

EAST AFRICAN COMMUNITY



EAC DEVELOPMENT STRATEGY (2011/12 – 2015/16)

DEEPENING AND ACCELERATING INTEGRATION

One People, One Destiny

August 2011

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ABBREVIATIONS AND ACRONYMS

ACP	African Caribbean and Pacific
ADEC	African Development and Economic Consultants Ltd
ADS-B	Automatic Dependent Surveillance – Broadcast /– Contract
AGOA	African Growth and Opportunity Act
APSEA	Association of Professional Services in East Africa
ASAL	Arid and Semi-Arid Lands
ASEAN	Association of Southeast Asian Nations
AWEPA	Association of European Parliaments for Africa
BAT	British American Tobacco
BMU	Beach Management Unit
BPO	Business Process Outsourcing
CASSOA	Civil Aviation Safety and Security Oversight Agency
CB	Central Bank
CBO	Community Based Organisation
CET	Common External Tariff
CM	Common Markets
COMESA	Common Market for Eastern and Southern Africa
CPMR	Conflict Prevention, Management and Resolution
CSOs	Civil Society Organizations
CTC	Counsel to the Community
CU	Custom's Union
EAA ACA	East African Association of Anti-Corruption Authorities
EABC	East African Business Council
EAC	East African Community
EACB	East African Central Bank
EACDF	East African Community Development Fund
EAC-DS	East African Community Development Strategy
EACF	East African Cooperation Forum
EACJ	East African Court of Justice
EADB	East African Development Bank
EAHRC	East African Health Research Commission
EALA	East African Legislation Assembly
EASC	East African Standards Committee
EASRA	East African Securities Regulatory Authorities
EATCA	East African Tourism and Wildlife Coordination Agency
EATWCA	East Africa Tourism and Wildlife Conservation Agency
ECOWAS	Economic Community for Western African States
EPA	Economic Partnership Agreement
EPZ	Export Promotion Zones
ER	Exchange Rate
ESAM	Eastern and Southern Africa Management Institute
ESRF	Economic and Social Research Foundation
EU	European Union
FAO	Food & Agriculture Organisation
FDI	Foreign Direct Investment
FEAC	Federation of East African Consultants

FEPA	Framework for Economic Partnership Agreement
FMIS	Financial and Management Information System
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
GLHARIF	Great Lakes and Horn of Africa Region Inter-Parliamentary Forum
GMO	Genetically Modified Organisms
GNSS	Global Navigation Satellite System
GRP	Gross Regional Product
HDI	Human Development Index
HLTF	High Level Task Force
HRD	Human Resource Development
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICGR	International Conference on the Great Lakes Region
ICRG	International Country Risk Guide
ICT	Information and Communication Technology
IDC	International Development Consultants Ltd
IEC	Information, Education and Communication
IFC-ESMD	International Finance Corporation and Efficient Securities Market
IGAD	Inter-Governmental Authority on Development
ILO	International Labour Organization
IOM	International Organisation on Migration
IUCEA	Inter University Council of East Africa
LPI	Linux Professional Institute
LVBC	Lake Victoria Basin Commission
LVEMP	Lake Victoria Environmental Management Programme
LVFO	Lake Victoria Fisheries Organization
M&E	Monitoring and Evaluation
MAC	Monetary Affairs Committee
MDG's	Millennium Development Goals
MEAC	Ministry of East African Community
MIS	Management Information System
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
NCPR	Nyerere Centre for Peace Research
NMCs	National Monitoring Committees
NORAD	Norwegian Agency for Development
NTBs	Non-Tariff Barriers
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PMTCT	Prevention of Mother to Child Transmission
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Paper
REC's	Regional Economic Communities
RICTSP	Regional Information Communications Technology Support Programme
RISP	Regional Indicative Support Programme
SADC	Southern African Development Community

SALW	Small Arms and Light Weapons
SEZ	Special Economic Zone
SMEs	Small and Medium Enterprises
SQMT	Standardization, Quality Assurance, Metrology and Testing
STAR	Strengthening of Regional Trade in Agricultural input in Africa
SAP	Structural Adjustment Programs
TAC	Technical Advisory committee
TIFA	Trade Investment Framework Agreement
UFIR	Upper Flight Information Region
UNIDO	United Nations Industrial Development Organisation
WAIPA	World Association of Investment Promotion Agencies
WTO	World Trade Organization
WTM	World Travel Market

PREFACE

The East African Community Development Strategy for the period 2011/12-2015/16 outlines broad strategic goals of the East African Community as well as the specific targets to be achieved during the period.

This Strategy, the fourth one since the establishment of the East African Community, comes in the wake of successful conclusion of the 3rd Development Strategy and the onset of the EAC Common Market. Lessons and experiences emanating from the implementation of the previous Development Strategy have provided important inputs in the formulation of the fourth Development Strategy.

The broad outline of this Strategy encompasses priority projects and programmes to be implemented by 2015/16. These centre on the consolidation of the Customs Union, Common Market, the establishment of a Monetary Union and laying the foundations for the political federation plus the promotion of solid and economic infrastructure (including energy) that would support and spur economic growth in the Partner States.

We, the Heads of State of the Republic of Burundi, the Republic of Kenya, the Republic of Rwanda, the Republic of Uganda and The United Republic of Tanzania, appreciate and applaud the good work that has been undertaken by the Organs and Institutions of the Community in producing this Development Strategy.

We believe that effective implementation of the Strategy will steer the region to greater heights of regional and international competitiveness, bring about faster and robust socio-economic development and boost the welfare and prosperity of the people of East Africa. Our respective Governments are fully committed to the implementation of this Development Strategy.

Done at Arusha, Tanzania, on the 30th day of November, in the year Two Thousand and Eleven.

**H.E PIERRE
NKURUNZIZA**

.....

PRESIDENT OF THE
REPUBLIC OF BURUNDI

H.E MWAI KIBAKI

.....

PRESIDENT OF THE
REPUBLIC OF KENYA

H.E PAUL KAGAME

.....

PRESIDENT OF THE
REPUBLIC OF RWANDA

H.E. YOWERI K. MUSEVENI

.....

PRESIDENT OF THE REPUBLIC OF UGANDA

H.E DR JAKAYA M. KIKWETE

.....

PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA

EXECUTIVE SUMMARY

The East African Community (EAC) is a regional inter governmental organization established under Article 2 of the Treaty for the Establishment of the East African Community that entered into force in July 2000.

The membership of the Community comprises the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania. As stated under Article 5 (2) of the Treaty, *“the Partner States undertake to establish among themselves and in accordance with the provisions of this Treaty, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities, the benefit of which shall be equitably shared.”*

The Community has made significant progress during the last 10 years of integration. In particular, there is a much desired shift from the initial negative mind-set and little excitement on the integration process to strong political will that has catalysed business confidence and improved people’s awareness about the benefits and costs of integration. The Customs Union in particular catalyzed remarkable trade expansion.

Intra-EAC trade grew by 40% between 2005 and 2009. Uganda’s exports to Kenya increased more than tenfold from USD15.5 Million in 2004 to USD172 Million in 2009, while Tanzania’s exports to Kenya over the same period nearly tripled, from USD 95.5 Million to USD 300 Million. This pattern is expected to be enhanced with the Common Market which came into force in July 2010. This increased trade and investment among the EAC Partner States has broadened prospects for economic growth and development.

The growth in trade was complemented by the significant growth in cross-border investment in the services sectors cutting across banking, insurance and tertiary education. Cross-border investment as well as mergers and acquisitions have become major drivers and contributors to growth of investments in the region. For instance, East African Breweries has acquired 51% shares in Tanzania’s Serengeti Breweries; Trans Century of Kenya has substantial investment in Tanzania Cables and Tanzania’s TANELEC, while BIDCO has significant investment in the edible oil sector in Kenya, Uganda and Tanzania. On the other hand, Tanzanian food processing companies such as AZAM have made some inroads into Uganda and Rwandan markets. There is still a challenge of motivating more cross-border investments into Kenya, whose private sector is the more aggressive in penetrating the regional market and beyond EAC.

The regional economy has grown significantly despite the global financial and economic crisis experienced between mid-2007 and early 2009. Total GDP of the five EAC Partner States grew from USD 30 Billion in 2002 to USD 75 Billion in 2009 (refer Table 2.1) and is expected to reach USD 80 billion by 2012. Moreover, all the Partner States’ economies have managed to tame inflation to within single digit levels, except during the peak of the global financial crisis and the recent drought and fuel induced price increases.

While all EAC Partner States have liberalized their economies, the pursuit of macroeconomic convergence remains a key focus of all the economies. The benchmark indicators of sustained GDP growth rates of 7%, inflation rates of 5%, single digit interest rates and gross national savings above 20% are yet to be achieved. Nevertheless, the performances of these indicators have generally remained stable.

Though fragile, the institutional framework and systems for delivery of Community agenda has been entrenched at national and regional levels. The establishment of the East African Legislative Assembly (EALA) and the East African Court of Justice (EACJ) are models in Africa in terms of regional legislative oversight and jurisprudence. The operationalisation of the institutions to manage the implementation of the Customs Union and Common

market has created the impetus for a robust Community. The institutional framework has further benefitted from establishment of national ministries coordinating the EAC Affairs. Further the Community was enlarged through the accession of Rwanda and Burundi.

The democratisation processes has taken root in all the EAC Partner States. Multi-party elections are held regularly through transparent and open processes, which are also freely contested in case of discontent. The EAC has established a process of electoral observance in all the Partner States and has received accolades for its objective and value-added reports on these elections.

The greatest hindrance to democratic consolidation in EAC are the perennial conflicts within the horn of Africa and the great lakes region, terrorism and piracy that have led to proliferation of small arms and influx of refugees into the region. However, a number of regional initiatives, with positive outcomes, have been embraced to address the above challenges. At the international level, EAC has gained recognition as a fully fledged regional economic community. The Community has made satisfactory strides in forging strong cooperation in political matters particularly in areas of defence, peace and security which are key prerequisites for the regional integration process.

The prevalence of NTBs, inadequate infrastructure; institutional handicaps; inadequate national level capacities to domesticate regional policies; divergent socio-economic structures; supply side constraints; weak legal, regulatory and dispute settlement mechanisms and requisite powers for EAC to enforce Community obligations and decisions; delays in operationalization of EAC competition Act; mismatch during the implementation of trade facilitation instruments and processes are some of the major constraints that slowed the achievement of the full benefits of the Customs Union.

The private sector potentials in spurring economic development require further harmonisation of macro-economic and sectoral policies both at national and regional levels. In addition increased institutional coordination and governance; a more robust financial sector that effectively integrates the SMEs; and business friendly administrative structures and tax regimes will go a long way in facilitating private sector success. Similarly continued concerted efforts to build private sector capacities to cope with the ongoing globalisation business environment in which production is fragmented through outsourcing and off-shoring.

This therefore calls for alternative business strategies for survival at regional, national and firm perceptive levels. The ongoing cooperation with the regional private sector bodies, mainly the East African Business Council (EABC), the Jua Kali/Nguvu Kazi/Katwe associations and through trade and investment promotion conferences builds the foundation upon which private sector networks can be expanded.

On the sub regional cooperation, the EAC has maintained strong bonds of collaboration with the COMESA, SADC under the Tripartite arrangements and IGAD sub-regions in an endeavour to establish a wider regional market to support rapid industrialisation, trade expansion and fast tracked development of linking infrastructure between the member countries. In June 2011, the Joint Summit of the Tripartite held its 2nd Joint Summit which launched the negotiations for the Grand Free Trade Area, underscored the need for faster development of infrastructure and the urgent need for an industrialisation strategy for the Tripartite.

The implementation of the 4th strategy will be built on the achievements of the first decade while prioritizing consolidation of the benefits of a fully fledged Customs Union-, *including enhancing market access and trade competitiveness*; implementation of the Common Market; *concluding and establishing the Monetary Union* while laying the Foundation for a Political Federation.

In order to support the regional integration process the strategy has prioritised expansion of productive capacities to facilitate product/service diversification and infrastructure network development for enhanced connectivity within the region and the global community. At institutional level, the mandates of the various Organs and Institutions and related facilitating institutions shall be reviewed and developed to take account of the expanded and deepened regional agenda.

The key drivers for the realization of the EAC regional integration agenda in the next five years include: creation of a strong legal framework; strategic selection and harmonization of prioritized programmes at national and regional levels; application of common policies and gradual elimination of all barriers to trade; devolution of power and authority to EAC Organs and Institutions commensurate with the level of regional integration agenda; and establishment of regional institutional frameworks among others.

In recognition of the global changes, research and technological development and investing in knowledge will need to take centre stage. Other key strategic drivers that will underpin the regional integration agenda are increased private sector, Civil Society Organisations (CSOs) and citizenry involvement; good governance, transparency and accountability; and political stability, peace and security and the continued cooperation at the Tripartite and multi-lateral levels.

The strategy is estimated to cost **USD 1,288,538,790** in the next five years. It is anticipated that, the on-going consultations on alternative financing mechanisms for the East African Community will be concluded soon, and a more sustainable mechanism identified to ensure timeliness and sustainability in programme/project implementation. Furthermore innovative ways of tapping non-conventional sources of resources to include Public Private Partnerships (PPP), Foreign Direct Investments (FDI) and portfolio investment including leveraging available resources to mobilize additional funds to support regional development should be explored.

1.0 INTRODUCTION

1.1 Background

The East African Community (EAC) is a regional inter-governmental organization established under Article 2 of the Treaty for the Establishment of the East African Community that entered into force in July 2000. Membership of the Community comprises the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania. *Pursuant to the provisions of paragraph 1 of Article 5, the Partner States undertake to establish among themselves, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social and political relations. This is meant to enhance accelerated harmonious, balanced development and sustained expansion of economic activities.*

The Community operationalises the Treaty through medium-term development strategies. The 1st Development Strategy covered the period 1997 -2000 and focused on the re-launching of EAC, a period usually referred to as the confidence building phase. The 2nd Development Strategy covered the period 2001 -2005 and mainly focused on the establishment of the EAC Customs Union and laying the groundwork for the Common Market. The 3rd Development Strategy (2006 – 2010) prioritized the establishment of the EAC Common Market and while the 4th Development Strategy covering the period July 2011 to June 2016 mainly focuses on the implementation of the EAC Common Market and the establishment of the EAC Monetary Union.

In all these Strategies, cross-cutting projects and programmes in sectors such as legal and judicial, infrastructure, energy, social development, and institutional development were also carried out. The 4th Development Strategy (2011-2016) takes into account consolidating the benefits of a fully-fledged Customs Union, full implementation of the Common Market and laying the foundation for the attainment of Monetary Union and Political Federation and continuing implementation of other priority projects and programmes.

1.2 The EAC Institutional Framework

In accordance with Article 9 of the EAC Treaty the EAC, the institutional framework of the Community consists of the Executive, the Legislative and the judicial arms. The Executive arm is composed of the Summit of the Heads of State (playing the broad Vision setting role), and the Council as the policy making organ, the Secretariat which is the executive organ of the Community and EAC Institutions. The Legislative and Judicial arms are made up of the East African Legislative Assembly and the East African Court of Justice respectively. The functions, mandates, and operational frameworks of these Organs and Institutions is set out in the Treaty, Protocols, and Rules of Procedures

1.3 Vision and Mission

The Vision of EAC is to attain a prosperous, competitive, secure and politically united East Africa. The Mission is to widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, enhanced trade and investment. The Brand of the East African Community is “**One People, One Destiny**”.

1.4 Objectives of the Community

The broad objective of EAC as stipulated in Article 5 of the Treaty is to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, social and cultural fields; research and technology, defence, security and legal and judicial affairs.

Article 5 of the Treaty stipulates that the Community shall ensure the:

- a) attainment of sustainable growth and development of the Partner States;
- b) strengthening and consolidation of cooperation in agreed fields;
- c) promotion of sustainable utilization of the natural resource base in the region;
- d) strengthening and consolidation of the long standing political, economic, social, cultural and traditional ties;
- e) promotion of people-centred mutual development;
- f) promotion of peace, security and stability;
- g) enhancement and strengthening of partnerships with the private sector and civil society; and
- h) Mainstreaming of gender in all its endeavours among others.

1.5 Partner States Visions and Strategies

The economic, social and political development for the EAC Partner States is supported by their strategic visions as indicated in the Table 1.1 below.

Table 1.1: EAC Partner States Strategic Visions

Partner State	Time Frame	Strategic Vision	Priority areas
Kenya	Vision 2030	Globally competitive and prosperous Kenya with a high quality of life.	To achieve sectoral objectives including meeting regional and global commitments
Uganda	Vision 2035	Transform Ugandan society from peasant to a modern prosperous country.	Prominence being given to knowledge based economy
Tanzania	Vision 2025	High quality of life anchored on peace, stability, unity, and good governance, rule of law, resilient economy and competitiveness.	Inculcate hard work, investment and savings culture; knowledge based economy; infrastructure development; and Private Sector Development.
Rwanda	Vision 2020	Become a middle income country by 2020	Reconstruction, HR development and integration to regional and global economy
Burundi	Vision 2025	Sustainable peace and stability and achievement of global development commitments in line with MDGS.	Poverty reduction, reconstruction and institutional development.
EAC	Treaty	Attain a prosperous, competitive, secure and politically united East Africa	widen and deepen economic, political, social and cultural integration at regional and global levels

While the Partner States visions and strategies were prepared independently, they are in line with the objectives of the Community which is meant to develop policies and programmes aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs, for the Partner States' mutual benefits. All the Partner States share in the dream of achieving a middle income status by 2030. The fourth development strategy will in its unique regional character and priority programmes contribute to these aspirations.

1.6 Broad Priority Areas in the Next Decade

Over the next decade (2011–2020) the EAC will focus on improving her global competitiveness for faster and sustainable economic growth and move closer to the status of a newly industrialized region. Specific areas of focus will include establishment of a robust legal and administrative framework that facilitates the regional economy to generate income and wealth; improvement and expansion of infrastructure, energy access, improvement and sustained long-term stability in the macro-economic environment; improvement of health, primary education and training; investment in higher education and training; development of financial markets; technology development; innovation; increased efficiency in production and distribution; and increased trade with other RECs and globally through strong and continuous support to the on-going process of creating a COMESA-EAC-SADC Grand Free Trade Area and identification of new international markets.

The EAC will also develop policy measures focused on augmenting human capital by expanding and improving the quality of education, health and an economic environment that supports higher job creation to absorb new entrants into the labour market.

Agriculture and food security will receive more serious attention by the EAC in the next Decade to tap the great potential that the Sector offers. This will be achieved through implementation of the EAC Agriculture and Food Security Action Plan so as to ensure structural change as well as technological upgrading of agriculture, especially in the face of adverse climate change.

In the context of the foregoing dynamic transformations, the budget as well as the decision-making systems of the EAC will undergo further reform for a more sustainable budget financing and efficient policy making mechanisms.

Finally, as the EAC enters the second decade, and in view of the foregoing, the EAC Treaty will be reviewed to reflect the new realities and align it to the Community's future dynamics and developments.

1.7 Structure of the Development Strategy

The Strategy is organized into six (6) Chapters: Chapter 1 introduces the EAC, and the manner in which the Community operationalises her 5-year Development Strategies. Chapter 2 presents the socio-economic analysis of the EAC Region both from internal and international perspectives, Chapter 3 highlights the Community's achievements during the period 2006-2010, and the challenges experienced, Chapter 4 outlines the priority interventions that will drive the process towards achieving EAC's broad objectives in the next five years. Chapter 5 defines the framework for implementation coordination, monitoring and evaluation, and Chapter 6 builds a case for an alternative and sustainable financing mechanism for the EAC in future.

The Implementation Matrix indicating the development objectives and strategic interventions including responsible actors, time frame, targets, performance indicators and budget estimates required in the next 5 years is attached as Annex 1.

2 SOCIO-ECONOMIC ANALYSIS OF THE EAC REGION

This Strategy is informed by global, pan-African, regional and national commitments and in particular global issues of climate change and its effects on the environment, food security; residual effects of global financial crisis and persisting insecurity occasioned by terrorism, piracy, and democratisation processes. Further, the strategy leverages on existing political and macro-economic stability, national and regional competences and resources to strengthen the policy and regulatory frameworks.

2.1 Political Development

Democracy is critical in the achievement of sustainable economic growth and development. The EAC Partner States are working towards greater democratic environment. The countries have held multi-party elections through transparent and open processes. The greatest hindrance to democratic consolidation in EAC is the perennial conflicts within the horn of Africa and the great lakes region, terrorism and piracy threats including the proliferation of small arms and influx of refugees into the region.

The EAC is participating in initiatives to improve peace and stability in the region with a view to increasing economic development prospects. These include peace and security missions in Somalia and Democratic Republic of Congo; the Sudanese Comprehensive Peace Agreement (CPA), the Great Lakes region, and the Intergovernmental Authority on Development (IGAD) initiatives through which security and stability of the greater Eastern Africa region will be pursued. Within the EAC, Partner States are envisioning the formation of the East African Political Federation to advance socio-economic and political development among the five Partner States in line with AU aspirations.

2.2 Macroeconomic Performance in EAC

The ultimate goal of regional integration in East Africa is the attainment of long term high economic growth that can achieve and sustain human development. Towards this end, EAC Partner States committed themselves to maintaining an economic convergence criteria stated in the benchmarks of Table 2.1. For EAC Partner States to achieve middle income status, the 3rd Development Strategy (2006-2010) envisaged that the EAC Partner States had to achieve sustained economic growth rates in excess of 7 per cent. Other benchmarks include budget deficits of less than 5%, 4-months import cover, maximum budget deficits of 5%, sustainable public debt and single digit inflation rates. In spite of the positive developments, the challenge of macro-economic convergence in the major macroeconomic indicators for all Partner States persisted in the 3rd EAC Development Strategy (2006-2010) as presented in Table 2.1 in which nearly all indicators under performed with regard to EAC convergence criteria.

Table 2.1: Macroeconomic Indicators and Trend towards Convergence for EAC Economies, 2005-2010

Aggregate	EAC Partners	Benchmarks	2006	2007	2008	2009	2010
GDP Growth Rate	Uganda	>7%	7.0	8.1	10.4	3.9	5.6
	Kenya		6.3	7.0	1.5	2.6	5.6
	Tanzania		6.7	7.1	7.4	6.0	7
	Rwanda		8.6	7.7	11.5	6.1	7.5
	Burundi		5.2	3.6	4.3	3.5	3.9
Inflation – Annual Average	Uganda	<5%	7.2	6.1	12.0	13.0	4.0
	Kenya		6.0	4.3	16.2	10.5	4.1
	Tanzania		7.3	7.0	10.3	12.1	5.5
	Rwanda		8.8	9.1	15.4	10.3	2.3
	Burundi		2.7	8.3	24.5	10.5	6.5
Interest Rate (%)	Uganda	Single digit	18.9	19.1	20.4	21.0	20.2
	Kenya		13.7	13.3	14.9	14.8	13.9
	Tanzania		15.7	14.7	13.6	15.1	14.7

Aggregate	EAC Partners	Benchmarks	2006	2007	2008	2009	2010
	Rwanda		15.9	16.0	16.3	16.7	17.0
	Burundi		18.0	17.5	16.7	16.5	16.2
Current Account(ex cl. Transfers) /GDP	Uganda	Sustainable level	(16.2)	(12.1)	(11.4)	(11.7)	(17.2)
	Kenya		(10.2)	(11.5)	(14.1)	(12.8)	(14.9)
	Tanzania		(12.2)	(12.0)	(15.0)	(15.7)	(18.4)
	Rwanda		(12.3)	(11.9)	(14.4)	(17.2)	(17.6)
	Burundi		(13.9)	(12.3)	(15.6)	(6.7)	(6.2)
Gross National Savings / GDP	Uganda	>20%	16.4	15.6	12.5	10.0	14.4
	Kenya		14.8	13.9	16.0	13.3	12.2
	Tanzania		17.75	18.32	14.78	20.55	21.21
	Rwanda		-	12.7	15.7	11.5	10.5
	Burundi		11.6	12.2	12.8	6.3	13.7
Reserves import cover	Uganda	4-months	5.5	5.8	5.3	5.4	4.8
	Kenya		2.6	4.1	3.9	3.8	4.9
	Tanzania		5.0	4.8	4.3	5.6	6.3
	Rwanda		5.6	4.7	4.7	5.4	5.2
	Burundi		1.4	2.3	3.1	3.2	3.5
Per capita income (Constant US \$)	Uganda	>\$3,000	308	342	365	310	295
	Kenya		439	458	453	451	526
	Tanzania		479	535	515	459	460
	Rwanda		336.3	391.4	479.1	520.1	540.5
	Burundi		109	110	111	112	165

Source: National Bureaus of Statistics Reports (Various)

2.2.1 GDP Growth Rate

The socio-economic performance among the East African Partner States has shown remarkable improvement (Table 2.1) as the region seeks to integrate further. The new membership of Burundi and Rwanda in the EAC trade integration process has come to further widen the market up to 135.5 million people in 2010. The expanded trade and investment among the EAC Partner States has increased economic growth and development prospects in the region, with regional GDP (at constant 2000 levels) increasing from US\$42.4 billion in 2006 to 74.5 billion in 2009 and is expected to reach \$ 80 billion in 2012. Uganda, Rwanda and Tanzania sustained incremental growth trends between 2006 and 2008.

The decline in 2009 was in part caused by the effects of the global financial crisis, high fuel prices, draught among others. The Kenyan economy in addition suffered from the effects of the 2007 post election crisis. Burundi despite her political challenges continues to experience positive growth rates. The projections for 2010 generally indicate the economies are on re-bounce. Kenya's economy remains relatively large at about 35.7% compared to that of the other EAC partner states.

The prospects are high for all partner states to achieve an economic growth rates averaging over 7 per cent that can ensure realization of economic and human development in the long term. The per capita incomes, though generally low, depict steady increase over time (Table 2.1) but way below the benchmark of US\$ 3,000 of a middle income status. The per capita levels of the EAC partner states are consistent with low income countries.

2.2.2 Inflation – Annual Average

Except for the sporadic periods of price increases due to global financial crisis, fuel prices, food shortages and the frequent drought occurrences in the region, the prices have remained generally high but stable. The high inflation hurts the overall macroeconomic environment that is one of the prerequisites for economic growth and development. In 2008, inflation rates surged to double digit levels in all the partner states, coinciding with the global financial crisis. Uganda, Kenya, Tanzania, Rwanda and Burundi inflation rates were at 12.0 per cent, 16.2 per cent, 10.3 per cent, 15.4 per cent and 24.5 per cent respectively in 2008. Recovery trends started in 2009 will prevail into 2010, where single digit inflations rates, though above the benchmark of 5%, are projected. While inflation rates comparisons have been undertaken from 2006, it was only in 2010 that all Partner States inflation rate calculations were harmonised.

2.2.2 Interest Rate

Interest rates in the region have remained almost constant and above the inflation rates for the period 2006 to 2010; confirming that securing credit for *investment is prohibitive in the region. Further, none of the Partner States had achieved a single digit interest rate as envisaged by the 3rd Development Strategy (2006-2010)*. Slight declines are projected for 2010 for all the Partner States. It is hoped that with consistent development of the financial sector, the interest rates can further be lowered to levels that can, in part, increase investments through access to affordable credit.

2.2.3 Current Account Deficit (less Transfers) /GDP

The current account deficit for the partner states of the region have been widening especially between 2006 and 2008 except for Burundi, an indication that reflects a surge in imports in excess of exports. The composition of the imports was predominantly inputs and capital goods which is consistent with the case for low income countries. The recovery experienced in 2009 is projected to decline in 2010 for most of the Partner States. A widening deficit can be addressed by enacting policies to increase exports at the same rate as imports.

2.2.4 Gross National Savings/GDP

Increased domestic savings can accelerate the pace of economic growth and development. Except for Tanzania in 2009 and 2010, the EAC partner states saving rates on average are below 20 per cent of GDP, the benchmark to sustain accelerated pace of economic growth. Most Partner States saving rates are on the decline except for Burundi which experienced an increased in 2010. . The EAC Partner States need to create a savings culture among her people to mobilize funds for investment.

2.2.5 Import Cover

All the Partner States except for Burundi have by and large met the four months import cover requirements in 2009 and 2010. This implies the Partner States have adequate reserves to sustain international transactions.

2.3 General Trends in Economic Growth

2.3.1 EAC Budgetary Deficits

The EAC Partner States have been experiencing budget deficits due to high development financial needs. As indicated in Table 2.2 below the budget deficits in all the Partner States were mixed. Rwanda budget deficits have generally remained at a two digit level while the budget deficit in Burundi declined to a single digit starting in 2009. The remaining partner states sustained single digit budget deficits during the plan period though above the benchmark of 6%. Uganda, Kenya and Tanzania budget deficits have maintained downward trends up to 2009 but declined in 2010.

Table 2.2 Budget Deficit (Exc. Grants)/GDP for EAC Partner States, 2006-2010

Aggregate	EAC Partners	Bench marks	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11
Budget Deficit (Exc.	Uganda	<6%	(7.1)	(4.9)	(4.6)	(7.2)	(6.2)
	Kenya		(8.5)	(12.2)	(9.7)	(9.7)	(13.6)

Grants)/GDP	Tanzania	(11.4)	(9.9)	(8.6)	(9.3)	(11.0)
	Rwanda	(10.4)	(11.4)	(10.5)	(12.5)	(13.7)
	Burundi	(14.5)	(18.9)	(13.6)	(4)	(5.1)

Source: National Bureaus of Statistics Reports (Various)

With the deepening of trade integration within EAC and between other regional economic communities, the budget account deficit can be lowered below 6 per cent. This can spur high economic growth performance. The regional integration agenda and ongoing reforms can improve efficiency and therefore increase revenues for most Partner States development needs.

2.3.2 Debt Levels in EAC (% share of GDP)

Foreign aid is critical and can support economic growth if channelled to building a country's capacity to enhance domestic production. Uganda and Rwanda sustained the lowest levels of debt in the region (Table 2.3). In Uganda debt declined from 14.7 to 11 per cent between 2006 and 2008 but edged upwards in 2009 and 2010; while in Tanzania it declined from 69.6 percent in 2006 to 21.3 percent in 2008 but edged upwards in 2009 and is projected at 20.6% in 2010. Kenya's debt declined from 43.2 in 2006 to 35.6 per cent in 2008 and is projected to increase to 53.3 per cent in 2010. Burundi which sustained the highest debt during the period 2006-2008 dramatically reduced its debt dependence in 2009 to 45.5 per cent and remains at the same level in 2010. The reduction on reliance on debt is remarkable and is indicative of the improvement in revenue generation among the EAC member states.

Table 2.3 Debt for EAC Partner States, 2006-2010

Aggregate	EAC Partners	Bench marks	2006	2007	2008	2009	2010	
Debt (share of GDP, %)	Uganda		12.3	12.4	12.9	13.7	.....
	Kenya		44.2	39	35.5	37.6	41.7	
	Tanzania		69.6	41.6	21.3	20.2	20.6	
	Rwanda		17	16.8	17.7	15	19.1	
	Burundi		141.8	151.1	139.1	36.9	36	
	Percentage Point Changes in debt shares							
	Uganda		...	0.1	0.5	0.8	...	
	Kenya		....	-5.2	-3.5	2.1	4.1
	Tanzania		...	-28	-20.3	-1.1	0.4	
	Rwanda			-0.2	0.9	-2.7	4.1	
	Burundi		....	9.3	-12	-102.2	-0.9

Source: National Bureau of Statistics various Reports.

2.3.2 Unemployment and Population Below Poverty Line

Unemployment and poverty data in the region remains scanty. This shows the need for data development especially on social indicators. On the basis of available data, poverty levels are very high, with close to half the population in the region living below the poverty line. Unemployment among the youth in particular remains very high. In this regard therefore, the regional programmes should to the extent possible generate wealth and employment opportunities to reduce poverty.

2.4 Trade Development

2.4.1 External Trade in Goods Share of GDP

One of the main and fundamental objectives of the EAC is to enhance trade and therefore economic growth and development among Partner States. As indicated in Table 2.4 below, the trade shares of GDP for all the Partner States is significant and increasing. The overall declines in 2009 can in part be explained by the impact of the global financial crisis.

The trend in exports and imports as a share of GDP shows that the region imports more than it exports to the rest of the world. The export share of Uganda averaged 15-23 percent between 2006 and 2009 compared to 25-32 per cent import share. Kenya's export share averaged 26 percent in comparison to import share average of 35 percent during 2006-2009. The corresponding ratios for Rwanda and Tanzania are 9-15, 27-31 and 11-18, 21-34 per cent respectively.

Table 2.4 Exports and Imports of Goods as a share of GDP, 2005-2010 (%)

Total trade share of GDP (%)							Percentage Point Changes				
Country /Year	2005	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Uganda	39	44	49	52	55	57	5	5	3	3	2
Tanzania	33	39	41	49	43	49	6	2	8	-6	6
Kenya	36	48	48	53	48	53	12	0	5	-5	5
Rwanda	37	38	38	46	36	....	1	0	8	-10	
Burundi	31	33	32	35	31	36	2	-1	3	-4	5
Exports share of GDP (%)							Percentage Point Changes				
Country /Year	2005	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Uganda	14	15	19	20	23	21	1	4	1	3	-2
Tanzania	11.9	12.2	12.2	15.0	15.7	18.4	0.3	0	2.8	0.7	2.7
Kenya	....	15.6	15.0	16.3	14.6	16.1	15.6	-0.6	1.3	-1.7	1.5
Rwanda	10.0	10.0	10.0	15.0	9.0	.....	0	0	5	-6	.....
Burundi	7.6	6.4	6.0	6.0	5.1	6.8	-1.2	-0.4	0	-0.9	1.7
Imports share of GDP (%)							Percentage Point Changes				
Country/ Year	2005	2007	2007	2008	2009	2010	2006	2007	2008	2009	2010
Uganda	25	29	30	32	32	36	4	1	2	0	4
Tanzania	21.2	27.1	28.8	33.8	27.3	30.4	5.9	1.7	5	-6.5	3.1
Kenya	36	32.1	33	36.5	33.3	37.1	-3.9	0.9	3.5	-3.2	3.8
Rwanda	27	28	28	31	27	....	1	0	3	-4	.....
Burundi	23.7	26.6	25.9	28.7	25.8	29.3	2.9	-0.7	2.8	-2.9	3.5

Source: National Statistics Bureau Reports (Various).

The surge in imports, in part, is attributed to importation of raw materials and capital equipment for domestic production. According to the World Bank data (2010), importation of agricultural raw materials as a percentage of total imports remained constant at 1.4 per cent while that of ICT goods increased from 6.2 per cent in 2006 to 7 per cent of total imports in 2009. The amount of valued added imports increased from 16 per cent in 2006 to 23.4 per cent of total imports in 2008.

2.4.2 Intra-EAC Trade Performance

Table 2.5 on intra-EAC trade, value of total trade, exports, imports, and trade balance between Partner States within the EAC region; and with the rest of the world for the period 2005 to 2009, indicates that intra-EAC regional trade performance is growing unlike the declining extra-regional EAC trade. Except for Burundi and Rwanda, all the other Partner States are showing improvement in their trade balances. The intra- EAC trade has been improving, but most of the partner states still have more potential for growth provided there is an expansion of the manufactured sector through adoption of value added policies are taken seriously.

Table 2.5 Total Intra-EAC Trade, 2005-2010 (US\$ million)

Total EAC Trade							Total trade annual changes				
Country/Year	2005	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Uganda	696.2	583.2	805.9	948.0	945.7	1,005.1	-113.0	222.7	142.1	-2.3	59.4
Tanzania	289.4	292.1	279.7	520.3	574.3	735.2	2.7	-12.4	240.6	54.0	160.9
Kenya	1,035.9	819.9	1,144.1	1,395.4	1,331.9	1,534.0	-216.0	324.2	251.3	-63.5	202.1
Rwanda	134.0	176.4	247.1	440.4	456.6	....	42.4	70.7	193.3	16.2	....
Burundi	63.1	66.4	84.8	90.7	.....	.....	3.3	18.4	5.9	.....	.....
Total Exports											
Uganda	144.7	152.8	274.8	377.4	398.8	428.6	8.1	122.0	102.6	21.4	29.8
Tanzania	289.4	117.7	173.1	315.5	263.0	450.0	-171.7	55.4	142.4	-52.5	187.0
Kenya	974.6	735.8	952.5	1,213.5	1,169.5	1,278.8	-238.8	216.7	261.0	-44.0	109.3
Rwanda	34.9	33.0	40.0	46.2	93.2	....	-1.9	7.0	6.2	47.0	.....
Burundi	4.0	5.5	5.3	6.0	.....	.....	1.5	-0.2	0.7	.....	.....
Total Imports											
Uganda	551.5	430.4	531.1	570.6	546.9	576.5	-121.1	100.7	39.5	-23.7	29.6
Tanzania	160.5	174.4	106.6	204.8	310.5	285.2	13.9	-67.8	98.2	105.7	-25.3
Kenya	61.3	84.1	191.6	182.0	162.5	255.2	22.8	107.5	-9.6	-19.5	92.7
Rwanda	99.1	143.4	207.1	394.2	363.5	.....	44.3	63.7	187.1	-30.7	.....
Burundi	59.1	60.9	79.5	84.7	.....	....	1.8	18.6	5.2	.....	.....
Balance of Trade											
Uganda	-406.8	-277.6	-256.3	-193.2	-148.1	-147.9	129.2	21.3	63.1	45.1	0.2
Tanzania	-31.6	-56.7	66.5	110.7	-47.0	164.8	-25.1	123.2	44.2	-157.7	211.8
Kenya	913.3	651.7	760.9	1,031.4	1,007.0		-261.6	109.2	270.5	-24.4	1,007.0

Rwanda	-64.2	110.4	-167.1	-348.0	-270.3	.....	174.6	-277.5	-	77.7	....
Burundi	-55.1	-55.4	-74.2	-78.7	.....	....	-0.3	-18.8	180.9	-4.5	.....

Source: Partner State Bureaus of Statistics (Various).

Burundi: Although Burundi experiences the lowest trade volumes in EAC, her trade performance improved from US \$63.1 million in 2006 to US \$90.7 million in 2008. The highest increase in Burundi's trade with EAC was recorded in 2007 by US \$84.8 million. Exports increased by US \$4.0 million in 2006 and US \$6.0 million in 2008. In addition, imports also increasing in Burundi by US \$ 1.5 million in 2006 and by US \$5.2 in 2008. Throughout the review period, Burundi has been experiencing trade deficits.

Kenya: In 2006, Kenya's trade declined by about US \$109.2 million. Exports declined by US \$238.5 million in 2006. Kenya's trade with EAC partner states has been significant recording a surplus throughout 2006 to 2008. The surplus however recorded a decline of US \$261.1 million but later expanded by respectively US \$107.9 and US \$270.5 in 2007 and 2008. Substantial declines were recorded in 2009 and 2010 indicating substantial imports.

Tanzania: Tanzania's trade with the EAC has been recording remarkable improvement with surpluses since 2008. Both imports and exports have recorded mixed performance.

Uganda: Uganda's trade improved from a decline of about US\$113 million in 2006 to a positive increase of US\$222.7 in 2007 and 142.1 in 2008. Performance slowed down in 2009 and 2010..

Rwanda: Rwanda for the period in which data is available recorded a significant improvement in trade with EAC partner states between 2007 and 2008.

2.4.3 Commodity Exports

Annex 2 lists the composition of leading commodities in the intra-EAC trade for each Partner State. Burundi's leading exports include gold, tea and mate, sugar, coffee and hides and skin. Kenya is a leading importer of Burundi's commodities except sugar, molasses and honey which Rwanda is a leading importer. Further, Burundi's coffee exports are destined to all the EAC partner states, but Tanzania and Uganda are leading recipients. Kenya's trade with the rest of the EAC partner states is based on petroleum products, articles of apparel, construction materials (lime and cement), steel and soaps, cleansers and polishes.

The leading market destination in EAC is Uganda. However, all the EAC partner states are leading recipients of Kenya's exports particularly on petroleum products. Rwanda's trading commodities include tea, coffee, ores and concentrates, hides and skins and petroleum products. From table 2.10, it is evident that Rwanda's exports destinations are Kenya, Tanzania and Uganda. Burundi's leading imports from Rwanda is petroleum products.

Fish, tea, cotton, halogen salt, maize and textile products are Tanzania's leading trade commodities in EAC. Most of Tanzania's exports are destined to Kenya, then to the rest of the EAC member states. Kenya is a leading importer of Tanzania's trade commodities except elements/oxides/halogen salt to which Burundi is a leading importer. Of all Tanzania's trade commodities, Kenya imports mostly tea, fish and cotton which constitute over 90 per cent of total Tanzania's exports each. Uganda's leading trading commodities are destined to all the EAC partner states with vegetables, steel, maize and tobacco being imported by all the countries in EAC. Most of Uganda's tea exports are destined to Kenya and while electric current is supplied to Kenya, Rwanda and Tanzania. The composition of the traded products shows that EAC region needs to invest more in manufactured exports through in part, investment in science and technology. Value added and diversified products have the potential to generate huge amounts of income leading to improved welfare of the people of the region.

2.4.5 GDP Sectoral Shares

Table 2.6 shows that the industrial share of GDP declined for the region. The industrial sector has been stagnant, an indication that there very little value addition in the manufacturing sectors in particular. The

industrial share of GDP in Uganda increased from 22.6 per cent in 2006 to 24.9 per cent in 2010. Tanzania's share increased from 20.8 in 2006 to 22.3 per cent in 2010. The industrial share of GDP in Kenya stagnated at 16-17 percent between 2006 and 2010. Similarly Rwanda's industrial share of GDP remained constant at 14 - 15 per cent between 2006 and 2010.

EAC potential to produce diversified and value added manufactured exports still remains untapped. The region can stimulate production of diversified and value added exports to enhance export-led or trade-led economic growth and development. The region exports mostly primary commodities and limited range of value added commodities (Annex 2). The EAC members states therefore need to expand their manufacturing sector to enhance value added exports. Burundi's industrial share of 16-19 per cent is quite impressive.

The agricultural shares of GDP in all the Partner States have been declining during the period under review. There are marginal increases in the services sectors for all the Partner States.

Table 2.6: Sectoral Shares of GDP, 2006-2010

Agriculture Share of GDP, %					
Country/Year	2006	2007	2008	2009	2010
Uganda	22.6	20.7	21.6	23.6	21.1
Tanzania	26.2	25.8	25.7	24.6	24.1
Kenya	23.8	22	22.7	23.9	22
Rwanda	38	36	32	34	.....
Burundi	48.58	48.42	46.85	47.04	43.86
Industry Share of GDP					
Uganda	22.3	23.9	24	23.8	24.9
Tanzania	20.8	21.2	21	22	22.3
Kenya	16.4	16.3	17.4	16.9	17.3
Rwanda	14	14	15	14	.....
Burundi	19.37	16.4	16.86	16.29	17.48
Services Share of GDP					
Uganda	49.1	49	48	46.2	47.7
Tanzania	43.3	43.3	43.8	43.6	43.9
Kenya	49.7	50.8	48.8	48.3	48.9
Rwanda	42	45	46	46	.....
Burundi	32.05	35.18	36.29	36.87	38.66

Source: Partner State Bureaus of Statistics (Various).

2.5 Investment

2.5.1 Foreign Direct Investment (FDI) Performance

FDI inflows are expected to contribute to the realization of the economic potential in the EAC region. From Table 2.7 Uganda and Tanzania remains the preferred destination of FDI. The FDI comes in through transfer of new technologies, managerial skills, stimulation in the establishment of micro, small and medium enterprises and employment opportunities. FDI can also expand the variety of goods and services available in the region expanding consumption range.

