attributes and discouraging those that retard development.

There is increasing willingness for communities across the board encompassing positive cultural attributes and dropping those that are counterproductive.

### 3.6 Regional and Global Opportunities

Globalisation and regional integration offer opportunities for rural development by providing new markets for rural products. The Partner States are signatories to the treaties on regional integration through the East African Community (EAC), the World Trade Organization (WTO) and the Cotonou Agreement, which facilitate entry into the European market, and have moved fast to take advantage of opportunities offered by the African Growth and Opportunities Act (AGOA), which opens up the American market to imports from Africa.

The Partner States have the opportunity to exploit regional and international markets for crop, fish, live animals and animal products. However, the utilization of these markets will depend on the adequacy of pest and disease control measures and compliance with sanitary and phytosanitary standards.

The opportunity to utilize the potential on crops and livestock products will propel rural development by enhancing the role of these commodities in raising farm income, employment and food security. Enhanced access to information on inputs, outputs and markets will facilitate planning and implementation of the Strategy. With vast biodiversity, particularly wildlife resources, the Partner States have the potential to increase foreign exchange earnings through tourism.

There is opportunity to tap into existing information base and technology to increase production and productivity.

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#### 4.0 VISION, MISSION AND OBJECTIVES

The future role of the East African Community in the development of the agricultural and rural sectors is based on and defined by the following frame:

- i. The EAC Treaty Chapter 18 on agricultural and rural sector and other relevant chapters;
- ii. The speed and degree of future regional integration as agreed by the Partner States such as from Custom Union, Monetary Union, Common Market to Political Federation; and
- iii. The future level of common institutional framework for activities and duties to be carried out and implemented by EAC on behalf of Partner States.

The goal of cooperation in agriculture and rural development is to attain sustainable agricultural development to contribute to economic growth for the improvement of the welfare of the people of the Partner States. To this end, the Partner States have undertaken to adopt a scheme for the rationalization of agricultural and rural production with a view to promoting complementarities and specializations in and the sustainability of national agricultural and rural programmes in order to ensure:

- i. food security within the EAC,
- ii. an increase in the production of crops, livestock, fisheries, raw materials and forest products for domestic consumption, exports within and outside the Community and as inputs to agro-based industries within the Community;
- iii. provision of basic social services; and
- iv. rapid development of support infrastructure (roads, power, rail, air, communications).

##### 4.1 Vision

In view of the current situation in the Partner States, the need to focus on the overall objective set out in the Treaty and the need to achieve and maintain sustainably high growth rates to the benefits of all citizens of the Partner States, the vision of the **EAC on Agriculture and Rural Development Strategy (EAC- ARDS)** is:

*“A Well Developed Agricultural Sector for Sustainable Economic Growth and Equitable Development”.*

##### 4.2 Mission

To achieve this vision, the mission of strategy will be:

*“To support, promote and facilitate the development, production and marketing of agricultural produce and products to ensure food security, poverty eradication and sustainable economic development”.*

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### 4.3 Objectives

The overall objective of cooperation in agriculture and rural development as set out in the Treaty is the achievement of food security and rational agricultural production. This would pave the way for the implementation of other measures aimed at improving the welfare of the people in the region. The Partner States have therefore undertaken to adopt a scheme for the rationalization, improvement and commercialization of agricultural production and rural development with a view to promoting complementarity and sustainability of rural life. The specific objectives are to:

- i. Achieve food security in the Community, and improve the standards of nutrition by increasing output, quality, availability and accessibility of food;
- ii. Encourage rational agricultural production with a view to promoting complementarity and specialization;
- iii. Improve standards of living in the rural areas through increased income generation from agricultural production, processing and marketing;
- iv. Increase foreign exchange earnings by encouraging production and export of agricultural and fisheries products;
- v. Support agro-based industrialization;
- vi. Encourage the development of new and appropriate technologies that improve the productivity of land and labour; and
- vii. Promote sustainable use and management of natural resources (soil, water, fisheries and forest) in order to conserve the environment.

In the context of this Strategy, the interventions are classified in the following broad categories:

- i. Production;
- iii. Trade and Commerce;
- iv. Services and infrastructure;
- v. Natural resources conservation; and
- vi. Institutional arrangements.



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## 5.0 THE STRATEGIC INTERVENTIONS

The East African Agriculture and Rural Development Strategy (EAC-ARDS) proposes several actions and interventions to facilitate the process of rural development. Although some of the interventions will require medium to long term implementation periods, the focus and emphasis will be guided by **EAC- Agriculture and Rural Development Policy (EAC-ARDP)** some of the current Partner States' policy prescriptions contained in their respective Poverty Reduction Strategies, the Poverty Reduction Plans and current Development Plans. Logical sequencing and prioritization of the action plans will in the short to medium term be based on the requirements of the Medium Term Expenditure Frameworks (MTEF) for poverty reduction and growth enhancement. Collaboration with other sectors linked to agriculture development will be enhanced

About 80 % of East Africans live in the rural areas and are engaged in agriculture. Development efforts must start with fundamental agricultural developments aimed at improving farm and off-farm activities. The implication here is that agricultural growth must be made the catalyst for East Africa's broad-based economic growth and development: agricultural linkages to the off-farm economy will generate employment, income and growth in the rest of the economy. It has been shown that agriculture is no longer the only main source of rural income. Most of the house holds income comes from off-farm sources. About 50% of East Africa's rural farming households are involved in off-farm income-earning activities and 36% have at least one salary earner living away from the farm (*EAC -ARDS Synthesis Report 2001*). A third of households receive remittances and therefore a general improvement in the economy will benefit agricultural households.

Farm and off-farm sub-sectors have the potential to contribute to growth and poverty reduction at the household level. These sub-sectors are interdependent processes and are both required in order to tackle high levels of poverty. In other words, a reduction of rural poverty cannot be achieved if both rural and urban sectors are not growing. While an enabling institutional environment for farm and off-farm enterprises will help to reduce poverty in rural areas, it is also true that in order to construct routes out of poverty, rural families need options for engaging in income generating activities both within and outside rural areas.

Off-farm income will help finance improved growth in agriculture as well as the other way round. Rural poverty reduction is about raising farm productivity and improving the overall facilitating environment for development activities including encouraging mobility and enabling resource transfer between sectors. Improving farm productivity will result in higher farm incomes, which will in turn generate new demand for off-farm products in both the rural and urban centers. This will create incentives for increased economic activities, creating jobs, income and further increased demand for both farm and off-farm production.

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In order for the agriculture and rural sector to play its rightful role, a number of intervention areas will be implemented with a view to achieving the desired goal. These include:

- i. Improving Food security,
- ii. Accelerating Irrigation development,
- iii. Strengthening Early Warning Systems,
- iv. Strengthening Research, Extension and Training,
- v. Increasing intra and inter regional trade and commerce;
- vi. Promote Improvement of Physical Infrastructure and Utilities;
- vii. Improving governance, legal and regulatory framework,
- viii. Promote agro-based industries development and value addition,
- ix. Promotion of emerging industries,
- x. Mainstreaming crosscutting issues (HIV and AIDS, gender);
- xi. Sustainable utilization of Natural resources ,
- xii. Improving access to productive resources including credit, land, inputs,
- xiii. Control of Animal and Crop Pests and diseases; and
- xiv. Financing agriculture and agro-processing

### 5.1 Improving Food Security

Agriculture is the mainstay of the Partner States economies. The first intervention then is to improve its performance and increase its contribution as a major entry point for development.

Improving food security (availability, accessibility and utilization) requires:

- i. Strengthening research in higher yielding and drought resistant crops, livestock improvement, disease and pest chemotherapy and pophynaxis as well as new modalities for aquaculture and fisheries development and production and encouraging Partner States to take advantage of recent research and development breakthroughs such as tissue culture, modern biotechnology, embryo transfer and agro-forestry;
- ii. Establishment of regional strategic gene banks; initiating and maintaining strategic seed reserves; and creating an enabling environment for private sector seed and livestock multiplication, storage and trade in seed and planting materials, semen, embryos, breeding stock, drugs and vaccines; pesticides and fertilizers, and collaborating in fisheries utilization and development;
- iii. Improving information management particularly in issues relating to market access, pricing for various commodities and inputs, and prices in the international market;
- iv. Control of trans-boundary animal and crop pests and diseases including joint control campaigns undertaken simultaneously with the aim of maintaining a disease free regional status and preventing exotic, emerging and re-emerging diseases;
- v. Harmonization of sanitary and phytosanitary standards, establishment of regional zoo- and phytosanitary laboratories, quarantine policies, legislation and regulations for animal, crop, forestry and edible forest products and fisheries materials;



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- vi. Harmonization of food policies and management of food aid;
- vii. Harmonization of fisheries policies;
- viii. Increasing opportunities for other income generating opportunities such as artisanal activities, industrialization, commercialization and services to increase access to quality products; and
- ix. Increase agricultural mechanization and adopt labour saving technologies to increase production and productivity.

### 5.2 Accelerating Irrigation Development

Agriculture production in the region is rainfall dependent. As a result crop failures are common particularly in arid and semiarid areas. Expanding irrigated agriculture from the current 377,000 ha (1.2%) to the potential 30.35 million ha (Kenya 540,000 ha, Uganda 410,000 ha and Tanzania 29.4 million ha) offers considerable opportunities in the region. Irrigation is considered an important aspect of managing risks and reducing vulnerability.

Increasing availability of water in rain-fed agricultural areas will make an important contribution to reducing poverty by increasing food security, high value products and improved incomes of the rural poor.

This will require:

- i. Developing modalities for utilizing shared water resources for irrigation for production of food crops, horticultural and cash crops and forages;
- ii. Encouraging improved water utilization and management including promotion of watershed management and water harvesting technologies;
- iii. Developing research on different cost effective irrigation techniques;
- iv. Formulating irrigation master plan;
- v. Promoting community and private sector participation in irrigation; and
- vi. Harmonizing irrigation policies.

### 5.3 Strengthening Early Warning Systems

The East African region is prone to periodic extreme changes in the weather including occasional flooding and prolonged dry spells all of which bring famine and other stresses to the people. However, Partner States have established and are managing early warning systems to enable them to manage food shortages brought about by frequent droughts and floods. This will require: -

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- i. Strengthening and expanding the scope and coverage to include preparedness systems against impending disasters (drought, floods, migratory pests and epizootic diseases) and improved management of emergencies;
- ii. Building capacity to ensure that EAC Partner States are able to assess and disseminate information on the likely impacts of impending disasters well in advance in order to take contingent measures in the cases of disease and pest outbreaks and food insecurity.

#### **5.4 Strengthening Research, Extension Services and Training**

Agricultural research is important in increasing agricultural productivity and returns to farmers. Investment in agricultural research is particularly urgent because it is difficult to achieve reasonable economic growth and poverty reduction without productivity increases in agriculture. It is observed that, the proportion of public resources devoted to research and manpower development is low and declining. Furthermore, due to poor linkage between research and extension, dissemination of farm messages has been inefficient. Constraints to efficient research, technology and transfer include limited collaboration between research organizations and other stakeholders in research priority setting and the low priority given to applied and adaptive research. This will require: -

- i. Increasing sharing of scientific resources such as research centers and training institutes, extension skills, genetic materials, research findings between the Partner States including development of a few centers of excellence to concentrate effort on specified areas.
- ii. Developing modalities and encouraging private sector participation in research, extension and training;
- iii. Strengthening and harmonizing agricultural research, extension and training systems.
- iv. Strengthening mechanisms for cooperation and collaboration in crop, livestock and fisheries research.
- v. Increasing investments in agricultural research, extension and training.

#### **5.5 Increasing Intra and Inter Regional Trade and Commerce**

Trade between the Partner States is essential for economic growth and development. There is considerable trade among them and it is also growing. The development of the trade among Partner States requires the following:

- i. Implementation of the customs regulations, Customs Union, common external tariffs, import regulations and development of common trade policies and negotiations on world trade.
- ii. Harmonization of standards on sanitary and phytosanitary, farm inputs requirements, food safety and quality assurance, export inspection procedures and certification to facilitate movement of goods, and freeing of cross border trade;

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- iii. *Promotion of value addition through agro-processing, common marketing infrastructure such as those for tea and coffee auctions, commodity markets, and air handling facilities. This should include establishing of joint marketing efforts for exports of agricultural commodities, livestock and livestock products, which are similar in many aspects;*
- iv. *Freeing the movement of persons, vehicles, goods and boats across the borders and issuance of long term travel documents;*
- v. *Developing and harmonization regional standards in conformity with international standards to ensure fair competition and eliminate misuse of standards and labour regulations as a barrier to trade against the EAC Partner States;*
- vi. *Developing capacity and foster close alliances and joint negotiation grounds on global trade issues (WTO, EU-EPA, EU-EBA, IPR); and*
- vii. *Establishing a monitoring system in order to react to marketing disturbances.*

## **5.6 Physical Infrastructure and Utilities**

An efficient network of physical infrastructure in rural areas is a crucial requirement for the rural economy to achieve high rates of growth, increasing production, trade and cooperation. This includes development of roads, power grids, maritime services, telecommunications and rail services. These should be done as part of the transnational infrastructure and internal services development.

### *5.6.1 Transport and Communications*

#### *5.6.1.1 Roads.*

Priority will be given to rehabilitation of roads linking the Partner States. New road links will be developed between the Partner States to improve trade and transport. The development of roads between Partner States and other countries in the region will be given high priority thus improving transportation to Ethiopia, Somalia, Congo, Mozambique, and other regions. This will be done in the context of the regional road network and corridors. The Partner States will: -

- i. *Target improvement of rural access roads to facilitate the development of agriculture (delivery of inputs and marketing of the produce); and*
- ii. *Develop regional road, networks transportation as a transit hub for commerce and movement of persons.*

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#### *5.6.1.2 Port, Rail, Marine and Air Transport.*

In order to improve competitiveness of the region's exports in the international market, emphasis will be laid on increasing efficiency in cargo handling at the ports and airports and reducing tax on jet fuel and development of ports to handle larger vessels. Partner States will:

- i. Develop and streamline operations of rail, marine and air services to achieve efficiency in cargo handling;
- ii. Improve small airports in order to facilitate interregional air travel thus promoting agricultural production, local tourism, trade and delivery of social services such as health;
- iii. Develop water travel infrastructure (like piers, dry docks and beckon points) to facilitate the use of the water bodies for transportation; and
- iv. *Develop regional, rail, marine and air, networks transportation as a transit hub for commerce and, movement of persons.*

#### *5.6.1.3 Telecommunications*

In order to ensure efficient flow of market information in the region, Partner States will:

- i. Promote development of cost effective and efficient telecommunication systems;
- ii. Harmonize tariffs and exchange systems; and
- iii. Promote development of telecommunication systems between inter-regional countries and the rest of the world.

#### *5.6.2 Regional Power Grid and Rural Electrification.*

Electrification and energy is important for industrial development. Partner States will:

- i. Promote rapid rural electrification with the view to accelerating agro-rural-industrialization.
- ii. Utilize existing power generation resources (hydro, gas and geothermal) to meet power needs.
- iii. Develop a power grid linking them and join electricity grids from countries outside the region; and
- iv. Utilize and promote other sources of energy such as solar, wind, gas and energy saving stoves.