Table 2.7: Foreign Direct Investment (FDI) Inflow and Stocks (Million US Dollars)

FDI Inflows					
Year	2006	2007	2008	2009	2010
Uganda	644	792	729	816	848
Tanzania	597	647	679	645	700
Kenya	51	729	96	116	186
Rwanda	30.6	82.3	103.4	118.7	102.6
Burundi	0	1	14	10	.....
EAC Total	1,323	2,192	1,679	1,714	
FDI STOCK					
Uganda	2,669	3,402	4,189	4,988	.....
Tanzania	5,342	5,942	6,621	7,266	.....
Kenya	1,164	1,893	1,989	2,129	.....
Rwanda	108	190	293	412	.....
Burundi	47	48	62	71	.....
EAC Total	9,330	11,475	13,154	14,866	.....

Source: Partner State Bureaus of Statistics (Various).

FDI attraction and retention is therefore one of priority areas identified for development by the EAC. The overall inflow of FDI to EAC increased from a total of US \$1,323 million in 2006 to US \$1,714 million in 2009. In terms of stocks, the region accumulated FDI from US \$9,330 in 2006 to US \$14,866 million in 2009 with each partner state recording increases, except for Kenya where both FDI and stocks have maintained.

In Uganda the investment inflows were concentrated in manufacturing (22%) construction (18%), wholesale and retail trade, catering and accommodation services (17%), electricity, gas and water (16%) and transport, communication and storage (9%). In Tanzania the investment inflows concentrated in tourism (31%), manufacturing (29%), transportation (15%), commercial building (14%) and agriculture (4%). The other sectors recorded 7%. Tanzania scored the first position worldwide in the investors after care service category awarded by WAIPA in 2007.

In Kenya, investment is concentrated around tourism, provision of services especially in the communications technology sector and manufacture of fast moving consumer goods and infrastructure. Kenya became the 8th most reformed nation in the world according to the DOING-BUSINESS indicators assessment done by the World Bank in 2009. By December 2007, the Rwanda Investment and Export Promotion Agency (RIEPA) had awarded 123 certificates of registration to projects worth US\$496 million against a target of US\$229 million set for the year.

2.5.2 Political Risk

The FDI inflows correlate inversely with the levels of political risks associated with any country. The political risk indicator is a composite of diverse issues covering governability, socioeconomic environment, ethnic tensions, constitutes components (Annex 3). The sum total of the component's indexes rankings indicates whether a country is of high or low risk politically. On the basis of the International Country Risk Guide (ICRG) indicators, the higher the score, the lower the risk.

Country specific scores between 0 to 49.5 per cent are associated with very high risk; 50 to 59.5 per cent is high risk; 60 to 69.5 per cent is moderate risk and 80 to 100 per cent is very low risk. Uganda, Kenya and Tanzania constitute the 140 countries that are ranked under the ICRG system. Rwanda and Burundi are not considered in ICRG system. The three Partner State scores have registered gradual but steady increases during the period under review. The range of Political Risk Scores for the period 2006-2010 for Uganda are 55- 56; Tanzania 62- 64 and Kenya 56- 58. On the basis of these ratings, there is room for improving governance, rule of law and socio-economic issues in the region in order to improve investment conditions in the region. High political risk affects economic performance of a country or region and in particular investment flows.

2.6 Human Development Performance

Table 2.8 compares the state of human development among the EAC partner states on the basis of achievements of HDI and MDG on life expectancy. Kenya's, Tanzania's and Uganda's HD declined from Medium to low HD. Rwanda's and Burundi's HD although low throughout 2006 to 2010 have also been experiencing declining trends. The HD trend shows that the quality of life in EAC has been deteriorating over the focus period, though positive indications are beginning to appear stating 2009. The EAC average HD also shows the deterioration of the quality of life among the people of EAC region. On average, the EAC life expectancy is at 52.5 years. The life expectancy of partner states have maintained upward increases between 2006 and 2010. Overall, the life expectancy is still low in the EAC region compared to global averages of 63 years and over 75 years for the first world.

Table 2.8: Human Development Index (HDI), 2006-2010

Indicator	Partner State	2006	2007	2008	2009	2010
Human Development Index (HDI)	Uganda	0.505	0.514	0.514	0.416	0.422
	Tanzania	0.519	0.530	0.530	0.392	0.398
	Kenya	0.535	0.541	0.541	0.464	0.470
	Rwanda	0.455	0.460	0.460	0.379	0.385
	Burundi	0.387	0.394	0.394	0.276	0.282
	EAC Average		0.48	0.49	0.49	0.38	0.39
Life Expectancy at birth, total (years)	Uganda	51	51.9	53	52.4	54.1
	Tanzania	54	55	56	55.4	56.9
	Kenya	53	53.6	54	54.2	55.6
	Rwanda	49	49.7	50	50	51.1
	Burundi	50	50.1	50.1	50.3	51.4
	EAC Average		51.4	52.1	52.6	52.5	53.8

Source: HDI Reports 2006-2010

2.7 Infrastructure Development

2.7.1 Level and Access to Affordable Infrastructure

The EAC Partner States have identified the needed joint infrastructure investments aimed at overcoming the supply constraints which increases the transaction costs and thus induces profitability and productivity of investments. EAC has been coordinating and harmonizing transport and communication policies so as to improve the existing links and establish new ones. Results so far have not been very encouraging because of the inefficiency of the region's largest port at Mombasa and the Kenya-Uganda railway line, Arusha – Namanga -Athi River, Mombasa and Dar es Salaam ports and other facilities that connect the countries. Table 2.9 summarizes the level of perception by the business community on the state of infrastructure.

Table 2.9: Level of Access to Affordable and Reliable Infrastructure

Sectoral Criteria	Kenya	Uganda	Tanzania	Rwanda	Burundi	Total
Quality and cost of transport	24%	29%	46%	34%	28%	32%
Access to water	52%	65%	42%	48%	50%	51%
Access to affordable and reliable energy	33%	38%	38%	41%	25%	35%
Access to affordable and reliable ICT	53%	71%	62%	57%	38%	56%

Source: EABC Study (2008)

The rating for the quality and cost of transport within the region ranged from 24% for Kenya to 46% for Tanzania with the average of 32%. On the whole transport was rated the lowest with an average of 32% followed by energy (35%), water (51%) and ICT (56%).

The World Bank Logistics Performance Index (2007) points to the relatively low quality of infrastructure in Sub-Saharan Africa (Table 2.10). The SSA average is far below the OECD targets.

Table 2.10: Logistics Performance Indicators for Africa

Region	Quality of Infrastructure	Logistics Competence
1. East Africa	2.05	2.24
2. Western Africa	2.08	2.33
3. Central Africa	2.13	2.31
4. Northern Africa	2.36	2.83
5. Southern Africa	2.47	2.69
6. SSA Average	2.11	2.32
7. OECD Average	3.62	3.65

Source: World Bank, 2007

The LPI represent simple averages scores ranging from 1 (lowest) to 5 (highest). The East African region has the lowest score on quality of infrastructure at 2.05 compared to Southern Africa with 2.47 and the OECD average of 3.62. The index also finds relatively low scores for the logistics competence for East Africa at 2.24 as compared to Northern Africa with 2.83 and OECD average of 3.65. On the overall score the East African region scores are both lower than the SSA average scores. The quality and logistics competence of infrastructure and ICT is likely to influence the patterns of trade and economic development. The EAC needs to prioritise infrastructure development as a precursor to development.

Table 2.11 shows the LPI and its components shows that Uganda has the highest LPI score in East Africa. Although EAC Partner States scores are lower, Uganda has better customs procedures, logistics competence and infrastructure abilities at respectively 2.84, 2.35 and 2.59. On the other hand, of the EAC countries whose data is available, Rwanda has the lowest scores in customs process, infrastructure quality and logistic competence as shown in Table 2.11.

The EAC, Sub-Saharan Africa and low income countries exhibit similar trends showing low levels of scores. This is because of the challenges such as cumbersome customs procedures, dilapidated infrastructure and poor logistics competence that slow the pace of economic development. The East African region has the lowest score on quality of infrastructure at 2.05 compared to Southern Africa with 2.47 and the High income countries' average of 3.56. The index also finds relatively low scores for the logistics competence for East Africa at 2.28 as compared to Northern Africa with 2.83 and High income countries' average of 3.50. The East African quality of customs processes score at 2.28 is higher compared to the Sub-Saharan region at 2.18 which reflects the achievements by the EAC common market. The quality of customs processes, infrastructure and logistics competence, in part, is likely to spur trade expansion, economic growth and development.

Table 2.11 Logistics Performance Indicators (LPI) for EAC

Country/Region	LPI	Rank	Customs	Infrastruct	Logistics
Uganda	2.82	66	2.84	2.35	2.59
Tanzania	2.60	95	2.42	2.00	2.38
Kenya	2.59	99	2.23	2.14	2.28
Rwanda	2.04	151	1.63	1.63	1.85
Burundi	-	-	-	-	-
East Africa (excluding Europe and Central Asia)	2.51	-	2.28	2.03	2.28
Latin America and East Asia and Pacific	2.74	1	2.35	2.41	2.60
Middle East and Pacific	2.74	2	2.38	2.46	2.62
South Asia	2.73	3	2.41	2.46	2.58
Sub-Saharan Africa	2.60	4	2.33	2.36	2.53
High Income (OECD)	2.49	5	2.22	2.13	2.33
Upper Middle Income	2.42	6	2.18	2.05	2.28
Lower Middle Income	3.55	1	3.36	3.56	3.50
Low Income	2.82	2	2.49	2.54	2.71
	2.59	3	2.23	2.27	2.48
	2.43	4	2.19	2.06	2.25

Source: World Bank 2010.

2.7.2 Energy Development

Energy development is a critical element of economic development that the EAC has prioritized. Article 101 of the EAC treaty stipulates policies that the EAC PS will adopt to promote efficient exploitation and utilization of various energy sources in the region. The priority energy areas of focus include green energy, geothermal electricity and hydro-power generation. The EAC has committed is working towards provision of adequate and affordable energy to the East African people. Improved access of energy sources especially electricity will improve human development conditions in East Africa. This is because energy leads to provision of water, improvement of industrial and agricultural productivity, better health and education conditions and environmental sustainability. Majority of the East African people are based in the rural areas and lack adequate energy supply resulting in the use of fuel wood and charcoal. The urban areas are also affected since the urban poor lack adequate access to energy sources. Majority of EAC PS are energy deficient due to the untapped energy potential that exists in the region. Table 2.12 below shows selected energy indicators including the hydro-power generation capacities; electricity use per capita and electricity percentage share of GDP among the EAC Partner States. The generation capacities have not kept pace with energy needs of the region. Nevertheless, per capita energy usage is growing faster in Kenya compared to the rest of the Partner States.

Table 2.12: EAC Selected Energy Indicators

Energy source	Hydro-Power Generation (GWH)					
	2005	2006	2007	2008	2009	2010
States/ Years						
Uganda	1890	1629	1905	2176	2533	2819
Tanzania	1,778	1,436	2,512	2,649	3,290	.....
Kenya	3,039	3,025	3,592	3,267	2161	3224
Rwanda	116	168	165	72	-	-
Burundi	100	93	117	112	-	-
Electricity Use Per Capita						
Uganda		58.9	66.6	73.54	82.6	88.7
Tanzania	3.3	3	3	3	2.5	
Kenya	128.2	131.6	139	139.7	140.6	144.6
Rwanda	-	-	-	142	-	-
Burundi	22.6	19.6	24.2	23.4	-	-
Share of Electricity to GDP (%)						
Uganda	1.5	1.5	2.1	1.8	1.4	1.6
Tanzania	1.7	1.6	2.1	2	2.5	
Kenya	1.3	0.29	0.8	0.25	0.23	0.23
Rwanda	0.5	0.7	0.7	1	-	-
Burundi	-	-	-	-	-	-

Source: EAC Facts and Figures 2009, National Bureaus of Statistics Reports (Various)

2.7.3 Information, Communication and Technology (ICT)

Information and communication technology (ICT) is increasingly becoming the EAC Common Market's priority area in pursuit of economic growth and development among partner states. ICT is critical towards socio-economic and political developments in the region. In addition, ICT is considered as a channel through which the EAC common market will improve global access of her people and competitiveness of goods and services from the region. Articles 89, 99 and 103 of the EAC Treaty highlight the EAC quest to improve ICT to foster efforts towards economic development.

Table 2.13 shows internet use and mobile subscriptions has been growing in East Africa. Comparatively, Kenya has the largest use and subscriptions respectively followed by Uganda and Tanzania. Rwanda and Burundi recorded low but increasing internet use and mobile subscriptions. The overall EAC internet use increased respectively from about 2.1 to 6.75 million and 9.7 to 39.7 million both from 2005 to 2008. The EAC-World share of internet use and mobile subscription improved from 0.2 to 0.4 percent and 0.4 to 1 percent respectively over the same period. Except for Uganda and Rwanda that experienced growth in share of Africa internet use, Tanzania, Kenya and Burundi experienced declines in 2008.

Table 2.13 Internet Users and Mobile Phone Subscription in EAC

Country	Internet Users						Mobile Phone Subscription					
	(thousands/percentages)						(thousands/percentages)					
	200	200	200	200	200	201	200	200	200	2008	2009	2010
Uganda	500	750	1,125	2,50	....	....	1,315	2,82	5329	8,723	9,618	13,155
Tanzania	384	390	400	520	....	....	3,39	5,767	8,32	13,007	....	....
Kenya					1,00	2,09		7,34	11,34		19,365	24,969
	310	753	795	867	4	8	4,612	0	9	16,304		
Rwanda	50	100	200	300	....	....	223	314	635	1,323	....	...
Burundi	40	50	55	65	....	....	153	200	270	481	....	....
East Africa	2,08	3,96	4,78		....	....	9,69	15,63	24,77		....	....
	5	0	0	6,745			3	0	3	39,668		
Africa Total	16,0	22,0	27,0	45,0	....	....	88,0	130,	174,0	246,00	...	....
	00	00	00	00			00	000	00	0		
World Total	1,036	1,159	1,393	1,611,	....	....	2,217	2,756	3,35	4,012,0	....	...
	,000	,000	,000	000			,000	,000	4,00	00		
									0			
EAC and Partner States World and African shares (Percentages)												
EAC-	0.2	0.3	0.3	0.4	....	....	0.4	0.6	0.7	1.0	....	...
EAC-	13	18	18	15	....	....	11	12	14	16	...	....
Uganda-	3.1	3.4	4.2	5.6	....	....	1.5	1.5	2.4	3.5	....	....
Tanzania	2.4	1.8	1.5	1.2	....	....	3.9	4.4	4.8	5.3	....	....
Kenya-	6.9	12.6	11.1	7.5	....	....	5.2	5.6	6.5	6.6	....	....
Rwanda-	0.3	0.5	0.7	0.7	....	....	0.3	0.2	0.4	0.5	...	...
Burundi-	0.3	0.2	0.2	0.1	....	....	0.2	0.2	0.2	0.2	...	...

Source: National Bureaus of Statistics, World Bank (WDI) and International Telecommunications Union (ITU) Statistics 2010

2.8 Social Sector Development

Annex 4 summarizes the status of MDGs achievements against the target/indicator commitments by the year 2015. Substantial progress across the five Partner States have been made towards the achievement of MDG 2, 3 and 4, the EAC and the set targets indicators are likely to be met by 2015. The region as a whole is committed to meeting the MDG targets. The proxy for poverty reduction under MDG 1, youth employment (aged between 15 to 24 years), in the EAC region is high ranging between 59 per cent and 76 per cent. EAC is working towards self reliance in food production and consumption and hence improving food security, and possibly achieving the envisaged indicator of halving poverty by 2015.

The goal on Universal Primary Education (MDG 2) has been surpassed by all the member states. The primary school enrolment has improved among EAC partner states from 2006 to 2010 ranging from 118 to 120.2 per cent in Uganda; 108 to 110.2 per cent in Tanzania. For Kenya, Rwanda and Burundi, primary school enrolment declined in 2010 to respectively 111.5 per cent, 150.9 per cent and 135.6 per cent. However, in the EAC region, Rwanda and Burundi have the highest enrolment levels.

Immunization against polio as a proxy for MDG 4 confirms that larger populations of children are immunized in Kenya, Tanzania, Rwanda and Burundi ranging between 77 per cent and 90 per cent between 2006 and 2008. Uganda's immunization levels remained at a constant level of 68 per cent over the same period. The mortality rates of children less than 5 years old have been declining between 2006 and 2009 but highest in Uganda though declining from 136 to 128 deaths per 1000 deaths. In Tanzania, the deaths declined from 119 to

108 deaths, Kenya 91 to 84 deaths, Rwanda 131 to 111 deaths, and Burundi 170 to 166 deaths. The declining trends of the child mortality rates should be maintained by partner states in the quest to reduce child mortality.

In 2006, (under MDG 6) the maternal deaths per 100,000 deaths in Burundi stood at 608 compared to those of Rwanda standing at about 750 deaths, Kenya's maternal deaths decline from 414 to 410 in 2006 and 2009 respectively. Uganda's maternal deaths stood at 435 while Tanzania's declined from 580 to 577 deaths in 2009. The total fertility rates (TFR) have consistently declined in all the partner states. Uganda's TFR declined from 6.5 in 2006 to 5.9 in 2010. In Tanzania, it declined from 5.6 to 5.3, in Kenya 4.7 to 4.5, Rwanda 6 to 5.1, and Burundi 6.3 to 4 in 2010.

While the EAC is working towards sustainable economic growth and development, fostering global partnerships remains a priority to the Partner states. Article 130 of the EAC Treaty underscores the EAC's commitments to cooperate with other regional economic communities, international organizations and development partners. These global partners include the Africa Union, the United Nations Organization and its agencies, bilateral and multilateral development partners. In seeking partnerships with these critical stakeholders, partner states aim at accelerating the pace of economic growth and development in East Africa which is the ultimate objective of the EAC. Global partnerships can be fostered through technological development.

MDG 8 achievements in terms of total debt service, internet use and mobile cellular subscriptions show consistent positive results. The region's debt service levels have been declining. Burundi has the highest debt service level which declined from 40 per cent to 28 per cent from 2006 to 2008. Internet usage has been increasing in Kenya, Uganda and Rwanda but has remained stagnant in Tanzania and Burundi. Mobile subscriptions have also been increasing in the region with highest performance experienced in Kenya, Tanzania and Uganda at 42, 31 and 27 people per 100 people respectively. Rwanda and Burundi also recorded remarkable improvements recording 14 and 6 people per 100 people respectively in 2009. The performances however show that EAC still has a potential in technological advancement. Technological development still remains a high potential area for EAC industrial development. This is an area where global partnerships will play a critical role.

2.9 Cross-cutting Issues

The cross-cutting issues of gender equality, health and sustainable utilization of natural resources forms cardinal objectives of EAC which in part is being monitored at partner state level through achievements of MDGs (Table 2.14). Rwanda is leading in terms of Gender Equality and Empowerment of Women (Goal 3). The proportion of women parliamentarians has increased from 49 to 56 per cent for Rwanda; Uganda 30 to 31 per cent; Tanzania 30 to 32 per cent; and Kenya 7 to 10 per cent 2006 and 2010. Burundi's women parliamentarians were constant at 31 per cent.

The EAC is working towards better access to medical services so that the effects of HIV/AIDS, malaria and TB diseases (MDG 6) on economic growth and development are reduced. The HIV/AIDS prevalence in Uganda, Rwanda and Burundi remained at 6 per cent, 3 per cent and 2 per cent respectively between 2006 and 2008. In Tanzania, HIV/AIDS prevalence declined from 7 per cent in 2006 to 6 per cent in 2008. Similarly, the prevalence on the incidence of tuberculosis in EAC has been declining. In Uganda, the incidence per 100,000 people declined from 350 in 2006 to 310 in 2008. In Tanzania, Kenya, Rwanda and Burundi during the same period, it declined respectively from 200 to 190, 370 to 330, 410 to 390 and 380 to 360. This is an indication of the EAC success in mitigating the spread of HIV/AIDS and Tuberculosis. Nevertheless, access to medication by the infected East Africans should be sustained to guarantee them longer and happy living.

One of the objectives of the EAC in article 5 (c) of the Treaty is collaboration among partner states towards maintenance of sustainable utilization of natural resources and protection of the environment, which is consistent with MDG 7. The forest cover among some EAC partner states has declined greatly below the United Nations benchmark of at least 10 per cent or more forest cover in a country. Tanzania, Rwanda and Uganda are

the countries in East Africa with over 10 per cent of forest cover. Kenya and Burundi have the lowest forest cover which remained at 5-6% between 2006 and 2008. The region therefore should collaborate in the restoration of forest cover. Kenya has embarked on an ambitious program to plant trees in Kenya's major water catchment areas including Mau, Aberdares and Mt. Kenya forests. Article 111 of the Treaty underpins the need for cooperation and partnerships in the management of the environment and the natural resources. This is more critical now in the current period of adverse climate changes.

Table 2.14: Millennium Development Goals (MDGs) for Cross-cutting Issues

MDGS	Indicator	Partner State	2006	2007	2008	2009	2010
MDG 3: Promote Gender Equality and Empower Women	Proportion of seats held by women in national parliaments (%)	Uganda	30	30	31	31	32
		Tanzania	30	30	30	30	31
		Kenya	7	7	9	10	10
		Rwanda	49	49	56	56	56
		Burundi	31	31	31	31	31
MDG 6: Combat HIV/AIDS, Malaria and other diseases	HIV/AIDS prevalence (% of population aged 15-49)	Uganda	6	6	6	-	-
		Tanzania	7	6	6	5.7	5.7
		Kenya	5	8	7	-	-
		Rwanda	3	3	3	-	-
		Burundi	2	2	-	-	-
	Incidence of tuberculosis (per 100,000 people)	Uganda	350	330	310	-	-
		Tanzania	200	190	190	-	-
		Kenya	370	350	330	-	-
		Rwanda	408	397	387	376	-
		Burundi	380	370	360	-	-
MDG 7: Ensure Environmental Sustainability.	Total Forest Cover (sq. kms)	Uganda	36,726 (18%)	36,726 (18%)	36,726 (18%)	-	-
		Tanzania	353,919 (39%)	353,919 (39%)	353,919 (39%)	335,000 (33.3%)	335,000 (33.3%)
		Kenya	19,413 (6%)	19,413 (6%)	19,413 (6%)	-	-
		Rwanda	21%	6,549 (22%)	8,956 (30%)	-	-
		Burundi	4,460 (6%)	4,424 (5%)	4,424 (5%)	-	-

Source: EAC Facts and Figures, Human Development Reports and World Development Indicators 2010

3 ASSESSMENT OF ACHIEVEMENTS OF THE 3RD EAC DEVELOPMENT STRATEGY (2006-2010) AND THE CHALLENGES EXPERIENCED

3.1 Key Integration Pillars

The priority areas of intervention the strategy identified during the period 2006-2010, were in line with the broad goals of consolidating and completing the EAC Customs Union; establishing the Common Market; and laying the foundation for Monetary Union and an E.A Political Federation; enhancing the productive capacities and infrastructure development; capacity building and institutional development and wider stakeholder empowerment and involvement.

While substantial achievements have been recorded as highlighted under the different sectors in this chapter, there were overarching challenges towards the achievements of the set objectives which include budgetary constraints; mismatch between regional and Partner state development planning; and inadequate national level capacities to domesticate regional policies. Other challenges include supply side constraints; weak legal, regulatory and dispute settlement mechanisms and requisite powers for EAC to enforce Community obligations and decision; weak institutional infrastructure and inadequate enforcement machinery and sanction mechanism; and lengthy decision making systems and processes. Critical private sector constraints include limited supply capacities to take advantage of the available regional preferential market access; and under-developed regional infrastructure. The general public sector challenges relate to lack of timely and reliable regional statistics coupled with a weak information sharing culture among Partner States.

3.1.1 EAC Customs Union

(a) Achievements

The principle objective of the CU (Article 75(5), which came into effect in 2005, is to deepen the integration process through liberalization and promotion of intra-regional trade; promotion of efficiency in production in response to intra-region competition among businesses, enhancement of domestic, cross border and foreign investment and promotion of industrial diversification with a view to enhance economic development. Against these set targets, steady progress has been recorded in the implementation of a common external tariff; Rules of Origin and standards and gradual elimination of internal tariffs. Other complementary achievements include establishment of key institutions, systems, instruments, a legal framework (EAC Customs Management Act), conclusion of the regional Competition Act (2006), policies and strategies; promotion of EAC as a single investment area and initiation of common trade policy frameworks and reviews (WTO trade policy review, FEPA, TIFA); and expansion of the membership of the community to include Rwanda and Burundi.

The outcome of EAC CU has resulted in diversification of product range, improved market access, and business activities for the region's SMEs; increased awareness of EAC integration agenda (90% awareness, 75% positive rating); common external trade policy starting with negotiation of EPA and AGOA investment as a block; accessibility to cross-border resources and FDIs; wider stakeholder involvement and enhanced government revenues. The Customs Union has also led to improvement of EAC intra-trade performance between 2006 and 2008. Intra-EAC total trade increased from US\$1,979.2 Million to US\$3,339.4 Millions during this period. Exports increased from US\$1,084.9 Million to US\$1,902.9 Million in the same period, while imports increased from US\$874.3 Million to US\$1,436.5 Million. EAC therefore experienced a trade surplus which increased from US\$411.4 Million to 466.4 Millions.

(b) Challenges

While the business community is generally optimistic about the CU business climate including expanded opportunities for doing business, in the interim however, there is apprehension with regard to cumbersome

customs administration; inappropriate trade facilitation; inadequate revenue management; inappropriate customs trade partnership; inadequate human and capital resources; slow pace in the elimination of NTBs; delays at national level for the implementation of regional commitments including operationalisation of the competition act; continued loss of government revenues; inappropriate Duty Remission Regulations and the Rules of Origin; trade challenges from multiple memberships; and poor state of infrastructure. Others include inadequate relationships with the private sector and international organizations; weak legal, regulatory and dispute settlement mechanisms; high derogation of CET; and inappropriate harmonization and application of Rules of Origin.

3.1.2 EAC Common Market

(a) Achievements

The key achievement under the Common Market is the successful conclusion of the negotiation, signing and ratification of the EAC Common Market Protocol. The strategic thrust of the CM Protocol is that of enhancing and institutionalizing the guaranteed provisions in the Protocol through harmonization of policies, legal and regulatory framework and establishment of supportive institutions to facilitate private sector investments, efficient and effective service delivery and wide stakeholder involvement.

In addition to the Partner State autonomous liberalization the SAPs and the WTO offers; the preparatory process for the implementation of the EAC Treaty has resulted in the achievements of gradual currency convertibility and macro-economic convergence; adoption of common travel documents, work permits and fees for education, tourism, etc; common negotiating frameworks; substantial progress in harmonization of academic and professional qualifications; free movement of capital and harmonization of transport facilitating instruments.

This has resulted in increased cross border student exchange, alternative methods of mobilizing additional development resources from the stock markets, joint sporting activities including interuniversity sports, free movement of natural persons and labour.

(b) Challenges

A number of challenges stand in the way of realizing the full benefits of the Common Market. These include inadequate institutional, national and regional level capacities to domesticate regional policies and information access; low levels of awareness across Partner States; inappropriate legal and regulatory frameworks, continued nationalistic tendencies, weak private sector, differences in education systems, cultural diversities, language barriers, differences in level of economic development including limited participation of the various stakeholders; weak capacities of implementing agencies; inadequate safeguard measures and dispute settlement mechanisms; incomplete harmonization of examination and certification; inappropriate labour policies and legislation; weak urban planning policies and disparities in intra-regional trade.

3.1.3 EAC Monetary Union

(a) Achievements

Serious negotiations of the EAC Monetary Union Protocol commenced in January 2010. Nevertheless, substantial progress in the 1st ten years has been recorded in terms of Partner States currencies convertibility; approximation of banking rules and regulations; harmonization of fiscal and monetary policies and trading practices and regulations in the Stock Exchanges.

(b) Challenges

Nevertheless, the challenges anticipated during the negotiations of the EAC MU include fears of impacts of a single currency; limited national and regional capacities; divergent socio-economic policies and structures; and disparities in political views and commitments; inadequate manpower, capacity and skills and inappropriate legislative and institutional frameworks for managing a robust financial sector. In addition, there is high degree of vulnerability to adverse external effects given that Partner State external debts are unsustainable. There is also the lack of safeguards for the country specific problems that are subsequently transferred to the entire region.

3.1.4 Political Federation

a) Achievements

The principles underpinning the EAC political integration include harmonization and coordination of regional policy frameworks with regard to good governance, democracy, peace and security, defence, human rights and social justice, international relations. Peace and security are pre-requisites to economic and social development within the Community. The key achievements in the last ten years include the establishment of the cardinal regional institutions (Parliament, Court,) linked to national frameworks. The institutionalization of regional mechanisms and programmes for early warning and disaster preparedness, Conflict Prevention Management and Resolution (CPMR), refugee management, combating proliferation of illicit small arms and light weapons is ongoing; Fora such as the EAC Forum of Electoral Commissions; Forum of National Human Rights Commissions; Anti-Corruption/Ombudsman agencies, and Forum of Chief Justices. The Nyerere Centre for Peace research has been established to spearhead research on matters of peace & security, governance and foreign policy coordination all being key pillars of political integration. A number of protocols are due to be completed including the Protocol on combating and preventing corruption and the Protocols on Good Governance; Peace and Security; and on Cooperation in Defence are all at different and advanced stages. The Protocol on foreign policy coordination was adopted and is undergoing ratification. Full implementation of the Memorandum of Understanding on Cooperation in Defence on areas including joint trainings, military exercises, joint operations, technical cooperation, and visits/exchange programmes

(b) Challenges

One of the major drivers to attaining political integration remains the maintenance of political will and commitment as well as flexibility, good governance practices, political responsibility and creating a conducive environment for enforcement of regional policies. It also includes building cohesion and unity in management of international relations and pursuit of mutual interests on the international arena. However, governance challenges including inadequate capacity and financial resources, weak institutions, slow implementation of policies, slow law and constitutional reform processes, sovereign sensitivities and lack of clarity on the type of federation EAC is to embrace still hold the pace of integration.. There is also need to nurture the culture of democracy, and embracing electoral competition in a mature, consensual and non-adversarial spirit among all players. The differences in electoral cycles and political systems are likely to be exacerbated by insecurity associated with terrorism and piracy, continued political instability in the region, wide spread trade in small arms.

Fostering and maintaining an atmosphere that is conducive to peace, security and stability is likely to be affected by slow process of developing and adopting legal and policy frameworks for CPMR; sluggish implementation of SALW control programmes; inappropriate measures for combating terrorism; un-harmonized IDP and Refugee management practices; and slow implementation of joint measures to combat cattle rustling. Difficulty in subsuming defence activities, especially those which involve some classified action, into the EAC institutional arrangements; Difficulty in attracting external support for Defence Sector activities, which are highly classified and cannot easily attract external support, hence hampering implementation of the objectives of the Defence Sector.

3.2 Social Sectors

3.2.1 Health

(a) Achievements

Improvement in the quality of life and social well being of the East African people depends on the provision, affordability and access to good health services for the prevention and control communicable and non-communicable diseases, including HIV & AIDS.

The key achievements include the strengthening of regional cooperation and integration in the health sector through the harmonization of national policies, legislation, strategies, standards, guidelines, databases and regulatory systems. Among the policies harmonised are pharmaceutical policies, food safety and quality policies, and disease surveillance, university medical and dental schools curricula, sexual and reproductive health policies. These were geared towards enhancing provision of regional health services, cross-border disease prevention and control.

(b) Challenges

The Partner States share a common regional disease profile whereby various communicable and non-communicable diseases continue to cause high morbidity and mortality rates. The challenges in the delivery of health services in the region include weak institutional coordinating frameworks; inadequate financial and human resources; lack of harmonised and coordinated interventions at cross-border areas; inadequate insurance cover; limited access to essential medicines and quality services; and weak M&E systems. Moreover, public health laboratory diagnostic capacity for priority diseases and networking is weak at both regional and national level.

Other challenges include weak coordination and harmonization of health policies and strategies for the region and monitoring regional and global commitments for health and HIV&AIDS; fragmented medical research and training on communicable diseases; and inappropriate mainstreaming of health related issues into regional and national strategic plans.

3.2.2 Education, Science and Technology

(a) Achievements

Education is a critical sector whose performance directly affects and determines the equality and magnitude of the Community's development. It is the most important means to develop human resources, impart appropriate skills, knowledge and attitudes. The main achievements under the education sector is the production of revised criteria in indemnifying Centres of Excellence, carrying out a successful study on the Regional Situation Analysis (SITAN) on the education sector response to HIV and AIDS, developing Regional strategies for a five year operational Development Plan and a Resource mobilization Strategy, conducting annual essay writing competitions, carrying out the Regional study on the harmonization of the EAC Education systems and training curricula, developing protocols and bill establishing the East African Science and Technology Commission.

(b) Challenges

The human resource development initiative is being challenged by lack of a Regional Science and Technology Policy; inadequate mechanisms for regional collaboration and networking on research and technology development and innovations; duplication of efforts on HIV/AIDS research and constrained sensitization on

HIV/AIDS; incomplete reform and harmonization of East African Education systems; and lack of an institutional framework for reforming examinations, certification and accreditation.

3.2.3 Gender, Community Development and Empowerment

(a) Achievements

The overall objective of mainstreaming gender and community development issues in the EAC policies, strategies and programmes towards the attainment of sustainable economic growth and human development. Achievements towards this noble objective during the 3rd development strategy have been achieved through laying the foundation for an EAC Social Development Framework; policies for youth and people with disabilities; strategic plans for youth, gender, children, community development and social protection; regular evaluation of the attainment of MDGs in the EAC; implementation of a multi-sectoral approach of social development;

(b) Challenges

The thrust of the challenges encountered in the implementation gender and community development include weak regional institutional framework; inadequate resources for the implementation of the Sectoral Priorities; and lack of a Sectoral Council for setting policy directions for the implementation of sector projects and programmes as well as inadequate "Participation of the Citizenry (civil society, women, youth, and private sector) and limited mainstreaming gender issues into regional programming.

3.2.4 Labour and Immigration

(a) Achievements

The labour conditions envisaged in the CM have partially been implemented within the context of the CU. Other achievements made cover harmonization of labour policies and legislation, procedures for issuance of entry/work permits; adoption of the necessary legal framework for the issuance of IDs to Uganda and Tanzania nationals; and adoption of regional passport. Other achievements include harmonization of policies for employment creation and productivity improvement; and development of an East African Human Resource development and Utilization strategy.

(b) Challenges

The critical challenges in improving labour and immigration conditions include disparities in the implementation of the labour, social security and immigration policies and strategies; resource constraints; and lack of capacity and institutional structures to monitor and oversee the implementation of the agreed regional decisions, policies and strategies; and the requisite statistics for planning and policy decision purposes.

3.2.5 Culture and Sports

(a) Achievements

Culture and sports promises to diversify opportunities for the youth in particular to earn a living from talent, create avenues for good health, entertainment and regional cohesion. The achievements in culture and sports include development of the EAC Symbols of Cultural Identity in particular, the EAC Anthem; establishment of the EAC Kiswahili Commission and the Culture and Sports Commission.

(b) Challenges

The initiatives to leverage the region's cultural diversity for socio-economic likely to be hampered by inadequate institutional infrastructure and funds to implement sector plans and programmes; poor coordination of sector interventions; policy limitations in tapping into talent and diverse cultures; inadequate collaboration between EAC and regional and international organizations; poor development of culture and supports infrastructure / facilities; and limited private sector involvement in promotion of culture and sports.

3.3 Productive Sectors

The productive sectors are the cornerstones of the livelihood of the EAC people. These sectors employ the majority of the East African People and can be transformed into fostering the region's quest for sustained economic growth and development. Consequently, the strategies for developing the productive sectors are meant to create the requisite opportunities for enhancing the welfare of the people of East Africa through improved competitiveness, regional and global integration.

3.3.1 Agriculture and Food Security

(a) Achievements:

The regional strategic interventions of enhancing supply capacities in agriculture entailed identifying high value agricultural sub-sectors for which the region has a competitive advantage and capitalize on investments that can facilitate Partner States to transform their respective economies. Others include the development of an EAC Strategy Plan on agriculture and Food Security; harmonization of regional policies; regulations, SPS, and pest control standards; development of regional programmes on bio-safety and bio-technology, trans-boundary disease control and emergency preparedness; formulation of special trade regime on SME cross border trade and the prioritization of agriculture sector within AU framework; and strengthening of national Agriculture/Livestock institutions, farmers, traders and processors associations.

(b) Challenges

The challenges in the agricultural sector include inadequate productive capacities, weak legal and regulatory policies, inadequate and ill equipped extension services; inadequate resources allocated to the agricultural sectors; high input costs, high food insecurity, non-functional marketing and related support institutions, fragmented research; limited competition and commercialization of the agricultural sector, low value addition, low productivity and entrepreneurship, limitations of the transport sector, land policy usage, limited irrigation applications, technology adaptation and innovation; poor coordination across the different stakeholders, cross border trade and inadequate human and financial resources for programme implementation and adaptation.

3.3.2 Environment and Natural Resources Management.

(a) Achievements

Sustainable Development is the ultimate aspiration of the EAC partner states. Restoration and protection of the environment and natural resources opens the door to sustainable socio-economic development in East Africa. The Protocol on Environment and Natural Resource Management provides for joint actions to address climate change. Achievements recorded in the 3rd development strategy include development and harmonization of regional and national policies and legislation on environment; implementation of environmental assessment guidelines for minerals and shared ecosystems; and development of climate change policy and master plan; policy harmonization of regional and continental level bio-safety; and institutionalization of joint participation of EAC in International Treaties and Conventions.

(b) Challenges

The challenges in the promotion of value addition, productivity and competitive agricultural supplies and natural resource include lack of compliance with environmental laws; inadequate environmental information; weak environmental regulations; lack of laws and regulations on transparency; lack of enforcement mechanisms and of application of the existing regulation on sanctions; underdeveloped capacity for integrated environmental assessment, education and reporting; poor information sharing on trade in illegally harvested forest products; poor promotion and inadequate protection of indigenous/traditional knowledge of biological resources and eco-systems; inadequate human and financial resources; and inadequate value addition to natural resources. In addition, challenges faced include lack of effective legislation and inadequate funds and services for municipal waste management; low priority given to solid waste management; inadequate facilities for sanitary disposal of waste water; constant breakages and leakages of sewerage system due to increased discharge to fixed systems and inadequate sanitation facilities. Kenya's and Burundi's forest cover stands at respectively 6 and 5 per cent below the internationally required threshold and poses environmental and resource management challenges in East Africa.

3.3.3 Industry and Micro, Small & Medium Enterprises (MSME) Development

(a) Achievements

The development of vibrant and robust industrial base will accelerate the pace of economic growth and development in the EAC region. In order to lay a firm foundation for industrial development in the region (as articulated in articles 79 and 80 of the EAC Treaty), and in keeping with the commitments at continental level, the Community has formulated a Draft EAC Industrialization Policy and Strategy. The EAC CU and CM Protocols constitute the critical milestones of the industrial policy whose mission is to create market driven, regionally and internationally competitive industrial sectors based on comparative and competitive advantages of Partner States. At policy level, the EAC draft Industrial Policy and Strategy (for the period 2010-2030) under preparation prioritizes key sectors targeting flagship industries with strong forward and backward linkages.

Within the framework of the CU since 2005, the harmonization of the policy, legal and regulatory frameworks have to a large extent lead to expanded trade and investment opportunities. Intra-regional trade though dominated by agriculture products now accounts for 11% with potential for further increase. Cross border investments stood at US\$ 265,000 in 2006 and US\$ 750,000 by 2009.

Other achievements were the development of a draft framework for fostering cooperation in technology acquisition, development, transfer; and commercialization of innovations; IP frameworks; formulation of a framework for mainstreaming cleaner and resource efficient production in industries; and in collaboration with UNIDO, formulation of a programme on upgrading and modernization of the SME businesses in the region.

(b) Challenges

The industrial capability in EAC is weak and faced by various challenges that have slowed its transformation. The manufacturing sector in the region contributes less than 10% of GDP, and is characterized by limited value addition which is highly concentrated in agro-processing activities. The Micro, Small and Medium Enterprises (MSMEs) which form the bulk of the industrial sector by establishments, and contributes to more than 60 percent employment, has the potential of addressing the development needs of the region such as poverty reduction, technological innovation, economic linkages and reduction of disparities in regional development if well mainstreamed into the formal economy.

Other challenges include weak supply capabilities; less than adequate policy and regulatory frameworks; inadequate entrepreneurship; low capacity utilization; fragmented and underdeveloped regional capital markets, weak industrial synergies limiting exploitation of economies of scale in production; lack of coordination between private and public sector initiatives; weak information and institutional support framework; energy and infrastructural bottlenecks; slow pace of technological absorption due to weak research and technological capabilities; incoherent policies on value addition; inadequate skills for specific industries, particularly at technical and technician levels; and unfavourable business environment including counterfeiting; and lack of financial schemes to support investment into industrial sector. In addition, there is inadequate scope in responding to impact of globalization and international politics; low savings; limited private sector participation and/or investments and FDI inflows; low industrial productivity; and severe occupational health and safety measures.

3.3.4 Tourism and Wildlife

(a) Achievements

As a step towards maximizing benefits from sustainable tourism and wildlife resources, the Protocol on Tourism and Wildlife Management, the Tourism Marketing Plan and Strategy were concluded in 2006/2007. The region is now being promoted as a single tourism and wildlife destination including joint participation in at the World Travel Markets (WTM). The success of the tourism sector has benefitted from immense private sector investments in hotels, transportation, marketing and product development and dedicated government efforts in conservation. Other benefits have come from a Standard Criteria for Classification of Hotels and other facilities; identification of three Centres of Excellence and the finalization of the Protocol and Operational Manual. Overall, tourists visiting EAC increased from 3.030 million in 2006 to 3.408 million in 2008.

(b) Challenges

The challenges the sector has experienced include narrow range and poor tourism products; inadequate and inefficient infrastructure; insecurity; negative adversaries from source markets and stiff competition from relatively cheap destinations. In addition, there is inadequate financial and human resource; absence of harmonized policies and strategies; uncoordinated joint international tourism promotion and participation in fairs and exhibitions and lack of common approach to implementation of international and regional treaties or agreements. Inadequate Research and Development and underdeveloped framework for e-commerce continues to hamper the development of the tourism and wildlife sector.

3.3.5 Investment Promotion and Private Sector Development

(a) Achievements

Private sector roles and operations are increasing in scope, following the redefinition of the roles of government to reduce its direct engagement in business operations. The private sector has been a key player and beneficiary of the CU and its role will expand within the CM framework. The main achievement was the development of the regional Private Sector Development (PSD) Strategy. In addition, each Partner State has put in place measures to enhance the participation of private sector in development. Avenues for increased private sector participation have been integrated in all sectors of the economy and private sector enterprises are investing in the communities through Corporate Social Responsibility (CSR). As a result, investments to the EAC region have improved significantly. The FDI inflow total to the EAC region increased from US\$1,323 billion in 2006 to US\$1,714 billion in 2009. On the other hand, FDI stock also increased from US\$9.33 billion in 2006 to US\$14.866 billion in 2009.

(b) Challenges

The constraints affecting PSD in the region include: lack of harmonized policies at macro-economic and sector specific levels; weak institutional framework for private sector coordination and governance; limited access to financial resources particularly for SMEs; poor infrastructural support services. Other challenges include: tight fiscal and monetary policies; un-harmonized tax regimes, restrictive legal and administrative regimes, prevalence of NTBs, lack of capacity of the private sector to act as engine of growth.

3.4 Infrastructure Development

The Development Strategy (2006/2010) posited that the EAC regional integration agenda would be supported by the development of adequate and reliable supporting infrastructure in transport and communications. This would be achieved through improvement and expansion of the existing transport and communication links; and establishment of new ones as a means of furthering the physical cohesion of the Community.

3.4.1 Roads

(a) Achievements

The cardinal objective of road development is the improvement of connectivity and operations across the region to facilitate business and encourage investment at national and regional level. The key achievements include the establishment of road agencies and road funds; the construction of the flagship projects for Arusha – Namanga – Athi River Road; the preparation of an EAC Transport Strategy and Road Sector Development Programme; the development of a framework for harmonization of policies and regulations in the road sector; the establishment of a one stop border post at Namanga operating on a 24-hour basis and the prioritization of key regional roads within national programmes. The incorporation of roads projects for Rwanda and Burundi in the regional road network was also accomplished.

(b) Challenges

The key challenges to development of the regional roads arose from disconnect between regional programmes and national priorities; disparities in transport regulation; lack of applications of international road standards; limited private sector involvement in road infrastructure development; poor maintenance standards and stress on road transportation for goods leading to early failure. Other challenges are insufficient resources to carry out feasibility and detailed design studies; poor road safety enforcement standards; complicated procurement systems leading to long gestation periods; high and fluctuating costs of construction; lack of capacity of local contractors to design and deliver durable roads, limited integration of road transport to other modes of transportation; Low absorption capacity of development loans; inadequate data for planning purposes and existence of non tariff barriers.

3.4.2 Railways

(a) Achievements

The improvement of railway transport was meant to maximize benefits from an efficient railways system. The Partner States have reached different stages in the restructuring of the railways infrastructure. Towards this end the key achievements included the restructuring of the railways services through concessioning; the preparation of the EAC Railways Master Plan complemented by national plans; the studies on a new railway line linking the port of Dar es Salaam to Burundi and Rwanda; and the initiation of studies to modernize the existing railway network.

(b) Challenges

The challenges to railways development remain the high cost of capital required for investments in the sector; the limited coverage of the rail infrastructure and the lack of local capacity to negotiate and draw appropriate legal contracts for concessions. Other constraints included lack of funds to implement the East African

Railways Master Plan and the absence of a regional railways regulator to set operations and safety standards for rail concessions.

3.4.3 Maritime and Inland Waterways Transport

(a) Achievements

The East African region has the availability of navigable water resources with the most prominent being the Indian Ocean and Lake Victoria hence the need to have safe and secure maritime operations. This initiative has been partly achieved through reduction of cargo dwell time at the sea ports; establishment of the Lake Victoria Basin Commission (LVBC) to manage transport on the Lake Victoria; the preparation of an Inland Waterways Transport Agreement; development of the Protocol for Sustainable Development of the Lake Victoria Basin; and capacity enhancement of national maritime institutions.

(b) Challenges

The coordination and harmonization of maritime transport has been affected by congestion and delays at the sea ports; under utilization of the waterways; piracy and terrorism and complex freight clearance procedures; inadequate berthing facilities at ports; inadequate storage facilities and inability of ports to accommodate larger post-panamax vessels; inadequate inter-modal transport systems; inadequate technical personnel; lack of Maritime Search and Rescue coordination Centre for inland lakes; and lack of regional systems for preparedness and response to accidental marine pollution.

3.4.4 Civil Aviation and Airports

(a) Achievements

The main achievements of civil aviation as one of the avenues to enhance regional connectivity included the easing of flight connectivity within the region and the rest of the world; establishment and operationalization of the East African Civil Aviation Safety and Security Oversight Organization (CASSOA); initiation of the liberalizing of civil aviation activities and harmonization of the EAC Civil Aviation Regulations; development of the Search and Rescue Agreement; preparations for the establishment of the Unified Upper Flight Information Region (UFIR); implementation of the Global Navigation Satellite System (GNSS) for selected EAC Airports; and the development of the 5-year plan of Priority Airports in the region.

(b) Challenges

The challenges in the civil aviation sector related to incomplete integration and harmonization of EAC Civil Aviation systems, divergent programmes and projects; partial liberalization of Civil Aviation activities; lengthy and expensive procurement systems; inadequate technical personnel especially in the areas of Air Accident Investigations, Flight Safety and Airworthiness Inspection; shortage of pilots; perceived insecurity in the Great Lakes Region and large capital requirements limiting investment in air transport; and limited mandate and capacity of CASSOA to carry out oversight roles.

3.4.5 Meteorology

Delivery of meteorological services including application of weather and climate products remains national though harmonization of policies is better handled regionally. The application of weather, climate and hydrological information and related services helps improve the safety and well-being of people and reduce damage to property, reduce poverty, improves safety of the transport sector and helps in monitoring and protecting the environment for future generations. Studies have shown that up to 60 per cent of all economic

activities are weather sensitive. Further, studies have also shown that over 90 per cent of all natural disasters are weather and climate related. Meteorological services therefore play a leading role in disaster risk reduction.

(a) Achievements

Meteorological services facilitate operations of air navigation, ocean and maritime services navigation, coastal shipping, inland waterways transport and issuing of warning against cyclone and other adverse weather conditions, hence the need for expanding and upgrading meteorological services.

Achievements were made in harmonization of meteorological policies; development of a common policy for data exchange; enhancement of capacities of meteorological services in support of sustainable development; establishment of the East African Meteorological Society; preparation of an agreement on a cost recovery strategy, development of a quality management framework for Aeronautical Meteorological Services and development of a Climate Change Master Plan.

(b) Challenges

The challenges have been inadequate investments in the meteorology sector due to budgetary constraints; inadequate capacity in climate analysis, seasonal/forecasting and meteorological observation; limited stakeholder involvement in uptake of meteorological products; inadequate meteorological infrastructure including observational, meteorological communication and computing facilities; high costs of infrastructure development, and inadequate automation in the provision of meteorological services.

3.4.6 Information, Communication and Technology (ICT)

(a) Achievements

Information technology and communication covers telecommunication, postal services broadcasting, internet services and information technology. EAC recognized the importance of ICT in meeting the challenges posed by globalization and facilitating the regional integration agenda. The overall aim of ICT development was to integrate ICT into the regional development. This has been achieved through the development of a regional framework for harmonization of ICT policies and regulations; the deployment of submarine cable networks to improve international connectivity; the preparation of a detailed feasibility study for the establishment of cross-border broadband networks; developing a regional legal framework for Cyber laws; preparation of a roadmap for the smooth transition from analog to digital broadcasting; and development of a strategy to reform the postal sub-sector.

(b) Challenges

The integration of ICT into socio-economic parameters is mainly constrained by inadequate ICT infrastructure and limitations on universal access as well as low ICT knowledge and skills; inadequate legal and institutional frameworks for electronic commerce, e-government and electronic security; low usage of ICT in business and services sectors operations; negative impact of globalization; poor spectrum management in the face of changing technology and inadequate preparation for the emergence of new technologies. Other constraints included lack of a regional ICT Master Plan; poor coverage of remote and rural areas; deficient frameworks for promoting Public-Private Partnerships in the sub-sector; and inadequacies of national ICT policies to enable them meet the challenges of a dynamic technological world.

3.5 Sector Support Programs

3.5.1 Legal and Judicial Affairs

(a) Achievements

The overall aim of legal and judicial affairs was to harmonize legal training and certification and encouraging the standardization of the judgments of courts within the Community. Governance and democracy has been the cornerstone of the political and economic reforms carried out in the region. Towards this end, a number of steps have been taken in approximation and harmonization of laws and policies including establishment of embodiment of regulations on migration, commercial laws, corruption, ethics, economic crimes and judicial service reforms in each of the Partner States.

(b) Challenges

The rule of law is a critical element in building strong institutions that are a prerequisite for economic growth and human development in East Africa. The cooperation in legal and judicial affairs for facilitating the EAC integration process is being challenged by un-harmonized laws, policies, regulations, procedures and standards; inappropriate provision of statutory advice and services to the Organs and institutions of the Community; weak legal, regulatory and dispute settlement mechanisms and requisite powers for EAC to enforce Community obligations and decisions; inadequate development and support for EAC's oversight role, financial, administrative and ICT systems; weak laws on non-discrimination to promote inclusion of women and disadvantaged groups in electoral and political processes; and inappropriate flow of information, transparency and accountability-with respect to corruption, ethics, integrity and civilian oversight.

3.5.2 Financial Management

(a) Achievements

The overall aim of financial management is to improve EAC's oversight role, financial and ICT systems. The key achievements realized included strengthening the finance function through recruitment of additional staff to manage donor funded projects; upgrading of the Sun System Accounting Software; training of Finance and Procurement staff on the upgraded Sun system and International Public Sector Accounting Standards (IPSAS); training of EAC professional staff in MTEF processes; and development of a comprehensive Financial Policy and Manual; and reviewing of workflow systems to enhance efficiency to the operations of the Community.

Financial management has been enhanced through legal sanctioning and approval by EALA and endorsement by PS Parliaments. In addition, the financial management has been enhanced further through regular and timely preparations of MTEF, audits and financial reporting. More importantly, the directorate has devolved the functions of accounting and budgeting to the Organs and institutions of the Community. Further institutionalization of Resource mobilization mechanisms and strategy will go a long way in addressing Community sustainability issues. The existing structure provides for the management of budgeting, expenditure and auditing processes. Regular overhaul of the financial systems to entrench best practice procedures and accountability have been undertaken.

(b) Challenges

The challenges pertaining to financial management were an unsustainable financing mechanism that leads to over reliance on development partners to fund EAC core activities; weak integrated Financial Management Information System (FMIS); disconnect between financial and monitoring and evaluation (M&E) systems; constraints in reliance on Partner State budgetary support to regional programming; rapid expansion that exerts much pressure on the limited financial and human resources; and delay in remittances of contributions by Partner States. This slows the achievement of the Community's objectives.

3.5.3 Human Resources and Administration

(a) Achievements

For the successful implementation of the EAC Development Strategy 2006-2010, it was critical that the mandates of EAC Secretariat, Organs and Institutions was rationalized further with a view to broadening and deepening their roles and responsibilities and empowering them with authority to take decisions that are binding to Partner States. This necessitated the restructuring exercises to realign the structure and functions with the expanding volume of activities under the Community. Other key achievements include; increased staff establishments; development of staff and financial rules and regulations; regular institutional assessments and implementation of outcomes; continuous skills upgrading; and MIS including the library for enhanced information dissemination and publicity; adoption and implementation of new terms and conditions of service

for EAC organs and institutions. In addition, a comprehensive institutional review process for all EAC organs and institutions commenced. Other achievements were the formulation of an EAC Governance Code; formulation of Staff Rules and Regulations (2010) and Procurement Guidelines; and the commencement of the construction of EAC headquarters.

(b) Challenges

The main challenges faced in finance and administration include inadequate staffing levels; lack of career progression; delayed implementation of performance contracts; absence of HR development and staff utilization strategy; disparities in the terms of service for the different staff cadres; lack of authority and legal empowerment to direct and implement regional activities from the centre; inadequate resources for staff training and development; and lengthy recruitment process; delays in implementation of anticipated reforms; inadequate capacity building programmes for EAC Organs, Institutions, ministries and focal points; weak MIS and M&E systems; lack of performance contracting; and overlapping functions within the directorate.

3.5.4 Monitoring and Evaluation (M&E)

(a) Achievements

Monitoring and Evaluation is an important element of economic development policy formulation and implementation which the EAC is committed to. A participatory M&E process ensures full execution of development programmes in the EAC towards the realization of the human development goals of the community. Under Monitoring and Evaluation, notable achievements include development and Operationalisation of the quarterly and annual reporting at the Directorate, Institutions and Organ levels, using standard and approved reporting formats; development of an EAC Monitoring and Evaluation Manual/ Handbook highlighting the basic principles and best practice of monitoring and evaluation in the context of EAC; finalisation of the mid-term evaluation of the EAC Development Strategy (2006-2010) assessing whether the objectives and the expected results were being achieved; shift towards result based reporting through development of a result based M&E system and strengthening of the capacity for monitoring and Evaluation through appointment of Focal Point Officers to coordinate and liaise with the monitoring and Evaluation unit.

(b) Challenges

The challenges encountered covered institutionalizing networked M&E systems at all levels of EAC and national coordinating ministries, including regular and timely progress reporting. Other challenges include building the requisite human and financial capacity for impact assessment and framework for following up the implementation of Summit and Council Decisions;

3.5.5 Harmonisation of Regional Statistics

(a) Achievements

Statistical development is key in research and development towards economic development policy analysis. Contemporary economic development policy analysis needs up to date statistics. The overall aim of statistical development is collecting and establishing a database that suits policy analysis demands in the region. The EAC Statistics Database phase II has been established in Kenya, Tanzania and Uganda. In addition, harmonisation of compilation practices in the key economic statistics has been initiated in a bid to improve comparability of statistics regionally and internationally with a view to harmonize statistics covering Balance of Payments, Foreign Direct Investments, Agriculture, Consumer Price Indices, and Exchange Rates. In addition, development and finalization of meta data and automation of the database underpinned by a web based application software, regular updating of the EAC Statistics website (www.statistics.eac.int) which disseminates basic regional socio-economic statistical data. Further, a web based database of the EAC Council of Ministers decisions and directives; and a web portal dedicated to statistics was developed and placed on the

EAC website to facilitate exchange of statistical data and disseminate the initiatives and programs being implemented by the statistics department.

(b) Challenges

The need for development of reliable and timely statistics which are critical for measuring progress on the EAC integration agenda is hampered by inadequate human and financial resources allocated to the statistics sector; incompatibility of statistical systems among member states; inadequate statistics at partner state levels for planning, policy analysis, monitoring and evaluation.

3.5.6 Corporate Communications and Public Affairs

(a) Achievements

The overall aim of promoting corporate communication and public affairs is to enhance EAC's image. EAC Corporate Communication Policy and Strategy development is in progress. The broad aim of the Communication Policy and Strategy is to make the EAC more visible than ever before. A comprehensive sensitization and awareness programme was prepared jointly by the Ministries responsible for EAC Affairs and the Secretariat. Activities have been identified that ought to be implemented at nation and regional levels, as well as those to be jointly carried out by all/or among the Partner States.

The Secretariat continued to maintain a robust Web Portal www.eac.int which has proved to be a resource centre on EAC integration and development issues. The Web Portal has sub-sites on all the key sectors of integration making it possible for different stakeholders to easily access information on the EAC. The publication of The Community monthly e-newsletter, as well as the operations of the EAC Media Centre has made it easier for the media in the region to interact with the EAC Secretariat. Congratulatory messages were sent to the Partner States for the peaceful and successful elections/referendum during the period under review. These and other activities focusing on economic integration, infrastructure and political affairs reflected the deepening EAC integration and received substantial media attention.

(b) Challenges

The rapid technological changes in the ICT industry dictates continuous upgrade the ICT infrastructure, both the hardware and software platforms. The main challenges are: implementation of Corporate EAC integrated Management Information Systems to allow automation of all manual processes at EAC and the integration of the existing applications. Aligned to this is implementation of an effective electronic information exchange between the EAC headquarters and Partner States. The ICT infrastructure should also be further strengthened to allow visual collaboration by introducing EAC Video Conferencing System to be installed initially at six locations, EAC-Arusha and EAC Ministries in all the Partner state capitals.

Dependence on electronic systems requires reliable backup setup and disaster recovery plans for all the mission critical systems. An adequate data centre at the EAC Headquarters with backup and mirrored sites, that incorporate a disaster recovery site, shall therefore be established to include all the required options. There will be need address this challenge by provision of adequate funds for this capital investment.

To effectively delivery the commensurate service to the entire EAC, the ICT function will be strengthened in terms of human resource capacity and continues skills development.

3.5.7 Resources Mobilization

Resource inadequacy remains the critical constraint to implementation of the regional integration agenda at both national and regional levels yet beneficial sustainability of regional integration programmes depends on secure sources drawn in a manner that does not slow down the pace of the regional integration operations. Further, regional development programmes require huge amounts of financial resources to be successfully

completed. Funds from the member states should be complemented by innovative mechanisms of mobilizing additional resources from the private sector and development partners. The donor contributions to EAC budget has increased over time, from a ratio of 85% coming from Partner States and 15% donors to the current levels in 2011 Of 31% Partner States and 69% donors.

(a) Achievements

The EAC Resource Mobilization Policy and Strategy and the proposal for the establishment of the EACDF have been completed; sustained contributions from the Partner States, diversified donor support including institutionalization of the Partnership Fund, and upgrading of the FMIS.

(b) Challenges

Financial management challenges constitute mobilization and management of resources. The resource mobilization constraints relate to delays in the disbursements of Partner States contributions, over reliance on donor support for development programme implementation, lack of capacity to leverage with existing global and regional facilities, including mobilizing development resources from within the region. The financial management constraints include weak integrated FMIS and M&E systems at all levels; bureaucratic approval processes; weak organisational structure to support finance management; inadequate staffing commensurate with EAC expansion; inability for staff to keep up with emerging global financial systems and standards.

In EAC, recurrent expenditure accounts in excess of 70 per cent whereas recurrent development budget constitutes less than 30 per cent. This has particularly worsened with the expansion of the Secretariat due to deepening of the regional integration agenda. There is lack of more innovative ways of raising resources from domestic markets. This includes seeking alternate sources of funding outside the traditional bilateral and multilateral donors and taking advantage of private sector and the capital markets sources.

3.6 EAC Organs & Institutions

3.6.1 East African Legislative Assembly (EALA)

(a) Achievements

Under the Provision of Article 49 of the Treaty, the EALA is mandated to exercise both legislative and oversight functions on all matters within the purview of the EAC. The overall objective of the EALA is to ensure that all required legislations of the Community are enacted as quickly as possible for the efficient functioning of the Organs and Institutions of the Community. Critical achievements under the Third EAC Development Strategy include enhancement of the mandate of EALA; institutionalizing and forging of stronger linkages between EALA and National and international Assemblies; according EALA financial autonomy; and expansion of EALA in light of its increased mandate; enactment of 10 regional laws on the East African Community; establishment of the EAC Bureau of Speakers; institutionalized rotational sittings in each of the Partner States, formation of Inter-Parliamentary Liaison Committees on several subject areas; the annual hosting of the Inter-Parliamentary Relations Seminar; and creation of the EALA website (www.eala.org); expansion of the membership of EALA to 52 with admission of Rwanda and Burundi; intensification of outreach programmes to evaluate living conditions and accessibility of regional infrastructure among others.

(b) Challenges

The challenges of the Assembly included difficulty in consolidating its gains; inadequate institutional frameworks between the regional and national parliaments for enforcement and communication; capacity constraints as a result of expanded mandate; lack of autonomy in financial and administrative decision making; insufficient resources to implement the activities of the Assembly and inadequate human resource capacity; weak oversight roles; and knowledge management arising from high turnover of elected members; differences in the Parliamentary systems among the Partner States particularly with the admission of republics

of Burundi and Rwanda who are practice the French Parliamentary System. Furthermore, the adoption of one official language (English) for conducting parliamentary business disadvantages members of parliament from Burundi and Rwanda.

3.6.2 The East African Court Of Justice (EACJ)

a) Achievements

The East African Court of Justice (the Court) is established under Article 9 of the Treaty for the Establishment of the East African Community as one of the Organs of the Community. It forms the Community's judicial arm. The role of the Court is defined by the Treaty as ensuring "the adherence to law in the interpretation and application of and compliance with the Treaty".

Since its inception in 2001, the Court has diligently discharged its judicial duties in hearing and determining matters referred to it. The Court got its first case by end of 2005. To date, References and Applications therefrom so far heard amount to a total of 23. A number of other cases are pending before the Court. The increase in number of cases has now pushed the Court to organise hearings every last week of each month. The Court has also carried out a number of other activities most of them administrative in nature. Following its reconstitution in two divisions, namely the First Instance and the Appellate Division, the Court has reviewed its Rules of Procedure to cater for the procedure applicable before each Division. The Court is also in the process of finalising the review of its Rules of Arbitration. This review was initiated following recommendations of stakeholders made during sensitization workshops on the Court's Arbitral jurisdiction held in the Partner States in 2009 and 2010. The Court also carried out activities aimed at improving its visibility and awareness on its jurisdiction and procedures. In this regard, sensitization workshops were organised in all the Partner States, space was bought in the major East African audio-visual and print media to publicize the Court, among others. The Court has also endeavoured to enhance its Judges and Staff skills to enable them improve on the quality of their work by organising, budget allowing, tailored training for them.

b) Challenges

Despite the above mentioned achievements, the Court still faces difficulties in performing its mandate as a judicial organ of the EAC. On the one hand, it is common ground that the Court is still not well known by its stakeholders despite the publicity activities it has been carrying out, hence need to continue sensitizing them on the Court's role in the EAC integration process. On the other hand, the Court suffers statutory and lack of capacity handicaps.

Statutory challenges include its limited jurisdiction and its working on *ad hoc basis*. The limited jurisdiction prevents it from being as useful as the East African people would have wished. This is witnessed by a recent case that was brought to Court to challenge the delay made by the Community in concluding the Protocol to extend the Court's jurisdiction to appellate and human rights matters as being inconsistent with the objectives and principles of good governance, rule of law, and universally accepted human rights standards enshrined in the Treaty. Even the existing jurisdiction of interpretation and application of the Treaty has been, at various occasions conferred on other judicial and quasi-judicial bodies like national Courts in the case of the Common Market protocol and the East African Trade Remedies Committee that was established under the Customs Union Protocol. The Common Market Protocol also gives very limited role to the Court as far as dispute settlement is concerned.

The Court's work is also undermined by the fact that its judges work on *ad hoc* basis. With the recent increase in cases, it is becoming more and more difficult to secure the availability of Judges because they are at the same time full-time employees in their respective countries.

Finally, the Court lacks both human and material capacity needed to perform its duties as an independent judicial organ. The Court is yet to be given the required financial and administrative autonomy to ensure its full independence. The Court still relies on the Secretariat on crucial administrative and financial matters which is likely to compromise its independence if the status quo remains. To address this, Council should

confer upon the Court administrative and financial autonomy and approve recruitment of additional support staff to handle these new functions and cope up with its increasing judicial work.

3.6.3 Lake Victoria Basin Commission (LVBC)

Lake Victoria Basin Commission (LVBC) is a specialized institution of the EAC that is responsible for coordinating the sustainable development agenda of the Lake Victoria Basin. The Protocol for Sustainable Development of Lake Victoria Basin was concluded on November 29, 2003 and was ratified by the Partner States in December 2004. The Protocol provides for areas of cooperation as well as the establishment of Lake Victoria Basin Commission as an apex institution of the EAC responsible for coordinating matters relating to management and sustainable development of the Lake Victoria Basin. The broad mandate of the Commission is to promote: equitable economic growth; measures aimed at eradicating poverty; sustainable utilization and management of natural resources; the protection of environment with the Lake Victoria Basin; and compliance on safety of navigation.

(a) Achievements

Overall, the Commission made substantial progress in the implementation of the strategic intervention areas defined in the 3rd EAC Development Strategy (2006-2010). The specific achievements include strengthening of coordination and management capacity of the LVBC; promotion of investments in the LVB through different fora, in particular the LVB Investment Forum; development of projects and programmes addressing harmonization of trans-boundary natural resources management policies, laws and regulations in LVB; finalisation of the Lake Victoria Water Release and Abstraction Policy; establishment of an HIV&AIDS coordination unit and undertaking of HIV sero-behavioral studies in agricultural plantations, Universities and fishing communities; formulation of the LV transport Act 2007 and Regulations (2010); refurbishment and equipment of RV Jumuiya; completion of the pre-investment study leading to development of a project on maritime communication and safety of navigation in the Lake Victoria; establishment of equity and benefit sharing models for payment of ecosystem goods and services for improved livelihoods; and support to establishment of community revolving fund, plantations for livelihoods and co-management models for ecosystems and biodiversity

(b) Challenges

The mandate of promoting sustainable utilization and management of the natural resources and protection of environment within Lake Victoria Basin is being constrained by incomplete harmonization of policies, laws and standards, weak governance and institutional structures; low stakeholder participation; large disparity of contributions between Partner States and Development Partners in funding LVBC and capacity constraints in terms of infrastructure including office space

3.6.4 Lake Victoria Fisheries Organization (LVFO)

Lake Victoria Fisheries Organization (LVFO) is an institution of the EAC, which was established by the Convention of 1994 to manage the Fisheries as one entity. The LVFO is an Inter-Governmental Organization (IGO) registered with the United Nations (UN) as foreseen under Article 102 of the UN Charter with the Food and Agriculture Organization (FAO) – Secretary General as the repository. It is also a Regional Fisheries Management Organization (RFMO) foreseen under the Rome Statute. It is an “overlay” institution, made up of its partner organizations. These include East African fisheries departments/ministries, fisheries research institutes, committees and working groups and its Secretariat.

Its principle objectives are to foster co-operation among the Contracting parties, harmonise national measures for the sustainable utilisation of the living resources of the Lake and to develop and adopt conservation and management measures i.e. fisheries management; controlling introductions of exotic fauna and flora; Development of aquaculture; and, Research and capacity building. The institution collaborates with member states on fisheries management and to harmonize policies in the fisheries areas. It also ensures that fish and fish products are available on sustainable basis for consumption in East Africa and have access to international markets.

(a) Achievements

The LVFO continued to harmonize, coordinate and implement measures aimed at promoting sustainable use of fisheries resources of Lake Victoria in line with the Strategic Vision (1999-2015). In 2004, the LVFO Council of Ministers adopted an LVFO Regional Plan of Action to prevent, deter and eliminate, Illegal, Unreported and Unregulated fishing (RPOA-IUU) on Lake Victoria. The RPOA supports the implementation of the Code of Conduct for Responsible Fisheries (CCRF) and links directly to the International Plan of Action on IUU fishing (IPOA-IUU) agreed by the FAO member states. The RPOA contains agreed measures to prevent, deter and eliminate illegal fishing on Lake Victoria, including actions to license and register fishing vessels, strengthen law enforcement on the lake, promote community participation in fisheries through Beach Management Units and implement a series of technical measures designed to ensure sustainable fisheries, including a minimum mesh size for gill nets, slot size for Nile perch and minimum size for tilapia.

A series of guidelines and strategies, including the Harmonised BMU Guidelines, the Monitoring Control and Surveillance (MCS) Strategy and the Regional Strategy and Action Plan for HIV/AIDS in fishing communities of Lake Victoria have been developed to provide essential guidance for regional approaches in key areas of fisheries management and social development.

A substantial amount of resources has been applied to the collection of fisheries data on Lake Victoria, providing the necessary information to undertake stock assessments. A functional, coordinated lake-wide data processing, handling and cataloguing system is has been developed with a centralised data repository at the LVFO Secretariat where the database system is designed to respond to this requirement for 7 of the thematic areas of the lake data collection that are supported by Standard Operating Procedures (SOPs).

LVFO also serves as a clearing-house and data bank for information of Lake Victoria fisheries including the promotion and dissemination of information.

(b) Challenges

The establishment of the Fish Levy Trust to have revenue derived from fish used appropriately for management purpose is proving to be a tough challenge. The move towards harmonizing national measures for sustainable utilization of the living resources as well as developing and adopting conservation and management measures has been mainly constrained by in adequate funds. In addition the coordination of research programmes to acquire sound scientific information has been inadequate including irregular collection, use, storage and transfer of fisheries and socio-economic information needed for management; un-harmonized national policies and legislation for fisheries management on Lake Victoria; and inadequate M&E System to monitor performance of management institutions and impacts on management measures.

The fishing communities face considerable challenges in their living and working conditions on Lake Victoria. There are about 1,500 fish landing sites around the lake, the focal points of socio-economic activities for the communities. The sites, however, are generally poorly served, with 31% accessible by an all weather road and only 5% served with electricity. This makes transport difficult beyond the landing sites and has meant that many sites are hard to reach for service providers.

Development of aquaculture in the region is constrained by a number of factors, including; underdeveloped technology and skills; low quality and inadequate seed and feed; pests, parasites and diseases and failure to commercialize aquaculture activities due to low returns and uncertainties. Other constraints are; limited budget for aquaculture development, ineffective extension services, uncoordinated approach to aquaculture research and extension, unclear policies on fish farming and poor farm management.

3.6.5 Inter University Council of East Africa (IUCEA)

The Inter University Council of East Africa (IUCEA) is one of the surviving institutions of the EAC. The mission of IUCEA is to encourage and develop mutually beneficial collaboration between member universities and Governments and other public and private organizations. During the period under review the IUCEA planned to promote the voice for East African universities. This will be done through strengthened regional communications through networks which link regional Member Universities to relevant sites in East Africa and the world; initiate, assist and encourage the development of East African higher institutions of learning and encourage collaboration in regional research and thereby assist universities to develop centres of advanced study and research on a rationalized basis.

(a) Achievements

The operations of IUCEA are supported by conducive higher education Partner State policies and EA Protocol. The IUCEA has continued collaborating with local and international partners to support researchers, teaching staff and students to undertake research and deliberate on pertinent academic and governance issues in East African Universities. It has also facilitated the implementation of sector-based national and regional development projects. Rwanda and Burundi were officially admitted to IUCEA in March 2008. IUCEA is implementing its Five-year Rolling Strategic Plan for 2006/2007-2010/2011 which was designed to enhance the Councils capacity in carrying out its core mission activities.

(b) Challenges

The full realization the IUCEA mission has been affected by inadequate physical and human resources, inadequate leadership and management capacity of member universities; appropriate strategic regional training and research programmes; incomplete institutionalization of regional higher education quality control and assurance; and poor inter nationalization of higher education and research. Other challenges include incomplete harmonization of curricula for tertiary institutions including the establishment of EA Bursaries Pool and differentiated tuition fees for all East African students in all tertiary institutions.

3.6.6 Civil Aviation Safety and Security Oversight Agency (CASSOA)

CASSOA was established in 2007 as a specialised technical institution of the Community responsible for the development of a sustainable safe, secure, and efficient civil aviation sub-sector in the region in line with the dynamics in the aviation industry and the enhanced economic integration.

(a) Achievements

Civil aviation plays a critical role in the movement of people, goods and services produced within and outside the region. However, this can only be effectively achieved if the industry complies with safety and security international standards. Emphasis was therefore placed in harmonizing civil aviation safety and security regulations which complies with the international standards issued under the Chicago Convention. . In addition, the Agency developed technical guidance materials covering flight safety standards (FSS), air navigation services (ANS) and aerodromes and ground aids (AGA) to guide implementation of the harmonised regulations. This has made the subsector to be one of the few which is subject to harmonised requirements in the region. The Agency was able to develop its first five year strategic plan and organisation development plan covering the period of 2010/11 to 2014/15.

The Agency has also built relationship and collaborations with ICAO, African Civil Aviation Commission (AFCAC), USA Federal Aviation Administration (FAA), European Aviation Safety Agency (EASA) and other oversight organizations internationally.

(b) Challenges

The Agency despite its achievements operates with few challenges mainly linked to lack of a sustainable funding mechanism and its limited mandate. This has resulted in inability to attract and retain technical resources which is also a general problem in the Partner States civil aviation administration. Lack of developed and affordable training system supported by our local higher learning institutions contributes to the few local technical expertise in the industry. Ultimately this has had impact in the effective oversight and implementation of the harmonised regulations in the Partner States. Another noticeable challenge is that in many cases when the Agency formulates or amends the harmonised regulations and submits them to the Partner States for approval and promulgation it take unnecessary long before they are issued or issued at variant times.

3.6.7 East African Development Bank (EADB)

The East African Development Bank operates under the Treaty amending and re-enacting the Charter of the EADB of 1980. Its mandate includes lending for commercial projects, funding of regional infrastructure to support the free movement of goods and the objectives of the EAC Common Market.

(a) Achievements

The Bank's operations were geared towards consolidation and sustenance of positive gains of 2009. As effective demand for credit started picking up, the Bank maintained its focus of lending to carefully selected and appraised projects. At the same time, the Bank maintained the stepped up momentum in both project supervision and debt recovery. By the end of September 2010, the Bank's gross portfolio was USD 113 million and the profit for the three quarters was USD 1.18 million.

The Bank's other key milestones and operations include the following:

- a) Launching of its operations in the Republic of Rwanda in November 2010.
- b) Continued engagement with key stakeholders including lenders, both regional and international; counterparty commercial banks in the region and international markets; holders of the EACB Bonds; International Rating agencies (Fitch Ratings and Global Credit Rating Limited);
- c) Upward review of the Bank's international rating from "negative" to "stable" by the Fitch Rating published in October 2010
- d) Continued engagement with its co-finance, e.g. International Finance Corporation (IFC) and Eastern and Southern Trade and Development Bank (PTA Banks); and capital markets regulators in East Africa.
- e) Continued engagement with the EAC secretariat on a number of aspects, including: preliminary work towards the establishment of the East African Community Development Fund (EACDF); the 3rd EAC Investor Conference; initial consultative meetings towards the formulation of the EAC Development Strategy 2011-2015.

(b) Challenges

The Bank's operating environment in 2009 was characterised by challenges occasioned by the global economic slowdown. In addition, the Bank was adversely affected by other operational challenges which include unfavourable market environment, the cost of doing business and infrastructural inadequacies constrained the ability of the banks clients to meet their obligations; and unresolved litigation between the Bank and Blue line Enterprise Limited continues to adversely affect the Bank.

3.7 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

Figure 3.1 in recognising the strengths, challenges, threats proposes strategic interventions to take advantages of the opportunities that the regional integration programme creates.

Figure 3.1: A SWOT Analysis of the EAC Regional Integration

Strengths	Recommended Strategic interventions
<p>Growing political commitment and relative political stability in the region. Established and functional organs and institutions and national coordination ministries</p> <p>Rich endowment of natural resources and conducive climate and rich cultural heritage</p> <p>Success Lessons from the implementation of the CU Larger population A relatively educated and trained human resource base. Growing interest from the private sector and citizenry in regional matters Positive international perceptions of EAC region Global optic-fibre connectivity Relatively large segment of operations on IT-platforms Lessons and experiences of the defunct EAC</p>	<p>Consolidation of political commitment and stability by promoting participation of the citizenry and the private sector in the integration process. Strengthen the mandates and capacities of the regional institutions and organs and national coordination manage the effectively pace of regional integration. Prioritising intervention programmes for shared benefits of regional integration including efficient use of the natural resources to improve the well being of East Africans. The large population provides a large market for the region. This strategy should target building a regional economy that takes advantage of the large regional market. Better and appropriate interventions are needed to ensure full and efficient utilisation of the human resource base in the region in the integration process, in particular while implementing the CM. Enhance e-business opportunities Strengthen joint action in pursuit of common foreign policy interests</p> <p>Building consensus on the way forward</p>
Weaknesses	Recommended Strategic interventions
<p>Multiple membership to Regional Economic Communities (RECs) Relatively young and fragile democracies. Limited options for raising resources to implement regional integration programmes Inadequately operationalised regionally shared vision None alignment of national and regional policies and plans, laws and regulations. Poor and unbalanced infrastructure Inadequate involvement of key stakeholders especially the grass-root stakeholders. Limited institutional capacities Low implementation rate of Community decisions due in part to budgetary constraints Inadequate capacity for coordination, implementation and M & E mechanisms. Slow convergence of macroeconomic framework</p>	<p>Fast-track the Tripartite Arrangement Promotion of good governance Create, promote and pursue democratization and governance processes Formulate and operationalise a regionally shared long-term development vision and mission. Further harmonisation of national with regional policies, laws and regulations in support of the CM. Improvement and equitable distribution of economic and social infrastructure Strong foundations for the establishment of the Monetary Union and Political Federation Concluding on the various options for mobilizing diverse resource for effective implementation of the regional programmes Deepen stakeholder including grass root representation in all matters related to the integration process. Build and strengthen national and regional institutional capacities for speedy implementation of regional programmes Continued harmonization of policies, laws and regulations Enforce the regional M&E framework for enhance strategic planning, coordination and accountability mechanisms Leverage on newer technologies to enhance production and productivity Promote research and technology Technical skills development</p>

<p>Widespread unemployment, especially the youth</p> <p>Limited range of export basket</p> <p>Low technology uptake</p> <p>Limited manpower skills</p> <p>Low levels of industrialization</p> <p>Unplanned urban settings</p>	<p>Institutionalize long term urban planning</p>
<p>Opportunities</p> <p>Supportive global initiatives including MDGs, NEPAD, WTO, UNECA, etc. and continental initiatives</p> <p>Interests of prospective Partner States.</p> <p>Supportive multi-lateral and bi-lateral development partners</p> <p>Availability of several regional blocs e.g. COMESA, SADC, EU, AU etc. to collaborate and cooperative with.</p> <p>Large market and economies of scale</p> <p>Access to more affordable modern technology</p>	<p>Recommended Strategic interventions</p> <p>The EAC to make use of global initiatives to design appropriate interventions and to mobilise resources and expand markets for East African goods and services.</p> <p>Take advantage of the prospects of tripartite arrangement which stabilize the enlarged market to the Community to take advantage and assume regional political stability and social harmony.</p> <p>Build and promote best relations with supportive multi-lateral and bi-lateral development partners to source financial resources and create a conducive environment for integrating EAC into other regional and world trade and financial institution.</p> <p>Promote cooperation with other regional blocs to spearhead beneficial changes in global matters that affect the region.</p> <p>Leverage on expanded ICT capacity to promote back-office employment opportunities</p> <p>Positive international perception of EAC region</p> <p>Global optic-fibre connectivity</p>
<p>Threats</p> <p>Inadequate legal capacity and regulatory frameworks to manage new generation of cyber crimes</p> <p>Continued divergent economic structures of the partner state</p> <p>Weak competitive global positioning</p> <p>Global warming and environmental degradation</p> <p>Occasional nationalistic tendencies</p> <p>Inadequate authority and power devolved to the centre</p> <p>Political instability and insecurity in the region</p> <p>Negative perceptions of the Diaspora</p> <p>Terrorism and piracy</p> <p>Unplanned urbanization</p> <p>Impact of sovereign sensitivities on decision making for the region</p>	<p>Recommended Strategic interventions</p> <p>Prioritise country specific flagship programmes to address differentials in the economies of the Partner States to remove fears and concerns about the benefits of the Community.</p> <p>Sustain the spirit of joint pursuit of common foreign policies including negotiating as a bloc in order to strengthen the regions position and voice in the global competitive environment.</p> <p>Continue to support regional initiatives in pursuit of peace and stability</p> <p>Create a common approach and understanding of development and democratisation processes.</p> <p>Design and implement strategies to substantially minimise the impacts of global warming and environmental degradation.</p> <p>Tap into the expertise of the Diaspora through appropriate interventions to create more attractive economic, social and political incentives to substantially that allow for full participation of the diverse professionals for purposes of building the regional economies</p> <p>The EAC should collaborate with relevant international institutions to contain terrorism and piracy.</p> <p>Promote the spirit of East Africanness and nurture integrationist - oriented mindsets</p>

4 EAC's PRIORITY INTERVENTIONS DURING THE PERIOD 2011/12-2015/16

One of the key successes of the 3rd Development Strategy was the strong partnership of the public and private sector towards the implementation of the Customs Union. In particular, the implementation of the EAC legal instruments in all Partner States and the benefit sharing from the Customs Union has led to a positive shift in mind-set about the EAC and citizenary support of the integration agenda. Specifically there has been remarkable growth in intra-EAC trade by 40% between 2005 and 2009; significant increase in cross-border investment; signing and adoption of the Common Market Protocol (July 2010); closer cooperation in the areas of defense, peace and security among Partner States; strengthening of the EAC Organs and Institutions; and expansion of the Community through the accession of the Republic of Rwanda and the Republic of Burundi.

The 4th EAC Development Strategy will focus on those projects and programmes that are feasible in the next five years that have tangible and immediate impact to the people of East Africa. These include activities carried forward from the 3rd EAC Development Strategy and the additional priorities to implement the incremental milestones of the integration agenda. The bulk of these activities will be implemented at the national level alongside the national development agenda while a limited number will be implemented through inter and intra- regional frameworks.

The regional priorities include:

- a) Consolidation of the benefits of a fully fledged Customs Union.
- b) Full Implementation of the Common Market.
- c) Establishment of the East African Monetary Union.
- d) Laying the Foundation for a Political Federation.
- e) Development of Regional Infrastructure.
- f) Development and strengthening of the Regional Productive Sectors.
- g) Strengthening of EAC Organs and Institutions
- h) Wide stakeholder participation - public and private sector, CSOs; local, regional, continental and international levels

4.1 Criteria for Prioritization of Development Objectives and Strategic Interventions

The prioritization of the development objectives and strategic interventions is based on the level of enhancing:

- a) Direct implementation of the strategic interventions;
- b) Harmonizing and alignment of national policies, legal and regulatory, frameworks and standards;
- c) Deeper integration and further liberalization of trade and investment expansion;
- d) Collaboration and coordination between Partner States and EAC;
- e) Productive capacities and employment opportunities;
- f) Overall participation of citizens, private sector and CSO;
- g) Peace, Security and Stability;
- h) Developing and strengthening mechanisms for EAC Political Federation;
- i) Promoting and entrenching good governance practices
- j) Sustainable utilization of Regional resources for the benefits of all citizens e.g. lake Victoria;
- k) Regional response to global effects and commitments;
- l) Common investment areas e.g. development of capital markets;
- m) Implementation of cross cutting issues (HIV/AIDS, Gender, HRD, peace and security, publicity and marketing) and knowledge based programmes (science and technology,
- n) Deepening and strengthening the capacity of EAC institutions and Organs
- o) Strengthening relations with other regional and international organisations

4.2 Key Pillars Of EAC Integration

The EAC 4th Development Strategy (2011-2016) will build on the achievements, lessons and experiences from the implementation of the 3rd Strategy (2006-2010), and in particular taking into account the experiences of the last five years, to deepen and accelerate the integration process. The 4th Strategy will focus on consolidating the benefits of a fully fledged Customs Union, full implementation of the Common Market and laying the foundations for the Monetary Union and the Political Federation.

4.2.1 EAC Customs Union

Additional benefits from a fully operational Customs Union entail efficient Customs administration, improvement of trade facilitation, expanded competitive trade efficient revenue collection and development of Customs and Trade Partnership. Under the 4th EAC Development Strategy, the implementation of the Customs strategic objectives and interventions will be guided by the EAC Customs Strategy. This will be achieved through the following development objective and strategic interventions.

Development Objective 1: - To consolidation of the benefits of a fully fledged Customs Union

Priority Area 1: Strengthening of Customs Administration

Strategic interventions

- a) Development and implementation of the EAC Customs Strategy
- b) Develop an appropriate model for administering Customs in a fully fledged Customs Union;
- c) Developing an appropriate border infrastructure and institutional framework;
- d) Building institutional and staff capacity;
- e) Harmonizing and spearheading of reform and modernization programmes;
- f) Enhancing good governance and integrity in Customs management;
- g) Enhancing awareness and communication on customs rules and procedures;
- h) Developing and institutionalizing an M&E framework within the region;
- i) Reviewing of EAC Customs management Act , Regulations including , Common External Tariff (CET) and Rules of Origin
- j) Operationalization of dispute resolution mechanisms.