#### *5.6.3 Marketing and Marketing Infrastructure*

Generally, storage facilities are inadequate, poorly developed and distributed causing massive losses of quality and quantity of produce in the region. Knowledge about market needs and requirements is important to guide production, processing and marketing strategies and enhance farmers' bargaining power in market transactions. However, the current readily

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available information is not sufficient to guide stakeholders on internal and external markets. Partner States will:

- i. Establish and rehabilitate rural markets that are considered crucial for improving markets access in the region;
- ii. Promote on-farm storage;
- iii. Facilitate the private sector participation in the construction and management of storage facilities.
- iv. Promote flow and use of market information, market research and dissemination mechanisms; and
- v. Strengthen joint marketing infrastructure, facilities and systems.

#### **5.7 Improving Governance**

Good governance provides a conducive environment for promoting production and trade. In this regard, the Partner States will:

- i. Strengthen and improve the management and operational capacity of farmers institutions and organizations; and
- ii. Provide investment guidelines in the sector to facilitate creation of employment to the rural communities.

#### **5.8 Legal and Regulatory Framework**

The progressive liberalization of world trade has created opportunities for regional and international market access. Regulations on agricultural products especially on Sanitary and phytosanitary standards, food safety and quality assurance need to be improved and enforced.

The EAC will:

- i. Maintain a conducive legal and regulatory framework for private sector participation in agricultural development and commercial activities;
- ii. Review and harmonize laws and regulations within the Partner States that will deal with matters of agricultural importance;
- iii. Establish a regional mechanism for coordination and implementation of revised and harmonized legislation; and
- iv. Develop capacity in legal and regulatory services.

#### **5.9 Promote Agro-Based Industries and Value Addition**

The Partner States export their agricultural and natural products in raw form, which are then processed in the importing countries. The processing adds value to the products. However, the price paid for raw materials is insignificant compared to the price of the finished products. Encourage exports of processed and value added products. To ensure that higher profits accrue to the producers, the Partner States will:

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- i. Promote rehabilitation and development of rural industries;
- ii. Develop enabling environment, rural infrastructure, and products standardization, generation and supply of power, water supply and trained manpower;
- iii. Promote the establishment of appropriate agro-industries; and
- iv. Promote community participation in development and maintenance of sustainable energy sources.

#### **5.10 Promotion of Emerging Industries (Informal sector)**

Artisans and *Jua-Kali/Nguvu Kazi* operators and Agro-processors provide a vital link between the farm and non-farm activities. In this regard, establishment of informal sector will be given priority. They provide opportunities to create employment and create forward and backward linkages, which are important in realizing the rapid structural transformation envisaged in this strategy. Partner States will promote:

- i. Capacity building for Artisans and *Jua-Kali/Nguvu Kazi* operators, micro financing and credit for IGAs
- ii. Development of legal and institutional framework for participation of emerging industrialists; and
- iii. Establishment of *Jua-Kali/Nguvu Kazi* parks with provisions for power, social amenities and quality control and standardization of products.

#### **5.11 Mainstreaming Social Services and Crosscutting Issues**

##### *5.11.1 Education and Human Resource Development*

Trained and literate manpower is essential for development. To this end, Partner States will:

- i. Harmonize and facilitate cross-border formal training in agricultural and related fields such as food science and processing, marketing, rural finance, entrepreneurial studies and rural power and water supply; and
- ii. Promote access to education for the poor and the vulnerable groups such as the girl - child, people with disabilities and those from disadvantaged areas.

##### *5.11.2 Prevention and Control of HIV AND AIDS, Malaria and Other Diseases*

The HIV AND AIDS pandemic and malaria have severe effects on agricultural and rural development in the Partner States. The pandemic depletes household savings as a result of high health costs, leading to decline of household investment base, loss of productive management resources and skills. Partner States will:

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- i. Lay emphasis on multi-sectoral HIV and AIDS awareness and public health education;
- ii. Lay emphasis on prevention and control of other epidemic diseases including malaria, cholera, TB;
- iii. Intensify research and development on treatment of HIV and AIDS and opportunistic infections;
- iv. Develop legislation that increases availability of generics for management of HIV AND AIDS;
- v. Develop community level measures to control tsetse flies, mosquitoes and water borne diseases; and
- vi. Promote community/household based participatory initiatives for water purification; and.
- vii. Promote the production of nutritionally enhanced foodstuffs.

#### *5.11.3 Gender Mainstreaming*

Different groups perform different roles in the economy. Women contribute up to 60 to 70% of labour in agricultural production and contribute the largest proportion of the labour in productive household activities. Generally, women work longer hours than men. This contributes to their poorer health and nutritional status and to maternal mortality. Men have greater access to land, credit and extension services. Based on these observations, it is obvious that traditional interventions for agricultural development are likely to affect men and women differently. To this end, Partner States will:

- i. Promote gender mainstreaming in order to ensure gender equity;
- ii. Develop guidelines for gender mainstreaming within the region;
- iii. Sensitize communities on cultural practices which negatively impacts on agricultural production and rural development;
- iv. Promote participation and representation of vulnerable groups in decision-making and management; and
- v. Promote women empowerment.

#### **5.12 Natural Resource Management and Tourism**

Partner States have experienced a rapid loss of forests, pollution of marine and fresh water ecosystems due to the opening up of forestland for human settlement, development of mega cities/slums along river valleys near urban centers and uncontrolled emissions from industries

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and vehicles. This is evidenced by the rapid increase of diseases, loss of aquatic and terrestrial life and damage to roofs and metal structures.

Partner States will:

- i. Intensify education and campaigns aimed at creating and sustaining environmental awareness among the rural communities in the region;
- ii. Harmonize the environmental policies and legislation;
- iii. Institutionalize the environmental impact assessment as a pre-requisite for investment.
- iv. Strengthen conservation and establishment of forests through increased supply of seed for indigenous and fast growing trees, promotion of community and private woodlots, improvement of design to incorporate carbon sinks in urban areas;
- v. Develop drainage and sewage systems to minimize river pollution;
- vi. Establish and implement emission control standards and regulations;
- vii. Develop rural electrification and alternative energy sources to reduce dependence on wood and fossil fuel;
- viii. Regulate and control introduction of exotic flora and fauna and accelerate measures to combat the spread of noxious water weeds;
- ix. Adopt relevant international protocols and treaties for protection and conservation of terrestrial and aquatic biodiversity;
- x. Promote co-management of natural resources; and
- xi. Promote tourism and eco-tourism.

### **5.13 Access to Productive Resources**

#### *5.13.1 Credit and Micro Finance*

To assist the development of the financial and credit sectors, Partner States will: -

- i. Improve the legal and institutional framework for the operation of the financial, Micro-Finance Institutions and Rural Savings and Credit Schemes;
- ii. Encourage micro-finance institutions to locate in rural areas;
- iii. Promote development of alternative collateral systems that are not tied to land; and
- iv. Facilitate capacity building for resource mobilization and financial management.

#### *5.13.2 Inputs*

Input supply has become a major constraint after the liberalization of trade. Importation of low quality inputs and insufficient quantities has affected the production of agricultural products. To address this, Partner States will:

- i. Strengthen inspectorate services and quality standards for inputs;

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- ii. Promote trade and production of inputs utilizing locally available raw materials;
- iii. Promote private sector participation in input production and supply; and
- iv. Strengthen enforcement of the regulations on banned and restricted agricultural inputs.

#### *5.13.3 Land Tenure*

To facilitate efficient utilization of land, Partner States will:

- i. Develop and implement appropriate legal systems for land ownership and thus creating a formal and stable market for land;
- ii. Develop capacity for land surveying, mapping, GIS and land administration;
- iii. Promote and implement appropriate legal systems for land ownership and utilization; and
- iv. Promote policies and modalities for land leasing.