Priority Area 2: Trade Facilitation

Strategic interventions:

- a) Harmonization and simplification of Customs procedures;
- b) Application of ICT (Interface/Inter-connectivity) & exchange of information;
- c) Management of free movement of goods
- d) Establishment of effective and efficient procedures for elimination of Customs-related NTBs
Facilitation of free movement of goods
- e) Promotion of intra and inter-regional trade
- f) Harmonization of Axle load limit
- g) Development of effective policies and programmes for trade facilitation.

Priority Area 3: Enhancement of Revenue Management

Strategic Interventions:

- a) Improvement of management of the EAC Tariff Regimes and Rules of Origin;
- b) Improvement and harmonization of Customs Valuation practices;
- c) Development and enforcement of risk management systems;
- d) Enhancement of enforcement and compliance with Customs law;
- e) Strengthening of post-clearance audit in Customs;
- f) Improvement of revenue collection and accounting for Customs Revenue;
- g) Efficient management of bonded facilities; and
- h) Efficient management of duty remission and exemption regimes.

Priority Area 4: Promotion of Customs and Trade Partnerships

Strategic Interventions:

- a) Institutionalizing systems and partnerships with government agencies and Line Ministries at national and regional level;
- b) Developing appropriate systems of partnerships with the private sector;
- c) Institutionalising systems and relationships with international trade related organizations
- d) Facilitation of border agencies cooperation and coordination

Priority 5: To enhance market access, trade and competitiveness including harmonisation of administrative procedures and regulations

The strategic interventions include:-

- a) Streamline, simplify and harmonize administrative Procedures and regulations
- b) Reviewing of the existing laws and regulations governing trade , investment and export promotion;
- c) Development of the legal and regulatory framework, based on international standards and best practices;
- d) Implementation of a modern system of commercial legislation;
- e) Establishment and operationalisation of EAC Competition Authority
- f) Establishment of an open, consistent and transparent business environment by systematically addressing regulatory barriers to trade;
- g) Creation of a regional one-stop centre for investors and exporters;
- h) Building capacity of trade support institutions; and
- i) Developing sustainable fiscal and trade policies.

(b) To promote international trade and Export development programmes

- a) **The strategic interventions** Reviewing of export incentives regimes and establishment of permanent exhibitions centres;
- b) Identification of training needs and establishment of training programmes,;
- c) Finalization of the comprehensive EPA and implementation of the TIFA work plans;
- d) Implement the Trade Negotiations Commission
- e) Development and implementation of a sensitization programmes on AGOA;GSP, and other trade preferences schemes available to Partner States
- f) Finalization and implementation of the EPZs and Special Economic Zones programme;
- g) Coordination of the negotiation process and implementation of the COMESA-EAC-SADC FTA Agreement; and
- h) Coordination and facilitation of EAC Joint Trade Policy Review.

(c) To enhance collection and dissemination of trade information

Strategic interventions

- a) Building capacity in Information Technology (IT), data collection and analysis;
- b) Development of a mechanism for sharing information among Trade Support Institutions (TSIs); key stakeholders, business community and citizenry;
- c) Undertaking market research in priority sectors and markets
- d) Establishment of business development service centres at strategic points;

(d) To harmonize Standardization, Quality Assurance, Metrology and Testing (SQMT)

Strategic interventions

- a) Harmonization of EAC standards;

- b) implementation of EAC/UNIDO/NORAD Project on Trade Capacity Building in Agro-Industry, EAC/PTB (German) Project on establishment of SQMT Infrastructure and EAC/Swedish Standard Institute (SIS) SIDA Project on development of environmental standards;
- c) Establishment of a mechanism to recognize each Partner States' quality marks to facilitate movement of goods across borders;
- d) Development of regulations to operationalize EAC SQMT Act;
- e) Harmonization of standards in the Tripartite (COMESA AND SADC).
- f) Establishment of a regional accreditation body

4.2.2 EAC Common Market

A single market with about 120 million consumers and with no internal frontier will be a catalyst for the economic growth of East Africa. The overall goal for the Common Market (Art. 104), signed in 2010, is to allow for free movement of goods, people, capital, labour, services and right of establishment of residence within the EAC in support of the integration process. The implementation of the free movement of goods and right of establishment is covered under the Customs Union provisions while the free movement of capital and related proposals for freedom of movement for persons, workers and service shall be attained through strengthening of the social sectors (Articles 117, 118 and 120).

Development Objective 2:- To fully implement the EAC Common Market Protocol

Strategic Interventions

- a) Approximation and harmonization of national laws, policies and systems of the Partner States to conform to the CMP.
- b) Fast track the institutional review exercise to coordinate the implementation of the Common Market.
- c) Develop measures to address imbalances that may arise from the implementation of the CMP.
- d) Facilitate free movement of capital .
- e) Facilitate free movement of services..
- f) Facilitate free movement of workers guaranteed to citizens of other Partner States.
- g) Protection of cross-border investments
- h) Undertake measures to eliminate unfair business practices and enhance consumer protection
- i) Undertake research and technological development on issues related to Common Market
- j) Co-operation in intellectual property rights.
- k) Harmonisation of domestic taxes.

Priority Area 2: To establish a Single Market in Financial Services

The short term development objective of the project is to establish the foundation for financial sector integration among the EAC Partner States. The medium to long term objective is to support the broadening and deepening of a single market in financial services among EAC Partner States with a view to making a wide range of financial products and services available to all at competitive prices

Strategic Interventions

- a) Enhance access to financial services
- b) Harmonisation of financial laws and regulations in tandem with agreed common standards
- c) Mutual recognition of supervisory agencies across the region
- d) Integration of financial market infrastructure
- e) Development of regional bond market
- f) Capacity building for EAC Secretariat, regulatory agencies and market participants

4.2.3 EAC Monetary Union

The success of the MU under negotiation will call for concerted interventions to harmonise the policy and regulatory frameworks benchmarked to best practice, undertake region wide civic education, strengthen and empower the institutions that implement and monitor monetary and fiscal affairs at the regional and national levels. The following development objective and strategic interventions will need to be addressed:

Development Objective 3: To establish the East African Monetary Union

Priority area: To lay the foundation for the Monetary Union and adoption of a single currency

Strategic Interventions

- a) Conclude on the negotiations of the Monetary Union Protocol
- b) Undertake further research and technical preparations on introducing a common currency
- c) Harmonization of the monetary and exchange rate policies
- d) Harmonisation of Fiscal Policies
- e) Integrating banking and financial markets;
- f) Establishment of legal and institutional frameworks for the implementation of the MU;
- g) Surveillance mechanisms for macro-economic convergence and compatibility of economic policies and performances;
- h) Enhancing cooperation in the monetary and exchange rate field;
- i) Harmonization of payment and settlement systems to ensure finality;
- j) Conduct civic education on implications of a single currency.
- k) Harmonisation of banking and financial sector supervision.

4.2.4 Political Federation

The move towards the political federation shall be anchored on *establishing regional structures and building institutional capacity through development of regional policies*; promotion of good neighbourliness and international relations and strategic interventions:

Development Objective 4: To lay the Foundation for a Political Federation.

Priority Area 1: Establishment of policy frameworks and institutional structures for establishment of the EAC political federation.

Strategic interventions:

- a) Institutionalization and capacity enhancement programmes in governance, rule of law and human rights in the EAC integration
- b) Development of policy frameworks and institutional structures for establishment of the EAC political federation
- c) Development and implementation of the East African identity, cohesion, and solidarity
- d) Development of joint regional policies and frameworks of promotion of good governance, anti-corruption, ethics and integrity and human rights and rule of law;
- e) Implementing and adopting regional policies on anti-corruption, ethics and integrity.
- f) Harmonisation of democratization policies, processes and practices
- g) Implementation of the recommendations of the Study on fears, concerns and challenges on the EAC Political federation
- h) Monitoring and observation of elections and support missions to National Electoral Commissions in the EAC Partner States

Priority Area 2: Strengthening of regional and international relations.

Strategic interventions:

- a) Strengthening of policy formulation capability to enable EAC to become a cohesive force in the management of international relations
- b) Establishment of a sustainable mechanism for joint mobilization of support for EAC candidatures for international jobs
- c) Development and implementation of a regional mechanism for the Partner States' provision of visa and consular services on behalf of each other
- d) Deepening of involvement of Partner States Diplomatic Missions in the pursuit of EAC integration initiatives
- e) Articulation of EAC integration initiatives at regional and international fora to mobilize greater support for EAC integration objectives
- f) Development, adoption and implementation of an EAC Common Foreign Policy

Priority Area 3: Promotion of Regional Peace and Security**Strategic interventions:**

- a) Establishment of an enabling legal and institutional framework to enhance coordination and implementation of institutions peace and security interventions
- b) Development and implementation of a Conflict Prevention, Management and Resolution(CPMR) Framework
- c) Coordination and strengthening of disaster management centres;
- d) Implementation of SALW control programs.
- e) Strengthening of joint measures to combat terrorism;
- f) Development of framework for intelligence sharing on crime management
- g) Development of a framework for cooperation and harmonization of policing practices in the EAC
- h) Harmonization of IDP and Refugee Management Practices across the region
- i) Development and implementation of a multi regional maritime safety and security initiative
- j) Development of a framework for cooperation in the prisons and correctional services sector
- k) Implementation of joint measures to combat cattle rustling

Priority Area 4: Developing Research capacities on Governance, International Relations and Peace & Security**Strategic interventions:**

- a) Development of NCPR as a Centre of Excellence for building capacities in promoting regional peace and security, good governance and foreign policy coordination;
- b) Policy and empirical research on topical areas;
- c) Strengthening of networks and collaboration with similar sub-regional and regional organizations;
- d) Enhancement of students' interest in the EAC regional integration process
- e) Development and strengthening of internal capacities of the NCPR.

Priority Area 5: Strengthen Defence co-operation to Promote Regional Peace and Security

- a) Finalization of Protocol on Defence Cooperation
- b) Enhancement of Joint Training
- c) Implementation of Joint Operations
- d) Visits and Exchange of Information
- e) Technical Cooperation

4.3 Development of Regional Infrastructure

The EAC Treaty highlights the need for co-operation in infrastructure and services, in particular transport and communications. It also stresses the need for coordinated, harmonized and complimentary transport and communications policies; improvement and expansion of existing links; and establishment of new ones as a means of furthering the physical cohesion of the countries, facilitate intra-regional commerce and global connectivity. The EAC and the Partner States have put in place short and long term policies and strategies prioritising projects and programmes for economic development. The outcome of their implementation will alleviate constraints and bottlenecks along a value chain, improve connectivity for ease of the flow of goods and services, add value to the regional economy and facilitate a competitive regional economy that attracts investment thus generating economic growth, job creation and poverty alleviation.

Development Objective 5: To develop Regional Infrastructure to Support the Integration Process

Priority Area 1: Improvement of road connectivity and operations across the Region

Strategic interventions:

- a) Implementation of provisions of the Tripartite Agreement on Road Transport (2001); in particular the EAC Transport Strategy and Regional Roads Development Programme;
- b) Harmonization of policies, procedures, guidelines and standards and procurement procedures in the roads sub sectors;
- c) Establishment of a Regional Public Private Partnership (PPP) framework for resource mobilization, road construction, management and maintenance;
- d) Development of a pipeline of bankable roads development projects for the region; and
- e) Promotion of joint financing and implementation of regional projects and establishment of the EAC Infrastructure Fund.

Priority Area 2: Development of an efficient railway system.

Strategic interventions:

- a) Establishment of a railway development Funds
- b) Identification of and conducting of studies on new corridors and development of missing links along existing corridors;
- c) Enhancement of capacity to negotiate and draw appropriate legal contracts for concessioning.
- d) Establishment of an EAC Railways Regulatory Agency; and

Priority Area 3: Support the Development of a safe, secure and efficient air transport system in the region

Strategic interventions:

- a) Operationalisation of the framework for implementing the Yamoussoukro Decision;
- b) Institutional development to support international commitments;
- c) Enhancement of capacity for safety standards, compliance with regional and international standards;
- d) ATM/CNS systems integration to the global ATM framework;

- e) Development of comprehensive funding mechanisms including PPPs in civil aviation industry.
- f) Establishment of unified upper flight information in the region;
- g) Integration and harmonisation of Civil Aviation Regulations

Priority Area 4: Support the Development of efficient, safe and secure maritime transport systems

Strategic interventions:

- a) Strengthen the institutional mechanisms to manage inland waterway transport including implementation of the Inland Waterways Transport Agreement
- b) Construction of additional ports, modernization of ports, construction of additional container terminals at the ports and inland container terminals
- c) Review of policies and regulations in line with international best practices
- d) Enhancement of safety and security of inland waterways
- e) Development of a regional strategy on maritime and inland waterways transport
- f) Enhancement of regional capacity on ship building, repair yards and training of human resource
- g) Establishment and operationalization of Maritime search and rescue coordination centre for Lake Victoria
- h) Development of bankable inland waterways projects.

Priority Area 5: Improvement of meteorological services in the region.

Strategic interventions:

- a) Implementation of a Five Year Meteorological development plan and investment strategy
- b) Harmonization of policies for the provision of meteorological services
- c) Development and implementation of a meteorological Data Policy
- d) Development and implementation of a protocol on cooperation in meteorological services
- e) Establishment of the East African Meteorological Society to spearhead research and development
- f) Establishment of an East African Centre of excellence in Medium Range Weather Forecasting
- g) Building capacity in climate analysis, short, medium and long range forecasting and meteorological observations;
- h) Building capacity in climate analysis, seasonal/forecasting and meteorological observations
- i) Implementation of Quality Management System for Aeronautical Meteorological Services
- j) Migration from the Traditional Alphanumeric Code (TAC) to Table Driven Code Forms (TDCF);
- k) Feasibility studies on priority meteorological projects
- l) Upgrading of : Meteorological/Telecommunications facilities; the National Observation Network; Meteorological Computing facilities; Greenhouse Gases monitoring facilities
- m) implementation of climate change Master Plan

Priority Area 6: Support to integration of Information and Communication Technology (ICT) into regional development initiatives.

Strategic interventions:

- a) Harmonization of ICT Policies and Regulations
- b) Promotion of a competitive cross-border communications market by establishing cross-border terrestrial broadband networks
- c) Scaling up “last-mile” broadband connectivity by developing and implementing supportive policies and regulations
- d) Implementation of the EAC E-Government Strategy
- e) Implementation of the EAC Legal Framework for Cyber laws
- f) Promotion of Business Process Outsourcing in ICT Services
- g) Facilitation of migration from Analogue to Digital broadcasting
- h) Development and implementation of an EAC Postal Development Strategy.
- i)
- j) **Development of Productive Sectors**

The productive sectors (Articles 105 and 111) are the basis for the livelihood of the people of the region as they directly address the problem of low productivity, unemployment and food security in the region. The sectors comprises of agriculture, environment and natural resources, tourism and wildlife, industry and energy. The focus of the fourth EAC Development Strategy is to design economic integration as a step towards global integration through sustainable use of resources, value addition, trade and enhanced competitiveness.

Development Objective 6: To develop and strengthen the Regional competitive and sustainable productive Sectors to support regional and global integration process

Priority Area 1: Promotion of agricultural productivity and value addition for increased international and cross border trade and sustainable food security.

Strategic interventions:

- a) Expansion of the supply capacities through enhanced productivity, adoption of appropriate technology and input usage, capacity for emergence preparedness and response, expansion of irrigation potentials as well special programmes for the Arid and Semi Arid Land (ASAL) regions and pastoralists communities.
- b) Establishing and strengthening of agro-processing and agri-business for enhancing value addition
- c) Institutionalization of investment in research and sharing of information within selected agricultural research Centres of Excellence
- d) Joint regional production of agricultural inputs, seed production and distribution;
- e) Joint management of trans-boundary plant and animal diseases control, animal breeding and distribution
- f) Addressing agriculture sector competitiveness through price mechanisms, to meet food safety and related international market requirements.
- g) Enhanced regional market information and early warning systems to monitor food shortage.
- h) Institutional capacity development including establishment of funds for Agricultural Development.
- i) Harmonization of remaining regional policies, regulations and technical Standards/SPS.
- j) Strengthening of stakeholder groupings including associations to enhance participatory development
- k) Co-operation in agriculture and food security.

Priority Area 2: Support regional industrial development and technological innovation.

Strategic interventions:

- a) Formulation of a regional policy and institutional framework to promote industrialization and SME development in EAC
- b) Development of regulatory and institutional framework to facilitate investments into mineral processing and extractive industries for maximization of utilization of abundant resources in the region
- c) Develop and implement a framework for enhancing the competitiveness position and productive capacity of Small and Medium Enterprises (SMEs) in the region
- d) Developing a framework for promoting linkages between SMEs and MNCs including supply chain
- e) Establishment of regional information systems, governance structures and databases for effective management and monitoring industrial policy implementation and performance
- f) Strengthening of the regional industrial R&D, Technology and innovation systems
- g) Establishment of a regional financial mechanisms for supporting regional industrialization programme and investments
- h) Establishment of a framework for environmental management in industries and mainstreaming of Resource Efficient and Cleaner Production approaches and practices in industries
- i) Strengthening of collaboration between EAC and international organizations/development partners on technology transfer.
- j) Formulation of a regional strategy to address industrial skill shortage for selected priority industrial sectors
- k) Enhancing inter-regional and international cooperation, partnership and synergies to accelerate industrial development

Priority Area 3: Diversification of Tourism and Promotion of sustainable use of wildlife resources.

Strategic interventions:

- a) Marketing and promotion of East Africa as a single tourist destination and development of regional tourism product brands;
- b) Adoption of a regional approach in the protection of wildlife resources from illegal use and practice;
- c) Harmonization of policies and legislations and capacity building on wildlife conservation and management;
- d) Adoption of a regional approach for participation in regional and international treaties / agreements on wildlife conservation and management
- e) Diversification of funding mechanisms;
- f) Strengthening of collaboration on cross cutting issues;

Priority Area 4: Sustainable natural resource management, environmental conservation, and mitigation of effects of climate change across the East African region.

Strategic interventions:

- a) Implementation of the Protocol on Environment and Natural Resources Management
- b) Implementation of the EAC Climate Change Policy, Strategy / Master Plan and formulation of a comprehensive development strategy for Arid and Semi-Arid Areas.
- c) Promotion of joint participation in international treaties and conventions;

- d) Promotion and protection of indigenous/traditional knowledge associated with biological resources and eco-systems; and strengthening of National plans, programmes and legislation for forest management, inventory and monitoring, and information sharing on trade on illegally harvested forest products.
- e) Finalization of harmonization of mineral laws and policies
- f) Harmonization of bio-safety policies on GMOs
- g) Finalization of the development of a water vision, policy and a comprehensive water resource management strategy and Establishment of an EAC Water Resources Management Institute
- h) Joint resource management and exploitation;
- i) Development of capacity for integrated environmental assessment, education and reporting with particular focus on climate change and sea level rise, depletion of fresh water aquifers, coral reef bleaching and coastal erosion and supporting joint research in dedicated centres of excellence
- j) Implementation of The African Regional Strategy for Disaster Risk Reduction and the Hyogo Framework for Action
- k) Harmonization of policy interventions on management of plastics and plastic waste and establishment of an electronic waste management framework
- l) Harmonization of standards and regulations and implementation of the provisions of the East Africa Framework Agreement on Air Pollution (Nairobi Agreement 2008)
- m) Establishment of an EAC Water Resources Management Institute
- n) Undertaking joint resource management and exploitation.

Priority Area 5: Increase access to sufficient, reliable, affordable and environmentally friendly energy resources in the region.

Strategic interventions:

- a) Implementation of the Regional Strategy on Scaling Up Access to Modern Energy services;
- b) Implementation of the cross border interconnection power projects;
- c) Harmonization of energy policies and plans;
- d) Preparation of sectoral energy master plans;
- e) Establishment of the East African Community Power Pool (EACPP);
- f) Holding of the biannual East African Petroleum and Exhibition conference in the region;
- g) Implementation of the Oil Pipeline projects
- h) Implementation of regional shared energy projects

Priority Area 6: Investment and Private sector development

Strategic Interventions

- a) The EAC common investment area protocol /investment law formulated / enacted and implemented
- b) Leverage EAC as a place in which to do business
- c) EAC Private Sector Development Strategy reformulated and implemented in line with the 4th EAC Development Strategy
- d) EAC Public Private Partnership (PPP) Policy and legislation formulated and implemented
- e) EAC Diaspora policy and strategy for business in the region formulated and implemented
- f) Develop a mechanism for Equitable Sharing of Benefits and Costs of EAC Integration
- g) Promotion of Export and Investment

4.4 Development of Social Sectors

Priority Area Strengthening regional health institutions and systems to support prevention and control of communicable and non-communicable diseases

Strategic Interventions

- a) Developing a Regional health services framework with emphasis on cross-border areas
- b) Establishing EAC regional Health information exchange system for communicable and non-communicable diseases.
- c) Establishing a supra-national Regional Reference Public Health Laboratory and strengthen the national public health laboratories.
- d) Strengthen promotive, preventive, curative and rehabilitative health services for non-communicable diseases.
- e) Strengthen local production of Medicines and other pharmaceuticals
- f) Harmonization of HIV & AIDS policies for agricultural, fishing and university mobile populations in the Lake Victoria Basin and EAC region in general
- g) Mainstreaming HIV/AIDS interventions into EAC regional Sectoral Projects and Programmes and into Strategic Plans of the Partner States and civil society organizations (CSOs)
- h) Developing an EAC Regional Integrated Health, HIV and AIDS and STIs and Sexual and Reproductive and Adolescent Health and Rights policy and strategy for the EAC region
- i) Coordinating and facilitating the monitoring of regional and global commitments for HIV and AIDS
- j)
- k) Provision and exchange of technical support, training and institutional strengthening to Rwanda, Burundi and Tanzania (Zanzibar) health sector
- l)
- m) Strengthen the capacity of Partner States to diagnose and treat communicable and non-communicable diseases.
- n) Strengthen the implementation of regional integrated sexual, reproductive health, adolescent health, child health and maternal health and rights initiatives and programmes

Priority Area 2: Promotion of Education, Science and Technology for a creative and productive human resource;

Strategic interventions:

- a) Operationalising the East African Science and Technology Commission(EASTEKO)
- b) Reviving and strengthening all former EAC Research institutions
- c) Developing an EAC Education Sector HIV/AIDS policy and Strategy
- d) Harmonizing E.A Education systems and training curricula
- e) Identifying and supporting Centres of Excellence in the region.
- f) Facilitating the Operationalisation of the EAC Common Market Protocol
- g) Promoting E-learning in the EAC education system.
- h) Facilitating the conduct of both the Tertiary and Secondary Essay writing competitions
- i) Collaborating with Regional and International Centers of Higher Learning
- j) Facilitating the collaboration with Regional and International Organizations

Priority Area 3: Gender, Community development and Empowerment

Strategic Interventions:

- a) Mainstreaming gender into all strategic interventions of the Community.

- b) Promoting Women in socio-economic development and Women in Business
- c) Mainstreaming Youth issues into EAC policies, programmes and projects.
- d) Harmonization and enforcement of legal frameworks that relate to Children
- e) Mainstreaming Social Protection into EAC policies, programmes and projects
- f) Mainstreaming Community Development in Macro-economic policies
- g) Promoting the participation of the Citizenry (women, youth, CSOs and the Private sector)

Priority Area 4: Promotion of regional social cohesion and economic development through culture and sports.

Strategic interventions:

- a) Harmonization of Policies, Laws, guidelines, programmes and Standards in Culture and Sports sub- sector
- b) Strengthen institutional capacity for regional cooperation in Culture and Sports
- c) Promote joint financing of regional Culture and sports programmes and establishment of EAC Culture and Sports Funds
- d) Developing and popularize the Symbols of EA Cultural identity
- e) Facilitating the improvement and development of Culture and Sports infrastructure/facilities in the region.
- f) Creation of an enabling environment for Private sector investment, in Culture and Sports industries for employment creation and improvement of household incomes.
- g) Initiating and implementing a regular programme for organizing EAC Cultural and Sports Events (festivals, art exhibitions/expo, symposia and Sports tournaments.
- h) Strengthening the Collaboration between the EAC and regional/International organizations (e.g. UNESCO, FIFA) in the promotion and development of Culture and Sports

Priority Area 5: Strengthening Immigration capacities to enhance free movement of persons, workers and service; and management of refugees

Strategic Interventions

- a) Reviewing of immigration laws to be in line with the EAC Common Market
- b) Implementing a continuous sensitization programme for the Immigration Sector on their expected role in the implementation of the EAC Common Market
- c) Undertaking of regional training programme for labour and immigration Officers
- d) Reviewing and harmonizing of Labour Laws and Employment policies
- e) Coordination and modernization of Social Security Systems
- f) Completion of the EAC Manpower Survey
- g) Employment creation through the Regional Decent Work programme
- h) Development of regional programmes to promote workers Occupational Health and Safety within the EAC Common Market
- i) Development and review of Refugee management policies.
- j) Establishment of a regional migration data bank
- k) Establishment of a regional framework for issuance of machine readable national Identity Cards to facilitate movement of persons.

Priority Area 6: Support to Urban Development and Housing in the East African Region

Strategic Interventions

- a) Establishing Housing Mortgage and related investment schemes

- b) Developing and harmonising national urban development policies, standards and regulations
- c) Strengthening Urban management institutions and human resource capacity
- d) Mainstreaming of physical planning in national development agenda
- e) Capacity-building for local authorities.

4.5 Sector Support Programmes

Development Objective 7: To strengthen the Service Support Sectors

Priority Area 1: Strengthening of legal and judicial systems

Strategic Interventions:

- a) Harmonizing laws and judicial systems harmonized, and develop policies, regulations, procedures and standards.
- b) Legal support to Organs and Institutions of the Community on statutory and governance matters.
- c) Institutionalizing EAC legislation and administration of Justice.
- d) Developing and supporting EAC's oversight role.
- e) Conclusion of a protocol on the extended jurisdiction of East African Court of Justice..

Priority Area 2: EAC institutional framework strengthened

Strategic interventions:

- a) Re-structuring and empowering of the Secretariat to implement reforms as per the institutional review recommendations;
- b) Development and implementation of a framework for sustained, efficient and effective leadership;
- c) Strengthening of inter-organ/institutional collaboration and co-operation; and
- d) Inculcation of organizational culture and management practices to promote EAC ideals.
- e) Development of efficient and effective administrative systems;
- f) Institutionalization of performance contracting;
- g) Efficient and effective delivery of conference services;
- h) Development of high quality, responsive, innovative and cost-effective ICT services;
- i) Facilitation of completion of EAC headquarters;
- j) Improvement of working conditions including provision of adequate office accommodation and recreational facilities;
- k) Establishment of e-library services;
- l) Implementation of the EAC Records and Archives Management Policy; and
- m) Development and implementation of EAC Safety and Security Policy and Strategy.

Priority Area 3: The Institutional Review Report recommendations implemented

Strategic interventions:

- a) Conclusion of the institutional review process and implementation of the institutional review recommendations;
- b) Strengthening of the EAC structures and processes to enhance efficiency and effectiveness;
- c) Institutionalization of capacity building programmes for all EAC Organs and Institutions;
- d) Development and implementation of a comprehensive Human Resource Development and Utilization Strategy; and

- e) Review and harmonization of terms and conditions of service for all EAC Organs and Institutions.

Priority Area 4: Strengthening capacity for resource mobilization, financial management and reporting

Strategic interventions:

- a) Operationalization of implementation of the EAC Resource Mobilization Policy and Strategy
- b) Establishment and operationalization of the EAC Development Fund (EACDF)
- c) Sustainable financing of the EAC.

Priority: 5 Strengthening the Planning, Research, Monitoring and Evaluation functions.

Strategic Interventions

- a) Review implementation of the EAC Common Market Protocol and development of additional Instruments.
- b) Coordination of formulation of Annual Operational Plans and reporting
- c) Review of implementation of the 4th EAC Development Strategy.
- d) Coordinate the Annual EAC Pre-budget Conference.
- e) Conduct research on topical issues

Priority Area 6: Enhancing Information, Education and Communication and Popular Participation of the East African citizenry in EAC integration process.

Strategic Interventions

- a) Formulate, harmonise and implement a Regional Communication Policy and Strategy
- b) Institute mechanism for effective involvement of the private sector, civil society organisations, and other interest groups in the integration process and activities

Priority Area 7: Development and Harmonisation of Regional Statistics

Strategic Interventions

- a) Harmonized statistical procedures and practices
- b) Establish the EAC Statistics Bureau

4.6 EAC Organs and Institutions

4.6.1 East African Legislative Assembly

The Assembly is one of the decision making bodies of the Community. It is established under Article 9 of the Treaty as the legislative organ of the Community. The functions of the EALA as set out under Articles 48, 49, 132, 134 of the Treaty. It is therefore important in the next five years to strengthen capacity and enhance the mandate of EALA to facilitate the EAC integration process. This will be achieved through the implementation of the following development objective and strategic interventions

Development Objective 8: To strengthen and enhance the mandate of EALA.

- a) Legislation of Regional Laws.
- b) Establishment of a harmonized framework for the EALA Members at national level.
- c) Establishment of an effective and efficient communication and reporting mechanisms between the EALA and the National Assemblies
- d) Establishing and strengthening the legislative, oversight and representation functions of the EALA that have clear linkages to those at national levels.
- e) Establishing Standing Committees in Partner States' Parliaments responsible solely for the EAC affairs.
- f) Promote and branding EAC corporate image

4.6.2 East African Court of Justice

Development Objective 9: To enhance the design of the Court under the Treaty, its appreciation and visibility and develop its human and material capacity.

Strategic interventions:

- a) Participate in the on-going EAC Process for extending the Court's jurisdiction and for improving the terms and conditions of service for the Judges
- b) Participate in the on-going EAC process of the review and amendment of the Treaty so that apparent conflicts and contradictions affecting the Court are resolved
- c) Proactively influence a positive shift in mindset of EAC Policy Organs and other Stakeholders towards the role of the Court.
- d) Making the Court visible and indispensable in matters related the discharge of its mandate
- e) Enhancing the capacity of the Court

4.6.3 Lake Victoria Basin Commission

Development Objective 10: To promot sustainable utilization and management of the Lake Victoria Basin resources

Strategic interventions:

- a) Strengthening institutional capacity of LVBC;
- b) Promoting public awareness, information sharing and communication for sustainable development in the Lake Basin;
- c) Establishing relationships and working mechanism with other Stakeholders in the Lake Victoria Basin;
- d) Harmonization of policies, laws and standards; and strengthening institutional development and governance;

- e) Promoting improved health services with emphasis on HIV&AIDS; education and training; water supply, sanitation and nutrition status;
- f) Improving maritime transport, security and safety;
- g) Promotion of environment and natural resources management strategies;
- h) Promotion of integrated water resource management;
- i) Sustainable development, utilization and management of the fishery resources in the Basin; and
- j) Creation of an enabling environment for investments, employment creation and generation of household incomes

4.6.4 Lake Victoria Fisheries Organisation

Development Objective 11: To promote sustainable utilization and management of the living resources of Lake Victoria for Maximum socio-economic benefits

Strategic Interventions

- a) Co-ordination of research programmes to acquire sound scientific information for sustainable management;
- b) Initiation, strengthening, and co-ordination of institutional, policy, and legal framework towards building consensus to foster integrated fisheries management;
- c) Development and implementation of aquaculture in East Africa;
- d) Fish handling, quality assurance and product development;
- e) Fisheries business management, marketing and trade;
- f) Establishment of common data standards and shared databases, and also coordinated/joint data collection and analysis to foster effective and efficient information generation, flow and exchange;
- g) Institutional support to LVFO for increased mandate and scope;
- h) Forging of partnership and collaboration with Institutions and stakeholders, and consolidation of relationships with contractual arrangements through joint delivery of complimentary programmes

4.6.5 Inter University Council for East Africa

Development Objective 12: To strengthen Coordination and operational capacity of Inter University Council and develop human resource capacity in all disciplines of higher education in East Africa.

Strategic interventions:

- a) Consolidating and operationalizing the legal, management and human resource framework in line with the IUCEA Act 2009
- b) Improving IUCEA physical infrastructure including permanent Headquarter offices construction
- c) Strengthening IUCEA visibility
- d) Strengthening resources mobilization, management capacity and sustainability
- e) Strengthening Planning and monitoring & evaluation capacity
- f) Developing leadership and management capacity of member universities and promotion of systems for the university of the future
- g) Enhancing support systems in research, teaching and services to universities and establishment of education research depository for East Africa
- h) Promoting inter-university cooperation
- i) Promoting application of ICT and networking of member universities, distance education in the region's higher education systems, and promoting lifelong learning

- j) Regional higher education quality assurance and accreditation system and an East African qualifications framework established
- k) Promoting internationalization of higher education, research and promotion of East Africa integration
- l) Promoting gender balance and mainstreaming

4.6.6 Civil Aviation Safety & Security Oversight Agency

Development Objective 13: To maximize benefits of a safe, secure and efficient air transport system in the region

Strategic Interventions

- a) Rationalizing the mandate of CASSOA in line with the dynamics in the aviation industry and the enhanced economic integration in the region.
- b) Building an effective and sustainable civil aviation oversight system in the region
- c) Development of civil aviation regulations meeting international safety and security standards.
- d) Minimizing aircraft incident and accident rates in the region.

5 MONITORING AND EVALUATION MECHANISM

5.1 Rationale

Formulating a Development Strategy is only "half the battle." Getting it implemented is the other, and generally the tougher one. An important part of strategy implementation is monitoring, that entails taking a periodic look at "how it's going, and evaluation that entails a systematic and objective assessment of on-going or completed interventions or policies, and the resulting impacts. Hence an effective mechanism for monitoring and evaluating the implementation of the Development strategy will be important for a number of reasons:

- a) Ensures that the interventions being carried out conform to the development plan
- b) Ensures that the results being achieved are aligned with the set objectives
- c) serves as an "early warning system and gives an opportunity for all implementers to communicate how they are doing where the problems and opportunities lie;
- d) provision of regular information to all stakeholders on the progress of implementation and aid informed decision making
- e) The mechanism allows corrective action and fine tuning "not only the strategies, but the planning process leading to improved performance.
- f) Demonstration of public accountability and transparency in the implementation of the regional projects and programs;
- g) Promotion of learning, feedback, and knowledge sharing on results and lessons learned among implementing Partners; and
- h) Ensures the continuous sharpening and focusing of strategies and assist in the mobilization of appropriate and responsive interventions at all stages of implementation.

5.2 Monitoring the implementation of the 4th EAC Development

The emphasis of the M&E system for the 4th EAC Development Strategy will be monitoring of outcomes and impact rather than processes and activities. Regular monitoring will focus on the following issues:

- a. Activities being implemented within set timelines and progress being made;
- b. The rate at which inputs (budgets , staffing and finances) are being used within agreed budget lines;
- c. The extent to which the desired results are being achieved in relation to set targets; and
- d. Changes in the project environment and whether the assumptions still hold.

5.3 Systematic and timely reporting on the progress of implementation of 4th EAC Development Strategy.

In line with the Result based M&E framework currently being developed; the following key reports shall be regularly compiled:

5.3.1 Monthly Activity Report:

The report will be prepared on a monthly basis by sector heads or project managers and submitted to heads of directorates. This will contain the status of implementation of key activities and related actions undertaken during that particular month. The report will highlight progress made and any technical support that may be required. It also allows for lessons to be shared, and adjustments made or corrective actions and decisions to be taken, where necessary.

5.3.2 Quarterly Performance Report (Directorate)

At Directorate level, a quarterly directorate progress report shall be generated to provide the status of achievement of targeted outputs and the assessment of progress towards the strategy objectives and goals. The Partner States through the Ministries responsible for EAC Affairs will have a link with EAC Secretariat M&E systems to provide information and updates on projects and programmes under implementation. The reports will also provide an opportunity to share “lessons and experiences. The same framework will involve EAC Organs and institutions.

5.3.3 Bi-Annual Progress Report (Six months)

The bi-annual progress report shall be prepared by EAC Secretariat in collaboration with the Partner States through MEACAs, EAC organs and Institutions. The report shall provide progress made in implementing the EAC Development Strategy.

5.3.4 Annual Report

The annual report shall provide information and data on the progress made in implementation of the EAC Development Strategy by all relevant stakeholders. The report will highlight the success stories, challenges encountered and innovative solutions to the challenges. It also highlights the priority programs for next year and strategies for maintaining and improving existing programs.

In order to create common standards in reporting, agreed formats will be adopted and used at different levels.

5.4 Evaluation of EAC Development Strategy

Evaluations will be conducted by way of systematic and objective assessment of on-going or completed interventions, policies and the resulting impacts. The aim will be to determine the relevance, efficiency, effectiveness, impact and sustainability of the development interventions. Overall, evaluations will endeavour to explore the alignment of interventions and policies, change processes that support implementation of the development strategy.

Depending on the focus and timing, the following valuations will be undertaken:

5.4.1 Ex-ante:

This evaluation will be carried out before the start to establish the baseline data for particular outcome indicators where base line information.

5.4.2 Periodic Evaluation

This type of evaluation will be carried out at regular intervals, e.g. annually. In the framework of the EAC, the Mid-term Review of the implementation of the Strategy will constitute a periodic evaluation. Mid-term evaluations will also be carried out for any project of whose life span is at least three (3) years. Other types of evaluations that will be categorized as periodic include: event-triggered evaluations in response to a particular event or set of conditions; request evaluations in response to an ad hoc request, by the Council or Partner States.

5.4.3 Ex-post Evaluation

This evaluation will be undertaken at the end of an intervention/ project or programme particularly focusing on the final results with the aim of providing input and lessons for future interventions. An Ex post evaluation will be carried out during the final year of the strategy to assess the impact and sustainability of the various interventions implemented.

5.5 Institutional Framework for Monitoring and Evaluating the Strategy.

The Treaty recognises that monitoring and evaluating EAC projects and programmes is a shared responsibility at different levels and by different stakeholders:

- a) Article 71 (I c & g) empowers the Secretariat to undertake strategic planning & management, monitoring & evaluation of projects and programmes for the development of the Community and regularly submit reports on activities of the Community to Council through the Coordination committee.
- b) Article 14 (2) empowers the Council to promote, monitor and keep constant review of the implementation of the programmes of the Community and ensure its proper functioning”.
- c) Article 21 (b) empowers the Sectoral Councils to monitor and keep under constant review the implementation of programmes of the Community within their respective sectors”
- d) Article 18 empowers the Coordination Committee to submit from time to time reports and recommendations to the council on the implementation of the Treaty”
- e) Article 49 (2c) gives the East African Legislative Assembly powers to consider Annual Reports of the activities of the Community, annual audit reports and any other reports referred to it by the Council

The above framework shall therefore provide a mechanism for effective and efficient monitoring, evaluating and reporting on progress of implementation of the 4th EAC Development Strategy.

5.6 Monitoring and Evaluation Plans/Timetables

The implementation of the M&E mechanism will require the preparation of annual monitoring plans that provide a framework for tracking of the EAC interventions from objectives (outcomes) to outputs and activities. as shown under figure.....

Table 5.1: Sample Annual Monitoring Plan Matrix

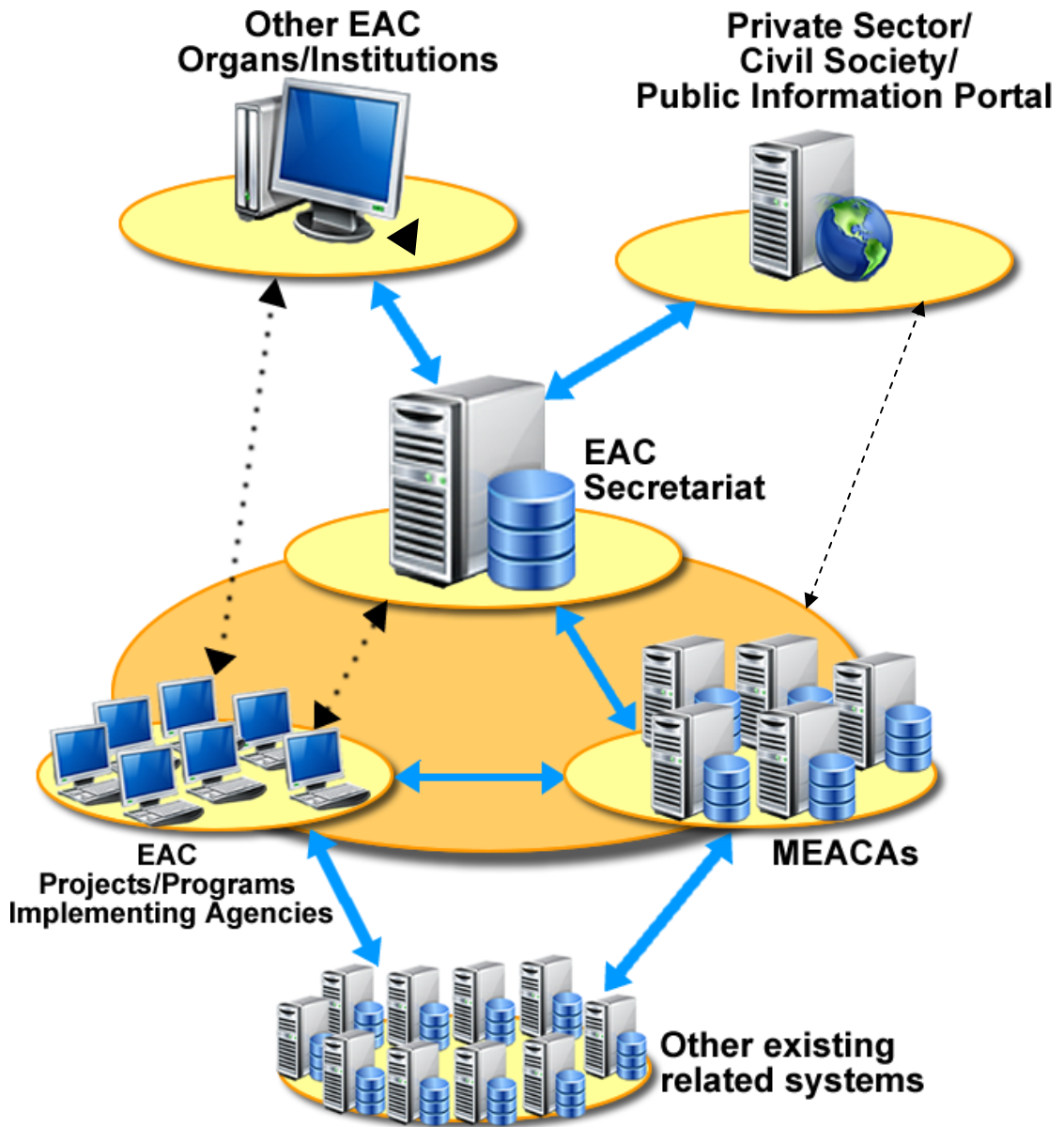
Hierarchy of Objectives	Performance indicators	Baseline	Responsibility for data collection & analysis and reporting	Reporting Timeframe	Report Recipients
Broad Objectives	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx	Annual	xxxxxxxxxx
Outcomes	xxxxxxxxxx	Xxxxxxxxx x	xxxxxxxxxx	Annual	xxxxxxxxxx
Outputs	xxxxxxxxxx	Xxxxxxxxx x	xxxxxxxxxx	Quarterly	xxxxxxxxxx
Activities	xxxxxxxxxx	Xxxxxxxxx x	xxxxxxxxxx	Monthly	xxxxxxxxxx
Inputs	xxxxxxxxxx	Xxxxxxxxx x	xxxxxxxxxx	Monthly	xxxxxxxxxx

5.7 Data Collection and Information Flow

The monitoring and evaluation plans will be the basis on which data collection will be planned and executed. While there will be various sources of data will include among other: EAC Secretariat, Partner State implementing Ministries, public and private sector institutions, the responsibility of ensuring that relevant data and information is collected, analysed and disseminated will be both the EAC Secretariat and Partner States Coordinating Ministries.