#### **5.14 Control of Animal and Plant Pests and Diseases**

Animal and crop pests and diseases are major setbacks to agricultural production. They cause high losses and inhibit trade within the EAC region. Individual Partner States initiatives for control are expensive and in most cases not effective due to frequent outbreaks as a result of reservoirs across borders. The Partner States shall: -

- i. Strengthen capacity for inspection and surveillance of trans-boundary pests and diseases;
- ii. Promote joint control measures and campaigns;
- iii. Promote liaison with international organizations for effective control of migratory pests;
- iv. Develop modalities for establishment and maintenance of pests and disease free zones/compartments;
- v. Harmonize policies and legislation;
- vi. Harmonize standards on sanitary and phytosanitary, measures and farm inputs; and
- vii. Harmonize regional referral laboratory standards for diagnosis of diseases and pests.

#### **5.15 Financing of Agriculture and Agro-processing**

Financing of agriculture and agro-processing by both the public and private sector is crucial for the development of the sector. In this regard, the EAC will:

- i. Mobilize the Partner States to increase the expenditure to the agriculture and rural development sector to a minimum of 10% of national budgets;

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- ii. Facilitate the exchange and sharing of information on bankable projects formulation, and implementation as a way of promoting adoption of best practices;
- iii. Encourage Partner States to establish and strengthen Development Banks biased to financing agricultural production and agro-processing and develop frameworks that will encourage commercial banks finance agriculture and agro-processing;
- iv. Establish the Common Agriculture and Rural Development Fund;
- v. Develop mechanisms on approaches for East African Development Bank (EADB) secure credit lines tailored to agricultural programmes and projects; and
- vi. Promote policies and programmes that will lead to more stable macro-economic situation especially minimization of exchange rate fluctuation.

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## 6.0 INSTITUTIONAL AND FINANCIAL ARRANGEMENTS

### 6.1 Institutional Framework

The Agriculture and Rural Development Strategy programmes will be implemented at the EAC and Partner States levels. This will require a synchronization of the demands of the Community programmes and action plans with Partner States' programs and commitments including harmonizing priorities thereof.

The EAC recognizes that agriculture and rural development are not a matter for the public sector alone. It relies heavily upon other economic and social agencies and organizations. The region has a relatively developed private sector, numerous NGOs/CBOs, and cooperatives. These organizations make up a significant social and economic force, in many instances filling gaps in the provision of rural services. Many such organizations are committed to development that is directly responsive to economic and social needs of the rural people and are highly participative.

The EAC through the Partner States' is committed to forging links with these organizations in the implementation of the Strategy.

The following are the key stakeholders for this Strategy and their active participation in implementation will lead to its success.

#### 6.1.1 *The East African Community (EAC)*

The EAC, through a Sectoral Council of Ministers, will guide implementation of this Strategy. For its effective and efficient implementation, it will be necessary to strengthen the capacity within the Secretariat.

#### 6.1.2 *The Public Sector*

Partner States will create and sustain an enabling policy and institutional environment that is composed of, *inter alia*, security, good governance, supportive laws and regulations. These include maintenance of conducive and stable macro-economic policy framework, attractive investment opportunities, favourable external relations for expanded trade, resource mobilization; provision of public goods including infrastructure.

The successful implementation of the Strategy will depend on how effectively the involvement of communities, their organizations and the private sector is secured. Partner States will collaborate with stakeholders for successful implementation of the Strategy.

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### *6.1.3 Private Sector*

The private sector comprises of a wide range of players, including individuals and organizations motivated by profit to undertake production and investment activities. The private sector makes use of available information, market signals and policies as well as physical environment to engage in productive activities, which earns them income and promote growth and development. The EAC will create a conducive environment for effective private sector participation in line with the Partner States' Private Sector Development Strategies. The EAC will promote continuous dialogue with the private sector to ensure its optimum participation in the implementation of the Strategy.

### *6.1.4 Civil Society*

Civil societies include NGOs, CBOs and Community Based Institutions (CBIs). The primary role of the Civil Society is to enhance the beneficiary capacity to organize, generate and utilize resources more effectively and in a transparent manner; provide services in those areas they are best placed; provide advocacy for improved governance, human rights and environmental protection; and ensure transparent and accountable executive and policy formulation on behalf of the communities.

### *6.1.5 Farmers Organizations*

Farmers' organizations include co-operatives, associations and groups. Their roles include procurement of inputs and provision of credit to their members and coordinate purchase and marketing of produce; collection and dissemination of market information; capacity building; lobbying and advocacy. They can acquire property such as machinery and buildings on behalf of their members.

## **6.2 Financing Arrangements**

The Strategy will be financed with resources from a number of sources including, Development Partners, the Private Sector Investors, and financial institutions such as Commercial Banks, Development Finance Institutions (DFIs) and Micro-finance facilities.

The implementation of the strategy will be in phases starting with the crucial strategic interventions in the areas of agricultural production, trade and governance of farmers' institutions.

The EAC will formulate appropriate development programmes for financing by the Community, Development Partners and investors. It will also establish and operate a Common Agricultural and Rural Development Fund (CARDF); promote the creation of awareness in the rural communities for self-financing initiatives; and support creation of conducive environment to attract financial institutions to invest and operate in the Partner States.

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## 7.0 COORDINATION, MONITORING AND EVALUATION

The established institutional framework charged with the coordination of the joint programmes will develop indicators for monitoring and evaluation. The Community will ensure development of adequate capacity to undertake this.

### 7.1 Implementation and Coordination

The Strategy would be implemented over a period of 25 years, spread in 5 phases of 5 years each. Prior to the implementation of the ARDS, a framework for coordination will have to be developed that will take into consideration vertical and horizontal linkages.

The EAC will coordinate the ARDS Community and Partner States through the Mandates as provided by the Treaty. The Sectoral Council of Ministers will guide implementation of the Strategy. For its effective and efficient implementation, it will be necessary to strengthen the institutional capacity within the Community Secretariat charged with the coordination of the joint programmes and plans and harmonizing priorities thereof.

At the Partner States level, Ministries responsible for Agriculture, Food Security and Rural Development will be charged with the implementation of the Strategy and will form an Inter-Ministerial Coordination Team for close supervision. This will also include stakeholders, active NGOs and Private Sector in the relevant fields.

### 7.2 Monitoring and Evaluation (M & E)

In order to effectively monitor the implementation of EAC ARDS, a common monitoring system will be used. The EAC Secretariat will be responsible for monitoring the implementation of the ARDS at Community level. A Community Progress Review Team (CPRT) will be established within the EAC to undertake the M & E tasks. The EAC- ARDS programmes will be monitored and reports submitted semi-annually.

Partner States will be responsible for monitoring the programs that fall within their territories. The existing Poverty Monitoring System within Partner States will be used as a basis for monitoring progress in the implementation of the ARDS. Monitoring activities will be augmented by the data generated from various components of the Poverty Monitoring System

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8.1 LOGICAL FRAMEWORK  
 EAST AFRICAN COMMUNITY AGRICULTURE AND RURAL DEVELOPMENT STRATEGY (EAC-CARDS), 2005- 2030



SUMMARY OF PURPOSE, OBJECTIVES, OUTPUTS AND INTERVENTIONS	OBJECTIVE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>GOAL</b></p> <p>Attain sustainable agriculture and rural development, economic growth and improvement of the welfare of the people of the Partner States</p>	<ul style="list-style-type: none"> <li>Real Agricultural (GDP) Growth increased from 4.0% to 8.0% per annum by year 2030</li> </ul>	<ul style="list-style-type: none"> <li>Poverty monitoring reports</li> <li>National annual economic reviews</li> <li>National Bureau of Statistics reports</li> </ul>	<ul style="list-style-type: none"> <li>Political will and economic stability</li> <li>Favorable climatic conditions</li> <li>Attainment of the required investments</li> </ul>
<p><b>PURPOSE</b></p> <p>To stimulate and facilitate agricultural and rural sector growth and reduce rural poverty</p>	<ul style="list-style-type: none"> <li>Reducing the proportion of food insecure population by half by year 2015.</li> <li>Population below poverty line reduced from 38% to 10% by year 2030</li> </ul>	<ul style="list-style-type: none"> <li>Poverty Monitoring reports</li> <li>Economic Survey reports</li> <li>Routine progress reports</li> </ul>	<ul style="list-style-type: none"> <li>Stable macro-economic policies</li> <li>Effective/proper implementation of sector reforms</li> <li>Favorable climatic conditions prevail.</li> </ul>
<p><b>STRATEGIC OBJECTIVES</b></p> <p>Achievement of food security and sustainable agricultural production                      Improvement of the welfare of the people in the Partner States</p>			