The figure below illustrates the principles and systems that will guide data collection, analysis, and reporting and information flow within the EAC. Standard reporting formats will be used to capture performance data.

Figure 5.1: MIS Data/Information flow within the EAC



—————> Formal Information flow
> Informal Information flow

6 SUSTAINABLE FINANCING OF THE 4TH EAC DEVELOPMENT STRATEGY

Article 132 of the Treaty provides that the budget of the Community shall be funded by equal contributions from the Partner States and receipts from regional and international donations as well as any other sources as may be determined by the Council. The Community may also raise resources through income earned from activities undertaken by the Community. Article 71 (i) states that the Secretariat shall be responsible *for the mobilization of resources from Development Partners and other sources for implementation of projects of the Community*. These grant based sources of financing the Community programmes have been inadequate.

The implementation of the 4th EAC Development Strategy will require major commitment of sustainable financial and human resources. The EAC Secretariat is currently working on its resource mobilization strategy. This section defines the principles, identifies a number of strategies, instruments, systems and institutional mechanisms that the EAC could use to mobilize financial and non-financial resources for sustainable financing of the proposed interventions. The choice of instruments will depend on the type of the resources and their sources.

6.1 Principles To Guide Effective Resource Mobilisation

The guiding principles for effective resource mobilisation and management will build on inclusiveness and synergy to include:

- (a) Partner States increasingly to fund core programs for EAC Integration to entrench Ownership-
- (b) Programme including extra-ordinary resources to be routed through an integrated EAC
- (c) Setting priorities for funding against defined time frames in line with needs assessments and using EAC own regulations and procedures.
- (d) Operating from a wide secure resource base through partnership approach, preferably basket funding, to resource mobilization and application
- (e) Maintaining a data base of sponsors and recipients, for ease of coordination of resource mobilization efforts within EAC and regional level
- (f) Transparency and Accountability including Clarity on programme support costs, Monitoring and reporting
- (g) Inclusiveness and synergy- across the different directorates, organs and institutions to enhance efficient use of resources and sustainability.

6.2 Strategies for Resources Mobilisation

6.2.1 Resources from the Partner States

It is anticipated that by the commencement of the implementation of this Strategy, Partner States will have reached an agreement on sustainable funding of the Community including reviewing the Treaty to introduce new modalities of Partner State contributions commensurate with the deepened regional integration agenda.

6.2.2 Resources from Development Partners

With regard to resources from development partners, the Community is expected to engage Development Partners through the following mechanisms:

- a) Signing memoranda of Understanding;
- b) Signing multi- year Contribution/ financing Agreements;
- c) Continue with the current engagement with development Partners under the Partnership Fund Framework/ arrangement; and
- d) Setting up Development Partner Thematic Working Groups to finance specific sectors and intervention on the Strategy.

6.2.3 The East African Community Development Fund Mechanism (EACDF)

It is also anticipated that during the course of implementation of the 4th Development Strategy, the mechanism envisaged under the EACDF as an instrument for resource mobilization will be operationalized.

6.2.4 Foreign Direct and Portfolio Investment

Attracting foreign investment in a highly competitive environment requires that the region offers attractive investment opportunities. Investors will expect to find in the region, stable and predictable political environment, favorable regulatory environment, macroeconomic stability, quality economic infrastructure and efficient financial markets among others.

6.2.5 Public Private Partnerships(PPP)

PPPs are effective financing mechanisms for both national and regional development activities especially infrastructure projects. EAC Partner States will need to develop and implement policies and strategies on PPPs and market the same to potential investors. PPPs could take the form of Lease contracts, Concessions, Build – Operate- transfer or Build – Own Transfer (BOT) Corporations; equity participation, among others.

6.3 Resource Requirements for the implementation of the 4th EAC Development Strategy

The five year programme resource requirements amounting **USD 1, 288,538,790** is based on the indicative planning figures for the implementation of the various strategic interventions by EAC Organs and Institutions. The strategy will be funded through resources mobilisation strategy targeting contributions from Partner States, Development partners and the Private Sector. The ongoing consultations on alternative financing mechanisms for the East African Community will therefore be concluded soon, and a more sustainable mechanism identified to ensure timeliness and sustainability in programme/project implementation.

Table 6.1: Budget Summary

	Pillar / Sector	Sub-Sector	Indicative Budget	Pillar/ Sector Total
1.	Customs Union	Administration	22,000,000	28,050,000
		Trade Facilitation	2,850,000	
		Revenue management	2,100,000	
		Customs and Trade Partnerships	1,100,000	
2.	Trade	Market Access	6,550,000	13,520,000
		International Trade	5,900,000	
		Trade information	420,000	
		SQMT	650,000	
3.	Common Market	Common Market	19,800,000	75,287,800
		Financial Sector Integration	55,487,800	
4.	Monetary Union	Monetary Union	35,900,000	35,900,000
5.	Political Federation	Political affairs	3,550,000	15,590,730
		Peace and Security	8,300,000	
		International relations	1,300,000	
		Defence Cooperation	2,440,730	
6.	Infrastructure Development	Roads	52,000,000	209,065,000
		Railways	22,500,000	
		Civil Aviation	41,035,000	
		Maritime Transport	31,500,000	
		Meteorological Services	28,900,000	
		Information Communication and Technology	33,130,000	
7.	Productive Sector	Agriculture and Livestock	49,550,000	109,514,150
		Industrial Development	24,350,000	
		Tourism and Wildlife	6,740,000	
		Environment and Natural Resources	6,550,000	
		Energy	18,000,000	
		Investment Promotion and Private Sector Development	5,712,600	

	Pillar / Sector	Sub-Sector	Indicative Budget	Pillar/ Sector Total
8	Social Sectors	Health	56,950,000	139,986,250
		Education, Science and Technology	9,851,250	
		Gender and Community Development	3,200,000	
		Culture and Sports	15,250,000	
		Labour and Immigration	19,160,000	
		Urban Development and Housing	35,575,000	
9	Sector Support Programs	Legal and Judicial Affairs	950,000	32,945,000
		Resources mobilisation	1,000,000	
		Human Resources and Administration	18,245,000	
		Planning and Research	3,550,000	
		Monitoring and evaluation	1,100,000	
		Statistics Development	4,100,000	
		Corporate communications and public affairs	4,000,000	
10	EAC Secretariat		616,177,380	
11	EAC Organs	East African Legislative Assembly (EALA)	63,850,000	63,850,000
		East African Court of Justice (EACJ)	33,128,850	33,128,850
12	EAC Institutions	Lake Victoria Basin Commission	155,218,372	190,218,372
		Lake Victoria Fisheries Organization	89,000,000	89,000,000
		Inter-University Council for East Africa	223,582,638	223,582,638
		Civil Aviation Safety and Security Oversight Agency (CASSOA)	31,300,000	31,300,000
	GRAND TOTAL			1,288,538,790

ANNEX 1: IMPLEMENTATION MATRIX OF THE EAC DEVELOPMENT STRATEGY 2011/12-2015/16

CUSTOMS UNION

Sector Objective: To consolidate the benefits of a fully fledged Customs Union

Sub-sector 1: Customs Administration

Sub-sector Objective: To establish an efficient Customs Administration

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
1. Development and implementation of the EAC Customs Strategy	2011-2015	<ul style="list-style-type: none"> • EAC Customs Strategy finalised and approved by the Council • Customs Strategy implemented 	<ul style="list-style-type: none"> • EAC Customs Strategy approved by the Committee on Customs and by Council • Interventions under the Customs strategy implemented to guide all customs programmes 	EAC Secretariat and Council	20,000,000
2. Develop an appropriate model for administering Customs in a fully fledged Customs Union	2012-13	EAC Customs Authority established and operationalised	<ul style="list-style-type: none"> • EAC Customs Authority study undertaken • EAC Customs Authority Law enacted and implemented • Administrative structures established 	EAC Secretariat and Council	400,000
3. Development of an appropriate border infrastructure and institutional framework.	2013-16	<ul style="list-style-type: none"> ▪ At least five- one stop-border posts established and operationalised 	<ul style="list-style-type: none"> ▪ Law on one border post finalized ▪ Reduction of lead times at borders ▪ Existence of physical facilities at borders ▪ Existence of applied new harmonised legal framework, systems and processes. ▪ Increase of information flow to and from customs at the border 	Partner States and EAC Secretariat	200,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
4. Building Institutional and staff capacity	2012-16	New institutional framework for Customs training developed and operationalised EAC Customs Academy established 90% of customs Administration staff trained	<ul style="list-style-type: none"> • Approved new institutional framework • EAC Customs training Curriculum Accredited by WCO • Percentage of staff trained • Academy facilities, Governance structures and establishment in place 	EAC Secretariat and Customs Administrations of Partner States	200,000
5. Harmonization and spearheading of reform and modernization programmes	2011 – 16	Customs reforms and programmes implemented	<ul style="list-style-type: none"> • Number of International Customs Conventions acceded to by customs. • Level of reduction of cost of customs administration • No of reforms implemented 	EAC Secretariat and Customs Administrations of Partner States	200,000
6. Enhancement of good Governance and integrity in Customs Management	2011-2013	Good governance and integrity programmes implemented by 2013 Implement the WCO Governance framework	<ul style="list-style-type: none"> • Level of transparency among the Customs Administration • Reduction of cases of corruption • Extent to which customs administrations reduce corruption prevalent environments 	EAC Secretariat and Customs Administrations of Partner States	200,000
7. Enhancing awareness & communication on Customs Rules and procedures	2011-16	Customs Communication strategy developed and implemented	<ul style="list-style-type: none"> • No of IEC materials developed and distributed • Level of customer/ citizen satisfaction • Ease of availability of customs information • Information available on line 	EAC Secretariat and Customs Administrations of Partner States	200,000
8. Developing and institutionalizing a Monitoring & Evaluation	2012-13	M & E framework developed and operationalised	<ul style="list-style-type: none"> • A consultant recruited to developed an M&E framework 	EAC Secretariat, Revenue Authorities	200,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
Framework within the region			<ul style="list-style-type: none"> • Increased information sharing among Customs administration • Increased accountability and evidence decision making 		
9. Reviewing of EAC Customs Management Act , Regulations including Common External tariff (CET) and Rules of Origin	2011 -2013	EAC CMA and regulations reviewed	<ul style="list-style-type: none"> • Legislation and implementation of EAC Customs Authority Act and supporting regulations • Publication of all customs related laws and regulations available for traders and other stakeholders. • 	EAC Secretariat and Customs Administrations of Partner States	200,000
10. Operationalization of dispute resolution mechanisms	2012- 2013	<ul style="list-style-type: none"> • EAC dispute settlement mechanism operationalised by December 2013. 	<ul style="list-style-type: none"> • Legal framework developed and approved by Council • Institutional framework established 	EAC Secretariat and Customs Administrations of Partner States	200,000
SUB-TOTAL (Customs Administration)					22,000,000

SUB-SECTOR 2: TRADE FACILITATION

Sub-sector Objective: To improve Trade Facilitation leading to smooth flow of goods across the Partner States

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
1. Harmonization & simplification of Customs procedures	2012-2013	Customs procedures simplified and harmonized by December 2013	<ul style="list-style-type: none"> • Number of documents simplified and in use • Reduced time of movement of goods across the borders 	EAC Secretariat and Customs Administrations of Partner States	200,000
2. Application of ICT (Interface/Inter-connectivity) & Exchange of information	2012 - 2014	Customs interconnectivity implemented by 2014	<ul style="list-style-type: none"> • Installation of interfaced customs system • Improved quality of information exchange 	EAC Secretariat and Customs Administrations of Partner States	350,000
3. Management of movement of goods	2011- 2015	Management of free movement of goods achieved by December 2015	<ul style="list-style-type: none"> • Number of domestic tax laws harmonized • Extent of removal of border agencies 	EAC Secretariat and Customs Administrations of Partner States	200,000
4. Establishment of effective and efficient procedures for elimination of Customs-related NTBs	2012 - 2014	Reduction of time taken to clear goods through Customs to half a day.	<ul style="list-style-type: none"> • Time taken to clear goods through Customs 	EAC Secretariat and Customs Administrations of Partner States	350,000
5. Facilitation of free movement of goods	2011- 2015	<ul style="list-style-type: none"> • Single bond guarantee and cargo tracking system developed and operationalized by December 2015 	<ul style="list-style-type: none"> ▪ Implementation of single bond guarantee and cargo tracking system. ▪ Legal and institutional framework put in place and approved by Council 	EAC Secretariat and Customs Administrations of Partner States	200,000
6. Promotion of Export and investment	2011-2015	<ul style="list-style-type: none"> ▪ Simplified procedures on refunds and duty drawback implemented by December 2015. ▪ Procedures on duty remission and exemptions 	<ul style="list-style-type: none"> ▪ Guidelines on data capture on exports institutionalized. ▪ Simplified, harmonised and streamlined procedures on refund, remission and drawback 	EAC Secretariat and Customs Administrations of Partner States	600,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
		streamlined by December 2015.	implemented		
7. Promotion of intra and inter-regional trade	2011 - 2013	<ul style="list-style-type: none"> ▪ Customs guidelines on the FTA under the EAC, SADC and COMESA Tripartite framework developed by December 2013. ▪ Law and Regulations on One Stop Border Post (OSBP) finalized by June 2012. 	<ul style="list-style-type: none"> ▪ EAC Rules of Origin aligned with the Tripartite Rules of Origin. ▪ Law on One Stop Border Post (OSBP) finalized. ▪ Procedures for the operationalization of OSBP law finalized. 	EAC Secretariat and Customs Administrations of Partner States	600,000
8. Harmonisation of Axle load limit	2013 - 2015	<ul style="list-style-type: none"> ▪ Implement the harmonised Axle Load limit of 56 Tonnes, 	<ul style="list-style-type: none"> ▪ Axle load limit implemented 	EAC Secretariat Partner states Private Sector	200,000
9. Development of effective policies and programs for trade facilitation	2011-2016	<ul style="list-style-type: none"> ▪ policies and programs for trade facilitation developed 	<ul style="list-style-type: none"> ▪ No. of policies and programs for trade facilitations developed and implemented 	EAC Secretariat Partner states Private Sector	150,000
SUB-TOTAL (Trade Facilitation)					2,850,000

Sub-sector 3: Revenue Management

Sub-sector Objective: To enhance efficiency in Revenue management

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
1. Improving management of the EAC Tariff Regimes and Rules of Origin	2012-2013	Improved management of the EAC Tariff Regimes and Rules of Origin	<ul style="list-style-type: none"> • Extent to which the CET is uniformly applied by Partner States • The number of Sectoral reviews • Extent to which exception lists are reduced • Existence of a Regional classification database. 	EAC Secretariat and Customs Administrations of Partner States	300,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
2. Improvement and harmonization of Customs Valuation practices.	2012- 2013	Policy review and management of the EAC Tariff Regimes and Rules of Origin Improved by June 2013	<ul style="list-style-type: none"> • Extent to which the CET is uniformly applied by Partner States • The number of Sectoral reviews • Extent to which exception lists are reduced • Existence of a Regional classification database. • Establishment and use of a customs laboratory on valuation and classification of goods. 	EAC Secretariat and Customs Administrations of Partner States	300,000
3. Development and implementation of risk management systems.	2012- 2015	<ul style="list-style-type: none"> • Risk management systems developed and implemented by June 2015. 	<ul style="list-style-type: none"> • Extent to which Customs use risk based systems in clearance of goods • Level of awareness amongst the business community on the importance of risk management and its benefits • Relevant laws and agreements developed 	EAC Secretariat and Customs Administrations of Partner States	200,000
4. Enhancement of enforcement and compliance with Customs Laws.	2011 - 2013	Enforcement and compliance with Customs Laws enhanced by December 2013	<ul style="list-style-type: none"> • Adoption of enforcement regulations • Adoption of EAC AEO guidelines • Adoption of EAC Benchmarking system 	EAC Secretariat and Customs Administrations of Partner States	300,000
5. Strengthening of post-clearance audit in Customs	2011- 2012	Post-clearance audit in Customs strengthened by June 2012	<ul style="list-style-type: none"> • Adoption of EAC audit manual by Partner States • Level of awareness amongst the business community on the benefits of compliance and participating in PCA. 	EAC Secretariat and Customs Administrations of Partner States	200,000
6. Improvement of Revenue collection and accounting for Customs revenue	2011- 2013	Collection and accounting for revenue improved by December 2013	<ul style="list-style-type: none"> • Increase in revenue collected versus costs of administration 	Partner States and EAC Secretariat	200,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
			<ul style="list-style-type: none"> • Perceptions of the integrity of Customs' revenue collection systems and processes 		
7. Efficient management of bonded facilities	2011 – 2015	Bonded facilities efficiently managed by 2015	<ul style="list-style-type: none"> • Extent to which licences are harmonised • Extent to which beneficiaries of exemptions are audited 	EAC Secretariat and Customs Administrations of Partner States	200,000
8. Efficient management of duty remission and exemption regimes	2011 – 2015	Duty remission and exemption regimes efficiently managed by 2015	<ul style="list-style-type: none"> • Operational guidelines published and distributed 	EAC Secretariat and Customs Administrations of Partner States	200,000
9.			SUB-TOTAL (Revenue Collection)		1,900,000

Sub-sector 4: Customs and Trade Partnerships

Sub-sector Objective: To develop and implement Systems of Customs and Trade Partnerships

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
1. Institutionalising systems and partnerships with Governmental Agencies and Line Ministries at regional and national level.	2011 – 2015	Partnership with Governmental Agencies and Line Ministries at regional and national level developed by 2015	<ul style="list-style-type: none"> • Progress in implementing Regional Trade Single Window System • Improved cross agency working methods • Improved rating on the World Bank 'Trading Across Borders' Index 	EAC Secretariat and Customs Administrations of Partner States	300,000
2. Developing appropriate systems of Partnerships with the private sector.	2011 – 2015	Relationships with the private sector Developed by 2015	<ul style="list-style-type: none"> • Extent to which stakeholders are consulted before policies and procedures are changed • Progress in implementing Regional Trade Single Window • Improved rating on the World Bank 'Trading Across Borders' Index 	EAC Secretariat and Customs Administrations of Partner States	300,000
3. Institutionalising systems and relationships with international trade related organizations	2011-2015	Relationships with international organizations built and consolidated by 2015.	<ul style="list-style-type: none"> • Number of MAAs signed • Establishment of EAC RILO office • Participation in CSI 	EAC Secretariat and Customs Administrations of Partner States	300,000
4. Facilitation of Border Agencies coordination and cooperation	2011-2013	Border Agencies committees established	<ul style="list-style-type: none"> • No. of border committees 	EAC Secretariat Partner States	200,000
			SUB-TOTAL (Customs – Trade Partnerships)		1,100,000

7.1.2 TRADE

Development Objective: To enhance market access and competitiveness

Sub-sector 1: Internal Trade

Sub-sector Objective: To streamline, simplify and harmonize trade administrative procedures and regulations

Development Objective: To enhance market access and competitiveness

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Streamline, simplify and harmonise Administrative procedures and regulations	2011-2012	<ul style="list-style-type: none"> At least 3 procedures and regulations simplified. 	<ul style="list-style-type: none"> Number of procedures and regulations simplified. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	200,000
2. Reviewing of the existing laws and regulations governing trade, investment and export promotion.	2011-2015	<ul style="list-style-type: none"> Existing laws and regulations governing trade, investment and export promotion reviewed 	<ul style="list-style-type: none"> Number of laws and regulations governing trade, investment and export promotion harmonized. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	850,000
3. Developing of the legal and regulatory frameworks, based on international standards and best practices.	2011-2015	<ul style="list-style-type: none"> Legal and regulatory frameworks, based on international standards and best practices developed and implemented 2. 	<ul style="list-style-type: none"> Number of international standards and best practices on legal and regulatory frameworks institutionalized. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	800,000
4. Establishment and operationalisation of an EAC Competition Authority	2011-2015	<ul style="list-style-type: none"> Functional EAC Competition Authority 	<ul style="list-style-type: none"> Competition Authority established 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	500,000
5. Implementation of a modern system of	2012-2015	<ul style="list-style-type: none"> Modern systems of commercial legislation 	<ul style="list-style-type: none"> Modern system of commercial legislation 	Directorate of Trade, EAC	850,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
commercial legislation.		implemented.	institutionalized at regional and national level.	Ministries, Ministries of trade and Export Promotion Councils	
6. Establishment of an open, consistent and transparent business environment by systematically addressing regulatory barriers to trade.	2011-2015	<ul style="list-style-type: none"> • Business licensing procedures and regulations harmonised. • 	<ul style="list-style-type: none"> • Improved business environment 	Directorate of Trade, EAC Ministries, Export Promotion Councils	800,000
7. Creation of a regional one-stop centre for investors and exporters.	2012-2015	<ul style="list-style-type: none"> • A regional one-stop centre for investors and exporters established. 	<ul style="list-style-type: none"> • A regional one stop centre for investors and exporters 	Directorate of Trade, EAC Ministries, Ministries of trade , Export and investment Promotion.	850,000
8. Building capacity of trade support institutions.	2011-2015	<ul style="list-style-type: none"> • Capacity public and private trade support institutions enhanced. 	<ul style="list-style-type: none"> • Number of trade institutions supported. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	900,000
9. Developing a Regional trade policy.	2011-2015	<ul style="list-style-type: none"> • A Regional Trade Policy developed and approved. 	<ul style="list-style-type: none"> • Regional Trade Policy 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	800,000
SUB-TOTAL (Internal Trade)					6,550,000

Sub-sector 2: International Trade and Export Development

Sub-sector Objective1 : To promote international trade through trade agreements and export development programmes.

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Reviewing of export incentives regimes and establishment of permanent exhibitions centres	2011-2012	<ul style="list-style-type: none"> • Robust and efficient Export incentives regimes • Good Working permanent exhibition centres 	<ul style="list-style-type: none"> • Number of operational permanent exhibitions centres • Increase in traders • Number of export incentives regimes implemented 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
2. Identification of training needs and establishment of training programmes.	2011-2015	<ul style="list-style-type: none"> • Training programmes approved and implemented. 	<ul style="list-style-type: none"> • Training needs assessment report Number of training programmes 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
3. Finalization of the Comprehensive EPA and implementation of the TIFA work plans.	2011-2012	<ul style="list-style-type: none"> • Good trading regime between EAC and EU and increased market access of EAC products to EU markets • Good working relationship between EAC and USA through TIFA and increased market access of EAC products to USA markets 	<ul style="list-style-type: none"> • EPA and TIFA work plans implemented. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
4. Development and implementation of a sensitization programme on AGOA, GSP and other preference schemes.	2011-2015	<ul style="list-style-type: none"> • AGOA, GSP, and other preference schemes understood and implemented. 	<ul style="list-style-type: none"> • Number of traders participating in AGOA, GSP and other preference schemes Increase in the number of 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion	700,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
			sectors /products in AGOA , GSP and other preference schemes	Councils	
5. Finalization and implementation of the EPZs and Special Economic Zones programme.	2014-2015	<ul style="list-style-type: none"> EPZs And SEZs are working well and contributing to economic growth in high levels 	<ul style="list-style-type: none"> EPZs and Special Economic Zones programme implemented. Number of operational EPZs and Special Economic Zones 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
6. Coordination of the negotiations process and implementation of the COMESA-EAC-SADC FTA Agreement.	2011-2015	<ul style="list-style-type: none"> COMESA-EAC-SADC FTA contributing to expanded market and growth for the regions 	<ul style="list-style-type: none"> Number of COMESA-EAC-SADC FTA Agreement implemented. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
7. Coordination and facilitation of EAC Joint Trade Policy Review.	2011-2012	<ul style="list-style-type: none"> WTO-compatible Joint Trade Policy review undertaken. 	<ul style="list-style-type: none"> WTO Joint Trade Policy Review finalized and implemented. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	700,000
8. Implement the Trade Negotiation Act	2011-2015	<ul style="list-style-type: none"> Operationalise the Trade Negotiations Commission. 	<ul style="list-style-type: none"> Trade Negotiation Commission established 	Council of Ministers, Directorate of Trade, Ministries of Trade.	1,000,000
SUB-TOTAL (External Trade)					5,900,000

Sub-sector Objective2: To enhance Collection and Dissemination of Trade Information.

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Building capacity in Information Technology (IT), data collection and	2011-2015	<ul style="list-style-type: none"> Capacity of IT for data collection and analysis working well 	<ul style="list-style-type: none"> Number of capacity building programmes in Information Technology 	Directorate of Trade, EAC Ministries,	90,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
analysis.			(IT), data collection and analysis. <ul style="list-style-type: none"> • Number of E-Traders • Number of trade reports generated using ICT 	Ministries of trade and Export Promotion Councils	
2. Development of a mechanism for sharing information among Trade Support Institutions (TSIs). Key stakeholders business community and citizenry	2012-2015	<ul style="list-style-type: none"> • Efficiency trade support institutions 	<ul style="list-style-type: none"> • Mechanism for sharing information among Trade Support Institutions (TSIs) institutionalized. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	65,000
3. Undertaking market research in priority sectors and markets.	2012-2015	<ul style="list-style-type: none"> • Efficient market research in priority sectors and markets 	<ul style="list-style-type: none"> • Number of market research in priority sectors and markets undertaken and implemented. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	65,000
4. Establishment of Business Development service centres at strategic points	2012-2015	<ul style="list-style-type: none"> • Efficient and well run Business development services 	<ul style="list-style-type: none"> • Increased number of BDS 		200,000
			SUB-TOTAL (Sub-sector)		420,000

Sub-sector 3: Standards

Sub-sector Objective: To harmonize Standardization, Quality Assurance, Metrology and Testing (SQMT)

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Finalize the harmonization of EAC standards.	2012-2015	<ul style="list-style-type: none"> Well harmonised and used EAC standards 	<ul style="list-style-type: none"> Awareness on SQMT activities increased Standards- related NTBs identified and eliminated. Catalogue of 5,000 EAC standards established and provided to Partner States. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	90,000
2. Finalize the implementation of EAC/UNIDO/NORAD Project on Trade Capacity Building in Agro-Industry, EAC/PTB (German) Project on establishment of SQMT Infrastructure and EAC/Swedish Standard Institute (SIS) SIDA Project on development of environmental standards.	2012-2015	<ul style="list-style-type: none"> SPS measures well understood and food safety measures used in the region 	<ul style="list-style-type: none"> 7 laboratories internationally accredited for export testing. SPS Protocol implemented. 5 metrology laboratories equipped and measurable to international standards. Full implementation of standards by private sector on environmental standards. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	90,000
3. Establishment of a mechanism to recognize each Partner States' quality marks to facilitate movement of goods across borders	2012-2015	<ul style="list-style-type: none"> EAC quality marks recognised and accepted in region 	<ul style="list-style-type: none"> Attainment of EAC single quality mark and consolidation of achievements by National Standards Institutions. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	90,000
4. Development of regulations to operationalize EAC SQMT Act	2011-2015	<ul style="list-style-type: none"> Regulations developed 	<ul style="list-style-type: none"> Implementation of approved regulations to operationalize SQMT Act. 	Directorate of Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	90,000
5. Harmonization of	2011-2015	<ul style="list-style-type: none"> Standards in Tripartite 	<ul style="list-style-type: none"> Annex 8 on SQMT of FTA of 	Directorate of	90,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
standards in the Tripartite (COMESA SADC and EAC)		region harmonised.	Tripartite implemented.	Trade, EAC Ministries, Ministries of trade and Export Promotion Councils	
6. Establishment of a regional accreditation body	2011-2015	<ul style="list-style-type: none"> Regional accreditation body operationalised. 	<ul style="list-style-type: none"> Regional accreditation body established 	Directorate of trade, EAC ministries and Partner States	200,000
SUB-TOTAL (Standards)					650,000

7.1.3: COMMON MARKET

Development Objective: To fully implement the EAC Common Market Protocol (CMP)

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Approximation and harmonization of national laws, policies and systems of the Partner States to conform to the CMP.	2011-2015	Partner States laws, policies and systems approximated and harmonized in conformity with the CMP.	<ul style="list-style-type: none"> No. of national laws, policies and systems approximated/harmonized. No. of Council directives issued for purposes of implementing Article of the CMP. 	Partner States and EAC Secretariat.	1,000,000
2. Establishment of an institutional framework to administer the Common Market.	2011-2015	A new institutional framework established by the Council.	<ul style="list-style-type: none"> Bill enacted/Council decision to establish a new institutional framework. 	Council and EAC Secretariat.	10,000,000
3. Adoption of measures to address imbalances that may arise from the implementation of the CMP.	2011-2014	Measures to address imbalances put in place.	<ul style="list-style-type: none"> No. of measures approved by the Council to address imbalances arising from the implementation of the Protocol. 	Council and EAC Secretariat.	300,000
4. Facilitate free movement of capital belonging to persons/firms resident in the Community.	2011-2015	Full liberalization of capital accounts in all EAC Partner States	<ul style="list-style-type: none"> Number of of legal and regulatory amendments for the removal of restrictions. Adherence to the timeframes indicated in Annex VI of the CMP. 	Ministries of Finance, Ministries of EAC Affairs, Central banks and EAC Secretariat	300,000
5. Facilitate free movement of services supplied by nationals of Partner States and free movement of	2011-2015	Complete free movement of services supplied by nationals of Partner States and free movement of service suppliers who are nationals of the Partner	<ul style="list-style-type: none"> No. of restriction removed as per the agreed schedule of commitments (Annex V of the Protocol). No. of legal, regulatory and administrative amendments 	Ministries of Trade, Ministries of EAC Affairs, and EAC Secretariat	2,500,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
service suppliers who are nationals of the Partner States within the Community.		States within the Community.	<p>effected.</p> <ul style="list-style-type: none"> No. of additional commitments made and gazette. 		
6. Facilitate free movement of workers guaranteed to citizens of other Partner States.	2011-2015	Free movement of workers within the Community.	<ul style="list-style-type: none"> No. of labour policies, national laws, regulations, and programmes approximated/harmonized. Adherence to the timeframes indicated in Annex II of the CMP 	Ministries of labour, Ministries of EAC Affairs, and EAC Secretariat	2,500,000
7. Protection of cross-border investments	2011-2013	Investment protocol and operationalised.	<ul style="list-style-type: none"> Investment Protocol adopted by the Council. No. of measures undertaken by the Partner States to secure the protection of cross border investment. 	Ministries responsible for investments, Ministries of EAC Affairs, and EAC Secretariat	300,000
8. Undertake measures to eliminate un fair business practices and enhance consumer protection	2011-2015	EAC Competition Authority established and operationalised.	<ul style="list-style-type: none"> Approval by Council of staffing for the EAC Competition Authority. No. of measures undertaken to abolish prohibited business practices. No. of measures undertaken by the Partner States to protect consumers No. of directives and regulations issued by the Council in this regard. 	Ministries of Trade, Ministries of EAC Affairs, and EAC Secretariat	2,000,000
9. Co-ordination of trade relations	2011-2015	A mechanism for coordination of trade relations with third parties established and operationalised.	<ul style="list-style-type: none"> No. of common principles adopted between Partner States and third parties in relation to: tariff rates, trade agreements, uniformity of measures of liberalization, export promotion and trade 	Ministries of Trade, Ministries of EAC Affairs, and EAC Secretariat	300,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
			remedies.		
10. Undertake Research and technological development on issues related to Common market	2011-2016	A regional mechanism for coordination of research and technology development including a Research and Technology Development Fund established and operational	<ul style="list-style-type: none"> No. of Council directives issued and regulations made in relation to Article 42 (3) of the Protocol. Bill enacted to establish a Research and Technology Development Fund 	Ministries responsible for research and technology development, Ministries of EAC Affairs, and EAC Secretariat	300,000
11. Co-operation in intellectual property rights	2011-2016	Measures put in place by Partner States to protect and cooperate in IPR in respect of Article 43 (4) of the Protocol.	<ul style="list-style-type: none"> No. of Council directives and decisions issued in relation to Co-operation in Intellectual Property Rights (IPR) 	Ministries responsible for IPR, Ministries of EAC Affairs, and EAC Secretariat	300,000
SUB-TOTAL (Common Market)					19,800,000

Development Objective: To Establish a Single Market in Financial Services

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
1. Financial Inclusion and Strengthening Market Participants	2011 - 2016	<ul style="list-style-type: none"> Studies on cross border mobile banking , provision of non-bank services to the unbanked, financial education issues and financial inclusion using payment systems infrastructure completed At least 1,500 	<ul style="list-style-type: none"> Legal and policy framework for cross border mobile banking Provision of non-banking services to the unbanked A financial capable EAC 	EAC/MAC/CMIPC	4,402,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
		institutions, clients and providers trained <ul style="list-style-type: none"> • Supervisory capacity for 1,000 MFI's, SACCO's agent banking, electronic banking strengthened • Certification programs in banking, microfinance, insurance, capital markets, pensions developed and implemented 	citizenry able to participate in the financial sector <ul style="list-style-type: none"> • Enhanced capacity for regulators to oversee these sectors • Number of clients, providers and institutions trained • Number of certification programs 		
2. Harmonization of financial laws and regulations against common standards	2011 - 2016	<ul style="list-style-type: none"> • 8 Legal frameworks for MFIS and SACCOS, banking, branchless banking, insurance, capital markets, investment funds and pensions developed and implemented 	Legal framework developed and applied in the Partner States	EAC/MAC/CMIPC	8,033,400
3. Mutual recognition of supervisory agencies	2011 - 2016	<ul style="list-style-type: none"> • At least four task forces established and supported • Assessment of compliance • Development of multi-year action plans 	EAC financial sector adhering to Basel Core Principles, IOSCO, IOPS, IAIS	EAC/MAC/CMIPC	8,252,400
4. Integration of financial market infrastructure	2011- 2016	<ul style="list-style-type: none"> • Developing a framework for payment systems • Task force on payment systems 	<ul style="list-style-type: none"> • Linked RTGS • Capacity enhancement 	EAC/MAC/CMIPC	10,669,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
		<p>established and supported</p> <ul style="list-style-type: none"> • At least 8 studies on regional CDS, regional stock exchange, regional ATS, regional TRS and the regional commodity exchange conducted 	<p>for payment systems</p> <ul style="list-style-type: none"> • Regional central depository • Demutualized stock exchanges • Regional stock exchange • Automated trading platform • Backup for Automated Trading System • Regional Trade reporting system for the OTC market • Payment Remittances and Securities Settlement Systems • Linking mobile banking with the national switch • Regional Credit Reference Bureau • Regional commodity exchange 		

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget (USD)
5. Establishment of Regional Corporate and Government Bond Market	2011 - 2016	<ul style="list-style-type: none"> • 5 Central Banks supported on government bond development strategy. • At least 10 companies assisted to issue Corporate Bonds • Study on Municipal Bonds conducted 	<ul style="list-style-type: none"> • Central Banks supported • Regional corporate bond market developed • Number of Corporate Bonds issued 	EAC/MAC/CMIPC	2,470,000
6. Build Capacity at EAC Secretariat and in the Partner States.	2011- 2016	<ul style="list-style-type: none"> • At least 20 staff recruited • Financial Sector regulators trained • Financial sector project staff trained • Financial literacy campaigns conducted 	<p>Capacity in the region for financial sector integration</p> <p>Various trainings and campaigns undertaken</p>	EAC	21,661,000
SUB-TOTAL					55,487,800

9.1.4 MONETARY UNION

Development Objective: To lay the foundation for the Monetary Union and adoption of a single currency

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Harmonization of the monetary and Exchange rate policies	2011 -2012	<ul style="list-style-type: none"> • Framework for monetary and exchange rate arrangements established by 2013 • Attain currency convertibility by 2014 • Monetary Policy communication policy developed by December 2012 	<ul style="list-style-type: none"> • Monetary and ER harmonized • Regional currencies convertible • Monetary Policy communication policy in place 	Ministries responsible for Finance, Central Banks, EAC Secretariat	800,000
2. Conclusion on negotiation of the Monetary Union protocol	2013	<ul style="list-style-type: none"> • Monetary Union protocol signed and ratified 	<ul style="list-style-type: none"> • Monetary Union protocol adopted by Council and signed by Summit 	EAC Secretariat Partner States	1,000,000
3. Undertake further research and technical preparation on introducing common currency	2011-2015	<ul style="list-style-type: none"> • At least three research studies undertaken 	<ul style="list-style-type: none"> • No. of research studies undertaken 	EAC Secretariat Partner States	300,000
4. Harmonization of the fiscal policies	2011-2016	<ul style="list-style-type: none"> • Roadmap for harmonization fiscal policies necessary for monetary union established by 2013 • Fiscal policies necessary for operation of monetary union harmonized by 2015. 	<ul style="list-style-type: none"> • Roadmap for fiscal policy harmonization in place • Fiscal Policies harmonized 	Ministries responsible for Finance, Central Banks, EAC Secretariat	850,000
5. Integrating banking and financial markets	2011-2016	<ul style="list-style-type: none"> • Roadmap for financial markets integration in place by 2013. 	<ul style="list-style-type: none"> • Banking and financial markets integrated. • Single financial market 	Ministries of Finance, Central Banks, Capital	5,150,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		<ul style="list-style-type: none"> • Harmonised legal framework for single financial markets established by 2015 • Single financial markets created by 2016 	<ul style="list-style-type: none"> • created • Legal framework for financial markets integration in place 	markets, insurance and Pensions regulators, Statistical Bureaus and EAC Secretariat	
5. Establishing legal and institutional framework for the implementation of the Monetary Union .	2011-2013	<ul style="list-style-type: none"> • EAC Monetary Union Protocol ratified by 2013 	<ul style="list-style-type: none"> • Legislative and institutional framework for the MU implemented. 	Ministries of Finance, Central Banks, Statistical Bureaus, capital markets, Insurance, Pensions regulatory agencies, and EAC Secretariat	2,950,000
6. Harmonised banking and financial sector supervision	2012-2016	<ul style="list-style-type: none"> • Harmonised regulatory and policy framework on banking and financial sector supervision in place by 2014 • Framework for operation of a regional banking and financial sector supervision mechanism in place by 2015 	<ul style="list-style-type: none"> • Harmonised banking and financial sector supervision framework developed. 	Ministries of Finance, Central Banks, Ministries of Economic Planning, capital markets, Insurance, Pensions regulatory agencies and EAC Secretariat	750,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
7. Surveillance mechanisms for macro-economic convergence and compatibility of economic policies and performances	2011-2016	<ul style="list-style-type: none"> EAC Convergence criteria reviewed by December 2012 Surveillance mechanism for Macro economic convergence in place by 2013 Roadmap for achievement of macroeconomic convergence targets developed by 2013 EAC Compliance commission established by 2015 	<ul style="list-style-type: none"> New convergence criteria established. Statistical frameworks used in convergence criteria harmonized. Surveillance mechanism for Macro economic convergence established Roadmap for achievement of macroeconomic convergence targets developed EAC Compliance commission operational 	Ministries of Finance, Central Banks, Ministries of Finance, Ministries of Economic Planning, Statistical Bureaus and EAC	3,950,000
9. Enhancing cooperation in the monetary and exchange rate field.	2011-2016	Harmonised monetary and exchange rate arrangements operational by 2016	<ul style="list-style-type: none"> Framework for harmonized monetary and exchange rates mechanism developed 	Ministries responsible for Finance, Central Banks, EAC	450,000
10. Harmonization of payment systems to ensure finality	2013-2014	<ul style="list-style-type: none"> Regional framework for payment and settlement system in place by 2013. Infrastructure for regional payment in place by 2016 	<ul style="list-style-type: none"> Payment systems harmonized 	Ministries r for Finance, Central Banks , capital markets, Insurance, Pensions regulatory agencies and EAC Secretariat	12,500,000
11. Conduct civic education on implication of a single currency	2013-2016	<ul style="list-style-type: none"> Civic education programmes targeting key stakeholders carried out 	<ul style="list-style-type: none"> No. of civic education programmes conducted 	Partner States EAC Secretariat	5,000,000
SUB-TOTAL (Monetary Union)					33,700,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)

7.1.5 POLITICAL FEDERATION

Overall development objective: To laying the foundation for the political federation by establishing a regional mechanism for common foreign policy coordination, good governance and international relations.