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**OUTPUTS AND INTERVENTIONS**

**STRATEGIC AREA 1.0 - IMPROVING FOOD SECURITY**

<b>Output 1.1 Food Availability and its Access Increased</b>			
<b>Interventions</b>			
1.1.1 Establish a joint mechanism for information and data exchange	<ul style="list-style-type: none"> <li>Data Management System in place</li> </ul>	<ul style="list-style-type: none"> <li>Harmonized policy and legislation documents</li> <li>M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>Adequate resources available</li> </ul>
1.1.2 Harmonize food security policies, legislation and strategies	<ul style="list-style-type: none"> <li>Harmonized Food Security Policy and Strategy in place</li> </ul>	<ul style="list-style-type: none"> <li>EAC progress and annual reports</li> <li>Sub-sector reports</li> <li>Programme documents</li> </ul>	<ul style="list-style-type: none"> <li>Favourable policy regulatory framework in place</li> </ul>
1.1.3 Develop food supply and nutrition implementation guidelines	<ul style="list-style-type: none"> <li>Guidelines developed and legislation enforced</li> </ul>		
1.1.4 Support the establishment of a regional Strategic food reserve systems	<ul style="list-style-type: none"> <li>Regional Strategic food reserve systems in place</li> </ul>		
1.1.5 Develop joint post-harvest management programmes	<ul style="list-style-type: none"> <li>Post-harvest programmes developed</li> </ul>		
<b>Output 1.2 Crop Production and Productivity Improved</b>			
<b>Interventions</b>			
1.2.1 Develop and implement crop production and intensification Programmes	<ul style="list-style-type: none"> <li>Number and types of programmes developed and implemented</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>Adequate resources available</li> </ul>

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Output 1.3 Livestock Production And Productivity Improved			
<b>Interventions</b>			
1.3.1 Develop capacity for livestock products quality control	<ul style="list-style-type: none"> <li>• Harmonized quality control standard in place</li> <li>• Capacity for implementation be strengthened</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E reports</li> <li>• National herd books</li> <li>• Research journals and bulletins</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
1.3.2 Develop intensive and extensive livestock production, management and utilization programmes	<ul style="list-style-type: none"> <li>• Number of range management programmes developed</li> <li>• Number and type of improved breeds</li> </ul>		
<b>Output 1.4 Fishery Products And Productivity Increased</b>			
<b>Interventions</b>			
1.4.1 To promote capture fisheries and aquaculture	<ul style="list-style-type: none"> <li>• Number and type of aquaculture centers established</li> <li>• Number of programs developed and implemented</li> <li>• Volume of fish production increased</li> <li>• Number of type of fish stocks</li> <li>• Number of cases of illegal fishing practices</li> </ul>	<ul style="list-style-type: none"> <li>• F&amp;AC programme report</li> <li>• EAC progress and annual reports</li> <li>• M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate Resources available</li> </ul>
1.4.2 Strengthen and increase capacity for surveillance, monitoring and control of aquatic resources and fishery products	<ul style="list-style-type: none"> <li>• Number of personnel trained in surveillance, monitoring and control of aquatic resources</li> <li>• Number and type of equipments acquired for monitoring, surveillance and control of aquatic resources</li> </ul>	<ul style="list-style-type: none"> <li>• Fish Inspection and Quality Assurance (FIQA) reports</li> <li>• Research bulletins</li> <li>• Periodic fish stock survey reports</li> <li>• Laboratory reports</li> </ul>	
1.4.3 Harmonize fisheries policies and legislation	<ul style="list-style-type: none"> <li>• Harmonized policies and legislations enforced</li> </ul>		
1.4.4 Establish regional referral laboratory	<ul style="list-style-type: none"> <li>• A regional referral laboratory established and accredited</li> </ul>		

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1.4 Harmonize periodic fish stock assessment	• Number of periodic fish stock assessment conducted		
<b>Output 1.5 Forestry Products and Productivity Improved</b>			
<b>Interventions</b>			
1.5.1 Develop capacity for edible forest products quality control	<ul style="list-style-type: none"> <li>• Number and type of quality control standards in place</li> <li>• Number of personnel trained in edible forest products quality control</li> <li>• Number and type of quality control facilities procured</li> </ul>	<ul style="list-style-type: none"> <li>• EAC programme reports</li> <li>• M&amp;E reports</li> <li>• Research bulletins</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
1.5.2 Promote technologies for processing and preservation of edible forest products	<ul style="list-style-type: none"> <li>• Number of technologies developed and adopted</li> </ul>		
1.5.3 Promote agro-forestry programmes	<ul style="list-style-type: none"> <li>• Number of programmes developed and implemented</li> </ul>		
<b>STRATEGIC AREA 2.0 STRENGTHENING RESEARCH, EXTENSION AND TRAINING</b>			
<b>Output 2.1 Cooperation and Collaboration in Research, Extension and Training Enhanced</b>			

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<b>Interventions</b>				
2.1.1	Develop collaborative client oriented crop and livestock research programmes	<ul style="list-style-type: none"> <li>• Number and type of client oriented research programmes developed and implemented</li> <li>• Number of joint research programmes developed</li> <li>• Number of varieties developed and released for adoption.</li> <li>• Number and types of research programmes implemented</li> <li>• Types of improved breeds developed and released for adoption.</li> </ul>	<ul style="list-style-type: none"> <li>• M &amp; E reports</li> <li>• Research documents</li> <li>• Common curriculum</li> <li>• Implementation status report</li> <li>• EAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
2.1.2	Strengthen aquaculture breeding centers and develop early maturing, high yielding and disease resistant varieties	<ul style="list-style-type: none"> <li>• Number of fish varieties developed</li> <li>• Number of breeding centers established</li> </ul>		
2.1.3	Develop and conduct joint research programmes on fisheries	<ul style="list-style-type: none"> <li>• Number of joint research programmes developed and implemented</li> </ul>		
2.1.4	Conduct joint research on edible forest products (toney, fruits, mushrooms, herbs, etc)	<ul style="list-style-type: none"> <li>• Number and type of joint research programmes developed and implemented</li> </ul>		
2.1.5	Develop capacity in agriculture research, training and extension	<ul style="list-style-type: none"> <li>• Number of staff trained in identified fields</li> </ul>		
2.1.6	Strengthen mechanism for sharing of scientific resources and information	<ul style="list-style-type: none"> <li>• Research coordination among Partner States mechanism in place</li> </ul>		

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2.1.7 Develop modalities for private sector to participate in research, extension and training	<ul style="list-style-type: none"> <li>• Number of private firms engaged in research, extension and training</li> </ul>		
2.1.8 Strengthen existing research and training centers	<ul style="list-style-type: none"> <li>• Number of Research and training centers strengthened</li> </ul>		
2.1.9 Harmonize agricultural training systems	<ul style="list-style-type: none"> <li>• Number of harmonized agricultural training curricula</li> </ul>		
2.1.10 Establish agricultural centers of excellence	<ul style="list-style-type: none"> <li>• Number of centers of excellency established</li> </ul>		
2.1.11 Establish Regional Agricultural Management Information System and database	<ul style="list-style-type: none"> <li>• Agricultural Management Information System and database in place</li> </ul>		
2.1.12 Promote Indigenous Knowledge Systems (IKS)	<ul style="list-style-type: none"> <li>• Number and type of programmes developed</li> <li>• Types and categories of indigenous knowledge patented and documented</li> </ul>		
<b>STRATEGIC AREA 3.0 ACCELERATING IRRIGATION DEVELOPMENT</b>			
<b>Output 3.1 Crop Production Increased and Stabilized</b>			
<b>Interventions</b>			
3.1.1 Support joint irrigation programme for shared water resources for food crops and high value exports	<ul style="list-style-type: none"> <li>• Irrigated land increased from 1.2% to 20% by year 2028</li> <li>• Number and type of irrigation programme supported and implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Regional irrigation master plan and programme documents</li> <li>• EAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> <li>• Effective monitoring system in place</li> </ul>