Sub-sector 1: Political Affairs

Sub-sector Objective: To laying the foundation for Political Federation by establishing regional structures and building institutional capacity through development of regional policies

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Institutionalization and capacity enhancement programmes in governance, rule of law, democracy and human rights in the EAC integration	2011 - 2015	An EAC policy on good governance and democracy adopted and implemented	<ul style="list-style-type: none"> Regional benchmarks and standards on governance adopted and integrated into the Partner States national laws and policies 	Ministries responsible for good governance, justice, MEAC and EACS National institutions of governance including Human rights commission, anti-corruption agencies, judiciary	250,000
2. Developing policy frameworks and institutional structures for establishment of the EAC political federation	2011 - 2015	<ul style="list-style-type: none"> The model of the EAC Federation established Key institutional structures developed 	<ul style="list-style-type: none"> The Model in place Key institutional structures identified and developed	Ministries of Justice, MEAC and EAC Secretariat	250,000
3. Development and implementation of The East African identity, cohesion and solidarity	2011-2015	Enhanced spirit of “ <i>eastafrikaness</i> ” among East Africans through harmonised educational systems, sensitisation programmes, culture and sports	<ul style="list-style-type: none"> EAC anthem, Cultural events and sports institutionalised among the youth through regional activities Harmonised educational system and curricular No. of sensitisation workshops held 	Partner States, and EAC Organs and Institutionst	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			<ul style="list-style-type: none"> No. of sensitisation campaigns 		
4. Developing joint regional policies and frameworks on promotion of good governance, human rights, rule of law	2012 - 2015	Regional standards and benchmarks on good governance adopted for the region and institutionalised into national policies	<ul style="list-style-type: none"> Adoption and implementation of the EAC Protocol on Good Governance Adoption and implementation of the EAC Bill of Rights/model law on protection of human rights EAC Mechanism for Governance Review developed The capacity of the Fora Chief Justices enhanced to promote the rule of law and access to justice 	Ministries responsible for Good Governance, Justice and MEAC and EAC Secretariat	250,000
5. Implementing and adopting regional policies on anti-corruption, ethics and integrity.	2012- 2015	A policy on combating and preventing corruption adopted and an corruption indices measure developed	<ul style="list-style-type: none"> The Protocol on preventing and Combating corruption adopted and institutions and mechanisms set in place for its implementation 	Anti-corruption / ombudsman agencies, Ministries of Justice, MEAC and EAC Secretariat	250,000
6. Harmonization of democratization policies, processes and practices	2012- 2015	A structured policy on election observation and evaluation developed	<ul style="list-style-type: none"> The EAC policy of observation and monitoring of elections adopted 	National electoral commissions, ministries of justice and MEAC and EAC Secretariat	250,000
7. Undertaking Evaluation and observation of electoral processes	2011-2015	Electoral processes in region exhibit the principles of free, fair and credible elections	<ul style="list-style-type: none"> Recommendations and observations from election observation and monitoring mission 	National electoral commissions, ministries of justice and MEAC and EAC	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
and support missions to National Electoral Commissions in the EAC Partner States.			implemented	Secretariat	
8. Building networks and joint strategies with other regional organizations for complementarities and value additions	2011-2015	Enhanced harmonisation and coordination of regional activities	<ul style="list-style-type: none"> • MoUs and framework agreements signed with key partners • Joint programming with other regional organisations 	EAC Secretariat, relevant Ministries in the Partner States	250,000
9. Implementation of the recommendations of the Study on fears, concerns and challenges on the EAC Political federation	2012-2015	90% of the study recommendations implemented	<ul style="list-style-type: none"> • No of study recommendations implemented 	EAC Organs and Institutions, Partner States	250,000
10. Undertaking empirical and policy oriented research in areas of peace and security, good governance and foreign policy coordination.	2011- 2015	Evidence based policies in place that fosters regional integration	<ul style="list-style-type: none"> • Studies conducted and Occasional Papers developed • Dissemination of research findings 	NCPR, Research Institutions, Academicians	250,000
11. Development of NCPR as a Centre of Excellence for building capacities in promoting regional peace and security, good governance and foreign policy coordination	2011-2015	Strengthened information sharing and dissemination through a regional response center.	<ul style="list-style-type: none"> • Training and skills enhancement programmes (for policy makers, technocrats and practitioners from partner states conducted regularly 	NCPR	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
12. Enhancement of students' interest in the EAC regional integration process	2011 - 2015	Increased interest among students to research on issues of peace and security, good governance and international relations in regional integration	<ul style="list-style-type: none"> • Increased Level of participation of students • Exchange and internship programmes organized 	NCPR	200,000
13. Enhancement of Networks and collaboration with similar sub-regional and regional organizations	2011 - 2015	Enhanced cooperation and coordination with sub- regional and regional like-minded organizations and institutions of higher learning	<ul style="list-style-type: none"> • Number of similar organizations & institutions that NCPR formally and informally cooperates with • Joint trainings organized • Joint research studies conducted 	NCPR	100,000
14. Developing and strengthening of internal capacity of the NCPR	2011-2016	NCPR action plan implemented	<ul style="list-style-type: none"> • NCPR capacity developed and strengthened 	NCPR	500,000
SUB-TOTAL (Political Affairs)					3,550,000

SUB-SECTOR 2: INTERNATIONAL RELATIONS

Sub-sector Development Objective: To strengthen relations with other regional and international organizations

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Strengthening policy formulation capability to enable EAC to become a cohesive force in the management of international relations	2011-2016	Policy formulation capacity strengthened	<ul style="list-style-type: none"> • Number of people trained. • Quality of policy • Number of policy documents produced. • 	Secretariat & Ministries for Foreign Affairs	100,000
2. Establishing a sustainable mechanism for joint mobilization of support from outside the EAC for the EAC candidatures for international jobs.	2012-2013	<ul style="list-style-type: none"> • Joint support mobilisation mechanism established 	<ul style="list-style-type: none"> • Number of East Africans appointed for high level international jobs. 	Secretariat & Ministries for Foreign Affairs	200,000
3. Developing and implementing a regional mechanism for the Partner States' provision of visa and consular services on behalf of each other	2012-2013	<ul style="list-style-type: none"> • A mechanism on Partner States' provision of visa and consular services on behalf of each other implemented. 	<ul style="list-style-type: none"> • Mechanism developed and adopted by the Council by Dec 2012 • Number of Partner States' diplomatic missions rendering the visa and consular services on behalf of the others. 	Secretariat & Ministries Foreign Affairs	100,000
4. Deepening involvement of Partner States Diplomatic Missions in the pursuit of EAC integration initiatives	2011-2016	<ul style="list-style-type: none"> • Effective participation of Partner States Diplomatic Missions in EAC integration processes attained. 	<ul style="list-style-type: none"> • A format of communication/reporting amongst missions and between them and the Secretariat adopted by end 2012; • Regular retreats and briefing sessions to Partner States' diplomatic missions' staff within the region and abroad held; 	Secretariat & Partner States' Ministries for Foreign Affairs	200,000
5. Articulating EAC integration initiatives at international fora to mobilize greater	2013- 2016	<ul style="list-style-type: none"> • EAC's integration objectives widely understood and supported 	<ul style="list-style-type: none"> • Number of international meetings attended by the EAC 	Secretariat & Ministries for Foreign Affairs	550,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
support for EAC integration objectives		internationally.	<ul style="list-style-type: none"> • Level of international support for EAC integration • 		
6. Shift from the current coordination of Partner States common foreign policies and develop, adopt and implement an EAC Common Foreign Policy.	2013-2016	<ul style="list-style-type: none"> • An EAC common foreign policy developed and implemented. • 	<ul style="list-style-type: none"> • A draft EAC foreign policy developed and adopted by end 2014; • An EAC foreign policy implemented by 2016 	Secretariat & Ministries Foreign Affairs	150,000
SUB-TOTAL (Relations with other regional and international organizations)					1,300,000

SUB-SECTOR 3: REGIONAL PEACE, SECURITY AND DEFENCE CO-OPERATION

Sub-sector Objective: To promote Regional Peace and Security

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Establishment of an enabling legal and institutional framework to coordinate the sub-sector	2014-2015	<ul style="list-style-type: none"> A fully functional Directorate of Peace and Security 	<ul style="list-style-type: none"> Peace and Security Directorate established Peace and Security Protocol concluded Mechanism operationalizing the Protocol in place 	<ul style="list-style-type: none"> EAC Secretariat, Ministries of EAC, Justice and Security 	2,500,000
2. Development and implementation of a Conflict Prevention, Management and Resolution(CPMR) Framework	2014 - 2015	<ul style="list-style-type: none"> CPMR Framework fully operational 	<ul style="list-style-type: none"> CPMR Framework Adopted Mediation framework established and operationalised Situation room operationalized Early warning mechanism in place and operational Number of conflicts prevented, managed or resolved Early warning centres in place Panel of eminent persons in place A Functional Peace Fund for peace support operations 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	330,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
3. Coordination and strengthening of disaster management centres;	2013 - 2014	<ul style="list-style-type: none"> Regional Disaster Management and Response capability operational 	<ul style="list-style-type: none"> Disaster management centres established and equipped No. of disaster assessments undertaken Adaptation and mitigation plans in place Disaster operational centres in place Harmonised disaster legislation within EAC MoU on Centres of Excellence for training on Disaster response personnel in place. 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	1,500,000
4. Implementation of SALW control programs.	2014 - 2015	<ul style="list-style-type: none"> Proliferation of SALW contained Management of state owned SALW enhanced 	<ul style="list-style-type: none"> SALW focal points and network inter connectivity All govt SALW in EAC marked Number of SALW destroyed 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	0
5. Strengthening of joint measures to combat terrorism;	2011 - 2015	<ul style="list-style-type: none"> Regional CT coordination framework in place 	<ul style="list-style-type: none"> Harmonised Legislation on counter terrorism in place in all Partner States Enhanced Criminal legal Assistance in EAC and reports to that effect Focal Point office at Partner States level equipped Information exchange framework developed. Regional criminal forensic centre established and equipped Operational counter 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	1,650,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			terrorism standards developed <ul style="list-style-type: none"> • Intelligence led operations conducted • Amount of explosives intercepted 		
6. Development of framework for intelligence sharing on crime management	2012- 2013	<ul style="list-style-type: none"> • Regional crime intelligence sharing platform in place 	<ul style="list-style-type: none"> • Model law on mutual assistance in criminal matters in place • Existence of an efficient intelligence system in EAC Partner States • Network connectivity across Partner States • No. Of intelligence led joint operations conducted. • Reduced number of cross border crimes • Protocol /framework on intelligence sharing developed • Repeater stations installed in each Partner State. • Existence of harmonised repeater frequencies • Electronic linkage of police headquarters in the EAC Partner States established • Existence of Inter State ICT communications infrastructure. 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	400,000
7. Development of a framework for cooperation and harmonization of policing practices in the EAC	2012 - 2013	Policing practice across the region harmonized	<ul style="list-style-type: none"> • Policy framework for cooperation and harmonisation of policing practices in place • Joint Police training framework and syllabus in 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			<ul style="list-style-type: none"> place Joint SOPs in Place Joint Network connectivity across security agencies in Partner states 		
8. Harmonization of IDP and Refugee Management Practices across the region	2013 - 2014	Common IDPs/Refugee management practices established	<ul style="list-style-type: none"> Refugee legislation and policies harmonized Improved information sharing systems on Refugees 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	200,000
9. Development and implementation of a multi regional maritime safety and security initiative	2011 - 2015	Maritime security strategy and action plan adopted and implemented	<ul style="list-style-type: none"> Number of regional maritime security and safety initiatives developed Joint surveillance operations in place. Number of maritime domain measures developed and implemented Piracy & Maritime smuggling reduced Degree of harmonisation of EAC maritime laws Common fisheries standards adopted by Partner states Legislation on beach management enacted Number of SOPs on Maritime security & safety harmonised. Piracy intervention reports in place 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security	300,000
10. Development of a framework for cooperation in the prisons and correctional services sector	2012- 2013	Cooperation framework in the sub-sector concluded and implemented	<ul style="list-style-type: none"> Framework for cooperation developed Mechanisms and implementation modalities 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC,	170,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			developed	Justice and Security	
11. Implementation of joint measures to combat cattle rustling	2013 - 2014	EAPCCO protocol on cattle rustling ratified and implemented	<ul style="list-style-type: none"> • Legal audit surveys /studies on cattle rustling conducted. • Number of animals branded and public awareness made. • Number of cattle rustling laws harmonised • Number of Partner States who have ratified & implemented the cattle rustling Protocol 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security and stakeholders	200,000
12. Development of measures to combat genocide and genocide ideologies.	2012-2015	Action plan to combat genocide and genocide ideologies adopted	<ul style="list-style-type: none"> • Number of meeting held 	EAC Secretariat, Ministries of Foreign Affairs, Ministries of EAC, Justice and Security and stakeholders and Ministries of Information	800,000
SUB-TOTAL					8,300,000

Sector 4: Defence Co-operation

Sub-sector Objective: To promote Regional Peace and Security

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Finalization of Protocol on Defence Cooperation	2011-2012	Protocol signed and ratified	<ul style="list-style-type: none"> EAC Protocol on Defence and Co-operation. 	EAC Secretariat, Sectoral Council Legal and Judicial Affairs and Heads of State	194,550
2. Enhancement of Joint Training	2011 - 2016	<ul style="list-style-type: none"> Harmonized Training doctrines and syllabi Better interoperability 	<ul style="list-style-type: none"> Increase the number of offered training facilities for sharing and exchange of directing staffs. Increase the number of students in the exchange program. Harmonisation of training syllabi at the training facilities offered for sharing. Regular conduct of Military Exercises one annually 	EAC Secretariat, EAC Partner States Defence Chiefs and Ministers of Defence	97,3310
3. Implementation of Joint Operations	2012 - 2016	Better interoperability	<ul style="list-style-type: none"> Execution of Joint Peace Support Operation, Joint Disaster management Operations, Joint Counter –terrorism and Counter-Piracy operations. 	Heads of State, EAC Secretariat, EAC Partner States Defence Chiefs and Ministers of Defence	285,000
4. Visits and Exchange of Information	2011 - 2016	<ul style="list-style-type: none"> Reduced piracy, terrorism and other security threats to the region 	<ul style="list-style-type: none"> Intelligence sharing among EAC Partner States Armed Forces. 	EAC Secretariat, EAC Partner States Defence	482,030

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		<ul style="list-style-type: none"> • Better esprit de corps between the EAC Partner States' armed forces 	<p>Improve means of Intelligence processing.</p> <ul style="list-style-type: none"> • Increase the number of sports and culture disciplines to 10 of Annual Military Games and Culture Event 	Chiefs and Ministers of Defence	
5. Technical Cooperation	2011 - 2016	Improvement and increasing technical facilities	<ul style="list-style-type: none"> • Continuous sharing of technical facilities. • Secure communication to extend to Intelligence Chiefs/Directors 	EAC Secretariat, EAC Partner States Defence Chiefs and Ministers of Defence	505,840
Total					2,440,730

7.2 INFRASTRUCTURE DEVELOPMENT

Development Objective:

7.2.1 SUB-SECTOR 1: ROADS TRANSPORT

Sub-sector Objective: To improve road connectivity and operations across the region

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Implementation of provisions of the Tripartite Agreement on Road Transport (2001); in particular the EAC Transport Strategy and Regional Roads Development Programme	2012-2015	<ul style="list-style-type: none"> At least three harmonization frameworks completed by 2015 At least two cross border roads constructed. A 5% (750 km) reduction in the length of unpaved (gravel) roads in the East African Road Network 	<ul style="list-style-type: none"> Number of Regional policies and instruments on road transport negotiated, agreed and signed by RECs and Partner States. Number of cross border roads constructed. Regional roads prioritized into national infrastructure and budget. Number of Kilometers of newly bituminized (paved) roads. 	Ministries responsible for Transport, roads, legal affairs, finance, road agencies and EAC Secretariat	25,000,000
2. Harmonization of policies, procedures, guidelines and standards and procurement procedures for regional roads	2011-2015	<ul style="list-style-type: none"> National road standards, specifications and regulations harmonized At least two international conventions ratified by the EAC <p>Regional road fatalities reduced by at least 20% by 2015</p>	<ul style="list-style-type: none"> Regional Traffic laws, regulations and highway codes adopted and updated. Partner States accede to and ratify international conventions on road transport. Percentage reduction in traffic accidents and resultant costs. % increase in throughput tonnage Centralized procurement system for regional roads. 	Ministries responsible for Transport, roads, legal affairs, road agencies and EAC Secretariat	2,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
			<ul style="list-style-type: none"> Reduction in procurement and construction time. 		
3. Establishment of a regional Public Private Partnership (PPP) framework for enhanced private sector involvement in resource mobilization, road construction, management and maintenance	2011-2015	A regional PPP legal and regulatory framework developed	<ul style="list-style-type: none"> Road regional PPP framework and agreements adopted. Number of PPP projects rolled out 	Ministries responsible for roads, finance, planning, road agencies, and EAC Secretariat	2,000,000
4. Development of a pipeline of bankable roads development projects for the region	2011 - 2015	At least five regional projects prepared and presented to development partners for investment	<ul style="list-style-type: none"> Number of consultancy contracts awarded for feasibility studies and designs Best maintenance practices and standards institutionalized Enhanced planning and monitoring of road development. Number of construction contracts signed 	Ministries responsible for roads, road agencies and EAC Secretariat	20,000,000
5. Promotion of joint financing and implementation of regional projects and establishment of the EAC Infrastructure Fund	2014 - 2015	<ul style="list-style-type: none"> Regional infrastructure fund established and seed money deposited Two regional projects financed from the fund	<ul style="list-style-type: none"> Number of projects funded jointly Financing of infrastructure leveraged with other bilateral and multilateral facilities. Percentage increase in financing infrastructure per year. 	Ministries responsible for roads, finance, road agencies and EAC Secretariat	3,000,000
SUB-TOTAL (Roads Transport)					52,000,000

7.2.2 SUB-SECTOR 2: RAILWAYS TRANSPORT

Sub-sector Objective: To maximize benefits from an efficient railway system.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Establishment of a Railway Development Fund	2011 - 2015	<ul style="list-style-type: none"> A railway fund is established and receives seed financing by 2015 	<ul style="list-style-type: none"> Amount of funds deposited into the Development Fund Number of projects financed from the fund 	Ministries responsible for railways, Railways Corporations, EAC Secretariat and Development Partners	500,000
2. Identification of and conducting of studies on new corridors and development of missing links along existing corridors	2011 - 2015	<ul style="list-style-type: none"> 3 Studies on new corridors completed At least 2 new links developed 	<ul style="list-style-type: none"> Number of studies on new corridors New links operational 	Ministries responsible for railways, Railways Corporations and EAC Secretariat	15,000,000
3. Enhancement of capacity to negotiate and draw appropriate legal contracts for concessions	2011 - 2013	<ul style="list-style-type: none"> A model concession agreement developed for the region 	<ul style="list-style-type: none"> Partner States utilize the model agreement for all new privatization endeavours. 	Ministries responsible for railways, Railways Corporations and EAC Secretariat	2,000,000
4. Establishment of an EAC Railways Regulatory Agency	2013 - 2014	<ul style="list-style-type: none"> A regulatory authority, as an Institution of the EAC, is established by 2015 	<ul style="list-style-type: none"> Railway operations in the region are regulated by the Institution 	Ministries responsible for railways, Railways Corporations and EAC Secretariat	5,000,000
SUB TOTAL (Railways Transport)					22,500,000

7.2.3 SUB-SECTOR 3: CIVIL AVIATION AND AIRPORTS

Sub-sector Objective: To maximize benefits of a safe, secure and efficient air transport system in the region

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Operationalization of the framework for implementing the Yamoussoukro Decision	2011-2014	Full liberalization of the EAC skies achieved by 2015 Treat EAC Air space as domestic for flights originating and terminating within Partner States	<ul style="list-style-type: none"> • Civil aviation, policies, regulations and standards benchmarked to the provisions of the Yamoussoukro Decision. • Compliance with EAC competition regulations • % increase in regional flights. • % increase in regional travel. • Reduced cost of travel • Enhanced competitiveness 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	2,115,000
2. Integration and harmonization of Civil Aviation regulations	2011-2015	National regulations harmonized	<ul style="list-style-type: none"> • % increase in international flights. • % increase in tourism and trade. • % increase in FDIs • Enhanced E- facilitated service delivery. • Number of harmonized programmes • Number of airports constructed. 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	500,000
3. Institutional development to support international commitments	2013	International conventions ratified	<ul style="list-style-type: none"> • Regional air space liberalized • % increase in international flights. • % increase in internationally certified 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC	3,115,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			pilots	Secretariat	
4. Enhanced capacity for safety standards, compliance with regional and international standards, staff training,	2014	Regional standards harmonized	<ul style="list-style-type: none"> Enhanced compliance with regional and international standards 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	5,150,000
5. Communication Navigation and Surveillance / Air Traffic Management (CNS/ATM) systems integration to the global ATM framework	2012	CNS/ATM systems integrated	<ul style="list-style-type: none"> GNSS procedures developed and implemented in each Partner State Framework for implementation of ADS-B in EAC approved 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	25,155,000
6. Develop comprehensive funding mechanisms including PPPs in civil aviation industry	2013	A Civil Aviation development fund is established within the EAC Infrastructure Fund	<ul style="list-style-type: none"> Financing of infrastructure Leveraged with other bilateral and multilateral facilities Percentage increase in financing infrastructure per year 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	3,000,000
7.					

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
8. Establishment of Unified upper flight information in the region	2011-2015	Unified upper flight information in the region established	<ul style="list-style-type: none"> Unified upper flight information 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	200,0000
SUB- TOTAL (Civil Aviation and Airports)					41,035,000

7.2.4 SUB-SECTOR 4: MARITIME TRANSPORT

Sub-sector Objective: To have in place efficient, safe and secure maritime operations.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Strengthen the institutional mechanisms to manage inland waterway transport including implementation of the Inland Waterways Transport Agreement	2011 - 2015	<ul style="list-style-type: none"> At least 50% of the elements of the agreement implemented by 2015 	<ul style="list-style-type: none"> Signed Agreement incorporated in national development plans 	Ministries responsible for Maritime Transport, legal affairs, planning, EAC affairs and EAC Secretariat	3,000,000
2. Construction of additional ports, modernization of ports, construction of additional container terminals at the ports and inland container terminals	2011 - 2015	<ul style="list-style-type: none"> Regional ports meet international standards in infrastructure and services 	<ul style="list-style-type: none"> Improvements in the performance of ports in terms of reduced cargo dwell times 	Ministries responsible for Maritime Transport, infrastructure planning, ports authorities, and EAC Secretariat	8,000,000
3. Reviewing policies and regulations in line with international best practices	2011 - 2014	<ul style="list-style-type: none"> Regional policies developed 	<ul style="list-style-type: none"> Number of regulations reviewed and adopted by Partner States 	Ministries responsible for Maritime Transport, legal affairs, planning, EAC affairs and EAC Secretariat	1,500,000
4. Enhance safety and security of inland waterways	2011 - 2015	<ul style="list-style-type: none"> A protocol on inland waterways security is developed and signed 	<ul style="list-style-type: none"> Percentage reduction in accidents and fatalities 	Ministries responsible for Maritime Transport, legal affairs, national	5,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
				security, EAC affairs and EAC Secretariat	
5. Develop a regional strategy on maritime and inland waterways transport	2011 - 2013	<ul style="list-style-type: none"> Regional strategy developed 	<ul style="list-style-type: none"> Strategy adopted by Council and implemented at national and regional level 	Ministries responsible for Maritime Transport, legal affairs, planning, EAC affairs and EAC Secretariat	2,000,000
6. Enhancement of regional capacity on ship building, repair yards and training of human resource	2011 - 2015	<ul style="list-style-type: none"> Centre of excellence in ship building established 	<ul style="list-style-type: none"> Number of ship yards rehabilitated Number of persons trained 	Ministries responsible for Maritime Transport, human resource development, planning, EAC affairs and EAC Secretariat	6,000,000
7. Establishment and operationalization of Maritime search and rescue coordination centre for Lake Victoria	2011 - 2015	<ul style="list-style-type: none"> The search and rescue coordination centre operationalized 	<ul style="list-style-type: none"> Number of rescue missions conducted 	Ministries responsible for Maritime Transport, human resource development, planning, EAC affairs and EAC Secretariat	5,000,000
8. Development of bankable inland water ways projects	2012-2016	<ul style="list-style-type: none"> At least 2 bankable inland water ways projects developed 	<ul style="list-style-type: none"> No. of bankable projects developed Feasibility Study reports 	Ministries responsible for Maritime Transport, human resource development, planning, EAC affairs and EAC Secretariat, Private Sector	1,000,000
Sub-total (Maritime Transport)					31,500,000

7.2.5 SUB-SECTOR 5: METEOROLOGICAL SERVICES

Sub-sector Objective: To improve, expand and upgrade meteorological services in the region.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Implementation of a Five Year Meteorological development plan and investment strategy	2011 - 2015	<ul style="list-style-type: none"> The Plan and Strategy revised to incorporate the priorities of the republics of Burundi and Rwanda taking into account any new developments in the other Partner States At least 50% of the recommendations contained in the Meteorological Plan and Strategy are implemented 	Number of recommendations implemented	Ministries responsible for meteorological services, planning, national met agencies and EAC Secretariat.	3,000,000
2. Harmonization of policies for the provision of meteorological services	2011 - 2013	<ul style="list-style-type: none"> A regional policy framework is developed 	<ul style="list-style-type: none"> Number of policies harmonized into a regional framework 	Ministries responsible for meteorological services, legal affairs, national met agencies and EAC Secretariat	500,000
3. Development and implementation of a meteorological Data Policy	2011 - 2013	<ul style="list-style-type: none"> Regional policy developed and adopted 	<ul style="list-style-type: none"> Partner States share meteorological data through a central platform 	Ministries responsible for meteorological services, planning, national met agencies, national bureaus of statistics and EAC Secretariat	300,000
4. Development and implementation of a protocol on cooperation in meteorological	2011 - 2014	<ul style="list-style-type: none"> Protocol signed and domesticated by Partner States 	<ul style="list-style-type: none"> Number of meetings and forums held among Partner States 	Ministries responsible for meteorological services, planning, legal affairs	600,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
services				national met agencies, and EAC Secretariat	
5. Establishment of the East African Meteorological Society to spearhead research and development	2011 - 2014	<ul style="list-style-type: none"> Establishment of the East African Meteorological society approved 	<ul style="list-style-type: none"> Society established and operational 	Ministries responsible for meteorological services, planning, finance, , EAC Affairs, national met agencies, and EAC Secretariat	1,500,000
6. Establishment of an East African Centre of excellence in Medium Range Weather Forecasting	2011 - 2013	<ul style="list-style-type: none"> Council approves establishment of the Centre Hosting country identified 	<ul style="list-style-type: none"> Centre of excellence established Amount of Resources mobilized for its establishment Number of numerical weather prediction models installed and running 	Ministries responsible for meteorological services, planning, finance, , EAC Affairs, national met agencies, and EAC Secretariat	2,000,000
7. Building capacity in climate analysis, short, medium and long range forecasting and meteorological observations	2011 - 2015	<ul style="list-style-type: none"> More accurate and reliable forecasts issued and disseminated to users 	<ul style="list-style-type: none"> Number of experts re-trained annually Capacities for Numerical Weather prediction enhanced Annual training workshops in numerical weather prediction conducted 	Ministries responsible for meteorological services, planning, finance, , EAC Affairs, national met agencies, and EAC Secretariat	1,000,000
8. Implementation of Quality Management System for Aeronautical Meteorological Services	2011 - 2015	Aeronautical Meteorological Services in the National MET Services ISO Certified	<ul style="list-style-type: none"> Presence of QMSs in all the national meteorological services 	Ministries responsible for meteorological services, planning, finance, , EAC Affairs, national met agencies, and EAC Secretariat	3,000,000
9. Migration from the Traditional		<ul style="list-style-type: none"> AL MET Services migrate from TAC to TDCF 	<ul style="list-style-type: none"> No. of staff trained in TDCF 		500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Alphanumeric Code (TAC) to Table Driven Code Forms (TDCF);					
10. Feasibility studies on meteorological priority meteorological projects	2011 - 2013	<ul style="list-style-type: none"> Feasibility studies on priority projects conducted and bankable projects developed 	<ul style="list-style-type: none"> List of priority projects approved 	Ministries responsible for meteorological services, planning, national met agencies, and EAC Secretariat	1,500,000
11. Upgrading of Meteorological/Tele communications facilities; the National Observation Network; Meteorological Computing facilities; Greenhouse Gases monitoring facilities	2011 - 2015	<ul style="list-style-type: none"> Establishment of optimum observing stations as per technical recommendations Modern methods of meteorological telecommunication technologies adopted Automatic weather observing stations installed 	<ul style="list-style-type: none"> Number of weather/GHG observing stations upgraded and installed Volumes of data exchanged regionally as a result of improved telecoms system 	Ministries responsible for meteorological services, planning, finance, EAC Affairs, national met agencies, and EAC Secretariat	5,000,000
12. Implementation of climate change Master Plan	2011 - 2015	Development of the Climate Change Master Plan completed and Approved by the Council of Ministers	<ul style="list-style-type: none"> Amount of resources mobilized to implement the Master Plan Number of projects implemented 	Ministries responsible for meteorological services, Environment, Agriculture, Energy planning, finance, EAC Affairs, national met agencies, and EAC Secretariat	10,000,000
Sub-total (Meteorological Services)					28,900,000

8.2.6 Sub-Sector 6: Information and Communication Technology (ICT)

Sub-Sector Objective: To integrate Information and Communication Technology into regional development initiatives

Strategic Objective	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Harmonization of ICT Policies and Regulations	2011 - 2014	Five harmonized regulatory instruments developed (licensing, tariff, spectrum management, numbering, and infrastructure sharing) Implementation of World Summit on Information Society (WSIS) Plan of Action	Number of policies and regulations harmonized and domesticated	Ministries responsible for Communications, legal affairs, EAC affairs and EAC Secretariat	1,000,000
2. Promotion of a competitive cross-border communications market by establishing cross-border terrestrial broadband networks	2011 - 2015	At least one cross-border network in operation	Number of cross-border networks in operation	Ministries responsible for Communications and EAC Secretariat	30,000,000
3. Scaling up “last-mile” broadband connectivity by developing and implementing supportive policies and regulations	2011 - 2015	At least one harmonized policy and regulation on last mile broadband connectivity	Number of harmonized policies and regulations in place and being implemented	Ministries responsible for Communications and EAC Secretariat	210,000
4. Implementation of the EAC E-Government Strategy	2011 - 2015	Four sector-specific frameworks for ICT applications (e.g. e-health, e-immigration, etc) developed and implemented	Number of frameworks for ICT applications developed and implemented	Ministries responsible for Communications, planning, finance, EAC affairs and EAC Secretariat	1,000,000
5. Implementation of the EAC legal Framework for	2011 – 2013	Annual M&E Reports on the implementation of the EAC Framework for Cyberlaws	Number of M& E Reports prepared and approved	Ministries responsible for Communications,	120,000

Strategic Objective	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Cyber laws				planning, legal affairs, finance, EAC affairs and EAC Secretariat	
6. Promotion of Business Process Outsourcing in ICT Services by developing and implementing supportive policies, strategies and regulations	2011 – 2015	Number of strategies and regulations for developing ICT economic zones (i.e. ICT Parks) in all Partner States	Number of strategies and regulations for developing ICT economic zones (i.e. ICT Parks) in Partner States	Ministries responsible for Communications, planning, legal affairs, finance, EAC affairs and EAC Secretariat	500,000
7. Facilitation of migration from Analogue to Digital broad casting	2011 – 2015	The June 2015 deadline for migration to digital terrestrial TV broadcast met.	Number of Partner States meeting the migration to digital broadcasting	Ministries responsible for Communications, planning, legal affairs, finance, EAC affairs and EAC Secretariat	200,000
8. Development and implementation of EAC Postal Development Strategy	2011 – 2015	EAC Postal Development Strategy under implementation	Number of activities (e.g. projects) contained in the Postal Development Strategy being implemented	Ministries responsible for Communications, planning, legal affairs, finance, national postal services, EAC affairs and EAC Secretariat	100,000
Sub-total (ICT)					33,130,000

8.3 PRODUCTIVE SECTORS

Sub-Sector1: Agriculture and Livestock

Sub-Sector Objective: To promote agricultural productivity and value addition, and improve agricultural productivity for increased international and cross border trade and sustainable food security.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Expansion of the supply capacities through enhanced productivity, adoption of appropriate technology and input usage, capacity for emergence preparedness and response, expansion of irrigation potentials as well special programmes for the Arid and Semi Arid Land (ASAL) regions and pastoralists communities	2012-2015	At least five regional projects implemented.	<ul style="list-style-type: none"> • Number of funded projects • Project progress reports • Percentage increase in supply capacities of agricultural produce/products 	Ministries responsible for agriculture and livestock development, finance, Private Sector and EAC Secretariat	25,000,000
2. Establishing and strengthening agro-processing and agribusiness for enhancing value addition.	2011-2015	At least five strategic value chains identified and strengthened in the region	<ul style="list-style-type: none"> • Number of strategic value chains identified and strengthened • Percentage increase in value chain mark-ups and profit margins 	Ministries responsible for agriculture and livestock development and EAC Secretariat	5,000,000
3. Institutionalizing investment in research and sharing	2013-2014	A framework for joint research in the agricultural sector in	<ul style="list-style-type: none"> • Framework for joint research in the agricultural sector 	Ministries responsible for	150,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
of information within selected agriculture and livestock research Centers of Excellence		place and implemented	<ul style="list-style-type: none"> adopted Number of joint research implemented 	agriculture and livestock development and EAC Secretariat	
4. Undertaking joint regional activities and production of agricultural inputs, seed production & distribution; trans-boundary plant and animal diseases control, irrigation, animal breeding and distribution	2011-2015	At least two joint regional projects prepared and presented to development partners for investment	<ul style="list-style-type: none"> Number of consultancy contracts awarded for feasibility studies and designs Number of project proposal submitted to development partners 	Ministries responsible for agriculture and livestock development, finance and EAC Secretariat	10,000,000
5. Addressing agriculture sector competitiveness through price mechanisms, value addition and quality measures to meet food safety and related international market requirements.	2012-2013	A framework for addressing agricultural sector competitiveness is in place and implemented	<ul style="list-style-type: none"> Framework for addressing agricultural sector competitiveness adopted. 	Ministries responsible for agriculture and livestock development and EAC Secretariat	500,000
6. Enhanced regional market information and early warning systems (EWS) to monitor food shortage including livestock based systems.	2011-2015	Regional agricultural marketing information and early warning systems established.	<ul style="list-style-type: none"> Feasibility studies on establishment of regional market information and EWS initiated and finalized Study reports 	Ministries responsible for agriculture and livestock development and EAC Secretariat	5,700,000
7. Institutional capacity	2011-2015	Agricultural Development Fund	<ul style="list-style-type: none"> Feasibility study on established Fund finalized 	Ministries responsible for	700,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
development including establishing funds for Agricultural Development.		established	<ul style="list-style-type: none"> Amount of funds deposited into the Fund Number of projects financed from the Fund 	agriculture and livestock development and EAC Secretariat	
8. Harmonize remaining regional policies, regulations and Standards/SPS.	2011-2015	Regional policies, regulations, and standards/SPS are harmonized and applied	At least two of regional policies, regulations, and standards/SPS adopted	Ministries responsible for agriculture and livestock development and EAC Secretariat	1,500,000
9. Strengthening of Stakeholder groups including associations to enhance participatory development	2011-2015	At least three agriculture/ livestock stakeholders groups strengthened	<ol style="list-style-type: none"> Number of Groups supported Number of stakeholders that have undergone capacity building 	Ministries responsible for agriculture and livestock development and EAC Secretariat	500,000
10. Co-operation in agriculture and food security	2011-2015	Effective cooperation by the Partner States in agriculture and food security including an Agricultural Development Fund established and operationalised.	<ul style="list-style-type: none"> No. of Council directives issued and regulations made in relation to co-operation in agriculture and food security. Bill enacted to establish an Agricultural Development Fund 	Ministries responsible for agriculture, Ministries of EAC Affairs, and EAC Secretariat	500,000
SUB-TOTAL (Agriculture and Livestock)					49,550,000

7.3.2 SUB-SECTOR 2: INDUSTRIAL DEVELOPMENT

Sub-Sector Objective: To accelerate the region's industrial development through fostering high value added manufacturing, production diversification, industrial linkages/complementarities and technological innovation

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Formulation of a regional policy and institutional framework to promote industrialization and SME development in EAC	2011-2012	<ul style="list-style-type: none"> • Policy and Strategy finalized approved • Action Plan for implementation of EAC Industrialization Policy and Strategy developed and adopted • Establish an institutional decision making framework for effective management of industrial development and for facilitating undertaking joint regional projects/programmes 	<ul style="list-style-type: none"> • Approved policy and Strategy Documents • Approved Action Plans • Number of joint projects/programmes developed and implemented • Approved institutional decision making framework 	EAC Secretariat, Partner States	450,000
2. Development of regulatory and institutional framework to facilitate investments into mineral processing and extractive industries for maximization of utilization of abundant resources in the region	2011-2014	<ul style="list-style-type: none"> • Comprehensive database on industrial; mineral potentials and utilization options developed • Regulatory framework for enhancing value addition on industrial minerals resources established • Investment promotion instruments/tools for industrial mineral processing prepared • Pre-feasibility assessment studies for selected mineral resources with industrial applications • Training and capacity 	<ul style="list-style-type: none"> • Information dissemination mechanism in place • Number of investment opportunity profiles prepared • Number of pre-feasibility assessment projects undertaken for selected industrial minerals • Increased awareness of investment opportunities in mineral processing • Number dissemination workshops/seminars undertaken 	EAC Secretariat	1,500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		building workshop/seminar on industrial mineral processing, prospecting policy reforms and prospecting			
3. Develop and implement a framework for enhancing the competitiveness position and productive capacity of Small and Medium Enterprises (SMEs) in the region	2010-2015	<ul style="list-style-type: none"> • Upgrading and modernization Programme developed, and adopted • Implementation of the four components of the upgrading and modernization programme (institutional and business regulatory framework; national/regional technical support institutions; productivity and competitiveness and technology transfer and innovation) commissioned 	<ul style="list-style-type: none"> • Adopted upgrading and modernization programme • Number of projects formulated and implemented • Harmonized and improved policies and business climate for SMEs • Improved funding for SMEs national and regional project coordination units established • Number of technical and policy institutions supported 	EAC Secretariat and Partner States	15,500,000
4. Developing a framework for promoting linkages between SMEs and MNCs including supply chain	2011-2015	<ul style="list-style-type: none"> • SME business linkage programme formulated and adopted 	<ul style="list-style-type: none"> • Adopted programme. • Number of SME business linkage projects • Number of MNCs and SMEs participating in the business linkage programm 	EAC Secretariat and Partner States	300,000
5. Establishment of regional information systems, governance structures and databases for effective management and	2013-2016	<ul style="list-style-type: none"> • Baseline survey of industries undertaken • Establishment of inter-ministerial committee councils) to provide policy guidance and coordination • Regional industrial 	<ul style="list-style-type: none"> • Industrial baseline Report • Standardized methodologies for industrial data collection, dissemination and management • EAC Sectoral Council of 	EAC Secretariat and Partner States	2,500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
monitoring industrial policy implementation and performance		<p>database management systems</p> <ul style="list-style-type: none"> • Specialized curriculum/courses on industrial policy design, management and implementation developed in selected universities/training institutions • EAC Industrial Observatory established to monitor industrial development trends and performance • Bi-annual EAC Industrial Report commissioned and prepared 	<p>Industrialization and SME development in place</p> <ul style="list-style-type: none"> • Existence of regional Industrial database and information systems • Number of universities/training institutions offering specialized courses on industrial policy management • Council Decisions to establish EAC Industrial observatory • Consultancy commissioned for the preparation of an EAC first biannual Industrial report 		
6. Strengthening of the regional industrial R&D, Technology and innovation systems	2012-2016	<ul style="list-style-type: none"> • Regional framework for collaboration in R&D, Technology development and transfer (regional technology and innovation policy) • An inventory of technologies and regional innovation capabilities conducted • EAC technology transfer and Diffusion Centers for selected industrial sectors (centers of excellence) established • Launching of EAC Industrial technology and 	<ul style="list-style-type: none"> • Adopted regional framework by the Council • Database/inventory of technologies available • Decision to establish/set up technology transfer and diffusion centers for selected industrial sectors • Launch of EAC ITIEXPO and reports of the event • Number of technology transfer projects undertaken • Number of joint R&D projects commissioned 	EAC Secretariat and Partner States	500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		Innovation Exposition (EAC ITIEXPO)			
7. Establishment of a regional financial mechanisms for supporting regional industrialization programme and investments	2012-2014	<ul style="list-style-type: none"> Review of financial resources available for industrial development and setting up mechanisms for mobilization of financial resources for industrialization Establishment of regional industrial development fund Portfolios of bankable Industrial Investment projects developed 	<ul style="list-style-type: none"> Programme on resource mobilization for industrial development Feasibility reports for establishment of an EAC industrial development fund Number of portfolio of bankable industrial investments Increased level of funding for industrial investments by local and regional DFIs Increased shared of ODI's targeting industrial sector 	EAC Secretariat and Partner States	500,000
8. Establishment of a framework for environmental management in industries and mainstreaming of Resource Efficient and Cleaner Production approaches and practices in industries	2011-2013	<ul style="list-style-type: none"> Resource Efficiency and Cleaner production framework finalized and adopted 	<ul style="list-style-type: none"> Adopted Regional strategy on Recourse Efficient and Cleaner Production (RECP) Countries mainstreaming RECP in their policies and programmes 	EAC Secretariat and Partner States	300,000
9. Strengthening of collaboration between EAC and international organizations/development partners on technology transfer.	2012-2013	<ul style="list-style-type: none"> Collaboration between EAC and international organizations/development partners on technology transfer strengthened 	<ul style="list-style-type: none"> Technology transfer and licensing agreements Increase in technology transfer between EAC and international organizations/development 	Directorate of Trade, EAC Ministries, Ministries of trade Science and Technology institutions Private Sector	700,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
			<ul style="list-style-type: none"> • partners/private sector 		
10. Formulation of a regional strategy to address industrial skill shortage for selected priority industrial sectors	2012-2016	<ul style="list-style-type: none"> • Diagnostic analysis of industry-related skills gap carried • Framework for cooperation in industrial skill development established in • Institutions for industrial and skill development upgraded as centres of excellence (regional industrial training centres excellence) • Design and develop a programme for skill development infrastructure • Guidelines and standards for certification of “informal industrial skills” for selected sectors developed 	<ul style="list-style-type: none"> • Diagnostic analysis report in place • Regional strategy for promoting collaboration in industrial and upgrading of skills approved and implemented. • Number of designated centers of excellence for provision of industrial skills in selected sectors • Number of projects/programms for industrial skills development and upgrading • Adopted guidelines and standards for “informal skills” certification 	EAC Secretariat, Partner States, Private Sector Training Institutions	1,500,000
11. Enhancing inter-regional and international cooperation, partnership and synergies to accelerate industrial development	2012-2016	<ul style="list-style-type: none"> • Prepare the Industrial development pillar of the COMESA-EAC-SADC Tripartite Integration Agenda • Harmonization and rationalization of industrial development 	<ul style="list-style-type: none"> • Programme of work and roadmap for the industrialization pillar in place • Harmonized inter-regional regulatory framework for enhancing industrial complementarities 	EAC Secretariat, Partner States	600,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		<p>frameworks of the three RECs</p> <ul style="list-style-type: none"> • Integration of the AU Strategy for implementation of the Action Plan for the Accelerated Industrial Development of Africa (AIDA) into the EAC Plans, strategies and work programme • Establishment of platforms for fostering South-South Cooperation in the field of industrial development with BRICS and other emerging industrial superpowers 	<ul style="list-style-type: none"> • Number of AIDA Strategy projects implemented at EAC level • Number of sector specific round tables and south-south collaboration platforms convened • MOUs for collaboration on industrial development signed between EAC and BRICS countries 		
SUB-TOTAL (Industrial development)					24,350,000

7.3.3 SUB-SECTOR 3: TOURISM AND WILDLIFE

Sub-Sector Objective: To diversify tourism products to maximize benefits and equity from Tourism and Sustainable Utilization of Wildlife resources

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Market and promote East Africa as a single tourist destination and develop regional tourism product brands	2011-2015	<ul style="list-style-type: none"> • Completion of the Protocol on collaboration in Tourism and Wildlife conservation and Management; • Finalize harmonization of policy, regulation and procedures in Tourism industry • Participation in international and regional Tourism and Trade Fairs to promote the joint marketing of the Region as a single tourist destination; • Production of promotional materials that will enhance the promotion of a joint product; • Development of a branding strategy; • Operationalization of the East African Tourism and Wildlife coordinating agency (EATWCA); • Launch the EAC Regional Tourism and Wildlife Conference to develop a platform for the promotion of EAC as a single tourist destination 	<ul style="list-style-type: none"> • A framework of collaboration in Marketing and Promoting the region as Single tourist destination in place by 2015 • A single tourism VISA established 	EAC Secretariat and Partner States	2,940,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		<p>and nurture discussions on how to sustainably utilise the Tourism and Wildlife resources for the benefit of the Region;</p> <ul style="list-style-type: none"> • Harmonization and Standardization of tourist facilities and tour operation in the region. • Discover new markets in Asia (China and Japan) to identify opportunities for joint promotion; • Development of a Tourism in-flight magazine to promote the region as a Single Tourist Destination; • Collaborate with multi-sectoral stakeholders to introduce an EAC visa 			
2. A collective and coordinated approach for the conservation and sustainable management of wildlife resource within the Region	2011-2013	<ul style="list-style-type: none"> • To ensure viable wildlife populations in their constituent habitats; • To ensure harmonious co-existence between communities and wildlife within and adjacent to conservation areas • To ensure sound wildlife management decisions based on accurate and adequate information • To ensure that wildlife is a 	<ul style="list-style-type: none"> • Protocol on Collective Conservation and Sustainable Management of Wildlife resources in the region and international fora in place by 2015. 	EAC Secretariat and Partner States	2,500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		key driver in the regional economy			
3. Harmonize policies and legislations and capacity building on wildlife conservation and management	2011-2014	<ul style="list-style-type: none"> To harmonize Policies and legislations in Tourism and Wildlife conservation and management within the Region 	<ul style="list-style-type: none"> Finalised Regional policy on tourism and wildlife by 2015. 	EAC Secretariat and Partner States	750,000
4. Adopt a regional approach for participation in regional and international treaties / agreements on wildlife conservation and management	2012-2013	<ul style="list-style-type: none"> Joint participation in regional and international treaties/conventions established; 	<ul style="list-style-type: none"> Framework Mechanism for joint participation in regional and international treaties/conventions established by 2015. 	EAC Secretariat and Partner States	250,000
5. Diversify funding mechanisms	2012-2014	<ul style="list-style-type: none"> Funding and policy framework developed. Number of regional tourism development projects funded and implemented 	<ul style="list-style-type: none"> Regional Tourism and Wildlife fund established 	EAC Secretariat and Partner States	150,000
6. Strengthening and Capacity building in Tourism and Wildlife Sector and collaboration on cross cutting issues. E.g. Hospitality, tourism and Wildlife Colleges	2011-2015	<ul style="list-style-type: none"> Establishment of a Multi-Sectoral committee to spearhead collaboration on cross cutting issues; Regional capacity building fund initiated. 	<ul style="list-style-type: none"> Memorandum of understanding on multi-sectoral approach collaboration with key stakeholders on cross cutting issues signed by 2015. 		150,000
SUB-TOTAL (Tourism and Wildlife)					6,740,000