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3.1.2	Research and design cost effective irrigation techniques	<ul style="list-style-type: none"> <li>Number and type of irrigation techniques adopted</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E reports</li> </ul>	
3.1.3	Promote efficient water utilization for agriculture	<ul style="list-style-type: none"> <li>Type and number of water utilization programmes developed</li> </ul>	<ul style="list-style-type: none"> <li>Partner State reports</li> </ul>	
3.1.4	Promote private sector participation in irrigation	<ul style="list-style-type: none"> <li>Number of private firms engaged in irrigated agriculture</li> </ul>		
3.1.5	Harmonize rules and regulations for irrigated agriculture	<ul style="list-style-type: none"> <li>Harmonized rules and regulations in place</li> </ul>		

**STRATEGIC AREA 4.0 STRENGTHENING COOPERATION IN INPUT SUPPLY AND DISTRIBUTION**

<b>Output 4.1 Availability of Agricultural Inputs Increased</b>				
<b>Interventions</b>				
4.1.1	Create a conducive environment for private sector participation in inputs production, supply and distribution.	<ul style="list-style-type: none"> <li>Policies, programmes and legislation in place</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E reports</li> <li>Stakeholder meetings and reports at all levels</li> </ul>	<ul style="list-style-type: none"> <li>Adequate resources available</li> <li>Favorable regulatory framework in place</li> </ul>
4.1.2	Establish inspectorate services for quality control and assurance for input supply	<ul style="list-style-type: none"> <li>Number of inspectorate services for quality control and assurance established</li> </ul>	<ul style="list-style-type: none"> <li>EAC progress and annual reports</li> </ul>	
4.1.3	Establish Regional Strategic Plant and Animal Gene bank	<ul style="list-style-type: none"> <li>Number and type of Strategic plant and animal gene banks developed</li> </ul>	<ul style="list-style-type: none"> <li>Policy documents and legislation</li> </ul>	
4.1.4	Enhance capacity in seed technology	<ul style="list-style-type: none"> <li>Capacity in seed technology enhanced</li> </ul>		

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4.1.5 Establish a regional strategic seed reserve	<ul style="list-style-type: none"> <li>• A regional Strategic Seed Reserve in place.</li> </ul>		
4.1.6 Develop joint programmes for production of inputs	<ul style="list-style-type: none"> <li>• Number and types of production programmes developed and implemented</li> </ul>		
4.1.7 Develop common legislative framework in livestock multiplication and vaccines	<ul style="list-style-type: none"> <li>• Regulatory framework in place</li> </ul>		

**STRATEGIC AREA 5.0 IMPROVING ACCESS TO PRODUCTIVE RESOURCES**

<b>Output 5.1 Enhanced capacity to access credit and micro-finance</b>			
<b>Interventions</b>			
5.1.1 Harmonize legal and institutional framework for rural financing	<ul style="list-style-type: none"> <li>• Legal framework in place</li> </ul>	<ul style="list-style-type: none"> <li>• Central Banks reports</li> <li>• M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
5.1.2 Promote micro-finance institutions to provide credit schemes and other financial services to rural communities.	<ul style="list-style-type: none"> <li>• Number of financial institutions established in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and Policy documents</li> <li>• EAC progress and annual reports</li> </ul>	
<b>Output 5.2 Sustainable utilization of land resource</b>			
<b>Interventions</b>			
5.2.1 Harmonize policies, legislations and modalities for land leasing	<ul style="list-style-type: none"> <li>• Land leasing policies harmonized, legislations and modalities developed</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant documents in place</li> <li>• M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
5.2.2 Promote the use of environmentally safe methods of land use	<ul style="list-style-type: none"> <li>• Number and type of methods developed and implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Maps of land use</li> </ul>	

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5.2.3 Develop capacity for land surveying, mapping, GIS and land administration	• Capacity in land use planning enhanced		
5.2.4 Develop appropriate legal systems for private sector investment	• Appropriate legal framework in place		
<b>STRATEGIC AREA 6.0 CONTROL TRANS-BOUNDARY ANIMAL AND CROP PESTS AND DISEASES</b>			
<b>Output 6.1 Trans-boundary Animal and Plant Pests and Diseases controlled</b>			
<b>Interventions</b>			
6.1.1 Delineate disease and pests free zones	• Number and size of zones delineated	• HAC progress and annual reports	• Adequate resources available
6.1.2 Develop joint control programmes	• Number of joint control programmes developed and implemented	• M&E reports	
6.1.3 Adopt standards on sanitary and phytosanitary, farm inputs, inspection and certification procedures	• Number of SPS standards, farm inputs, inspection and certification procedures in use	• SPS Protocols	• Effective monitoring surveillance systems in place
6.1.4 Harmonize policies, legislations and develop common procedures	• Number of policies, legislations harmonized and common procedures implemented	• Common policies, procedures and legislations documents	
6.1.5 Establish Regional Zoonosanitary and Phytosanitary referral laboratories for diagnosis of pests and diseases	• Number of referral laboratories established		

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**STRATEGIC AREA 7.0 STRENGTHENING EARLY WARNING SYSTEMS**

<b>Output 7.1 Regional Early Warning System Established and Strengthened</b>			
<b>Interventions</b>			
7.1.1 Establish a Regional Early Warning System	<ul style="list-style-type: none"> <li>• A functioning Regional Early Warning System in place</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E reports</li> <li>• EAC Early Warning Bulletins</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
7.1.2 Strengthen capacities for the Partner States national and regional Early Warning Systems (EWS)	<ul style="list-style-type: none"> <li>• Qualified personnel and facilities in place</li> </ul>	<ul style="list-style-type: none"> <li>• EAC progress and annual reports</li> <li>• Sector reports</li> </ul>	
7.1.3 Establish Early Warning Networking link beyond the EAC Region	<ul style="list-style-type: none"> <li>• Networks developed</li> </ul>		
7.1.4 Develop joint programmes for climate analysis and seasonal forecast	<ul style="list-style-type: none"> <li>• Joint climate analysis and seasonal forecast programme developed and implemented</li> </ul>		

**STRATEGIC AREA 8.0 INCREASING INTER AND INTRA TRADE AND COMMERCE**

<b>Output 8.1 Cross Border Trade Barriers Removed</b>			
<b>Interventions</b>			
8.1.1 Remove trade restrictions in agricultural inputs and outputs	<ul style="list-style-type: none"> <li>• Number and type of trade restrictions in agricultural inputs and outputs removed</li> </ul>	<ul style="list-style-type: none"> <li>• Trade monitoring reports</li> <li>• EAC customs documents</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>