7.3.4 SUB-SECTOR 4: ENVIRONMENT AND NATURAL RESOURCES

Sub-Sector Objective: To ensure sustainable resource use, management, conservation of environment, natural resources and adaptation to climate change

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Implementing the Protocol on Environment and Natural Resources Management	2010-2013	<ul style="list-style-type: none"> • Protocol ratified by all Partner States by Dec 2012 • Operational Strategy and Action Plan developed by June 2013 • At least 3 projects developed focusing on biodiversity conservation, integrated water resources management (IWRM) and pollution control by Dec 2013 • Financial resources to implement the projects mobilized by Dec 2013 • EAC's capacity to implement the Protocol enhanced by Dec 2013 	<ul style="list-style-type: none"> • The Protocol ratified by the remaining PS (United Republic of Tanzania) • Republic of Burundi and Republic of Rwanda accede to the Protocol • 3 projects on biological diversity, IWRM and pollution control implemented • Budget for the projects identified and allocated • Department of ENR capacity enhanced 	EAC Secretariat, Partner States	1,000,000
2. Implementing the EAC Climate Change Policy , Strategy / Master Plan and preparing a comprehensive development strategy for Arid and Semi-Arid Areas, including promotion of irrigation	2011-2015	<ul style="list-style-type: none"> • EAC Climate Change Strategy and Master Plan approved by Council by Dec 2011 • Operational Modalities for the EAC Climate Change Fund approved by Council by Dec 2011/2013 • Climate Change Coordination Unit established by Dec 2011 • Climate Change Programme Management Unit staff recruited by June 2012 	<ul style="list-style-type: none"> • EAC Climate Change Strategy and Master Plan in place • EAC Climate Change Fund operational • EAC Climate Change Coordination Unit in place • 4 Professional and 2 Technical Staff recruited to constitute the EAC Climate Change Programme Management Unit (PMU) • Initiation of 3 new projects on Climate Change • Regional Arid and Semi Arid 	EAC Secretariat, Partner States	1,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		<ul style="list-style-type: none"> At least 3 new Climate Change projects developed by Dec 2013 Regional Strategy for Arid and Semi Arid Areas is developed by 2014 	Areas Strategy in place		
3. Promoting joint participation in international treaties and conventions;	2011-2015	<ul style="list-style-type: none"> Joint Framework for Participation in Regional and Multi-lateral Environmental Agreement developed by Dec 2012 Regional Platforms developed by 2013 Joint negotiation positions developed by 2013 EAC participates as bloc with a united voice in MEAs 	<ul style="list-style-type: none"> Joint Framework for participation in Regional and MEAs in place At least 3 MEAs signed/ratified/acceded to by EAC At least 3 Regional Platforms on Climate Change, Biodiversity and Disaster Risk Reduction established At least 3 joint positions/reports on climate change, disaster risk and biodiversity developed EAC participates regularly as an observer in international environmental meetings 	EAC Secretariat, Partner States	200,000
4. Promoting and protecting indigenous/traditional knowledge associated with biological resources and eco-systems and Strengthening National plans, programmes and legislation for forest management, inventory and	2011-2014	<ul style="list-style-type: none"> EAC TK database established by 2014 Mechanisms to value TK developed by 2014 A forest management strategy developed by 2014 	<ul style="list-style-type: none"> Traditional knowledge associated with biological resources promoted and national plans programmes and legislations for forest management strengthened 	EAC Secretariat, Partner States	500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
monitoring, information sharing on trade on illegally harvested forest products.					
5. Finalizing harmonization of mineral laws and policies and the harmonization of bio-safety policies on GMOs	2011-2012	<ul style="list-style-type: none"> • Harmonization of mineral Policies and mining regimes by 2012 • Harmonization of Bio-safety policies and guidelines on GMOs finalized by 2012 	<ul style="list-style-type: none"> • Harmonized mineral laws and Policies and bio-safety policies on GMOs finalized • Harmonized bio-safety policies and GMO guidelines in place 	EAC Secretariat, Partner States	500,000
6. Development of a water vision, policy and a comprehensive water resource management strategy and establish an EAC Water Resources Management Institute	2011-2013	<ul style="list-style-type: none"> • An EAC Water Vision, Policy and Strategy finalized by 2013 	<ul style="list-style-type: none"> • Water vision, Mission and Comprehensive Management Strategy is in place. • An EAC Water Resources Management Institute established. 	EAC Secretariat, Partner States	1000,000
7. Establish an EAC Water Resources Management Institute	2011-2014	<ul style="list-style-type: none"> • A framework for the establishment an EAC Water resources management in place by 2014 	<ul style="list-style-type: none"> • An EAC Water Resources Management Institute established. 	EAC Secretariat, Partner States	300,000
8. Undertaking joint resource management and exploitation;	2011-2015	<ul style="list-style-type: none"> • A framework for joint management and exploitation of natural resources is in place by 2015 	<ul style="list-style-type: none"> • Number of joint resource management and exploitation projects implemented. 	EAC Secretariat, Partner States	200,000
9. Developing capacity for integrated environmental assessment, education and	2011-2013	<ul style="list-style-type: none"> • At least 2 training workshops convened and sensitization material produced by 2013 • Centres of Excellence 	<ul style="list-style-type: none"> • Capacity for integrated environmental assessment, education and reporting enhanced. • At least 3 CoE in ENRM 	EAC Secretariat, Partner States	300,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
reporting with particular focus on climate change and sea level rise, depletion of fresh water aquifers, coral reef bleaching and coastal erosion. And supporting joint research in dedicated centres of excellence		established and at least joint research programme developed	established <ul style="list-style-type: none"> 1 joint research in dedicated Centres of Excellence supported 		
10. Implementing The African Regional Strategy for Disaster Risk Reduction and the Hyogo Framework for Action	2011-2013	<ul style="list-style-type: none"> EAC implementation plan developed DRR mainstreamed in Community plans and programmes by 2013 	<ul style="list-style-type: none"> Risk Reduction and the Hyogo Framework for Action implemented 	EAC Secretariat, Partner States	500,000
11. Harmonizing policy interventions on management of plastics and plastic waste and establish an electronic waste management framework	2012-2014	<ul style="list-style-type: none"> A regional Policy on Management of plastic and plastic waste in place by 2014 An EAC electronic waste management framework developed by 2014 	<ul style="list-style-type: none"> Policy interventions on management of plastics and plastic waste harmonized and an electronic waste management in place 	EAC Secretariat, Partner States	400,000
12. Implementing the provisions of the East Africa Framework Agreement on Air Pollution (Nairobi Agreement 2008) and harmonizing standards and regulations in accordance with the	2012-2014	<ul style="list-style-type: none"> At least 3 provisions on The Nairobi agreement on Air Pollution are implemented by 2014 Pollutions are standards harmonised by 2014 	<ul style="list-style-type: none"> Number of provisions of the East Africa Framework Agreement on Air Pollution implemented and standards and regulations in accordance with the provisions of the Agreement harmonized 	EAC Secretariat, Partner States	600,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
provisions of the Agreement.					
SUB-TOTAL (Environment and Natural Resources)					6,500,000

7.3.5 Sub-Sector 5: Energy

Sub-Sector Objective: To increase access to sufficient, reliable, affordable and environmentally friendly energy sources in the region.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Implementation of the Regional Strategy on Scaling Up Access to Modern Energy services	2011-2016	<ul style="list-style-type: none"> • Programme Coordination Unit (PCU) established and fully functional. • National Multi-sectoral Workings Groups established and functional. • At least one project initiated for each of the four targets of the Scaling Up Strategy. 	<ul style="list-style-type: none"> • Key staff for PCU recruited. • At least 25% of people currently using traditional biomass to have access to modern cooking services • Access to modern energy services for 50% of all urban and peri-urban poor achieved. • At least 50% of all schools, clinics, hospitals and community centres to have access to electricity. • At least 50% of all communities to have access to mechanical power. 	EAC Secretariat and Partner States with the support of Development Partners	1,500,000
2. Implementation of the cross border interconnection power projects	2011-2016	<ul style="list-style-type: none"> • At least one high voltage interconnection project implemented for each border between EAC Partner States. 	<ul style="list-style-type: none"> • All the national power networks of EAC Partner States interconnected. 	EAC Secretariat and Partner States with the support of Development Partners	2,000,000
3. Harmonization of energy policies and plans	2011-2016	<ul style="list-style-type: none"> • Subsector policies harmonised • Regional energy policy developed 	<ul style="list-style-type: none"> • Energy policies and plans harmonised 	EAC Secretariat and Partner States	1,000,000
4. Preparing sectoral energy master plans	2011-2016	<ul style="list-style-type: none"> • A master plan developed for each sub-sector • An energy master plan developed from the sub-sector master plans 	<ul style="list-style-type: none"> • Master Plan for Fossil Fuels developed. • Master Plan for Renewable Energy developed. • Master Plan for energy conservation and energy 	EAC Secretariat and Partner States	2,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
			efficiency developed		
5. Establishing the East African Community Power Pool (EACPP)	2011-2016	<ul style="list-style-type: none"> All the key legal, regulatory, technical and operational instruments for EACPP developed and adopted. 	EAC Power Pool established and operationalized	EAC Secretariat and Partner States	500,000
6. Holding the biannual East African Petroleum and Exhibition conference in the region	2011-2016	<ul style="list-style-type: none"> Hold at least two conferences to promote investment in petroleum sector. Evaluation of impacts previous petroleum conferences undertaken and recommendation implemented. 	<ul style="list-style-type: none"> Bi annual Conference & Exhibition held. Oil and Gas Exploration programmes in the region expanded 		500,000
7. Implementation of the oil pipeline projects	2011-2016	<ul style="list-style-type: none"> 500 Kms of oil pipeline 	<ul style="list-style-type: none"> No. of kilometres of oil pipeline 	Partner states Secretariat	10,000,000
8. Implementation of regional shared energy projects	2011-2016	<ul style="list-style-type: none"> Regional shared energy projects implemented 	<ul style="list-style-type: none"> No. of shared projects 	Partner States EAC Secretariat	500,000
SUB-TOTAL (Energy)					18,000,000

Sub Sector 6: Investment and Private Sector Development

Sector Objective: To promote investment and private sector development

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. The EAC common investment area protocol /investment law formulated / enacted and implemented	2011- 2014	<ul style="list-style-type: none"> • To form and operationalize a regional task force to negotiate and conclude EAC common investment area protocol /investment law (hold meetings of experts and stakeholders) 	<ul style="list-style-type: none"> ▪ EAC Common Investment Area Protocol / EAC Investment Law enacted/concluded. ▪ Partner States to align their policies and laws to reflect the outcome of the exercise ▪ Investment climate improved as judged by percentage increase in cross-border and foreign direct investment 	EAC Secretariat and Council, EALA	474,250
2. Leverage EAC as a place in which to do business	2012-2016	<ul style="list-style-type: none"> ▪ Impact evaluation of the EAC annual investment conferences ▪ Hold annual EAC investment conference (five preparatory meetings and main event) ▪ Participate in regional/international fora to promote EAC business image ▪ Lead regional investment missions abroad ▪ Hire a consultant to 	<ul style="list-style-type: none"> ▪ Evaluation report of investment conferences ▪ No of Investment Conferences held ▪ Number of investors, enquiries received ▪ No. of fora attended ▪ Mission report; inquiries, proposals received. Actual investment projects received in the Partner States ▪ Annual Investment Report produced. 	Partner States and EAC Secretariat, Development Partners, EABC	914,200

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		<p>produce the EAC Annual investment report</p> <ul style="list-style-type: none"> ▪ Coordinate activities of national investment promotion authorities in Community 	<ul style="list-style-type: none"> ▪ Report of the meetings 		
3. EAC Private Sector Development Strategy reformulated and implemented in line with the 4 th EAC Development Strategy	2012-2016	<ul style="list-style-type: none"> • Procure a consultant to undertake the study (three meetings of experts and stakeholders to review and validate the consultant's report) • Carry out three stakeholder roundtable meetings to promote Public-Private sector dialogue (60 pax for 3 days for 3 meetings) • Intensify collaboration with EABC on behalf of the private sector 	<ul style="list-style-type: none"> • Report of the Study • Reports of the round table meetings 	Partner States and EAC Secretariat, Development Partners, EABC	395,700
4. EAC Public Private Partnership (PPP) Policy and legislation formulated and implemented	2011-2016	<ul style="list-style-type: none"> • Conclude policy and legislation with the assistance of the World Bank and implemented by the Partner States • Centre of Excellence for PPP established in the region 	<ul style="list-style-type: none"> • Policy document and legislation in place ▪ PPP projects profiled and implemented • Centre of excellence agreed upon and hosted in one Partner State 	Partner States and EAC Secretariat, Development Partners, EABC	1,450,000
5. EAC Diaspora policy and strategy for business in the	2012-2016	<ul style="list-style-type: none"> • Procure a consultant to undertake the study (two meetings of experts and 	<ul style="list-style-type: none"> • Report of the Study • Strategy and policy agreed 	Partner States and EAC Secretariat, Development	340,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
region formulated and implemented		stakeholders to review and validate the consultant's report)	upon by Partner States <ul style="list-style-type: none"> • Policy and strategy implemented 	Partners, EAC Missions Abroad	
6. Develop a mechanism for Equitable Sharing of Benefits and Costs of EAC Integration	2011-2014	<ul style="list-style-type: none"> • Procure a consultant to undertake the study • meetings of experts and stakeholders to review and validate the consultant's report)Implement Finding of the Study 	<ul style="list-style-type: none"> • Report of the Study • Consensus report from the Partner States on Sharing of Benefits and Costs 	Partner States, EAC Secretariat, Development Partners	450,000
7. Promotion of Export and Investment	2011-2016	<ul style="list-style-type: none"> • Regional export and investment promotion centre established 	<ul style="list-style-type: none"> • Regional export and investment promotion centre 	Partner States EAC Secretariat Private Sector	300,000
Sub-Total					4,324,150

7.4 SOCIAL SECTORS

7.4.1 Sub-sector 1: Health

Sub-sector Objectives:

1. **Strengthening and expanding regional integration in the health sector**
2. **Reducing the incidence of HIV and AIDS and Sexually Transmitted Infections (STIs) and their social-economic impact in the region.**
3. **Improving access to safe, effective, affordable and quality medicines and pharmaceuticals for both human and veterinary use**
4. **Implement nutritional and Dietetics programmes and also ensure food safety in the region**
5. **Strengthen regional mechanisms and systems for the prevention, control, research and management of communicable and non-communicable diseases**
6. **Strengthen health systems, health research and evidence based health policy formulation and practices**
7. **Strengthen the implementation of regional integrated sexual, reproductive health, adolescent health, child health and maternal health and rights initiatives and programmes**
8. **Harmonization of the EAC Partner States' National Social Health Insurance Systems, including community based and private sector health insurance systems.**

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Developing a Regional health services framework with emphasis on cross-border areas	2011-2016	a) An EAC 5-year health services framework developed by December 2016. b) Implement interventions on regional integrated disease surveillance, public health and sanitation, environment and climate change interventions in the Partner States c) The East African Community Health Research Commission established	(i) An integrated policy plan with cross-border interventions for disease surveillance, joint outbreak investigations, public health, sanitation, environment and climate change health related issues in place. (ii) EAC joint medical research and training activities in dedicated Centers of Excellence established and operationalised. (iii) Harmonised medicines and food safety policies	EAC Secretariat Partner States and Development Partners	39,300,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
			<ul style="list-style-type: none"> (iv) Research and use of traditional medicines and remedies promoted through the National Health Research and Academic Institutions and the National Medicines Regulatory Agencies (NMRAs) of the EAC Partner States (v) EAC regional cross-border health development strategy and master plan adopted by the Partner States (vi) Regional health services Legislation in place (vii) The master plan in place (viii) Protocol for the establishment of the proposed “East African Community Health Professions Authority (EACHPA)” approved; (ix) Protocol for the establishment of the proposed “East African Community Medicines and Food Safety Commission (EACMFSC)” approved. 		
2. Establishing EAC regional Health information exchange system for communicable and non-communicable	2011-2013	A health information exchange system developed by June 2013	<ul style="list-style-type: none"> (i) Health information exchange mechanism established. (ii) Training manual in place (iii) 	EAC Secretariat and Partner States with the support of Development Partners	350,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
diseases.					
3. Establishing a supra-national Regional Reference Public Health Laboratory and strengthen the national public health laboratories.	2011-2015	The supranational Regional Reference Public Health Laboratory Center of Excellence established by 30 th June 2015. The 35 national and sub-national level satellite public laboratories strengthened.	(i) Qualified personnel in place (ii) Quality Assurance and Quality Control Systems in place (iii) Appropriate infrastructure in place	EAC Secretariat, Partner and support of Development Partners	500,000
4. Strengthen promotive, preventive, curative and rehabilitative health services for non-communicable diseases.	2011-2014	a) A monitoring mechanism in place by December 2013. b) The EAC regional strategic plan and implementation framework for priority non communicable diseases by 31 st December 2014.	(i) Magnitude of regional burden determined (ii) Mechanisms for reducing the burden developed (iii) Operational Plan in place (iv)	EAC Secretariat and Partner States with the support of Development Partners	550,000
5. Strengthen local production of Medicines and other pharmaceuticals	2011 -2016	(a) EAC Regional pharmaceutical Manufacturing plan implemented by 30 th June 2016. (b) EAC Regional Policy and Protocol on Utilization of Public Health Related TRIPS Flexibilities developed and implemented by 30 th June 2016	(i) Pharmaceutical and regulatory capacity strengthened. (ii) Access to locally produced quality essential medicines increased (iii) Investment in pharmaceutical manufacturing increased (iv) EAC Regional Policy and Protocol on Utilization of Public Health Related TRIPS Flexibilities developed and	EAC Secretariat and Partner States with the support of Development Partners	5,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
			implemented (v)		
6. Harmonization of HIV & AIDS policies for agricultural, fishing and university mobile populations in the Lake Victoria Basin and EAC region in general	2011-2012	Harmonized regional HIV/AIDS policies, standards and protocols developed and adopted by EAC Council of Ministers by 30 th June 2012	(i) HIV & AIDS policies for agricultural, fishing and university populations in the LVB harmonized and implemented.	EAC Secretariat, LVBC, IUCEA, LVFO and Partner States with the support of Development Partners	2,000,000
7. Mainstreaming HIV/AIDs interventions into EAC regional Sectoral Projects and Programmes and into Strategic Plans of the Partner States and civil society organizations (CSOs)	2011-2014	Regional guidelines and training materials for mainstreaming of HIV and AIDS in all EAC organs, institutions and sectors developed by 30 th June 2012	(i) HIV/AIDs interventions main-streamed into EAC regional Sectoral Projects and Programmes and into Strategic Plans of the Partner States and civil society organizations (CSOs)	EAC Secretariat and Partner States with the support of Development Partners	5,500,000
8. Developing an EAC Regional Integrated Health, HIV and AIDS and STIs and Sexual and Reproductive and Adolescent Health and Rights policy and strategy for the	2011-2012	EAC Regional Integrated Health, HIV/AIDS, STIs, Sexual and Reproductive and Adolescent Health and Rights policy and strategy for the EAC region developed by 30 th June 2012	(i) EAC Regional Integrated Health, HIV/AIDS, STIs, Sexual and Reproductive and Adolescent Health and Rights policy and strategy for the EAC region developed and implemented.	EAC Secretariat and Partner States with the support of Development Partners	350,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
EAC region					
9. Coordinating and facilitating the monitoring of regional and global commitments for HIV and AIDS	2011-2015	EAC Health and HIV/AIDS Monitoring and Evaluation Plan and a framework for coordinating and facilitating the monitoring of regional and global commitments for HIV and AIDS and related indicators and publication of regular reviews for EAC as a whole developed by 30 th June 2012	(i) Monitoring and evaluation of regional and global commitments for HIV and AIDS by EAC Partner States undertaken	EAC Secretariat and Partner States with the support of Development Partners	250,000
10. Provision and exchange of technical support, training and institutional strengthening to Rwanda, Burundi and Tanzania (Zanzibar) health sector	2011-2015	A legal framework and organizational mechanisms developed by 31 st December 2012. Number of institutions supported Number of trained personnel in each of the Partner States indicated A national medicines regulatory authority in the Tanzania (Zanzibar), Burundi and Rwanda strengthened. Technical support, training and institutional strengthening to Rwanda, Burundi and Tanzania (Zanzibar) health sector provided	(i) Exchange of technical support, training and institutional strengthening to Rwanda and Burundi and Tanzania (Zanzibar) health sector provided	EAC Secretariat and Partner States with the support of Development Partners	350,000
11. Strengthen the capacity of Partner	2011-2014	Harmonize care and treatment guidelines among partner states, for key communicable	(i) Number of guidelines harmonized. (ii) Number of partner states	EAC Secretariat and Partner States with the	300,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
States to diagnose and treat communicable and non-communicable diseases.		and non – communicable diseases.	using the Harmonized care and treatment guidelines. (iii) Harmonized the EAC Partner States' National Social Health Insurance Systems. (iv) Number of community based insurance systems established	support of Development Partners	
12. Strengthen the implementation of regional integrated sexual, reproductive health, adolescent health, child health and maternal health and rights initiatives and programmes	2012-2015	Implement the EAC regional integrated sexual, reproductive health, adolescent health, child health and maternal health and rights initiatives and programmes by 31 st December 2015	Number of EAC regional initiatives and programmes implemented	EAC Secretariat and Partner States with the support of Development Partners	2,500,000.00
Sub-Total (Health)					56,950,000

7.4.2 Sub-Sector 2: Education, Science and Technology

Sub-Sector Objective: To provide harmonized, effective and efficient education system for a creative and productive human resource.

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Operationalising the East African Science and Technology Commission (EASTECO)	2011-2013	<ul style="list-style-type: none"> • Legal instruments developed • An institutional framework for Regional Science and Technology framework established • Regional Science and Technology policy developed • Workshops conducted • Research proposals developed • Research conducted • Blueprint developed • Workshops conducted • Resources mobilized • Institute established 	<ul style="list-style-type: none"> • Legal instruments • The institutional framework • Regional S&T policy adopted by PS • Number of research technology development projects undertaken jointly • Operational East Africa S&T institute 	Ministries responsible for Science and Technology, Research Institutions, and EAC secretariat	4,080,000
2. Reviving all former EAC Research institutions	2012-2015	<ul style="list-style-type: none"> • Assessments carried • Resources mobilized • Institutions revived 	<ul style="list-style-type: none"> • Number of operational EAC Research institutes. 	Ministries responsible for Science and Technology, Research Institutions, and EAC secretariat	1,500,000
3. Developing an EAC Education Sector HIV/AIDS policy and Strategy	2011-2013	<ul style="list-style-type: none"> • SITAN Conducted • Strategies developed • Operational Plans made • Build and develop capacity • Develop implementation strategy • HIV and AIDS integrated 	<ul style="list-style-type: none"> • Policy/Strategy on HIV/AIDS adopted by Partner States. • Implementation plan operationalised 	Ministries responsible for Education, Health, HIV/AIDS Commission, and EAC	2,350,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
		<ul style="list-style-type: none"> into the primary and Secondary school curricula Education Sector HIV and AIDS Desk established at the EAC Secretariat 		Secretariat	
4.Harmonizing E.A Education systems and training curricula	2011-2015	<ul style="list-style-type: none"> High Level Task Force (HLTF) established Partner States Education systems harmonised EAC School curricula for Primary, Secondary, Teacher Education and TVET harmonised A reformed EAC Examinations Body established and functional 	<ul style="list-style-type: none"> harmonization of E.A C Education systems. Primary schools implementing the harmonized curricula. Secondary schools implementing the harmonized curricula East African Examination body operationalized. Developed TORS Established HLTF Reports of HLTF 	Ministries responsible for Education, EAC Affairs +EAC Secretariat	1,250.000
5. Identifying and supporting Centres of Excellence in the region.	2011-2015	<ul style="list-style-type: none"> Identify Centres of Excellence Mobilise resources Support the Centres 	<ul style="list-style-type: none"> Number of operational Centres of Excellence 	Ministries responsible for Science and Technology, Research Institution, and EAC Secretariat.	350,000
6.Facilitating the Operationalisation of the EAC Common Market Protocol	2011-2012	<ul style="list-style-type: none"> Developing MRAs to facilitate free movement of professionals Developing benchmarks for recognition of foreign qualifications 	<ul style="list-style-type: none"> Number of MRAs developed Number of Benchmarks developed 	Ministries responsible for Education, EAC Affairs + EAC Secretariat, Development Partners, professional organizations	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
7. Reforming the EAC Education by introducing E-Learning	2011-2013	<ul style="list-style-type: none"> Developing a Concept Paper Developing Strategies Implementing reforms 	<ul style="list-style-type: none"> Concept Paper Reports 	Ministries responsible for Education, EAC Affairs + EAC Secretariat, Development Partners	500,000
8. Facilitating the conduct of both the Tertiary and Secondary Essay writing competitions	2011-2015	<ul style="list-style-type: none"> Annual conduct of both categories of essays 	<ul style="list-style-type: none"> Developed publicity materials Students Scripts Reports 	Ministries responsible for Education, EAC Affairs + EAC Secretariat, corporate bodies	760,000
9. Collaborating with Regional and International Centers of Higher Learning	2011-2015	<ul style="list-style-type: none"> At least 10 international universities. 	<ul style="list-style-type: none"> Reforms and innovative ideas in research being implemented. 	Ministries responsible for Education, EAC Affairs + EAC Secretariat, IUCEA, Africa Union Commission, Development Partners, professional organizations	30,000
10. Facilitating the collaboration with Regional and International Organizations	2011-2012	<ul style="list-style-type: none"> At least two regional and two international fora attended annually 	<ul style="list-style-type: none"> Reports 	Ministries responsible for Education, EAC Affairs + EAC Secretariat, Development Partners and other organizations	30,000
SUB-TOTAL (Education)					9,851,250

7.4.3 Sub-Sector 3: Culture and Sports

Sub-Sector Objective: To enhance social cohesion and foster economic development and regional integration through culture and sports

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Harmonization of Policies, Laws, guidelines, programmes and Standards in Culture and Sports sub- sector	2011-2012	<ul style="list-style-type: none"> Regional Culture Policy and Strategy developed Regional Sports Policy and Strategy developed Harmonized annual Calendar of Cultural and sports events held in the region shared 	<ul style="list-style-type: none"> Regional harmonized Culture and Sports Policies in place Amended legislations and renegotiated agreements in place. Approved Action plans in place EAC Calendars of Culture and Sports events in place. 	EAC Secretariat and Partner States Ministries Responsible for Culture and Sports	500,000
2. Strengthen institutional capacity for regional cooperation in Culture and Sports	2014-2015	<ul style="list-style-type: none"> EA Kiswahili Commission Operationalized EA Culture and Sports Commission Operationalized Regular Institutional Capacity Building and Training programmes established EAC regional Sports Federations formed 	<ul style="list-style-type: none"> Kiswahili Commission Operationalized Culture and Sports Commission Operationalized No of Staff trained No of regional Sports Federation in place and functional 	EAC Secretariat and Partner States	1,000,000
3. Promote joint financing of regional Culture and sports programmes and establishment of EAC Culture and	2011-2013	<ul style="list-style-type: none"> An EAC Culture and Sports projects financing Strategy developed EAC Culture trust Fund Established 	<ul style="list-style-type: none"> No of Culture and sports projects funded jointly ...% increase in financing of Culture and sports activities per annum 	EAC Secretariat and Partner States Ministries Responsible for Culture, Sports and Finance	500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Sports Funds		<ul style="list-style-type: none"> EAC Sports Fund Established 	<ul style="list-style-type: none"> Operational EAC Culture and Sports trust Funds. 		
4. Developing and popularize the Symbols of EA Cultural identity	2011-2012	<ul style="list-style-type: none"> EAC Anthem Popularization programme fully implemented Special programme for popularizing Kiswahili in the Republics of Uganda, Rwanda and Burundi implemented. <p>5. Kiswahili Institutionalized as an Official language of the EAC</p>	<ul style="list-style-type: none"> EAC Anthem played and sang at all Regional and National Events in the EAC ..% increase in the No of East African Citizen able to sing the EAC Anthem Kiswahili used in Conducting EAC business ...% increases in the No of people speaking Kiswahili in the Republics of Uganda, Rwanda and Burundi. 	EAC Secretariat and Partner States Ministries responsible for Culture, Sports, EAC Affairs, Education and Internal Affairs.	500,000
6. Facilitating the improvement and development of Culture and Sports infrastructure/facilities in the region.	2014-2015	<ul style="list-style-type: none"> An EAC joint planning for Culture and Sports infrastructure development established An EAC Resource Mobilization for Infrastructure development Strategy developed 	<ul style="list-style-type: none"> Improved quality of existing Culture and Sports facilities. Number of Culture and Sports facilities improved No of Development plans for new culture and Sport facilities No of regional Culture and Sports infrastructure development projects initiated 	EAC Secretariat and Partner States Ministries responsible for Culture, Sports and Finance	2,500,000
7. Creation of an enabling environment for Private sector investment, in Culture and Sports	2011-2015	<ul style="list-style-type: none"> Regional Mapping Studies of Culture and Sports Industries conducted Regional Public Private Sector Partnership (PPP) 	<ul style="list-style-type: none"> Availability of regional Culture and Sports Statistics on investment opportunities Culture and Sports PPP framework and agreement 	Ministries responsible for Culture and Sports, Finance, Trade, Investment	2,500,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
industries for employment creation and improvement of household incomes.		<p>framework established</p> <ul style="list-style-type: none"> • Biannual Culture and Sports Investment forums organized 	<p>adopted</p> <ul style="list-style-type: none"> • ..% increase in export earning from culture and sports goods and services (films, Art and crafts, Music, professional sportsmen and women) • Number of new investments in Culture and Sports businesses in place • ...% increase in the Number of investors in Culture and Sports businesses 	Authorities, Private Sector Foundations and EAC Secretariat	
8. Initiating and implementing a regular programme for organizing EAC Cultural and Sports Events (festivals, art exhibitions/expo, symposia and Sports tournaments.	2011-2015	<ul style="list-style-type: none"> • An EAC Art and Culture Festival held every 2 years • An annual EAC Art and Craft Expo held • An EAC Sports Tournament held every 2 years • Public awareness of EAC integration agenda created. 	<ul style="list-style-type: none"> • Number of annual EAC Cultural festivals, exhibitions and sports tournament. • No of people attending Culture and sports events • % increase in cross border movement of East Africans to attend culture and sports events 	EAC Secretariat and Partner States, Ministries responsible for Culture and Sports and private sector.	7,500,000
9. Strengthening the Collaboration between the EAC and regional/International organizations (e.g. UNESCO, FIFA) in the promotion and	2011-2015	<ul style="list-style-type: none"> • Culture and Sports networks at regional and Global level established 	<ul style="list-style-type: none"> • Number of collaboration agreement signed and implemented. 	EAC Secretariat and Partner States	250,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
development of Culture and Sports					
Sub-total (Culture and sports)					15,250,000

7.4.6 Sub-Sector 6: Labour and Immigration

Sub-Development Objective: To enhance free movement of persons, labour and management of refugees.

Sub-Sector 6: Immigration and Refugee Management

Sub-Development Objective: To enhance free movement of Persons, Labour and Management of Refugees.

Strategic Objective	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
1. Reviewing of immigration laws to be in line with the EAC Common Market.	2011-2012	Reviewed immigration laws in place by December 2012	<ul style="list-style-type: none"> Number of migration laws reviewed and adopted by PS. 	EAC Secretariat, Partner States	180,000.00
2. Implementing a continuous sensitization programme for the Immigration Sector on their expected role in the implementation of the EAC Common Market.	2011-2013	One Sensitisation programme held per quarter	<ul style="list-style-type: none"> No. of Sensitization meetings/workshops/seminars held during the period. No. of Immigration Officers reached. 	EAC Secretariat, Partner States in collaboration with IOM.	280,000.00
3. Undertaking regional training programme for Labour and immigration Officers	2010-2015	Two regional trainings held every calendar year	<ul style="list-style-type: none"> Number of regional training programmes implemented per year. 100 Immigration Officers trained on Regional integration issues. 	EAC Secretariat, Partner States in collaboration with IOM.	300,000
4. Reviewing and harmonizing of Labour Laws and Employment policies	2011-2013	Validation of the Labour laws /employment policies Study in the Republics of Rwanda and Burundi finalised by Dec.2011	<ul style="list-style-type: none"> East African Labour laws/Employment policies developed and validated by stakeholders & adopted by Council. 	EAC Secretariat, Partner States in collaboration with the ILO and GIZ	200,000

Strategic Objective	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
		and regional validation done by June 2012			
5. Coordinating and modernizing of Social Security Systems	2014-2015	Actuarial Study Process initiated in August 2011 and finalised by June 2012	<ul style="list-style-type: none"> • Social Security systems coordinated and modernized. 	EAC Secretariat, Partner States in collaboration with the ILO	100,000
6. Completing the undertaking of EAC Manpower Survey	2011-2012	Main Field studies completed by Dec.2011. Data analysis process completed in 2012	<ul style="list-style-type: none"> • EAC Manpower Survey completed and findings adopted by PS. • National Data bases established 	EAC Secretariat, Partner States in collaboration with the ILO	16,000,000
7. Employment creation through the Regional decent Work programme	2011-2013	Implementation plan and monitoring Framework adopted by the Partner States-Dec.2011 Program implementation-2012-2013	<ul style="list-style-type: none"> • Number of jobs created. • No. of innovative Strategies developed by Partner States 	EAC Secretariat, Partner States in collaboration with the ILO	500,000
8. Developing regional programmes to promote workers Occupational Health and Safety within the EAC Common Market	2013-2014	Mobilisation of funds to support the regional programmes Programmes implemented at both national and regional levels	<ul style="list-style-type: none"> • Number of institutions and businesses complying with the Regional Occupational Health and Safety Standards. • Development of a regional OHS Code 	EAC Secretariat, Partner States Ministries responsible for Labour	1,000,000
9. Developing and review of Refugee management policies.	2011-2013	Review of current policies and development of new policies	<ul style="list-style-type: none"> • Refugee management policies adopted by Partner States. 	EAC Secretariat, Partner States Ministries responsible for Home Affairs and UNHCR	200,000
10. Establishment of a regional framework for issuance of machine readable Identity cards to facilitate movement	2012-2016	Regional framework established	<ul style="list-style-type: none"> • Regional framework in place 	Partner states EAC Secretariat	200,000

Strategic Objective	Time Frame	Targets	Performance Indicator	Responsibility	Estimated Budget (in USD)
of persons					
11. Establishing regional migration regional data bank	2011-2013	Regional Migration Data Bank established by Dec.2012	<ul style="list-style-type: none"> • Linkage of Country data banks completed. • EAC Immigration Data bank established. 	EAC Secretariat, Partner States in collaboration with the UNHCR and IOM	200,000
Sub-Total (Labour and Immigration)					19,160,000

Sub-Sector 5: Urban Development and Housing

Sub-Sector Objective: To achieve smooth transition from rural to urban settlements and promote decent housing

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Establishing housing mortgage and related investment schemes.	2011-2015	Housing mortgages established	<ul style="list-style-type: none"> Number of housing mortgage and investment schemes implemented 	Ministries and Departments responsible for urban development and EAC Secretariat	25,000,000
2. Developing and harmonizing national urban development policy; standards and regulations.	2011-2015	Policies , standards and regulations harmonised	<ul style="list-style-type: none"> Policies standards and regulations adopted by Partner States 	Ministries and Departments responsible for urban development and EAC Secretariat	650,000
3. Strengthening urban management institutions and human resource capacity.	2011-2015	Regional framework established	<ul style="list-style-type: none"> Number of management institutions strengthened. Number of capacity building programmes implemented and professional trained. 	Ministries and Departments responsible for urban development and EAC Secretariat	2,500,000
4. Mainstreaming of physical planning in national development agenda.	2012-2013	Regional framework established and implemented	<ul style="list-style-type: none"> Physical planning mainstreamed in national development agenda. Number of projects implemented jointly. 	Ministries and Departments responsible for urban development and EAC Secretariat	1,750,000
5. Capacity building for local authorities.	2011-2015	Local Government Authorities strengthened	<ul style="list-style-type: none"> Capacity building programmes for authorities institutionalized in selected Centres of Excellence. 	Ministries and Departments responsible for urban development and EAC	5,675,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
				Secretariat	
Sub-Total (Urban Development and Housing)					35,575,000

7.4.7 Sub-Sector 7: Gender and Community Development

Sub-Sector Development Objective: To enhance community empowerment through people centered and gender responsive development that creates opportunities to harness potentials necessary for equitable and sustainable development

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Mainstreaming gender into all strategic interventions of the Community.	2011-2013	<p>A Gender Audit is undertaken and disseminated by June 2014</p> <p>An EAC Protocol on Gender Equality approved by December 2012</p> <p>An EAC Women Council established by June 2013</p> <p>6 Priority Sectors (Health, Agriculture, Peace and Security, Trade, Infrastructure, Statistics) have integrated Gender dime have Gender and equity budgeting by June 2013</p> <p>The EAC Social Development Framework adopted and implemented by June 2016</p>	<p>Gender fully mainstreamed within the EAC Policies, Programmes and Projects, EAC Organs and Institutions.</p> <p>EAC Protocol on Gender Equality approved by the Summit</p> <p>The EAC Women Council approved by Council</p> <p>Number of priority sectors that have integrated Gender dimensions</p> <p>Annual Meetings of the Forum of Ministers responsible for Social Development are held</p> <p>M&E for the implementation of the Social Development framework is operational</p> <p>Concrete projects addressing issues of social development are implemented in all Partner States by June 2016</p>	EAC Secretariat and Partner States	550,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Promoting Women in socio-economic development and Women in Business	2013-2014	A Policy for promoting women in socio-economic development and women in business adopted by De.012 A Programme on Women in Cross-Border Trade and Immigration established by June 2012	Number of programmes and projects implemented.	EAC Secretariat and Partner States	350,000
Mainstreaming Youth into EAC policies, programmes and projects.	2011-2013	Policy and legal framework for the Youth established by Dec.2012 Macro economic sector policies and programmes aligned to reflect Youth issues by June 2016 An EAC Training Center for skill development for the Youth in the region established by June 2013 Bi-annual Exchange Programmes on employment opportunities for young people organised by June 2013	No of EAC policies and programmes that mainstream Youth development Council Decision creating the EAC training center for skill development for the youth in the regional adopted by Council and operational No of activities carried out by the EAC Training Center for the Youth NO of exchange programmes organized	EAC Secretariat and Partner States	1,050,000
Harmonization and enforcement of legal frameworks that relate to Children	2013-2014	Policy and legal framework established by June 2012 Macro economic sector policies and programmes are aligned to reflect Children	Number of Laws in Partner States protecting children No of policies and programmes compliant with children issues	EAC Secretariat and Partner States	400,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
		<p>issues by 2014</p> <p>EAC Annual Children Forum established by June 2012</p> <p>Programme for Protection of children from vulnerability established by June 2013</p>	<p>with regard to MDGs and other Regional/ Continental instruments and protocols</p> <p>Council Decision establishing the EAC Annual Children Forum</p> <p>NO of Forums organised</p> <p>Council Decision</p> <p>Quality of interventions towards vulnerable children undertaken in EAC Partner states</p>		
Mainstreaming Social Protection into EAC policies, programmes and projects	2011-2012	<p>Study on institutional bottlenecks that infringe on the rights of the poor and marginalized to access social services undertaken by Dec.2012</p> <p>A Social Protection Policy is adopted by June 2013</p>	<p>Adopted Report of analysis of existing policies on Social Protection in Partner States available</p> <p>Council decision adopting the Policy</p> <p>No of Social Protection programmes implemented</p>	EAC Secretariat and Partner States	250,000
Mainstreaming Community Development in Macro-economic policies	2013-2014	<p>Legislative framework (laws, policies and guidelines) for Community Development within Partner States are harmonised</p> <p>A Monitoring and Evaluation Framework for Community Development is set-up by</p>	Number of harmonized micro-finance programmes for communities in Partner States	EAC Secretariat and Partner States	350,000

Strategic Interventions	Time Frame	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
		Dec.2012 A project on empowering Border Communities through modernization of shared markets implemented by June 2013	No and quality of shared infrastructure across the borders modernised		
2. Promoting the participation of the Citizenry (women, youth, CSOs and the private sector).	2011-2013	An EAC Civil Society Mobilisation Strategy is adopted by June 2012 An annual EAC Forum for participation of the Citizenry operationalised by June 2012	Number of stakeholders participating in gender and community development.	EAC Secretariat and Partner States	250,000
Sub-Total (Gender and Community Development)					3,200,000

Service Support Sectors

Legal and Judicial Affairs

Development Objective: To harmonize and strengthen legal and judicial system.

Strategic Objectives	Time Frame	Targets	Performance Indicators	Responsibility	Estimated Budget
1. Harmonizing laws and judicial systems harmonized, and develop policies, regulations, procedures and standards.	2011-2012	<ul style="list-style-type: none"> Five laws touching on the Common Market shall be harmonised per year 	<ul style="list-style-type: none"> Harmonized policies, laws regulations and standards adopted by PS. 	Ministry responsible for Legal and Judicial Affairs SG's office, EALA, EACJ	200,000
2. Legal support to Organs and Institutions of the Community on statutory and governance matters.	2011-2015	<ul style="list-style-type: none"> Provision of legal advice to all Organs and Institutions within 14 days of receipt of request 	<ul style="list-style-type: none"> Response to the requests. 	Ministry responsible for Legal and Judicial Affairs SG's office, EALA, EACJ	200,000
3. Institutionalizing EAC legislation and administration of Justice.	2012-2013	<ul style="list-style-type: none"> Four bills on institutional development. Four legislations institutionalised 	<ul style="list-style-type: none"> Number of bills Improved legislation and administration of justice. 	Ministry responsible for Legal and Judicial Affairs SG's office, EALA, EACJ	200,000
4. Developing and supporting EAC's oversight role	2012-2013	<ul style="list-style-type: none"> Provision of support to all EAC' Organs and Institutions within Seven days of receipt of request 	<ul style="list-style-type: none"> EAC's oversight role improved. 	Ministry responsible for Legal and Judicial Affairs SG's office, EALA, EACJ	250,000
5. Conclusion of a protocol on the extended jurisdiction of East African Court of Justice..	2013	<ul style="list-style-type: none"> Protocol on extended jurisdiction concluded 	<ul style="list-style-type: none"> The Protocol on extended jurisdiction. 	Ministry responsible for Legal and Judicial Affairs SG's office, EALA, EACJ	100,000
Sub-Total (Legal and Judicial Affairs)					950,000

Sector: Corporate Communication and Public Relations

Development Objective: To ensure East African citizenry (including civil society, women, youth and the private sector) informed, educated and involved in the East African Community affairs.