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8.1.2 Adopt harmonized internal and external tariffs	<ul style="list-style-type: none"> <li>• Harmonised tariff system adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Immigration and Customs orders and reports</li> <li>• M&amp;F reports</li> </ul>	<ul style="list-style-type: none"> <li>• Favourable regulatory framework in place</li> </ul>
8.1.3 Advocate for easing the movement of persons across the borders	<ul style="list-style-type: none"> <li>• Number of advocacy programmes on harmonised rules and regulations for movement of people in place</li> </ul>		
8.1.4 Harmonize certification procedures for exports and imports	<ul style="list-style-type: none"> <li>• Harmonised certification procedures in place</li> </ul>		
8.1.5 Establish Regional Marketing Monitoring System	<ul style="list-style-type: none"> <li>• Regional marketing monitoring system in place</li> </ul>		
<b>Output 8.2 Volume of Regional Trade increased</b>			
<b>Interventions</b>			
8.2.1 Establish joint marketing efforts for agricultural produce and products	<ul style="list-style-type: none"> <li>• Joint Marketing Commission in place</li> </ul>	<ul style="list-style-type: none"> <li>• Market reports</li> <li>• M&amp;B reports</li> <li>• Customs Union Protocol (year 2004)</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
8.2.2 Develop capacity for negotiations	<ul style="list-style-type: none"> <li>• Number of personnel trained in negotiation skills</li> </ul>		
8.2.3 Develop and harmonize regional standards in conformity with international standards	<ul style="list-style-type: none"> <li>• Harmonized product standards in place</li> <li>• Harmonized SPS regulations in place</li> </ul>	<ul style="list-style-type: none"> <li>• Private Sector Development Strategy and Investment Codes documents</li> <li>• EAC progress and annual reports</li> </ul>	

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STRATEGIC AREA 9.0

IMPROVING PHYSICAL INFRASTRUCTURE AND UTILITIES

Output 9.1 Transport infrastructure improved

Interventions:

<p>9.1.1 Develop collaborative framework for identification of priority rural roads, ports, dry ports, rail and air transport for development and improvement</p>	<ul style="list-style-type: none"> <li>• Priority ranking list developed</li> </ul>	<ul style="list-style-type: none"> <li>• EAC progress and Annual Reports</li> <li>• Study reports on rural roads Development</li> <li>• PRSP progress reports</li> <li>• Local Government Action Plans and reports</li> <li>• Transport sector reports</li> <li>• Partner States reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
<p>9.1.2 Advocate for the involvement of communities in planning, construction and maintenance of rural roads</p>	<ul style="list-style-type: none"> <li>• Number of communities participating in planning, construction and maintenance of rural roads</li> <li>• Kilometers of rural roads improved</li> </ul>		
<p>9.1.3 Advocate for rehabilitation and development of priority links among the Partner States</p>	<ul style="list-style-type: none"> <li>• Number of priority links rehabilitated and developed</li> </ul>		

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<b>Output 9.2 Sustainable Rural Energy Sources Identified And Developed</b>			
<b>Interventions</b>			
9.2.1 Advocate for the sustainable development and utilization of rural energy resources that incorporate agricultural requirements.	<ul style="list-style-type: none"> <li>• Number of energy sources identified for agricultural requirements</li> <li>• Number of programmes for promoting alternative sources of energy developed and maintained.</li> </ul>	<ul style="list-style-type: none"> <li>• EAC Progress and annual reports</li> <li>• National Bureau of Statistics Survey reports</li> <li>• Sector reports</li> <li>• M &amp; E reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
9.2.2 Advocate for capacity building in power generation and distribution	<ul style="list-style-type: none"> <li>• Capacity in power generation enhanced</li> </ul>		
<b>Output 9.3 Regional communication systems improved</b>			
<b>Interventions</b>			
9.3.1 Advocate for efficient communication systems	<ul style="list-style-type: none"> <li>• Number and type of efficient communication systems identified and adopted.</li> </ul>	<ul style="list-style-type: none"> <li>• EAC progress and annual reports</li> <li>• M &amp; E reports</li> <li>• Sector reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
9.3.2 Advocate for harmonization of regional communication exchange tariff	<ul style="list-style-type: none"> <li>• Harmonised regional exchange tariff in place</li> </ul>		
<b>Output 9.4 Regional Marketing, infrastructure and information systems improved</b>			
<b>Interventions</b>			
9.4.1 Establish joint marketing infrastructure and facilities	<ul style="list-style-type: none"> <li>• Number of joint marketing infrastructure and facilities developed and rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>• Reports from sector ministries</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>

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9.4.2 Strengthen joint marketing infrastructure and facilities	<ul style="list-style-type: none"> <li>• Number of infrastructure and facilities constructed and managed by private firms</li> </ul>	<ul style="list-style-type: none"> <li>• EAC progress and annual reports</li> <li>• M&amp;B reports</li> <li>• Sector reports</li> <li>• Regional early warning bulletins</li> <li>• Market information reports</li> <li>• Regional early warning bulletins</li> </ul>	
9.4.3 Promote private sector participation in the construction and management of infrastructure and facilities	<ul style="list-style-type: none"> <li>• Agricultural marketing information system established and coordinated</li> </ul>		
9.4.4 Establish and coordinate a regional marketing information system	<ul style="list-style-type: none"> <li>• Number of business opportunities and ventures secured</li> </ul>		
9.4.5 Facilitate and promote access to information on marketing opportunities and business ventures	<ul style="list-style-type: none"> <li>• Management Information System in place</li> </ul>		
9.4.6 Establish and strengthen regional marketing database.			
<b>STRATEGIC AREA 10.0: PROMOTION OF AGRO-BASED INDUSTRIAL DEVELOPMENT</b>			
<b>Output 10.1 Supply of Processed or Semi-Processed Agricultural Products Increased</b>			
<b>Interventions</b>			
10.1.1 Promote and establish appropriate agro-processing industries.	<ul style="list-style-type: none"> <li>• Number of agro-processing industries promoted and established</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;B reports</li> <li>• EAC Progress and annual</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>



<p>10.1.2 Harmonize investment incentives and promote domestic and foreign investments</p>	<ul style="list-style-type: none"> <li>Investment incentives harmonized</li> <li>Number of domestic and foreign investment centers</li> </ul>	<ul style="list-style-type: none"> <li>reports</li> <li>Sector Committee reports</li> <li>Scientific bulletins</li> </ul>	
<p>10.1.3 Conduct joint research programmes in agricultural processing and marketing</p>	<ul style="list-style-type: none"> <li>Number and type of technologies adopted and programmes implemented</li> </ul>		
<p><b>STRATEGIC AREA 11.0: PROMOTION OF EMERGING INDUSTRIES (FORMAL AND INFORMAL SECTOR)</b></p>			
<p><b>Output 11.1: Private Sector participation enhanced</b></p>			
<p><b>Interventions</b></p>			
<p>11.1.1 Develop capacity building programmes for the Private Sector Business Organizations</p>	<ul style="list-style-type: none"> <li>Number of capacity building programmes for Private Sector Business Organizations implemented</li> </ul>	<ul style="list-style-type: none"> <li>EAC progress and annual reports</li> <li>Private and public sector dialogue meeting reports</li> </ul>	<ul style="list-style-type: none"> <li>Adequate resources available</li> </ul>
<p>11.1.2 Provide investment packages for emerging industrialists to participate in agri-business</p>	<ul style="list-style-type: none"> <li>Increased number of private investments in agricultural production</li> <li>Favorable legal, institutional and administrative framework in place</li> </ul>	<ul style="list-style-type: none"> <li>Legislation documents</li> <li>Registration certificates</li> <li>Sector Committee reports</li> <li>M&amp;E reports</li> </ul>	
<p>11.1.3 Establish regional dialogue between private and public sectors.</p>	<ul style="list-style-type: none"> <li>Number of private and public sector dialogue fora established.</li> </ul>		

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**STRATEGIC AREA 12.0: PROMOTION OF CONSERVATION AND MANAGEMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Output 12.1: Conservation management and utilization of natural resources sustained.**

<b>Interventions:</b>			
<p>12.1.1 Incorporate conservation and management of natural resources in agricultural training curricula.</p>	<ul style="list-style-type: none"> <li>• Conservation and management of natural resources incorporated in agricultural training curricula</li> </ul>	<ul style="list-style-type: none"> <li>• Programme implementation reports</li> <li>• Partner State reports</li> <li>• PAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
<p>12.1.2 Conduct environment impact assessment as a pre-requisite for investment.</p>	<ul style="list-style-type: none"> <li>• Number of Environmental Impact Assessments (EIA) conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Curricula documents</li> <li>• EIA documents</li> <li>• M&amp;E reports</li> </ul>	
<p>12.1.3 Develop joint disaster mitigation programmes on drought, floods etc</p>	<ul style="list-style-type: none"> <li>• Number of joint disaster mitigation programmes developed.</li> </ul>		
<p>12.1.4 Develop joint programmes on conservation of terrestrial and aquatic bio-diversity in conformity with international protocols and treaties.</p>	<ul style="list-style-type: none"> <li>• Number and type of joint programmes on conservation of bio-diversity implemented</li> </ul>		

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<p>12.1.6 Develop joint capacity building programmes for sustainable management and utilization of natural resources (water, soil, biodiversity)</p>	<ul style="list-style-type: none"> <li>• Number of joint capacity building programmes on sustainable management utilization of natural resources implemented.</li> </ul>		
<p>12.1.7 Develop procedures for joint control and management of trans-boundary movement of toxic and hazardous agro-chemicals.</p>	<ul style="list-style-type: none"> <li>• Procedures and guidelines for joint control and management of trans-boundary movement of toxic and hazardous agro-chemicals in place</li> </ul>		
<p>12.1.8 Increase public awareness on the proper and safe use of agro-chemicals</p>	<ul style="list-style-type: none"> <li>• Number of programmes for public awareness on proper and safe use of agro-chemicals implemented</li> <li>• Harmonized policies and legislation in place</li> <li>• Mechanism developed and implemented</li> </ul>		
<p>12.1.9 Harmonize the environmental policies and legislation</p>			
<p>12.1.10 Establish stringent emission control regulations</p>			
<p>12.1.11 Promote co-management of natural resources</p>			

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<b>Output 12.2 Tourism and eco-tourism promoted</b>			
12.2.1 Promote eco-tourism	<ul style="list-style-type: none"> <li>• Number and type of eco-tourism sites registered</li> <li>• Number of tourists visiting eco-tourism sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Tourism sector reports.</li> <li>• M&amp;E reports</li> <li>• EAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate Resources available</li> </ul>
12.2.2 Develop eco-tourism agricultural programmes	<ul style="list-style-type: none"> <li>• Number and type of eco-tourism programmes implemented</li> </ul>		
<b>STRATEGIC AREA 13 IMPROVED GOVERNANCE</b>			
<b>Output 13.1: Good Governance in Place</b>			
<b>Interventions:</b>			
13.1.1 Promote transparency and accountability	<ul style="list-style-type: none"> <li>• Relevant institutions established</li> </ul>	<ul style="list-style-type: none"> <li>• Partner States reports</li> <li>• Programme reports</li> <li>• M&amp;E reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
13.1.2 Promote participatory rural approaches	<ul style="list-style-type: none"> <li>• Number of participatory methodologies adopted</li> </ul>		
<b>STARATEGIC AREA 14.0 IMPROVED LEGAL AND REGULATORY FRAMEWORK</b>			
<b>Output 14.1: Legal and Regulatory Framework Improved</b>			
<b>Interventions:</b>			
14.1.1 Review and harmonize legal and regulatory framework	<ul style="list-style-type: none"> <li>• Number of legislation reviewed and harmonized.</li> </ul>	<ul style="list-style-type: none"> <li>• Bills, Acts and regulation documents</li> <li>• EAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> <li>• Good public attitude</li> </ul>



14.1.2 Establish a regional mechanism for co-ordination and implementation.	<ul style="list-style-type: none"> <li>Regional institutional framework for coordination and implementation in place.</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E reports</li> </ul>	
14.1.3 Develop capacity in legal and regulatory services	<ul style="list-style-type: none"> <li>Number of personnel trained and equipped in legal and regulatory services</li> </ul>		

**STRATEGIC AREA 15.0 MAINSTREAMING CROSS-SECTORAL AND CROSS - CUTTING ISSUES**

**Output 15.1: Multi-Sectoral Supports for Agricultural Production And Productivity Enhanced.**

<b>Interventions:</b>			
15.1.1 Promote intersectoral collaboration for increased agricultural production and productivity.	<ul style="list-style-type: none"> <li>Number and type of intersectoral collaborative services provided for agricultural production and productivity</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E reports</li> <li>Partner State progress reports</li> <li>Sector Committee reports</li> <li>EAC progress and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Adequate resources available</li> </ul>
15.1.2 Develop joint programs for reducing the impact of HIV AND AIDS pandemic on agricultural sector performance.	<ul style="list-style-type: none"> <li>Number of joint programmes for reducing HIV AND AIDS pandemic impact on agricultural production developed and implemented</li> </ul>		
15.1.3 Promote and harmonize programmes for vector control in farming areas	<ul style="list-style-type: none"> <li>Number and type of programmes developed and harmonized</li> </ul>		

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**Output 15.2: Gender issues in Agricultural development mainstreamed.**

Interventions			
15.2.1 Develop gender equity programmes in agricultural development.	<ul style="list-style-type: none"> <li>• Number of gender equity programmes in agriculture developed and implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E reports</li> <li>• F&amp;C progress and annual reports</li> <li>• Sector Committee reports</li> <li>• Study reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> </ul>
15.2.2 Incorporate gender disaggregation in existing database	<ul style="list-style-type: none"> <li>• A disaggregated database in place</li> </ul>		
15.2.3 Develop regional framework for gender mainstreaming in agricultural sector	<ul style="list-style-type: none"> <li>• Gender mainstreaming framework in place</li> </ul>		

**STRATEGIC AREA 16.0 FINANCING AGRICULTURE AND AGRO-PROCESSING**

**Output 16.1 Public Budget for Agriculture Enhanced**

Interventions			
16.1.1 Increase public budget for agriculture and rural development sector	<ul style="list-style-type: none"> <li>• Budget allocation to agriculture as a proportion of public expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• Public Expenditure Review</li> <li>• MTEF</li> <li>• Printed budget estimates</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources available</li> <li>• Political will</li> </ul>
16.1.2 Establish Common Agriculture and Rural Development Fund.	<ul style="list-style-type: none"> <li>• Common agricultural facility in place</li> </ul>	<ul style="list-style-type: none"> <li>• Legal instruments for establishment of common agricultural fund</li> <li>• Central Bank reports</li> </ul>	
16.1.3 Build capacity for national financial institutions to utilize the common fund	<ul style="list-style-type: none"> <li>• Number of financial institutions utilizing the facility</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E reports</li> <li>• EAC progress and annual reports</li> </ul>	



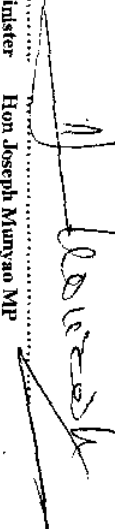
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16.1.2 Establish Common Agriculture and Rural Development Fund.	<ul style="list-style-type: none"> <li>• Common agricult' ral facility in place</li> </ul>	<ul style="list-style-type: none"> <li>• Legal instruments for establishment of common agricultural fund</li> <li>• Central Bank reports</li> </ul>	
16.1.3 Build capacity for national financial institutions to utilize the common fund	<ul style="list-style-type: none"> <li>• Number of financial institutions utilizing the facility</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E reports</li> <li>• HAC progress and annual reports</li> </ul>	

Done at Arusha, Tanzania on the 28<sup>th</sup> day of November, in the year Two Thousand and Six

Hon Kibinge Sebunya Israel (PhD), MP  
 Minister of State for Agriculture Ministry of  
 Agriculture, Animal Industry and Fisheries  
 Republic of Uganda

Hon Stephen Maswa Wasira, MP Minister  
 of Agriculture, Food Security and Co-  
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THE REPUBLIC OF UGANDA



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