Sub-sector Objective: To enhance Information, Education and Communication and Popular Participation of the East African citizenry on EAC integration process.

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Formulate and implement a Communication Policy and Strategy	Dec. 2011	<ul style="list-style-type: none"> EAC Communication Policy and Strategy approved by the Council of Minister in Nov. 2011 	<ul style="list-style-type: none"> EAC Communication Policy and Strategy document printed and distributed to key implementers/and stakeholders 	EAC Secretariat and Council	3,600,000
2. Institute mechanism for effective involvement of the private sector, civil society organisations, and other interest groups in the integration process and activities	2013-2016	<ul style="list-style-type: none"> Identify key civil society organizations, women, and private sector associations in each Partner States that could be partner with EAC in implementing some of the regional projects and programmes by mid 2013 	<ul style="list-style-type: none"> A framework for consultation and participation of civil society, women, and private sector associations at national and regional consultations, policy and programme development is in place and implemented 	EAC Secretariat and Ministries of EAC Affairs	400,000
Grand Total					4,000,000

Sector: Development of Regional Statistics

Development Objective: To ensure regional statistics are developed and harmonised

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Harmonized compilation practices for statistical procedures and practices	2011 -2016	<ul style="list-style-type: none"> Frameworks for compilation of harmonized statistics necessary for operation of the EAC Common Market in place by 2013 Database of regionally comparable statistics necessary for operation of EAC Common market in place by 2016 	<ul style="list-style-type: none"> Legal and policy frameworks in place Updated database of comparable statistics necessary for operation of EAC Common Market maintained 	Ministries responsible for Finance, Central Banks, EAC Secretariat, Players in real sector	3,300,000
Establish the EAC regional statistical system and EAC Statistics Bureau	2011-2016	<ul style="list-style-type: none"> Legal, policy and institutional framework for establishment of a Regional statistical system in place by 2014. EAC Statistics Bureau operational by 2015 Regional statistical system established by 2016 	<ul style="list-style-type: none"> Legal and institutional framework developed. Regional statistical system established 	Ministries of Finance, Central Banks, Capital markets, insurance and Pensions regulators, Statistical Bureaus and EAC Secretariat, other players in Real sector.	800,000
SUB-TOTAL					4,100,000

Sector: Planning and Research

Sub-sector Objective: To ensure efficient implementation of the Common Market, and EAC Corporate Plans formulated, implemented, monitored, and reviewed.

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Review implementation of the EAC Common Market Protocol and development of additional Instruments.	2011 - 2012	Regional Committee Meetings held quarterly	<ul style="list-style-type: none"> • Number of Regional Committee Meetings held • Number of additional Instruments developed 	Directorate of Planning	2,000,000
2. Coordination of formulation of Annual Operational Plans and reporting	2012 - 2016	Annual Work Plans produced by June each year	<ul style="list-style-type: none"> • Draft Work Plans produced • Final Work Plans produced 	Directorate of Planning	200,000
3. Review of implementation of the 4 th EAC Development Strategy.	2012 - 2016	Implementation of 4 th EAC Development Strategy reviewed annually.	<ul style="list-style-type: none"> • Draft review reports • Final review reports 	Directorate of Planning	400,000
4. Coordinate the Annual EAC Pre-budget	2012 - 2016	Pre-budget Conferences convened	<ul style="list-style-type: none"> • Preparation of input for the Annual Pre-budget Conference 	Directorate of Planning	350,000

Strategic Intervention	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
Conference.			<ul style="list-style-type: none"> • Annual Pre-budget Conference convened in September each year. 		
5. Preparation of the 5 th EAC Development Strategy.	Nov. 2015	5 th EAC Development Strategy produced	<ul style="list-style-type: none"> • Terms of Reference for consultancy developed and approved • Consultant procured 	Directorate of Planning	400,000
6. Conducting of research on topical issues	2012 - 2014	Research carried out on two topical issues	<ul style="list-style-type: none"> • Research proposals developed and approved • Number of researches carried out. 	Directorate of Planning	200,000
Sub-Total					3,550,000

Sector: Monitoring and Evaluation

Strategic Interventions	Timeframe	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Implementation of the Result based M&E system at national and regional levels	2012-2014	RBM&E Frame work implemented	<ul style="list-style-type: none"> • M&E frame work approved by Council • Key outcome/ result indicators formulated and agreed upon • Baseline data established 	EAC Secretariat	300,000
2. Enhance the capacity for data collection, analysis, reporting and dissemination at regional and national level	2011-2016	At least more than 80% of officers involved in project management , monitoring and reporting trained in M&E basic skills	<ul style="list-style-type: none"> • % of M&E practitioners trained and • Improvement in the quality of reports generated and • No of M&E staff recruited 	EAC Organs and Institutions	250,000
3. Undertake annual reviews and Midterm Review of the implementation of 4 th EAC Development strategy	2012-2016	At least Four (4) annual reviews undertaken and a midterm review carried out	<ul style="list-style-type: none"> • No of reviews undertaken 	EAC Secretariat	300,000
4. Develop and implement a web based MIS for monitoring and follow up of Council and Summit Decisions and directives	2012-2013	A Web based MIs developed at regional level and linked to MEACAs	<ul style="list-style-type: none"> • Web based MIS developed and approved • Data uploaded to the web based system • Quality of Data generated through the web based system 	EAC Secretariat MEACAs	150,000
5. Strengthen the M&E Coordination between the EAC	2012-2013	Coordination framework For regular sharing of M&E information between organs	<ul style="list-style-type: none"> • No of Partner States with established M&E Units at MEACA 	EAC Organs and Institutions and MEACAs	100,000

Strategic Interventions	Timeframe	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Secretariat, EAC Organs and Institutions		and institutions established	<ul style="list-style-type: none"> • No. of M&E focal persons appointed by EAC Organs and Institutions • No. of meeting held 		
Sub total					1,100,000

7.6 Finance, Human Resources and Administration

Sector: Finance

Sector Development Objective: To strengthen capacity for resource mobilization, financial management and reporting.

Strategic Interventions	Timeframe	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
Institutionalize an Effective centralized financial management information systems	2012-2015	Effective and centralized financial management information systems Institutionalized by 2015	<ul style="list-style-type: none"> • Timely remittance of funds • Time Financial Reports • Effective financial management system 	Finance Director	500,000
Restructuring and streamlining the Directorate to reflect financial accounting, expenditure control budgeting and Donor fund management	2012-2013	The Directorate of Finance restructured by 2013 Financial accounting, expenditure control, budgeting and Donor/Grant management functions established by 2013	<ul style="list-style-type: none"> • Feasible financial Structure • Effective and Efficient Financial Management System 	Finance Director	100,000
Strengthening and integrating FMIS and M&E systems at all levels in line with leading best practices	2011-2015	FMIS and M&E systems at all levels Strengthened by 2013 FMIS and M & E integrated in line with leading best practices by 2015	<ul style="list-style-type: none"> • Efficient and Effective FMIS institutionalized • Integrated financial and M & E Systems. 	Finance Director	500,000
Sub-Total (Finance)					1,100,000

SECTOR: RESOURCES MOBILIZATION

Sector: Resource Mobilisation

Strategic Interventions	Timeframe	Targets	Performance Indicator	Responsibility	Budget estimate (USD)
1. Operationalisation and implementation of the EAC Resource Mobilization Policy and Strategy	2011 - 2016	<ul style="list-style-type: none"> EAC Resource Mobilization Policy and Strategy approved by the Council of Ministers EAC Resource Mobilization Policy and Strategy operational 	<ul style="list-style-type: none"> EAC Resource Mobilization Manual implemented in Partner States Number of Development Partners supporting EAC projects and programmes Number of projects and investments supported in Partner States Amount of funding for EAC projects and programmes generated 	PRMO	200,000
2. Establishment and implementation of the EAC Development Fund (EACDF)	2011 - 2016	<ul style="list-style-type: none"> EACDF Protocol approved by the Council of Ministers EACDF operational 	<ul style="list-style-type: none"> EACDF Implementation Framework implemented in Partner States Number of Development Partners supporting EAC projects and programmes Number of projects and investments supported in Partner States Amount of funding for EAC projects and programmes generated 	PRMO	500,000
3. Sustainable financing of EAC	2011-2016	<ul style="list-style-type: none"> Modalities for Partner States contributions identified 	<ul style="list-style-type: none"> Predictable funding from Partner States for EAC generated 	DSG (F&A), DF, PRMO	300,000
Sub Total					1,000,000

SECTOR: HUMAN RESOURCES AND ADMINISTRATION

Development Objective: To improve EAC's oversight role, Administrative and ICT systems, Capacity building and HR to support the realization of the EAC Overall objective.

Sub-sector Objectives:

- 1. To strengthen EAC institutional framework**
- 2. To strengthen the Secretariat's capacity and facilitate its operational efficiency.**

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Re-structuring and empowerment of EAC Secretariat to implement reforms as per the institutional review recommendations	2011-2012	<ul style="list-style-type: none"> • EAC Staff establishment re-structured. • EAC Staff functional roles & responsibilities, terms & conditions of service established. • More authority delegated to the EAC Secretariat by the Council. 	EAC re- structured to facilitate consolidation of Customs Union, implementation of Common Market.	<ul style="list-style-type: none"> • DHRA; • DSG (F&A) • Council; 	5,000,000
2. Development and implementation of a framework for a sustained efficient and effective leadership	2011-2012	An EAC leadership model including proper staff supervision, coordination & participation established.	EAC leadership model in place	<ul style="list-style-type: none"> • DHRA • DSG (F&A) • Consultant/Expert; • Council 	100,000
3. Strengthening of inter-organ/institutional collaboration and co-operation	2011-2012	An Interaction framework between the EAC Secretariat & Organs/Institutions developed	Number of joint Planning; M & E sessions undertaken	<ul style="list-style-type: none"> • SG • Heads of Organs & Institutions 	100,000
4. Inculcating an organizational culture and management practices that promote EAC ideals	2011-2015	<ul style="list-style-type: none"> • EAC Organisational Culture identified; developed and promoted. • EAC Leading management practices identified; developed and promoted. 	EAC Organisational culture and leading management practices established.	<ul style="list-style-type: none"> • DHRA • DSG (F&A) • Consultant/Expert; • Council 	100,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
5. Development of efficient and effective administrative systems	2011-2015	To develop/modernize and operationalize new and existing administrative systems.	Efficient and effective support systems in place	EAC Secretariat	300,000
6. Institutionalizing performance contracting	2011-2015	EAC Performance management system established	Performance contracting operationalised.	<ul style="list-style-type: none"> • DHRA • DSG (F&A) • Experts from Partner States (Rwanda & Kenya; • Council 	200,000
7. Ensuring efficient and effective delivery of conference services	2011-2015	Manage and coordinate meetings and conferences logistics.	Efficient and effective conference services delivered	Secretariat	1,325,000
8. Facilitation of completion of EAC headquarters	2012-2013	To complete and furnish an ultra-modern headquarters complex	Headquarters building completed and occupied	Secretariat	4,600,000
9. Improving working conditions including provision of adequate office space and recreational facilities	2011-2012	To provide office furniture, equipment and other office essentials.	Adequate office accommodation and recreational facilities in place	Secretariat	500,000
10. Development of high quality, responsive, innovative and cost-effective ICT services	2011-2015	<ul style="list-style-type: none"> • Develop, upgrade and maintain ICT automation systems • Implement reliable and cost effective communications systems • Maintenance of all existing ICT systems 	<p>Develop, maintain and manage cost effective information communication systems</p> <p>Knowledge sharing and collaboration created through strengthened ICT</p>	Secretariat	2,800,000
11. EAC library transformed into an electronic information	2011-2012	<ul style="list-style-type: none"> • Conduct a feasibility Study on development Digital libraries (Library of Congress, EU 	<ul style="list-style-type: none"> • Project proposal on digitization developed 	EAC Secretariat	120,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
Resource Centre		Library) <ul style="list-style-type: none"> • Procure consultancy to develop modalities for setting up a digital Information 		EAC Secretariat	
	2011-20113	<ul style="list-style-type: none"> • Specialized training/ attachments to digital Libraries for Library staff 	Knowledge on managing digital Libraries acquired	EAC Secretariat	50,000
	2012-2014	<ul style="list-style-type: none"> • Implement the EAC digital Information resource centre 	EAC digital information resource Centre in place and operational	EAC Secretariat	300,000
12. Establishment of e-library services	2013-2014		E-library services in place	Secretariat	1,000,000
13. Implementation of the EAC Records and archives anagement Policy	2011- 2012		EAC records Management Policy operationalized	Secretariat	200,000
14. Developing and implementing an EAC Safety and Security Policy and Strategy	2011- 2012		EAC Safety and Security Policy and Strategy in place	Secretariat	300,000
15. Strengthening of the EAC structures; processes and capacity building to enhance efficiency and effectiveness	2011- 2012	<ul style="list-style-type: none"> • To develop the EAC capacity building Strategy (this includes legal, material, Human Resources, financial, institutional framework,) and to implement it across all EAC Organs and institutions. • Updated Internal Audit, Procurement and Financial systems developed and implemented. • Staff Rules & Regulations, financial rules & regulations Reviewed 	EAC capacity building programme in place	<ul style="list-style-type: none"> • DHRA • DSG (F&A) • All Directors/ Heads of Organs and Institutions; • Council 	1,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		<ul style="list-style-type: none"> • The Capacity Building Action Plan (systems Review) reviewed. • EAC capacity building & planning workshops, seminars across EAC organs & institutions conducted. • Institutional Capacity Building and Training programmes established and implemented. 			
16. Developing and implementing of a comprehensive Human Resource Development and utilization Strategy	2013-2014	<ul style="list-style-type: none"> • EAC Human Resources Management Strategy developed 	A comprehensive EAC HR development and utilisation strategy in place	<ul style="list-style-type: none"> • DHRA • DSG (F&A) • All Directors/ Heads of Organs and Institutions; • Council 	250,000
Sub-Total					18,245,000

7.8 OTHER EAC ORGANS

7.8.1 EAST AFRICAN LEGISLATIVE ASSEMBLY

Development Objective: To strengthen and enhance the mandate of EALA.

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Legislation of regional laws.	2011-2016	<ul style="list-style-type: none"> At least 10 bills presented and enacted into law per year Implementation of at least 100% of the EALA decisions, resolutions and recommendations by 2015 	<ul style="list-style-type: none"> Number of bills presented and passed within the time frame. Number of decisions implemented. 	The Summit, National Parliaments, EALA and the EAC Secretariat.	55,000,000
2. Establishment of a harmonized framework for the EALA Members at national level.	2011-2016	<ul style="list-style-type: none"> Harmonized legislation enacted by 2012 	<ul style="list-style-type: none"> Enacted legislation by EAC and PS. 	The Summit, Council, National Parliaments, EALA and the EAC Secretariat.	450,000
3. Establishment of an effective and efficient communication and reporting mechanisms between the EALA and the National Assemblies	2011-2013	<ul style="list-style-type: none"> An online information access and sharing mechanism established by 2013 	<ul style="list-style-type: none"> Established online information access and sharing 	The Summit, Council, National Parliaments, EALA and the EAC Secretariat.	400,000
4. Establishment and strengthening the legislative, oversight and representation functions of the EALA that have clear linkages to those at national levels.	2011- 2016	<ul style="list-style-type: none"> Strengthening framework for the oversight roles to EALA by 2014 Specific articles of the Treaty with regard to Strengthening the oversight role to the EALA revised by 2014 	<ul style="list-style-type: none"> Strengthen oversight roles to the centre Revised Treaty 	The Summit, Council, National Parliaments, EALA and the EAC Secretariat.	2,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
5. Establishment of Standing Committees in Partner States' Parliaments responsible solely for the EAC affairs.	2011-2012	<ul style="list-style-type: none"> Standing Committees in Partner States' Parliaments established by 2012 	<ul style="list-style-type: none"> Standing Committees established in Partner States Parliaments. 	The Summit, Council, National Parliaments, EALA and the EAC Secretariat.	1,000,000
6. Promote and branding EAC corporate image	2011-2015	<ul style="list-style-type: none"> At least 50% increase in client awareness and satisfaction about the EAC by 2012 	<ul style="list-style-type: none"> % Increase in client awareness and satisfaction 	The Summit, Council, National Parliaments, EAC Ministries, EALA and the EAC Secretariat.	5,000,000
Sub-Total					63,850,000

7.8.2 EAST AFRICAN COURT OF JUSTICE (EACJ)

Development Objective: To enhance the design of the Court under the Treaty, its appreciation and visibility and develop its human and material capacity.

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Participate in the on-going EAC Process for extending the Court's jurisdiction and for improving the terms and conditions of service for the Judges	2010-2011	All relevant provisions of the Treaty implemented, especially Articles 27 (2) and 140 (4)	<ul style="list-style-type: none"> • Protocol extending the jurisdiction of the Court concluded • Judges' Terms and Conditions of Service approved by Summit • Article 140 (4) amended to make judges serve on full-time basis 	MEACA, EAC Secretariat, EACJ, EALA, Council and Summit	15,689,500
2. Participate in the on-going EAC process of the review and amendment of the Treaty so that apparent conflicts and contradictions affecting the Court are resolved	2010-2015	EAC Treaty amended and all conflicts and contradictions therein affecting the Court resolved.	<ul style="list-style-type: none"> • Relevant provisions of the Treaty concerning the Court are amended. 	MEACA, EAC Secretariat, EACJ, EALA, Council and Summit	2,000,000
3. Proactively influence a positive shift in mindset of EAC Policy Organs and other Stakeholders towards the role of the Court.	2010-2015	Undertake sensitization activities for all key stakeholders on the role and place of the Court	<ul style="list-style-type: none"> • Number of quality activities including retreats, seminars, meetings and workshops organize to sensitize EAC Organs and Institutions as well as the Court's Stakeholders • Percentage of respondents satisfied with Court's services • Uniform Community 	MEACA, EAC Secretariat, EACJ, EALA, Council and Summit	6,550,250

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			Jurisprudence		
4. Making the Court visible and indispensable in matters related the discharge of its mandate	2010-2015	Court profile raised within the Partner States	<ul style="list-style-type: none"> • Number of sensitization workshops organized in the Partner States • Number of Meetings and Sessions of the Court organized outside the Court's Seat • Sub-registries established 	MEACA, EAC Secretariat, EACJ, EALA, Council and Summit	7,000,000
5. Enhancing the capacity of the Court	2010-2013	<ul style="list-style-type: none"> • To have the organizational structure of the Court reviewed, its staff revamped, staff skills enhanced and appraisal system improved • To have resource mobilization autonomy 	<ul style="list-style-type: none"> • Organizational structure drafted and approved • Staff supervision is clearly streamlined • Staff appraisal form reviewed and improved • Additional staff recruited; • Number of staff trained • Number of team building retreats held • Number of training sessions organized for Judges 	MEACA, EAC Secretariat, EACJ, EALA, Council and Summit	1,889,100
Sub-Total					33,128,850

7.9 EAC INSTITUTIONS

Development Objective: To promote sustainable utilization and management of the Lake Victoria Basin resources.

7.9.1 LAKE VICTORIA BASIN COMMISSION (LVBC)

Development Objective: Promoting sustainable utilization and management of the Lake Victoria Basin resources.

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Strengthening institutional capacity of LVBC	2011-2016	Phase 1 of the LVBC headquarters is constructed	Extent to which targeted funds for the construction of phase 1 of the headquarter have been mobilized	LVBC secretariat and Partner States	32,042,094
			Degree of physical works undertaken in relation to phase 1 of the LVBC headquarters		
		A sustainable funding mechanisms for the Commission is developed	A roadmap indicating the financing modalities of the Commission with clear benchmarks and milestones		0
		Adequate human resource with relevant knowledge and skills to meet the Commission core functions	Extent of responsiveness and professionalism of the staff of the LVBC Secretariat in implementing agreed work plans		
		Operational and transparent LVBC fiduciary systems is in	Degree to which LVBC fiduciary systems are operational in an efficient, transparent and timely		

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		place	manner		
		The capacity of the National Focal Point Ministries to coordinate LVBC activities strengthened	Extent of responsiveness and pro-activeness of the National Focal Point Ministries in coordinating implementation of national activities		0
2. Promoting public awareness, information sharing and communication for sustainable development in the Lake Basin	2011-2016	An operational performance and knowledge management system in place	Degree to which performance management system is operationalised and LVBC's organisational, project and programme performance can be monitored and assessed both internally and externally	LVBC Secretariat	2,500,000
3. Establishing relationships and working mechanism with other Stakeholders in the Lake Victoria Basin	2011-2016	Modalities for partnership and collaboration between the Commission and EAC organs and institutions enhanced	Extent of inter-institutional collaboration between LVBC and other EAC organs and institutions in the implementation of the strategic intervention areas	LVBC Secretariat, EAC Organs and institutions, Key Stakeholders	3,889,820
		Participation of key actors in sustainable development and poverty alleviation in the Basin enhanced.	Extent of involvement of various stakeholder groups in basin planning and management		
		Networks with relevant regional and international organizations enhanced	Degree to which lessons learnt and experiences shared inform decision-making and planning at the Commission		

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
4. Harmonization of policies, laws and standards; and strengthening institutional development and governance	2011-2016	Cooperative frameworks for the management of shared natural resources developed and operationalized	The extent to which cooperation frameworks support the reasonable and equitable utilisation of shared natural resources	LVBC Secretariat, Partner States	24,305,957
		Water release and abstraction policy developed and operationalized	Degree to which the water release and abstraction policy is guiding reasonable and equitable utilization of the Lake Victoria waters		
		Laws, policies and regulations for management and sustainable use of natural resources reviewed, harmonized and implemented	Extent to which reviewed and harmonized laws, policies and regulations are guiding the management and sustainable use of natural resources		
		Laws and regulations governing utilisation of fisheries resources harmonized and implemented	Extent to which harmonized laws and regulations are governing the utilization of fisheries resources		
5. Promoting improved health services with emphasis on HIV&AIDS, education and training, water supply, sanitation and nutrition status	2011-2016	Laws, policies and guidelines governing delivery of public health services reviewed and harmonized	Extent to which reviewed and harmonized laws, policies and guidelines are governing the delivery of public health services	LVBC Secretariat, Partner States and Key Stakeholders	40,146,255

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		HIV&AIDS workplace programme established	Proportion of services that constitute the HIV&AIDS workplace programme provided		
		Projects and programmes addressing population growth, HIV and AIDS and gender mainstreaming developed	Extent to which LVBC projects and programmes contribute to reduction in population growth and HIV&AIDS and ensure equitable distribution of opportunities and benefits to males and females in the basin		
6. Improving maritime transport, security and safety	2011-2016	Safety and security of navigation in the lake enhanced	Degree of utilization of the new charts and maps of the lake and the installed aids to navigation	LVBC Secretariat, Partner States	28,292,186
		Communication in and around the Lake improved	The GSM coverage of the lake		
		Reinforced compliance on the LV Transport Act promoted	Extent to which activities on Lake Victoria comply to the Transport Act 2007 and its regulations		
7. Promotion of environment and natural resources management strategies	2011-206	Climate change liaison unit at the Commission established	Climate change liaison unit		19,977,236
		Public participation in management of trans-boundary ecosystems enhanced	Extent of involvement of various stakeholder groups in management of trans-boundary ecosystems		

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		Projects and programmes targeting natural resources management developed	Extent to which LVBC projects and programmes contribute to prudent management of natural resources		
		Joint cross border ecosystem management between Partner States enhanced	The extent to which cooperation frameworks support the joint management of trans-boundary ecosystems		
8. Promotion of integrated water resource management	2011-2013	Integrated water resources management plan developed and operationalized	The degree to which the WRMP is guiding the sustainable management of water resources	LVBC Secretariat, Partner States and Key Stakeholders	29,488,618
9. Sustainable development, utilization and management of the fishery resources in the Basin	2011-2016	Aquaculture as an alternative livelihood in the LVB promoted	Proportion of households practicing aquaculture as an alternative livelihood to fishing in the lake		8,496,206
		Fish stock determined and the Fisheries Management Plan implemented	The extent to which determination of the fish stock and implementation of the Fisheries Management Plan support reasonable and equitable utilisation of fishery resources		
10. Creation of an enabling environment for investments, employment creation and generation of household incomes	2011-2016	LVB promoted as the preferred investment and tourism destination	A roadmap for promoting LVB as the preferred investment and tourism destination with clear benchmarks, milestones and financing arrangements		1,080,000
		Promotion of relevant			

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
		industries such as ship building			
		To promote investment in lake transport			
		Projects and programmes targeting public private partnerships and investment promotion developed	Extent to which the developed projects and programmes contribute to improved public private partnerships and investment promotion		
Sub-total					190,218,372

7.9.2 LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

Development Objective: To promote sustainable utilization and management of the living resources of Lake Victoria for Maximum socio-economic benefits.

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Co-ordination of research programmes to acquire sound scientific information for sustainable management;	2011-2015	Frame, Catch, Gillnet, Trawl, hydro-acoustics and Fish Biology Surveys carried out	<ul style="list-style-type: none"> The Biomass of the Stocks (Stocks abundance); Annual catches; Information on Fish Health No of species identified during research 	Fisheries Depts & Research Institutions, LVFO Secretariat, Beach Management Units (BMUs) and Fish Processors	19,400,000
2. Initiation, strengthening, and co-ordination of institutional, policy, and legal framework towards building consensus to foster integrated fisheries management;	2011-2015	<ul style="list-style-type: none"> Harmonized regional policies, regulations and standards; Fisheries monitoring, control and surveillance mechanisms established 	<ul style="list-style-type: none"> Policies reviewed, laws amended and agreements renegotiated No. of fisheries laws harmonized and implemented An integrated management plan for the lake implemented 	Fisheries Departments, Fisheries Research Institutions, Fish Processing Industries, BMUs, LVFO Secretariat, Development Partners.	6,600,000
3. Development and implementation of aquaculture in East Africa;	2011-2015	<ul style="list-style-type: none"> Fully Fledged commercial Aquaculture in East Africa by 2015 	<ul style="list-style-type: none"> No. of reliable and acceptable supplies of seeds and feeds received No. of Training and manpower development done No. of producer needs met 	Fisheries Departments, Fisheries Research Institutions, Fish Processing Industries, BMUs, LVFO Secretariat,	11,000,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
				Development Partners, Fish Farmers and local authorities	
4. Fish handling, quality assurance and product development;	2011-2015	Ecolabelled Fishery by 2015	<ul style="list-style-type: none"> • Fish Laboratories Established • Improved Landing Sites • Storage Facilities Established within the Fisher Communities and Farmers • Other Sanitary facilities improved 	Fisheries Departments, Fisheries Research Institutions, Fish Processing Industries, BMUs, LVFO Secretariat, Development Partners.	22,000,000
5. Fisheries business management, marketing and trade;	2011-2015	Established Monitoring, Control and Surveillance units to ensure fair fisheries trade	<ul style="list-style-type: none"> • Increase Number of Fisheries trading partner • Reduced illegal trade in fish and Fisheries Products; • Easy access to market for fish and fisheries products 	Partners States, Fisheries Departments, Fisheries Research Institutions, Fish Processing Industries, BMUs, LVFO Secretariat, Development Partners.	7,400,000
6. Establishment of common data standards and shared databases, and also coordinated/joint data collection and analysis to foster effective and efficient information	2011-2015	<ul style="list-style-type: none"> • ICT Interconnectivity fully implemented • Shared Databases on Fisheries Data 	<ul style="list-style-type: none"> • Standard operating procedures on Database sets established • Information Disseminated; • Inventory of Fisheries Experts ; • Database links created to Fisheries Institutions and Departments; • Geo-referenced information on landing sites, Protected 	LVFO Secretariat, Fisheries Research Institutions and Departments, stakeholders, Development Partners and other EAC Institutions.	10,790,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
generation, flow and exchange;			areas, Islands and Bathometry		
7. Institutional support to LVFO for increased mandate and scope;	2011-2015	Establishment of the East African Fisheries Commission	<ul style="list-style-type: none"> Structures are put in place to handle Post harvest losses, Aquaculture, Inland /Fresh Water and Marine Fisheries of East Africa 	Partners States, Fisheries Departments, Fisheries Research Institutions, Fish Processing Industries, BMUs, LVFO Secretariat, Development Partners.	3,600,000
8. Forging of partnership and collaboration with Institutions and stakeholders, and consolidation of relationships with contractual arrangements through joint delivery of complimentary programmes	2011-2015	Improved fishing methods and Reduced fishing pressure on the Lake	<ul style="list-style-type: none"> Number of partnership and collaboration agreements implemented. Number of Beach Management Units established. 	LVFO Secretariat, Fisheries Research Institutions and Departments, stakeholders, universities, Development Partners, CBOs, NGOs and other interested groups.	8,210,000
Sub-Total					89,000,000

7.9.3 INTER-UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA)

Development Objectives:

- i) To meet national and regional development needs;
- ii) To undertake resolution of issues in every appropriate sector of activity of higher education in East Africa; and
- iii) To coordinate the development of human resource capacity in all disciplines of higher education in East Africa.

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Consolidating and operationalizing the legal, management and human resource framework in line with the IUCEA Act 2009	2011-2016	<ul style="list-style-type: none"> • Governance and reporting structure of the IUCEA Streamlined • Service and financial regulations improved • Human resource capacity enhancement systems in place 	<ul style="list-style-type: none"> • Governance and organization structures • Staff service and financial regulations. • Staff recruitment, development and Performance management system 	IUCEA	59,303,726
2. Improving IUCEA physical infrastructure including permanent Headquarter offices construction	2011-2016	<ul style="list-style-type: none"> • Overall Design and construction of Phase I of the IUCEA HQs completed • Half of the remaining phases developed • Enhanced ICT facilities 	<ul style="list-style-type: none"> • A built Phase I of the IUCEA HQs • Built facilities phase two • ICT capacity including an information repository 	IUCEA	36,498,750
3. Strengthening IUCEA visibility	2012-2016	<ul style="list-style-type: none"> • IUCEA visibility enhanced 	<ul style="list-style-type: none"> • knowledge on IUCEA among the HE stakeholders , partner states and the media • Visibility of IUCEA up-scaled in the media throughout the region 	IUCEA	1,506,034

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
4. Strengthening resources mobilization, management capacity and sustainability	2011-2013	<ul style="list-style-type: none"> Resources mobilization policy and strategy in place Sources and levels of funding for IUCEA activities enhanced Cost cutting measures and guidelines in place 	<ul style="list-style-type: none"> Document on Resources Mobilization Policy and strategy Income and expenditure information through Audited financial reports Number of funded proposals Effectiveness and efficiency of activities as per the Monitoring and Evaluation reports Audited financial reports 	IUCEA ,	849,632
5. Strengthening Planning and monitoring & evaluation capacity	2011-2013	<ul style="list-style-type: none"> M & E system Mainstreamed in activities of the IUCEA secretariat IUCEA M&E system aligned with that of the EAC secretariat 	<ul style="list-style-type: none"> Aligned institutional (IUCEA secretariat) and unit M&E system and plans Aligned EAC secretariat and IUCEA M&E system and plans <ul style="list-style-type: none"> A consultant recruited to develop an M&E framework Increased accountability and evidence decision making 	IUCEA	1,364,831

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
6. Developing leadership and management capacity of member universities and promotion of systems for the university of the future	2013-2014	<ul style="list-style-type: none"> Promote QA aspects of administration in universities Facilitate research and dialogue on transformation and/or development of future universities' set-ups 	<ul style="list-style-type: none"> Implementation programme for the administration related QA module Conceptual framework or Strategy document for piloting or developing a model future university set-up 	IUCEA	5,412,091
7. Enhancing support systems in research, teaching and services to universities and establishment of education research depository for East Africa	2011-2012	<ul style="list-style-type: none"> Teaching and services supported Research support to universities enhanced & diversified Education research depository established 	<ul style="list-style-type: none"> Curriculum development and improvement undertaken Programmes and projects for intervention developed Research support to universities carried out 	IUCEA	56,000,000
8. Promoting inter-university cooperation	2011-2015	Inter-university cooperation programmes regionally through the 13 IUCEA Thematic Clusters and internationally facilitated	<ul style="list-style-type: none"> Education research in the region funded and coordinates Thematic Cluster led meetings proceedings and journals Number of inter-university cooperation programmes implemented. 	IUCEA	1,631,515

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
9. Promoting application of ICT and networking of member universities, distance education in the region's higher education systems, and promoting lifelong learning	2012-2013	<ul style="list-style-type: none"> • ICT in open and distance education by intervening in HR capacity, information promoted • Resources sharing and support to bandwidth acquisition • Regional e-learning platform established • A virtual library for universities in East Africa established 	<ul style="list-style-type: none"> • Growth in programmes and enrolment under e-learning • Number of users of e-resources • Improved efficiency in the education delivery systems • Resource centers 	IUCEA	25,000,000
10. Regional higher education quality assurance and accreditation system and an East African qualifications framework established	2011-2015	<ul style="list-style-type: none"> • QA and accreditation framework established • An East African Qualifications Framework developed 	<ul style="list-style-type: none"> • IUCEA led Quality control and assurance framework institutionalized within the universities • Regional Qualification framework 	IUCEA	15,229,668
11. Promoting internationalization of higher education, research and promotion of East Africa integration	2011-2016	<ul style="list-style-type: none"> • Promote students and scholars to access international learning, teaching and research experience for promoting global competitiveness of the region 	<ul style="list-style-type: none"> • Number of research projects implemented to support the EAC students & scholars to interact internationally on research and teaching matters • Guidelines developed for integration of East 	IUCEA	20,571,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
			African integration matters into university curricular developed		
12. Promoting gender balance and mainstreaming	2011-2016	Gender mainstreaming policies and implementation strategies are regionally harmonized	Number of universities with gender mainstreaming policies and programmes	IUCEA	215,391
Sub-Total					223,582,638

7.9.4 Civil Aviation Safety and Security Oversight Agency (CASSOA)

Development Objective: To maximize benefits of a safe, secure and efficient air transport system in the region

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
1. Rationalizing the mandate of CASSOA in line with the dynamics in the aviation industry and the enhanced economic integration in the region.	2010-2011	CASSOA mandate rationalised	<ul style="list-style-type: none"> Civil aviation international standards implemented at all levels. 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	1,300,000
2. Building an effective and sustainable civil aviation oversight system in the region	2010-2014	An effective and sustainable civil aviation oversight system established	<ul style="list-style-type: none"> International compliance to international civil aviation at all levels 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	25,000,000
3. Minimizing aircraft incident and accident rates in the region.	2010-2014	establish targets and ensure accident and incidents are below global average	<ul style="list-style-type: none"> Percentage reduction in aircraft incidence and accident rates. 	Ministries responsible for Civil Aviation, CASSOA, Civil Aviation bodies and EAC Secretariat	2,500,000

Strategic Interventions	Time Frame	Targets	Performance Indicators	Responsibility	Budget estimate (USD)
4. Development of civil aviation regulations meeting international safety and security standards.	2013-2014	common regulations developed in compliance with international safety and security standards and regional policies	<ul style="list-style-type: none"> • Civil aviation regulations, policies, and benchmarked to ICAO standards • Compliance with ICAO Standards • • Regulatory practices benchmarked to ICAO standards and world best practices 	Ministries responsible for civil aviation, CASSOA, Civil aviation bodies and EAC Secretariat	2,500,000
Sub-Total					31,300,000

Annex 2: Top Commodities in Export Value Shares, 2004-2008 average

Burundi to	Kenya	Rwanda	Tanzania	Uganda
Gold nonmonetary	100.00	0	0	0
Tea and mate	81.62	0.12	18.25	0.02
Sugar/molasses/honey	0.00	97.08	2.49	0.42
Coffee and coffee substitutes	10.19	8.37	57.52	23.92
Hides/skins (except fur) raw	98.16	0.72	0.00	1.12
Kenya to	Burundi	Rwanda	Tanzania	Uganda
Petroleum products	5.66	12.43	16.68	65.23
Articles of apparel not elsewhere specified	1.77	5.12	38.31	54.79
Lime/cement/construction materials	0.18	1.39	5.93	92.50
Rolled plated manufactured steel	15.08	2.83	28.25	53.83
Soaps/cleansers/polishes	0.74	5.62	40.92	52.72
Rwanda to	Burundi	Kenya	Tanzania	Uganda
Tea and mate	0.00	94.11	0.00	5.89
Coffee and coffee substitutes	0.00	66.47	21.26	12.27
Ores and concentrates of base metal not elsewhere specified	0.11	39.00	10.72	50.16
Hides/skins (except fur) raw	0.62	86.62	0.47	12.28
Petroleum products	9.55	77.80	0.00	12.65
Tanzania to	Burundi	Kenya	Rwanda	Uganda
Fish (live/fresh or chilled/frozen)	0.50	97.81	0.07	1.63
Tea and mate	0.02	99.96	0.00	0.02
Cotton	2.28	93.93	2.27	1.52
Elements/oxides/halogen salt	70.50	0.00	12.79	16.72
Maize except sweet corn	35.01	55.96	6.51	2.52
Made-up textile articles	3.22	86.09	3.18	7.51
Uganda to	Burundi	Kenya	Rwanda	Tanzania
Tea and mate	0.00	99.98	0.02	0.00
Electric current	0.00	78.08	1.15	20.77
Maize except sweet corn	21.08	59.51	4.71	14.71
Tobacco, raw and wastes	0.92	79.43	7.75	11.90
Rolled plated manufactured steel	33.23	0.06	56.52	10.19
Vegetables (fresh or chilled/frozen)	17.55	65.90	10.44	6.10

Source: COMTRADE database.

Annex 3: Political Risk in East Africa, 2006-2010

Components	Country	2006	2007	2008	2009	2010
Government stability	Uganda	10	10	10	10	10
	Tanzania	10	10	11	11	10
	Kenya	6	6	7	6	7
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Socioeconomic conditions	Uganda	4	4	4	4	4
	Tanzania	3	3	3	3	3
	Kenya	2	2	2	2	2
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Investment profile	Uganda	9	9	9	9	8
	Tanzania	7	7	7	7	8
	Kenya	10	10	10	10	10
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Internal conflict	Uganda	7	7	6	7	7
	Tanzania	9	9	9	9	9
	Kenya	8	8	8	8	8
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
External conflict	Uganda	8	8	8	8	8
	Tanzania	10	10	10	10	10
	Kenya	10	9	9	9	9
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Corruption	Uganda	2	2	2	2	2
	Tanzania	2	3	3	3	3
	Kenya	1	1	1	1	2
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....

	Uganda	2	2	2	2	2
	Tanzania	4	4	4	4	4
	Kenya	4	4	4	4	4
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Military in Politics						
	Uganda	3	3	3	3	3
	Tanzania	3	3	3	3	3
	Kenya	4	4	4	4	4
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Religion and politics						
	Uganda	4	4	4	4	4
	Tanzania	5	5	5	5	5
	Kenya	3	2	2	2	2
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Law and Order						
	Uganda	3	3	3	3	3
	Tanzania	4	4	4	4	4
	Kenya	3	3	3	3	3
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Ethnic Tensions						
	Uganda	3	3	3	3	3
	Tanzania	4	4	4	4	4
	Kenya	6	6	5	5	5
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Democratic accountability						
	Uganda	2	2	2	2	2
	Tanzania	1	1	1	1	1
	Kenya	2	2	2	2	2
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
Bureaucracy Quality						
	Uganda	56	56	55	56	55
	Tanzania	62	63	63	64	64
	Kenya	58	57	56	56	58
	Rwanda	.....	.....	....	....	.....
	Burundi	.....	.....	....	....	.....
POLITICAL RISK						

Source: International Country Risk Guide (ICRG) 2010.

Annex 4: Millennium Development Goals (MDGS) for Social Sector Development, 2006-2010

MDG S	Indicator	Partner State	2006	2007	2008	2009	2010
MDG 1: Eradicate Extreme Poverty and Hunger.	Employment to population ratio, ages 15-24, total (%)	Uganda	75	76	75	-	-
		Tanzania	69	70	70	70	-
		Kenya	59	59	59	-	-
		Rwanda	66	65	64	-	-
		Burundi	74	74	73	-	-
MDG 2: Achieve Universal Primary Education.	Enrolment, primary education in (% gross)	Uganda	118	117	120	-	120.2
		Tanzania	108	110	110	110.2	110.2
		Kenya	105	112	112	-	111.5
		Rwanda	147	153	151	-	150.9
		Burundi	112	126	136	-	135.6
MDG 4: Reduce Child	Immunization, measles (% of children ages 12-23)	Uganda	68	68	68	-	-
		Tanzania	93	90	88	91	-
		Kenya	77	80	90	-	-

MDG S	Indicator	Partner State	2006	2007	2008	2009	2010
Mortality Rate	months).	Rwanda	95	99	92	-	-
		Burundi	92	99	84	-	-
	Mortality rate, under 5 (per 1000)	Uganda	136	133	130	128	-
		Tanzania	119	116	111	108	-
		Kenya	91	88	86	84	-
		Rwanda	131	124	117	111	-
		Burundi	170	169	168	166	-
MDG 5: Improve Maternal Health	Maternal Mortality Rate (per 100,000 live births)	Burundi	608	-	-	-	-
		Kenya	414	414	414	410	-
		Uganda	435	435	435	435	-
		Tanzania	580	578	578	577	454
		Rwanda	750	750	750	750	-
	Total Fertility Rate (Births per woman)	Uganda	6.5	6.7	6.7	-	5.9
		Tanzania	5.6	5.5	5.5	5.58	5.3
		Kenya	4.7	4.7	4.6	-	4.5
		Rwanda	6.0	5.5	5.5	-	5.1
		Burundi	6.3	6.3	6.3	-	4

MDG S	Indicator	Partner State	2006	2007	2008	2009	2010
MDG 8: Develop a Global Partnership for Development.	Total Debt Service (% of exports of goods,	Uganda	5	2	2	-	-
		Tanzania	3	2	1	1.21	-
		Kenya	6	6	4	-	-
		Rwanda	10	4	4	-	-
		Burundi	40	40	28	-	-
	Internet users (per 100 people)	Uganda	3	4	8	-	-
		Tanzania	1	1	1	1.22	-
		Kenya	8	8	9	-	-
		Rwanda	1	2	3	-	-
		Burundi	1	1	1	-	-
	Mobile cellular subscriptions (per 100 people)	Uganda	5	7	14	27	-
		Tanzania	9	14	20	31	-
		Kenya	13	20	30	42	-
		Rwanda	2	3	7	14	-
		Burundi	2	3	3	6	-

Source: EAC Facts and Figures, Human Development Reports and World Development Indicators 2010